

October 22, 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:** Outcome of the Board Meeting held on October 22, 2019

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

Pursuant to Regulation 30 read with Schedule III and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors of the Company at its Meeting held today *i.e.* October 22, 2019, *inter-alia*, approved the following:

1. Audited financial results of the Company for the quarter and half year ended September 30, 2019; and
2. Payment of interim dividend of ₹ 4.25 (Rupees Four and Twenty Five Paise only) per equity share of face value of ₹ 5/- each to the shareholders of the Company whose names shall appear in the Company's Register of Members as at the close of business hours on the record date *i.e.* November 1, 2019 as well as to those beneficial holders as registered in the records of Depositories as at the close of business hours on the record date.

Accordingly, we enclose herewith the following:

1. Audited (Standalone and Consolidated) financial results of the Company for the quarter and half year ended September 30, 2019;
2. Auditors' Reports on the audited (Standalone and Consolidated) financial results; and
3. A copy of the press release.

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



Please note that the interim dividend will be paid to the Shareholders on or before November 20, 2019.

The Board Meeting commenced at 12:45 p.m and concluded at 4:00 p.m.

Request you to please take the above information on records.

Thanking you,

Yours faithfully,  
**For ICICI Securities Limited**



**Raju Nanwani**  
**Senior Vice President &**  
**Company Secretary**

Encl.: As above

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
<b>Revenue from operations</b>						
(i) Interest income	534.0	500.8	461.8	1,034.8	903.5	1,791.4
(ii) Dividend income	0.4	-	1.5	0.4	2.6	4.9
(iii) Fees and commission income						
- Brokerage income	2,158.1	2,198.9	2,472.9	4,357.0	4,771.1	9,325.2
- Income from services	1,451.7	1,160.9	1,598.5	2,612.6	3,136.9	5,732.8
(iv) Net gain on fair value changes	19.7	-	34.5	19.7	89.1	166.0
(v) Others	5.2	4.0	3.9	9.2	7.1	21.7
<b>(I) Total revenue from operations</b>	<b>4,169.1</b>	<b>3,864.6</b>	<b>4,573.1</b>	<b>8,033.7</b>	<b>8,910.3</b>	<b>17,042.0</b>
(II) Other income	8.1	155.9	5.0	164.0	5.0	216.0
<b>(III) Total income (I+II)</b>	<b>4,177.2</b>	<b>4,020.5</b>	<b>4,578.1</b>	<b>8,197.7</b>	<b>8,915.3</b>	<b>17,258.0</b>
<b>Expenses</b>						
(i) Finance costs	177.6	177.3	107.0	354.9	236.8	419.7
(ii) Fees and commission expense	162.3	133.2	178.2	295.5	311.5	572.8
(iii) Net loss on fair value changes	(1.8)	1.8	-	-	-	-
(iv) Impairment on financial instruments	(17.3)	32.1	(0.7)	14.8	(25.4)	26.9
(v) Operating expense	151.0	132.5	217.7	283.5	416.1	849.6
(vi) Employee benefits expenses	1,305.3	1,248.6	1,394.4	2,553.9	2,731.3	5,413.0
(vii) Depreciation, amortization and impairment	146.7	156.3	36.4	303.0	72.2	149.3
(viii) Other expenses	424.5	389.6	584.4	814.1	1,102.2	2,275.7
<b>(IV) Total expenses (IV)</b>	<b>2,348.3</b>	<b>2,271.4</b>	<b>2,517.4</b>	<b>4,619.7</b>	<b>4,844.7</b>	<b>9,707.0</b>
(V) Profit/(loss) before tax (III - IV)	1,828.9	1,749.1	2,060.7	3,578.0	4,070.6	7,551.0
(VI) Tax expense:						
(1) Current tax	396.6	545.9	791.1	942.5	1,393.3	2,721.5
(2) Deferred tax	93.3	76.0	(56.4)	169.3	45.0	(39.7)
	<b>489.9</b>	<b>621.9</b>	<b>734.7</b>	<b>1,111.8</b>	<b>1,438.3</b>	<b>2,681.8</b>
<b>(VII) Profit/(loss) for the period/ year (V-VI)</b>	<b>1,339.0</b>	<b>1,127.2</b>	<b>1,326.0</b>	<b>2,466.2</b>	<b>2,632.3</b>	<b>4,869.2</b>
<b>(VIII) Other comprehensive income</b>						
A (i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	0.1	(54.0)	0.3	(53.9)	(25.1)	(40.2)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(16.7)	18.9	(0.1)	2.2	9.0	14.3
<b>Subtotal (A)</b>	<b>(16.6)</b>	<b>(35.1)</b>	<b>0.2</b>	<b>(51.7)</b>	<b>(16.1)</b>	<b>(25.9)</b>
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	-	-	-	-	-	-
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (A + B)</b>	<b>(16.6)</b>	<b>(35.1)</b>	<b>0.2</b>	<b>(51.7)</b>	<b>(16.1)</b>	<b>(25.9)</b>
<b>(IX) Total comprehensive income for the period/ year (VII+VIII) (comprising profit/(loss) and other comprehensive income for the period/ year)</b>	<b>1,322.4</b>	<b>1,092.1</b>	<b>1,326.2</b>	<b>2,414.5</b>	<b>2,616.2</b>	<b>4,843.3</b>
<b>(X) Earnings per equity share: (Face value ₹ 5/- per share)*</b>						
Basic (in ₹)	4.16	3.50	4.12	7.66	8.17	15.12
Diluted (in ₹)	4.15	3.50	4.12	7.65	8.17	15.11

\* EPS is not annualised for interim periods



**ICICI SECURITIES LIMITED**  
**STANDALONE BALANCE SHEET**

(₹ million)

