

# ICICI SECURITIES, INC.

## 18TH ANNUAL REPORT AND ACCOUNTS 2017-2018

### Directors

Mr. Ripujit Chaudhuri (Chairman of the Board)  
Mr. Jaideep Goswami  
Mr. Robert Ng  
Mr. Bishen Pertab

### Auditors

B S R & Co. LLP  
Chartered Accountants

### Registered Office

251 Little Falls Drive  
Wilmington, DE 19808  
United States of America

## directors' report

### to the members,

Your Directors have pleasure in presenting the 18th Annual Report of ICICI Securities, Inc. with the audited statement of accounts for the year ended March 31, 2018.

### OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). It has its main office in New York, USA and branch office in Singapore, which holds a Capital Market Services license granted by the Monetary Authority of Singapore ("MAS") for the purpose of Dealing in Securities. ICICI Securities, Inc. also operates under the International Dealer registration exemption from the Canadian Securities Administrators ("CSA") that enables it to expand its reach to institutional investors in the provinces of British Columbia, Ontario and Quebec. ICICI Securities, Inc. refers major institutional investors in the U.S., Canada and Singapore, who propose to deal in securities listed on the Indian Stock Exchanges, to its foreign affiliates viz., ICICI Securities Limited and ICICI Securities Primary Dealership Limited.

During fiscal 2018, the Company strengthened its positioning among its U.S., Canada and Singapore institutional investors. The Company, in association with ICICI Securities Limited, conducted several investors' conferences in the U.S. and Singapore in fiscal 2018, providing investors with an opportunity for interaction with policy makers and corporate leaders. These activities added value to the decision making process of its clients by providing differentiated research, access to corporate management and experts from various fields. It also helps it to penetrate new clients, as well as strengthen its foothold among existing clients, resulting in higher broking income.

### FINANCIAL HIGHLIGHTS

|                               | (₹ in '000s) |             |
|-------------------------------|--------------|-------------|
|                               | Fiscal 2017  | Fiscal 2018 |
| Gross income                  | 164,360      | 252,986     |
| Profit/(loss) Loss before tax | 10,673       | 44,606      |
| Provision for tax             | 504          | 1,013       |
| Profit/(Loss) after tax       | 10,169       | 43,593      |

### OUTLOOK FOR INDIAN EQUITIES

Fiscal year 2018 ended in an environment of volatility in global stocks emanating from the fear of faster than expected rate hikes and tighter liquidity conditions in the U.S. which is impacting Indian capital markets. Global volatility in capital markets is being further exacerbated by fear of a trade war getting initiated between the U.S. and its large trading partners. Bond yields have been trending high globally on the fear of rising inflation and remain a key risk to global capital markets.

India domestic growth outlook is improving with investment cycle showing signs of picking up as evidenced by 12% growth in Gross Fixed Capital Formation in the third quarter GDP for fiscal 2018. The pragmatic FY19 Union Budget has set the tone for higher focus on infrastructure and rural growth, without breaching the fiscal discipline. Barring concerns over MSP hike and oil prices, inflation is poised to be on benign trajectory aided by expectations of normal monsoon. A marked recovery was seen in corporate earnings growth from the 2nd quarter of fiscal 2018 which should continue in fiscal 2019 and support positive outlook for equity markets. Foreign portfolio flows will improve and domestic institutions such as mutual funds and insurance firms will continue to attract household savings in fiscal 2019 as broader economic growth picks up going ahead as the positive effect of large structural reforms undertaken by the government in the last two years show results and a cyclical recovery in global growth.

### SHARE CAPITAL

During the year, there was no change in the paid-up equity share capital of the Company.

### DIRECTORS

As at the date of this report, following are the Directors of the Company:

Mr. Ripujit Chaudhuri (Chairman of the Board)  
Mr. Jaideep Goswami  
Mr. Robert Ng  
Mr. Bishen Pertab

During fiscal 2018, the Board approved the appointment of Mr. Ripujit Chaudhuri as Director on the Board of Directors of the Company. The Board also accepted the resignation of Mr. Subir Saha as Director of the Company. The appointment and resignation were effective October 9, 2017. The Board places on its record, its appreciation for the valuable services and leadership rendered by Mr. Subir Saha during his tenure as Director of the Company.

### AUDITORS

The Board, at its Meeting held on April 9, 2018, proposed the appointment of B S R & Co. LLP (Registration number 101248W/W-100022) as Auditors to audit the accounts of the Company, as per Indian GAAP, for the year ended March 31, 2019. You are requested to consider the appointment of the aforementioned Auditors.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- that the applicable accounting standards has been followed in the preparation of the annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2018 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- that the annual accounts have been prepared on a 'going concern' basis; and
- 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.

