

August 9, 2023

To,

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

Dear Sir/Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement for delisting of Equity Shares of ICICI Securities Limited

Ref: NSE Scrip Code – ISEC

This is with reference to the captioned application and the queries received from National Stock Exchange of India Limited ("NSE") on *vide* its second letter ref: NSE/LIST/36526 dated August 3, 2023.

In this regard, we hereby submit the response to respective queries raised by NSE as under:

1. It has been observed that in the valuation report provided by both the valuers, the standalone profit after tax of ICICI Bank is considered to value shares under the DCF method. Kindly provide a detailed rationale for considering the standalone figures rather than the consolidated figures and how the same is not impacting the fair value of shares.

Response:

ICICI Bank Limited ('ICICI Bank') is a diversified financial services group offering a wide range of banking and financial services to corporate and retail customers. Apart from banking products and services, ICICI Bank offers life and general insurance (through its listed entities - ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited), asset management (through ICICI Prudential Asset Management Company Limited), securities broking (through its listed entity - ICICI Securities Limited) and other services through its subsidiaries/affiliates/joint ventures.

ICICI Bank primarily derives its value from its banking business. To elucidate, as per the reported financials of ICICI Bank, in fiscal 2023, the profit after tax for ICICI Bank on a

Member of National Stock Exchange of India Ltd, BSE Ltd and Multi Commodity Exchange of India Ltd.

SEBI Registration: INZ000183631

CIN No.: L67120MH1995PLC086241

ICICI Securities Limited

Registered Office:

ICICI Venture House
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025, India
Tel. (+91 22) 6807 7100
Fax (+91 22) 6807 7803

Corporate Office :

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

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Name of Compliance Officer (Broking Operations) : Ms. Mamta Shetty

Email Address: complianceofficer@icicisecurities.com / Tel. (91 22) 4070 1000

Website Address: www.icicisecurities.com / www.icicidirect.com



consolidated basis was ₹ 340.37 billion and the profit after tax on a standalone basis was ₹ 318.96 billion. ICICI Bank's standalone profit after tax contributed to ~94% of the consolidated profit after tax. This indicates that the valuation of the listed entities and other subsidiaries/affiliates/joint ventures have limited contribution to the overall valuation of ICICI Bank.

Given the high contribution of banking business, the valuers considered Dividend Discount Model ('DDM'), an adaptation of DCF method for valuing the banking operations on the basis of standalone financials. ICICI Securities Limited ('ICICI Securities') had provided its financial projections was thus valued using the DCF method.

Additionally, given the unpublished price sensitive information ('UPSI') nature of the proposed transaction involving only ICICI Bank and ICICI Securities, the insurance and asset management entities could not be directly involved to provide any financial projections. These entities were valued using Market Price/Comparable Companies' Multiple method. The value thus derived for these entities, was added separately to the standalone DCF valuation of ICICI Bank and consolidated DCF valuation of ICICI Securities to determine per share value of ICICI Bank on a consolidated basis.

Given the aforementioned UPSI implications and that limited contribution of Bank's investments to its consolidated value, the valuers were comfortable with the current approach since there would not have been any material impact on the overall valuation of ICICI Bank.

2. Through internal check, it has been observed that ICICI Bank Limited and ICICI Securities Limited is involved in an ongoing IBC case. Kindly provide details if any IBC cases have been admitted.

ICICI Bank Limited:

Response:

ICICI Bank Limited shall also be simultaneously filing its reply with NSE to this query.

ICICI Securities Limited:

Response:

In this regard, we confirm that, as on the date of this letter, there are no proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC), initiated or pending against ICICI Securities Limited.

3. On internal check it has been observed that there are various regulatory charges imposed by NSE against ICICI Securities Limited. Kindly provide the status of same.

Response:

During the quarter ended June 30, 2023, NSE had imposed the following penalties on account of violations observed during onsite inspection:

Sr. No.	Exchange	Observation	Count of incidence	Penalty Amount (Amount in ₹)	Status
1.	NSE	Incorrect reporting of Cash and Cash equivalent balance.	11	11,00,000	The payment is pending due to non-receipt of invoice from NSE.
2.	NSE	Incorrect reporting of margin collected from clients.	6	46,16,500	The payment is pending due to non-receipt of invoice from NSE.
3.	NSE	Material discrepancy in retention statement.	1	15,000	The payment is pending due to non-receipt of invoice from NSE.
4	NSE	Release of advertisement without prior approval.	1	75,000	The penalty has been paid

In addition to the above, NSE had also imposed the following penalties for non-compliance in reporting of client collateral allocation on EOD basis for which the payment has been done:

Month	Penalty Amount (Amount in ₹)
March 2023	87,39,696.29
April 2023	29,22,990.11
May 2023	2,29,39,708.44

Further, a penalty of ₹ 18,000/- was also imposed by NSE for non-compliances observed in the Half Yearly SEBI Audit Report (September 2022) and the same has been paid.

4. Further, it has been observed that there are Supreme Court Cases pending against ICICI Securities Limited kindly provide status of the same.

Response:

Mrs. Kamini Devi Saxena ('the Client') had booked one flat in housing project of Sunworld Residency (Arista) in 2015 under Subvention Scheme. The Client had executed flat buyers agreement with the builder Sunworld Residency Private Limited ("Sunworld Residency") in 2015. As the construction was taking long, the client requested for buy-back of the said flat. Sunworld Residency refused to buy-back the said flat and then the client filed a case with National Commission against Sunworld Residency, ICICI Bank Limited, ICICI Securities Limited and ICICI Home Finance Company Limited. ICICI Securities Limited made a representation in Commission that ICICI Securities Limited was wrongly impleaded in the said case. In March 2023, the National Commission partly allowed the complaint directing the Sunworld Residency to refund the entire amount deposited by the client along with interest @ 9% per annum from the date of respective deposit till the date of refund within a period of two months from the date of the said judgment. Furthermore, it was left open for Opposite Party No. 1 i.e. Sunworld Residency to satisfy the loan of ICICI Bank Limited first and pay the balance amount to the complainant. The Client has challenged the order of National Commission against Builder Sunworld Residency and Others in the Hon'ble Supreme Court.

However, there was no adverse finding on ICICI Securities Limited and consequently, no adverse directions have been passed against ICICI Securities Limited.


5. Kindly provide the fee details paid by the Company to SEBI in below format:

Response:

Complete Name of the remitter entity / person	ICICI Securities Limited
Address of the entity / person	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025
Date of remittance	13/07/2023
Fee remitted (Rs.)	5,00,000/-
Transaction Reference no.	S18370854
Date of remittance of GST	13/07/2023
GST Amount	90,000/-
Transaction Reference no.	S18370854
GST Registration No.	27AAACI0996E1ZL
Name as appearing in GST Registration	ICICI Securities Limited

Kindly take the above in your record.

For ICICI Securities Limited

RAJU  Digitally signed by
RAJU NANIKRAM
NANIKRAM NANWANI
NANWANI Date: 2023.08.09
17:29:26 +05'30'

Raju Nanwani
Company Secretary

Place: Mumbai