	As at September 30, 2019	As at March 31, 2019
<b>ASSETS</b>		
<b>1 Financial Assets</b>		
(a) Cash and cash equivalents	2,426.3	18,632.5
(b) Bank balance other than (a) above	12,600.0	12,575.4
(c) Derivative financial instruments	1.7	-
(d) Securities for trade	5,640.6	2,563.1
(e) Receivables		
(I) Trade receivables	2,456.6	4,766.7
(II) Other receivables	-	-
(f) Loans	6,797.2	4,032.7
(g) Investments	150.0	151.2
(h) Other financial assets	778.6	810.4
	<b>30,851.0</b>	<b>43,532.0</b>
<b>2 Non-financial Assets</b>		
(a) Current tax assets (net)	1,675.6	1,307.6
(b) Deferred tax assets (net)	553.0	720.1
(c) Property, plant and equipment	300.7	294.5
(d) Right-of-use-assets	1,659.9	-
(e) Capital work-in-progress	30.9	12.4
(f) Intangible assets under development	43.3	27.4
(g) Other intangible assets	142.2	141.0
(h) Other non-financial assets	557.4	427.6
	<b>4,963.0</b>	<b>2,930.6</b>
<b>Total Assets</b>	<b>35,814.0</b>	<b>46,462.6</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1 Financial liabilities</b>		
(a) Derivative financial instruments	-	17.0
(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	5,666.4	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	-	-
(c) Debt securities	10,143.3	4,473.0
(d) Borrowings (Other than debt securities)	-	-
(e) Deposits	44.2	45.3
(f) Lease liabilities	1,652.4	-
(g) Other financial liabilities	2,384.5	2,284.9
	<b>19,890.8</b>	<b>30,211.4</b>
<b>2 Non-financial Liabilities</b>		
(a) Current tax liabilities (net)	-	41.5
(b) Provisions	739.9	663.6
(c) Other non-financial liabilities	4,577.0	5,202.0
	<b>5,316.9</b>	<b>5,907.1</b>
<b>3 EQUITY</b>		
(a) Equity share capital	1,610.7	1,610.7
(b) Other equity	8,995.6	8,733.4
	<b>10,606.3</b>	<b>10,344.1</b>
<b>Total Liabilities and Equity</b>	<b>35,814.0</b>	<b>46,462.6</b>



**ICICI SECURITIES LIMITED**
**STANDALONE CASH FLOW STATEMENT**

(₹ million)

	For the six months ended September 30, 2019	For the year ended March 31, 2019
<b>A Cash flow (used in) / generated from operating activities</b>		
Profit before tax	3,578.0	7,551.0
Add/(less): Adjustments		
- (Profit) / loss on sale of property, plant and equipment (net)	-	4.6
- Depreciation and amortisation	303.0	149.3
- (Reversal of) /impairment loss on financial assets measured at FVTPL	0.7	1.2
- Net (gain)/loss arising on financial assets measured at FVTPL	0.5	9.5
- Interest expense	351.7	412.6
- Dividend income on equity securities	(0.3)	(0.4)
- Share based payments to employees	61.6	64.8
- Bad and doubtful debts	14.9	49.3
Operating profit before working capital changes	4,310.1	8,241.9
<b>Adjustments for changes in working capital:</b>		
- (Increase) / decrease in other bank balances	(24.6)	1,113.6
- Increase / (decrease) in derivative financial instruments	(1.7)	-
- (Increase) / decrease in securities for trade	(3,077.4)	(2,183.9)
- (Increase) / decrease in receivables	2,295.2	(1,717.8)
- (Increase) / decrease in loans	(2,764.5)	1,749.7
- (Increase) / decrease other financial assets	31.7	397.6
- (Increase) / decrease other non- financial assets	(196.0)	182.8
- Increase / (decrease) in derivative financial instruments	(17.0)	15.4
- Increase / (decrease) in trade payables	(17,724.8)	17,192.5
- Increase / (decrease) in deposits	(1.1)	(1.4)
- Increase / (decrease) in other financial liabilities	99.7	656.8
- Increase / (decrease) in other Lease Liabilities	-	-
- Increase / (decrease) in provisions	22.4	88.6
- Increase / (decrease) in other non-financial liabilities	(625.1)	76.1
Cash generated from operations	(21,983.2)	17,570.0
Income tax paid (net)	(1,352.0)	(2,924.0)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(19,025.1)</b>	<b>22,887.9</b>
<b>B Cash flow (used in) / generated from investing activities</b>		
- Dividend income received	0.3	0.4
- Purchase of property, plant and equipment	(126.7)	(226.1)
- Proceeds from sale of property, plant and equipment	4.7	18.0
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(121.7)</b>	<b>(207.7)</b>
<b>C Cash flow generated from / (used in) financing activities</b>		
- Repayment of commercial paper borrowings (net)	5,662.8	(2,263.5)
- Interest paid on borrowings	(270.5)	(400.2)
- Dividend and dividend tax paid	(2,213.7)	(2,951.1)
- Interest paid on lease liabilities	(73.7)	-
- Repayment of lease liabilities	(164.3)	-
<b>Net cash (used in) / generated in financing activities (C)</b>	<b>2,940.6</b>	<b>(5,614.8)</b>
Net Decrease in cash and cash equivalents (A+B+C)	(16,206.2)	17,065.4
Cash and cash equivalents at the beginning of the period	18,632.5	1,567.1
<b>Cash and cash equivalents at the end of the period*</b>	<b>2,426.3</b>	<b>18,632.5</b>



**ICICI SECURITIES LIMITED****STANDALONE CASH FLOW STATEMENT****(₹ million)**

	<b>For the six months ended September 30, 2019</b>	<i>For the year ended March 31, 2019</i>
<b>Components of cash and cash equivalents</b>		
Cash and Cash Equivalents comprises of :		
(a) Cash on hand	-	0.0
(b) Balances with Banks (of the nature of cash and cash equivalents)		
In current accounts with banks		
- In India with scheduled banks	<b>2,402.0</b>	18,251.3
- Outside India	<b>6.8</b>	30.8
(c) Cheques, drafts on hand	-	0.3
(d) Others		
- Fixed Deposit with original maturity of three months or less	<b>17.5</b>	350.0
- Interest accrued on Fixed Deposits	<b>0.0</b>	0.1
<b>Total cash and cash equivalents</b>	<b>2,426.3</b>	<b>18,632.5</b>

₹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.



Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
<b>Revenue from operations</b>						
(i) Interest income	535.1	501.4	461.8	1,036.5	903.5	1,792.0
(ii) Dividend income	0.4	-	1.5	0.4	2.6	4.9
(iii) Fees and commission income						
- Brokerage income	2,158.1	2,198.9	2,472.9	4,357.0	4,771.1	9,328.3
- Income from services	1,451.7	1,160.9	1,598.5	2,612.6	3,136.9	5,732.8
(iv) Net gain on fair value changes	19.7	-	34.5	19.7	89.1	166.0
(v) Others	5.2	4.0	3.9	9.2	7.1	21.7
<b>(I) Total revenue from operations</b>	<b>4,170.2</b>	<b>3,865.2</b>	<b>4,573.1</b>	<b>8,035.4</b>	<b>8,910.3</b>	<b>17,045.7</b>
(II) Other income	12.0	155.9	7.9	167.9	29.3	224.5
<b>(III) Total Income (I+II)</b>	<b>4,182.2</b>	<b>4,021.1</b>	<b>4,581.0</b>	<b>8,203.3</b>	<b>8,939.6</b>	<b>17,270.2</b>
<b>Expenses</b>						
(i) Finance costs	178.7	178.2	107.9	356.9	238.6	423.4
(ii) Fees and commission expense	111.9	78.1	123.3	190.0	(25.4)	375.0
(iii) Net loss on fair value changes	(1.8)	1.8	-	-	200.8	-
(iv) Impairment on financial instruments	(17.3)	32.1	(0.8)	14.8	(25.4)	26.9
(v) Operating expense	151.3	133.2	218.0	284.5	416.9	850.9
(vi) Employee benefits expenses	1,338.8	1,273.8	1,434.8	2,612.6	2,801.4	5,544.9
(vii) Depreciation, amortization and impairment	146.8	156.3	36.4	303.1	72.3	149.5
(viii) Others expenses	432.8	407.6	584.2	840.4	1,132.2	2,327.3
<b>(IV) Total expenses (IV)</b>	<b>2,341.2</b>	<b>2,261.1</b>	<b>2,503.8</b>	<b>4,602.3</b>	<b>4,836.8</b>	<b>9,697.9</b>
(V) Profit/(loss) before tax (III - IV)	1,841.0	1,760.0	2,077.2	3,601.0	4,102.8	7,572.3
(VI) Tax expense:						
(1) Current tax	396.5	546.3	807.6	942.8	1,393.8	2,722.2
(2) Deferred tax	93.3	76.0	(72.6)	169.3	28.6	(57.2)
	<b>489.8</b>	<b>622.3</b>	<b>735.0</b>	<b>1,112.1</b>	<b>1,422.4</b>	<b>2,665.0</b>
<b>(VII) Profit/(loss) for the period/ year (V-VI)</b>	<b>1,351.2</b>	<b>1,137.7</b>	<b>1,342.2</b>	<b>2,488.9</b>	<b>2,680.4</b>	<b>4,907.3</b>
<b>(VIII) Other comprehensive income</b>						
A (i) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	0.1	(54.0)	0.3	(53.9)	(25.1)	(40.2)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(16.7)	18.9	(0.1)	2.2	9.0	14.3
<b>Subtotal (A)</b>	<b>(16.6)</b>	<b>(35.1)</b>	<b>0.2</b>	<b>(51.7)</b>	<b>(16.1)</b>	<b>(25.9)</b>
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	-	-	-	-	-	-
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (A + B)</b>	<b>(16.6)</b>	<b>(35.1)</b>	<b>0.2</b>	<b>(51.7)</b>	<b>(16.1)</b>	<b>(25.9)</b>
<b>(IX) Total comprehensive income for the period/ year (VII+VIII) (comprising profit/(loss) and other comprehensive income for the period/ year)</b>	<b>1,334.6</b>	<b>1,102.6</b>	<b>1,342.4</b>	<b>2,437.2</b>	<b>2,664.3</b>	<b>4,881.4</b>
<b>(X) Earnings per equity share:(Face value ₹ 5/- per share)*</b>						
Basic (in ₹)	4.19	3.53	4.17	7.73	8.32	15.23
Diluted (in ₹)	4.19	3.53	4.17	7.72	8.32	15.23

\* EPS is not annualised for interim periods



**ICICI SECURITIES LIMITED**  
**CONSOLIDATED BALANCE SHEET**

(₹ million)

	As at September 30, 2019	As at March 31, 2019
<b>ASSETS</b>		
<b>1 Financial assets</b>		
(a) Cash and cash equivalents	2,577.8	18,841.1
(b) Bank balance other than (a) above	12,744.1	12,645.2
(c) Derivative financial instruments	1.7	-
(d) Securities for trade	5,640.6	2,563.1
(e) Receivables		
(I) Trade receivables	2,456.6	4,769.8
(II) Other receivables	-	-
(f) Loans	6,797.2	4,032.7
(g) Investments	27.3	28.5
(h) Other financial assets	784.6	816.4
	<b>31,029.9</b>	<b>43,696.8</b>
<b>2 Non-financial assets</b>		
(a) Current tax assets (net)	1,674.6	1,306.5
(b) Deferred tax assets (net)	570.8	737.5
(c) Property, plant and equipment	301.0	294.8
(d) Right-of-use assets	1,662.0	-
(e) Capital work-in-progress	30.9	12.4
(f) Intangible assets under development	43.3	27.4
(g) Other intangible assets	142.2	141.0
(h) Other non-financial assets	561.4	429.5
	<b>4,986.2</b>	<b>2,949.1</b>
<b>Total Assets</b>	<b>36,016.1</b>	<b>46,645.9</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1 Financial liabilities</b>		
(a) Derivative financial instruments	-	17.0
(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	5,649.7	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	-	-
(c) Debt securities	10,143.3	4,473.0
(d) Borrowings (Other than debt securities)	-	-
(e) Deposits	44.2	45.3
(f) Lease liabilities	1,654.3	-
(g) Other financial liabilities	2,400.8	2,284.9
	<b>19,892.3</b>	<b>30,182.2</b>
<b>2 Non-financial liabilities</b>		
(a) Current tax liabilities (net)	-	41.5
(b) Provisions	739.9	663.6
(c) Other non-financial liabilities	4,626.3	5,285.9
	<b>5,366.2</b>	<b>5,991.0</b>
<b>3 EQUITY</b>		
(a) Equity share capital	1,610.7	1,610.7
(b) Other equity	9,146.9	8,862.0
	<b>10,757.6</b>	<b>10,472.7</b>
<b>Total Liabilities and Equity</b>	<b>36,016.1</b>	<b>46,645.9</b>



**ICICI SECURITIES LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT**

(₹ million)

	For the six months ended September 30, 2019	For the year ended March 31, 2019
<b>A Cash flow (used in) / generated from operating activities</b>		
Profit before tax	3,601.0	7,572.3
Add/(less): Adjustments		
- (Profit) / loss on sale of property, plant and equipment (net)	-	4.6
- Depreciation and amortisation	303.1	149.5
- (Reversal of) /impairment loss on financial assets measured at FVTPL	0.7	1.2
- Net (gain)/loss arising on financial assets measured at FVTPL	0.5	9.5
- Interest expense	351.7	412.6
- Dividend income on equity securities	(0.3)	(0.4)
- Share based payments to employees	61.6	64.8
- Bad and doubtful debts	14.8	49.3
Operating profit before working capital changes	4,333.1	8,263.4
<b>Adjustments for changes in working capital:</b>		
- (Increase) / decrease in bank balance	(98.8)	1,043.8
- Increase / (decrease) in derivative financial instruments	(1.7)	-
- (Increase) / decrease in securities for trade	(3,077.4)	(2,183.4)
- (Increase) / decrease in receivables	2,298.4	(1,718.0)
- (Increase) / decrease in loans	(2,764.5)	1,749.7
- (Increase) / decrease other financial assets	31.8	397.3
- (Increase) / decrease other non- financial assets	(198.1)	184.3
- Increase / (decrease) in derivative financial instruments	(17.0)	15.4
- Increase / (decrease) in trade payables	(17,712.4)	17,245.2
- Increase / (decrease) in deposits	(1.1)	(1.7)
- Increase / (decrease) in other financial liabilities	115.9	656.8
- (Increase) / decrease in provisions	22.4	88.7
- (Increase) / decrease in other non-financial liabilities	(659.7)	76.6
Cash generated from operations	(22,062.2)	17,554.7
Income tax paid (net)	(17,729.1)	25,818.1
	(1,352.4)	(2,925.2)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(19,081.5)</b>	<b>22,892.9</b>
<b>B Cash flow (used in) / generated from investing activities</b>		
- Dividend income received	0.3	0.4
- Purchase of property, plant and equipment	(127.4)	(226.1)
- Proceeds from sale of property, plant and equipment	4.7	18.0
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(122.4)</b>	<b>(207.7)</b>
<b>C Cash flow generated from / (used in) financing activities</b>		
- Repayment of commercial paper borrowings (net)	5,662.8	(2,263.5)
- Interest paid on borrowings	(270.5)	(400.2)
- Dividend and dividend tax paid	(2,213.7)	(2,951.1)
- Interest paid on lease liabilities	(73.7)	-
- Repayment of lease liabilities	(164.3)	-
<b>Net cash (used in) / generated in financing activities (C)</b>	<b>2,940.6</b>	<b>(5,614.8)</b>
Net Decrease in cash and cash equivalents (A+B+C)	(16,263.3)	17,070.4
Cash and cash equivalents at the beginning of the period	18,841.1	1,770.7
<b>Cash and cash equivalents at the end of the period*</b>	<b>2,577.8</b>	<b>18,841.1</b>



**ICICI SECURITIES LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

(₹ million)

	<b>For the six months ended September 30, 2019</b>	<i>For the year ended March 31, 2019</i>
<b>Components of cash and cash equivalents</b>		
Cash and Cash Equivalents comprises of :		
(a) Cash on hand	-	0.0
(b) Balances with Banks (of the nature of cash and cash equivalents)		
In current accounts with banks		
- In India with scheduled banks	<b>2,402.0</b>	18,251.3
- Outside India	<b>158.3</b>	239.4
(c) Cheques, drafts on hand	-	0.3
(d) Others		
- Fixed Deposit with original maturity of three months or less	<b>17.5</b>	350.0
- Interest accrued on Fixed Deposits	<b>0.0</b>	0.1
<b>Total cash and cash equivalents</b>	<b>2,577.8</b>	<b>18,841.1</b>

₹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.



Consolidated Segment Information for the quarter and six months ended September 30, 2019

(₹ million)

Sr. No.	Particulars	Quarter Ended			Six months Ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
1	<b>Segment Revenue:</b>						
(a)	Investment & trading	48.8	69.1	56.9	117.9	126.2	265.1
(b)	Broking & commission	3,810.9	3,637.9	4,241.6	7,448.8	8,208.0	15,807.4
(c)	Advisory services	322.5	166.6	282.5	489.1	605.4	990.6
(d)	Unallocated	-	147.5	-	147.5	-	207.1
	Total [ Items (a) to (d) ]	4,182.2	4,021.1	4,581.0	8,203.3	8,939.6	17,270.2
	Less: Inter Segment Revenue	-	-	-	-	-	-
	<b>Income From Operations</b>	<b>4,182.2</b>	<b>4,021.1</b>	<b>4,581.0</b>	<b>8,203.3</b>	<b>8,939.6</b>	<b>17,270.2</b>
2	<b>Segment Results (Profit)(+/-) Loss (-) before tax:</b>						
(a)	Investment & trading	(5.7)	(50.7)	29.0	(56.4)	84.4	136.7
(b)	Broking & commission	1,671.7	1,647.4	1,904.1	3,319.1	3,703.9	6,976.0
(c)	Advisory services	175.0	15.8	144.1	190.8	314.5	252.5
(d)	Unallocated	-	147.5	-	147.5	-	207.1
	Total [ Items (a) to (d) ]	1,841.0	1,760.0	2,077.2	3,601.0	4,102.8	7,572.3
	Add: Unallocated Revenue	-	-	-	-	-	-
	Less: Unallocated Expenses	-	-	-	-	-	-
	<b>Net Profit before tax</b>	<b>1,841.0</b>	<b>1,760.0</b>	<b>2,077.2</b>	<b>3,601.0</b>	<b>4,102.8</b>	<b>7,572.3</b>
3	<b>Segment Assets</b>						
(a)	Investment & trading	7,063.1	4,289.5	1,453.4	7,063.1	1,453.4	3,665.4
(b)	Broking & commission	26,443.8	25,136.4	24,730.7	26,443.8	24,730.7	40,703.1
(c)	Advisory services	263.8	146.7	333.8	263.8	333.8	233.4
(d)	Unallocated assets	2,245.4	2,136.4	1,714.4	2,245.4	1,714.4	2,044.0
	<b>Total Assets</b>	<b>36,016.1</b>	<b>31,709.0</b>	<b>28,232.3</b>	<b>36,016.1</b>	<b>28,232.3</b>	<b>46,645.9</b>
4	<b>Segment Liabilities</b>						
(a)	Investment & trading	6,237.6	4,007.3	473.5	6,237.6	473.5	2,541.8
(b)	Broking & commission	18,667.5	15,569.2	17,551.5	18,667.5	17,551.5	32,996.9
(c)	Advisory services	353.4	397.6	495.5	353.4	495.5	593.0
(d)	Unallocated	-	132.1	53.1	-	53.1	41.5
	<b>Total Liabilities</b>	<b>25,258.5</b>	<b>20,106.2</b>	<b>18,573.6</b>	<b>25,258.5</b>	<b>18,573.6</b>	<b>36,173.2</b>
5	<b>Capital employed [Segment assets - Segment liabilities]</b>						
(a)	Investment & trading	825.5	282.2	979.9	825.5	979.9	1,123.6
(b)	Broking & commission	7,776.3	9,567.2	7,179.2	7,776.3	7,179.2	7,706.2
(c)	Advisory services	(89.6)	(250.9)	(161.7)	(89.6)	(161.7)	(359.6)
(d)	Unallocated	2,245.4	2,004.3	1,661.3	2,245.4	1,661.3	2,002.5
	<b>Total Capital employed</b>	<b>10,757.6</b>	<b>11,602.8</b>	<b>9,658.7</b>	<b>10,757.6</b>	<b>9,658.7</b>	<b>10,472.7</b>

**Notes**

- (i) The Group has reported segment information as per Indian Accounting Standard (Ind AS ) 108 on 'Operating segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. Accordingly, the Group has identified three reportable segments namely i) Investment & trading ii) Broking & commission iii) Advisory services.
- (ii) Investment & trading consists of income from treasury, investment income; Broking & commission consists of 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 consists of financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities.



## Notes to Standalone and Consolidated financial results

1. The above financial results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India.
2. The Ministry of Corporate Affairs (MCA), vide its notification dated October 11, 2018 issued Division III of Schedule III, which provides the format for financial statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Financial Results have been prepared in accordance with the same. The corresponding figures for the quarter and period ended September 30, 2018 have also undergone a reclassification to comply with the requirements of the Division III.
3. Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. Accordingly, comparative figures for the corresponding periods, for the year ended and as at March 31, 2019 have not been retrospectively adjusted.
4. The Company has approved the appointment of Mr. Vijay Chandok as an Additional Director and as Managing Director & CEO of the Company with effect from May 7, 2019 at its Annual General Meeting held on August 2, 2019. Ms. Shilpa Kumar was the Managing Director & CEO and also a Director of the Company till May 6, 2019.
5. The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the period ended September 30, 2019 and re-measured its Deferred Tax Assets. The full impact of this change arising out of revaluation of its Deferred Tax Assets as at March 31, 2019, aggregating to ₹ 201.4 million has been recognised in the quarter ended September 30, 2019.
6. Being the first year of requirement for submission of statement of cash flow and in the absence of any specific guidance from SEBI, the comparative information provided is for the year ended March 31, 2019.
7. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on October 22, 2019. The statutory auditors have issued unmodified opinion on the standalone and consolidated financial results.
8. During the period ended September 30, 2019, the Company has paid a final dividend for the year ended March 31, 2019 of ₹ 5.7 per equity share as approved by its members at the Annual General Meeting held on August 2, 2019. The Board of Directors at its meeting held on October 22, 2019 has declared an interim dividend of ₹ 4.25 per equity share.

**For and on behalf of the Board of Directors of  
ICICI Securities Limited**

  
Vijay Chandok  
Managing Director & CEO

Mumbai, October 22, 2019



# B S R & Co. LLP

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## Independent Auditors' Report

### To the Board of Directors of ICICI Securities Limited

#### Report on the audit of the Standalone Financial Results

#### Opinion

We have audited the accompanying standalone quarterly financial results of ICICI Securities Limited ("the Company") for the quarter ended 30 September 2019 and the year to date results for the period from 1 April 2019 to 30 September 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information for the quarter ended 30 September 2019 as well as the year to date results for the period from 1 April 2019 to 30 September 2019.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 financial results 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.



## **Independent Auditors' Report (Continued)**

### **ICICI Securities Limited**

#### **Management's and Board of Directors' Responsibilities for the Standalone Financial Results**

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Management and Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.



## Independent Auditors' Report (*Continued*)

### ICICI Securities Limited

#### Auditor's Responsibilities for the Audit of the Standalone Financial Results (*Continued*)

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 results, including the disclosures, and whether the financial results 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.

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



**Milind Ranade**  
*Partner*

Mumbai  
22 October 2019

Membership No: 100564  
UDIN: 19100564AAAAFW8219

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditors' Report

### To the Board of Directors of ICICI Securities Limited

#### Report on the audit of the Consolidated Financial Results

#### Opinion

We have audited the accompanying Statement of Consolidated Financial Results of ICICI Securities Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- a. includes the results of the following entities:
  - ICICI Securities Limited – Holding Company
  - ICICI Securities Holding Inc – Direct Subsidiary and ICICI Securities Inc – Step Down Subsidiary
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive loss) and other financial information of the Group for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial results.



## **Independent Auditors' Report (Continued)**

### **ICICI Securities Limited**

#### **Management's and Board of Directors' Responsibilities for the Consolidated Financial Results**

These quarterly consolidated financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated interim financial statements.

The Management and the Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit/loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 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 results 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 results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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.



## Independent Auditors' Report (*Continued*)

### ICICI Securities Limited

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Results (*Continued*)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial results, we are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

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

*Chartered Accountants*

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



**Milind Ranade**

*Partner*

Membership No: 100564

UDIN: 19100564AAAIFY2035

Mumbai  
22 October 2019



NSE Code: ISEC

BSE Code: 541179

## Press Release

### Q2FY20 Performance Highlights

- **NSE customer active market share at 10.07%; at 21-month high**
- **Blended equity broking market share up 90 bps YoY to 8.7%**
- **'Prime', a paid-for subscription based broking service, crosses 1.6L subscribers**
- **New customer acquisition arrangement with ICICI Bank yielding results; activation rate up 46% vs 33% YoY**
- **Revenue at ₹ 418 crore; PAT at ₹ 135 crore, up 1% YoY**
- **Interim dividend of ₹ 4.25 per equity share (face value ₹ 5) declared, vs ₹ 3.70 in Q2FY19**

**Mumbai, October 22, 2019** – ICICI Securities (I-Sec), a part of the ICICI Group and India's leading retail led equity franchise, distributor of financial products, and investment banker, today announced its financial results for quarter ending September 30<sup>th</sup> 2019 (Q2FY20).

The company reported consolidated revenue of ₹ 418 crore in Q2FY20, against ₹ 458 crore in Q2FY19, a decline of 9% due to decline in retail broking revenues and regulatory changes in Mutual Funds distribution business. Consolidated Profit after tax (PAT) for Q2FY20 stood at ₹ 135 crore, up 1% against same period last year.

### **Sequentially revenues and PAT are up 4% and 19% respectively.**

Continuing with its stated objective of running an asset-light, high-RoE operations with a high dividend payout model, I-Sec declared an interim dividend of ₹ 4.25 per share, against Rs 3.70 per share declared in Q2FY19. The dividend payout ratio (excluding dividend distribution tax of 20%) stands at 55%. Our Return on Equity (RoE) continues to remain robust at ~ 48% (annualized for Q2FY20).

The company remains committed to pursue cost efficiency and has reduced cost by 7% YoY by undertaking a number of initiatives like rationalizing branch network (Q2FY20 branch



count at 187, vs 202 in Q2FY19), centralizing certain verticals to optimize infra and manpower cost, process re-engineering, harnessing group synergies, and migrating to digital/low touch coverage model.

### **Business Highlights**

In **Broking**, I-Sec has over 4.6 million operational accounts, of which about 92,000 were added during the quarter. The company has 1.3 million active clients (those who have traded in the last 12 months across any product category) and 0.9 million NSE active clients (those who have traded on the NSE in the last 12 months), accounting for **10.07% NSE market share**, a 21-month high figure.

During the quarter, I-Sec's blended equity market share grew by 90 basis points on-year to 8.7%.

The ICICI Bank-led customer acquisition arrangement is ramping up well and is helping the company target affluent and investment oriented clients. ICICI Bank sourced client activation rates was 46% in Q2FY20, up from 33% in Q2FY19. The company is intensifying its focus on acquiring the NRI diaspora, a huge and under penetrated opportunity.

With a view to make onboarding of clients more efficient, I-Sec has launched tab based (assisted model) and online (self-help) instant account opening processes, which allow customers to begin trading within 20 mins. The net client addition from these channels is encouraging.

During the quarter, total brokerage revenue (excluding interest income) stood at ₹ 216 crore, down 13% vs Q2FY19. Brokerage revenue contributed 52% of our total revenues. **I-Sec remains India's largest equity broker in terms of revenue.**

During the quarter, Indian equity markets remained weak and volatile and there was general risk aversion. Nifty was down 3% while mid and small cap indices declined by 9% and 10% respectively. These impacted participation of retail investors. While our retail brokerage revenue declined by 16% year-on-year due to decline in delivery volumes, **institutional business grew by 17%, driven by strong traction in block deals.**

The company continues to receive encouraging response to its annual subscription plan 'ICICI direct Prime' that provides a package of privilege pricing, exclusive research and higher eATM (payout with 30 mins on selling stocks) limits per day. Prime is an attractive



product proposition to source higher quality clients, a tool to activate dormant customers, and adds an annuity revenue stream to the equity business. Prime subscription fees have grown by over 90% sequentially and **currently we have over 1.6 lakh Prime subscribers.**

**Distribution** revenue stood at ₹ 106 crore in Q2FY20 down 17% against Q2FY19 due to the anticipated reduction arising due to changes in regulations pertaining to Mutual Fund distribution. **Sequentially, distribution revenue is up 8%.**

I-Sec is India's second largest non-bank MF distributor by revenue with a 4% revenue market share (based on FY19 revenue). Average AUM of the mutual funds distributed by the company increased by 2% on-year to ₹ 35,800 crore in Q2FY20. The company has strong offline presence through a network of 187 ICICIdirect branches, a nationwide network of 8,000+ sub-brokers, authorized persons, IFAs & IAs.

With increased focus on other products like fixed income products, corporate bonds and deposits, life, medical and general insurance, PMS, SGBs, NPS, etc., **non-MF distribution revenue rose 7%** during the quarter against the corresponding quarter last year.

During the quarter, the company expanded its distribution business by **launching digital distribution of retail loans.** Besides building a new non-cyclical revenue stream, it also marks the company's presence in the entire financial planning journey of a customer's lifecycle - from investment to protection to assets. It also launched **One Click Investment**, a curated and customized baskets of Mutual Fund schemes. In protection products distribution, the company is digitally integrating its recently added partners like Religare and Star Health to the idirect platform.

Our **Investment Banking** revenue stood at ₹ 32 crore in Q2FY20, up 14% on year and 93% sequentially. **I-Sec is ranked 1st in the IPO (incl. InvIT, REIT, FPOs) league by value in Q2FY20.** The company handled 11 investment banking deals, including four advisory ones, in Q2FY20. We have an IPO pipeline (as per SEBI filing) of ~ ₹ 5,700 crore.

### **Management Commentary**

**Mr. Vijay Chandok, Managing Director and Chief Executive Officer**, said, "As a virtual financial supermarket, our continuing endeavor is to meet all the three need sets of our customers - wealth management and investments, protection of life & assets, and their



borrowing needs. Digital is a centre piece to this strategy and we have launched a series of initiatives like working with fintechs and startups to identify and launch winning solutions, deploy advanced analytics/ AI/ Big Data for better customer insights and personalised engagement, and opened our API architecture for partnership. This is an exciting area for us and several pilots have been launched which would be rolled out in a phased manner. India's financialisation of savings trends remains strong and we remain committed to play a catalyzing role in it."



### About ICICI Securities

ICICI Securities Limited (I-Sec) is a subsidiary of ICICI Bank Ltd. The company began its operation in May 1995 and continues to grow its operation through expanding its client base and providing different type of services.

I-Sec operates [www.icicidirect.com](http://www.icicidirect.com), India's leading virtual financial supermarket, meeting the three need sets of its clients- investments, protection, and borrowing. Through its three lines of businesses -- broking, distribution of financial products, and investment banking-- I-Sec serves customers ranging from the retail and institutional investors to corporates to high net-worth individuals to government.

I-Sec is listed on National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). For details, visit: [www.icicisecurities.com](http://www.icicisecurities.com)

### Disclaimer

*Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in broking business and other financial services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology our exploration of merger and acquisition opportunities, our ability to integrate mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, our growth and expansion in domestic and overseas markets, technological changes, our ability to market new products, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in insurance regulations and other regulatory changes in India and other jurisdictions on us. ICICI Securities Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

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**ANALYSIS OF FINANCIAL PERFORMANCE FOR THE  
QUARTER ENDED SEPTEMBER 30, 2019 (Q2-FY2020)**

Consolidated revenues for Q2-FY2020 decreased by 8.7% Y-o-Y from ₹ 4,581.0 million to ₹ 4,182.2 million.

Consolidated profit after tax increased by 0.7% from ₹ 1,342.2 million in Q2-FY2019 to ₹ 1,351.2 million in Q2-FY2020

(₹ in million)			
<b>Consolidated Profit &amp; Loss Account</b>	<b>Q2-FY2019</b>	<b>Q2-FY2020</b>	<b>% Change</b>
<b>Revenue From Operations:</b>			
(i) Interest income	461.8	535.1	15.9
(ii) Dividend income	1.5	0.4	(73.3)
(iii) Fees and Commission Income			
Brokerage income	2,472.9	2,158.1	(12.7)
Income from services	1,598.5	1,451.7	(9.2)
(iv) Net gain on fair value changes	34.5	19.7	(42.9)
(v) Others	3.9	5.2	33.3
<b>(I) Total revenue from Operations</b>	<b>4,573.1</b>	<b>4,170.2</b>	<b>(8.8)</b>
<b>(II) Other Income</b>	<b>7.9</b>	<b>12.0</b>	<b>51.9</b>
<b>(III) Total Income (I+II)</b>	<b>4,581.0</b>	<b>4,182.2</b>	<b>(8.7)</b>
<b>Expenses:</b>			
(i) Finance costs	107.9	178.7	65.6
(ii) Fees and Commission expense	123.3	111.9	(9.2)
(iii) Net loss on fair value changes	-	(1.8)	-
(iv) Impairment on financial instruments	(0.8)	(17.3)	> 100
(v) Operating expenses	218.0	151.3	(30.6)
(vi) Employee benefits expenses	1,434.8	1,338.8	(6.7)
(vii) Depreciation, amortization and impairment	36.4	146.8	> 100
(viii) Other expenses	584.2	432.8	(25.9)
<b>(IV) Total expenses</b>	<b>2,503.8</b>	<b>2,341.2</b>	<b>(6.5)</b>
<b>(V) Profit before tax (III-IV)</b>	<b>2,077.2</b>	<b>1,841.0</b>	<b>(11.4)</b>
(VI) Tax expense	735.0	489.8	(33.4)
<b>(VII) Profit after tax</b>	<b>1,342.2</b>	<b>1,351.2</b>	<b>0.7</b>
(VIII) Other comprehensive income/(Losses), net of taxes	0.2	(16.6)	< 100
<b>(IX) Total comprehensive income for the period</b>	<b>1,342.4</b>	<b>1,334.6</b>	<b>(0.6)</b>

(₹ in million)

Balance Sheet	As at March 31,2019	As at September 30, 2019	% Change
Financial assets	43,696.8	31,029.9	(29.0)
Non-financial assets	2,949.1	4,986.2	69.1
<b>Total assets</b>	<b>46,645.9</b>	<b>36,016.1</b>	<b>(22.8)</b>
Financial liabilities	30,182.2	19,892.3	(34.1)
Non-financial liabilities	5,991.0	5,366.2	(10.4)
Equity	10,472.7	10,757.6	2.7
<b>Total liabilities</b>	<b>46,645.9</b>	<b>36,016.1</b>	<b>(22.8)</b>

#### Explanatory notes for Q2-FY2020:

- Interest income increased from ₹ 461.8 million for Q2-FY2019 to ₹ 535.1 million in Q2-FY2020, an increase of 15.9%. This was primarily due to an increase in interest income on investments made by treasury segment.
- 12.7% decrease in brokerage income from ₹ 2,472.9 million for Q2-FY2019 to ₹ 2,158.1 million in Q2-FY2020 due to decrease in retail equity delivery volume and revenue partially offset by increase in derivative volumes and revenues as well as increase in institutional brokerage business.
- Income from services decreased from ₹ 1,598.5 million for Q2-FY2019 to ₹ 1,451.7 million in Q2-FY2020 due to decrease in third-party distribution fees and partly offset by increase in corporate finance fees.
  - Mutual funds revenue decreased by 24% on account of anticipated regulatory changes in mutual fund industry.
  - Increase in corporate finance income was due to better traction in investment banking deals during the quarter under review.
- Net gain on fair value changes decreased from ₹ 34.5 million for Q2-FY2019 to ₹ 19.7 million in Q2-FY2020 primarily on account of loss booked on DHFL NCD which was partially offset by net gain on SIT portfolio .
- Finance costs increased from ₹ 107.9 million for Q2-FY2019 to ₹ 178.7 million in Q2-FY2020.
  - This increase was due to increase in average short-term borrowings to meet the working capital requirement for Retail and Treasury segments. and;
  - Interest expense on-Lease Liability on account of transition to new accounting standard (Ind AS 116) for Leases.
- Fees and commission expense decreased from ₹ 123.3 million Q2-FY2019 to ₹ 111.9 million for Q2-FY2020, a decrease of 9.2%.This decrease was due to regulatory changes in relation to mutual fund commission.
- Impairment on financial instruments was ₹ (17.3) million in Q2-FY2020 compared to ₹ (0.8) million in Q2-FY2019. Company creates a provision on receivables from clients and principals based on ageing criteria which gets reversed on subsequent realization of receivables. During the quarter, there was a higher realization

compared to last year resulting in impairment being ₹ (17.3) million compared to ₹ (0.8) million for Q2-FY2019.

- Operating expenses decreased from ₹ 218.0 million for Q2-FY2019 to ₹ 151.3 million in Q2-FY2020, a decrease of 30.6%. This decrease was primarily due to a decrease in custodian and depository charges .
- Employee benefits expenses decreased from ₹ 1,434.8 million for Q2-FY2019 to ₹ 1,338.8 million in Q2-FY2020. This was primarily due to lower provision of variable payout.
- Depreciation and amortisation expense increased from ₹ 36.4 million for Q2-FY2019 to ₹ 146.8 million for the Q2-FY2020, primarily on account of depreciation on right of use asset recognised as per Ind AS 116 for Leases.
- Other expenses decreased from ₹ 584.2 million in Q2-FY2019 to ₹ 432.8 million in Q2-FY2020, a decrease of 25.9%. This decrease was primarily on account new accounting standard (Ind AS 116) for Leases which resulted in increase of finance cost and depreciation and reduction in lease expense. Additionally reduction in Corporate Social Responsibility (CSR) expenses and rates and taxes have contributed in reduction during the quarter under consideration.
- The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the period ended September 30, 2019 which resulted in reduction of approx ₹ 350.0 million of tax expense during the quarter. The Company also re-measured its Deferred Tax Assets. The full impact of this change arising out of revaluation of its Deferred Tax Assets as at March 31, 2019, aggregating to ₹ 201.4 million has been recognised in the current quarter.
- Total assets decreased from ₹ 46,645.9 million as at March 31, 2019 to ₹ 36,016.1 million as at September 30, 2019, a decrease of 22.8%. This decrease was primarily due to decrease in cash and cash equivalents and trade receivables partly offset by increases in other financial assets comprises loans increases from ₹ 4,032.7 million to ₹ 6,797.2 million and securities for trade from ₹ 2,563.1 million to ₹ 5,640.6 million as at September 30, 2019. The cash and cash equivalents as on March 31, 2019 includes funds of approx. ₹ 17 billion lying in the bank account of the company pursuant to a large value secondary market transaction that was remitted to client subsequently.
- Total liabilities decreased from ₹ 46,645.9 million as at March 31, 2019 to ₹ 36,016.1 million as at September 30, 2019 decrease of 22.8%. This decrease was primarily due to decrease in trade payables and other non-financial liabilities partly offset by increases in debt securities comprises borrowings from ₹ 4,473.0 million to ₹ 10,143.3 million and other financial liabilities as at September 30, 2019. The decreases in trade payables was due to open trade positions of customers at the period end March 31, 2019 including a client payable of approx. ₹ 17 billion lying in the bank account of the company pursuant to a large value secondary market transaction that was remitted to client subsequently.



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This release does not constitute an offer of securities.

For investor queries please email at [IR@icicisecurities.com](mailto:IR@icicisecurities.com)

1 billion/million = 100 crore / 10 Lakhs