### ACKNOWLEDGEMENTS

The Directors thank the Company's clients for the confidence reposed in the Company, which has enabled the Company to successfully deliver well-structured solutions through timely execution.

The Directors also thank the statutory authorities and the Company's bankers for their continued support.

The Directors express their gratitude for the unstinted support and guidance received from the Company's shareholders, ICICI Securities Holdings, Inc. and other group companies.

The Directors also express their sincere thanks and appreciation to all their employees for their commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

April 12, 2018

RIPUJIT CHAUDHURI  
Chairman

# independent auditors' report

To, The members of ICICI Securities Inc.

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ICICI Securities Inc. (the 'Company') which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act').

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITY

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant

to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of the such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profits and its cash flows for the year ended on that date.

## OTHER MATTER

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

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

Place: Mumbai  
Dated: April 12, 2018

VENKATARAMANAN VISHWANATH  
Partner  
Membership Number: 113156

# balance sheet

# profit and loss account

at March 31, 2018

for the year ended March 31, 2018

| Note                                       | ₹ in 000's           |                      | US\$ in 000's        |                      |              |
|--|----------------------|----------------------|----------------------|----------------------|--------------|
|  | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2018 | As at March 31, 2017 |              |
| <b>I EQUITY AND LIABILITIES</b>            |                      |                      |                      |                      |              |
| <b>1 Shareholders' funds</b>               |                      |                      |                      |                      |              |
| (a) Share capital                          | 3                    | 571,667              | 571,667              | 12,980               | 12,980       |
| (b) Reserves and surplus                   | 4                    | (390,437)            | (435,753)            | (10,209)             | (10,885)     |
|  |                      | <u>181,230</u>       | <u>135,914</u>       | <u>2,771</u>         | <u>2,095</u> |
| <b>2 Non-current liabilities</b>           |                      |                      |                      |                      |              |
| Other long term liabilities                | 5                    | 79,589               | 29,716               | 1,230                | 458          |
| <b>3 Current liabilities</b>               |                      |                      |                      |                      |              |
| Other current liabilities                  | 6                    | 39,905               | 42,436               | 613                  | 655          |
|  |                      | <u>300,724</u>       | <u>208,066</u>       | <u>4,614</u>         | <u>3,208</u> |
| <b>II. ASSETS</b>                          |                      |                      |                      |                      |              |
| <b>1 Non-current assets</b>                |                      |                      |                      |                      |              |
| (a) Fixed assets                           |                      |                      |                      |                      |              |
| Property, plant and equipment              | 7                    | 384                  | 130                  | 6                    | 2            |
| (b) Long term loans and advances           | 8                    | 4,971                | 4,647                | 76                   | 72           |
|  |                      | <u>5,355</u>         | <u>4,777</u>         | <u>82</u>            | <u>74</u>    |
| <b>2 Current assets</b>                    |                      |                      |                      |                      |              |
| (a) Trade receivables                      | 9                    | 90,598               | 17,476               | 1,390                | 269          |
| (b) Cash and bank balances                 | 10                   | 200,584              | 150,671              | 3,078                | 2,323        |
| (c) Short-term loans and advances          | 11                   | 4,187                | 35,142               | 64                   | 542          |
|  |                      | <u>295,369</u>       | <u>203,289</u>       | <u>4,532</u>         | <u>3,134</u> |
|  |                      | <u>300,724</u>       | <u>208,066</u>       | <u>4,614</u>         | <u>3,208</u> |
| Summary of significant accounting policies | 2                    |                      |                      |                      |              |

| Note   | ₹ in 000's                        |                                   | US\$ in 000's                     |                                   |              |              |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------|--------------|
|  | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2018 | For the year ended March 31, 2017 |              |              |
| <b>Revenue from operations</b> 12                |                                   |                                   |                                   |                                   |              |              |
| (a) Brokerage and commission                     |                                   |                                   | 214,010                           | 161,004                           | 3,320        | 2,405        |
| (b) Income from services                         |                                   |                                   | 36,799                            | 3,356                             | 571          | 45           |
| <b>Other Income</b>                              | 13                                |                                   | 2,177                             | -                                 | 34           | -            |
| <b>Total revenue</b>                             |                                   |                                   | <u>252,986</u>                    | <u>164,360</u>                    | <u>3,925</u> | <u>2,450</u> |
| <b>II Expenses:</b>                              |                                   |                                   |                                   |                                   |              |              |
| (a) Employee benefits expense                    | 14                                | 156,219                           | 110,166                           | 2,423                             | 1,642        |              |
| (b) Operating expenses                           | 15                                | 12,435                            | 1,204                             | 193                               | 18           |              |
| (c) Depreciation                                 | 7                                 | 382                               | 169                               | 6                                 | 3            |              |
| (d) Finance costs                                | 16                                | 3,645                             | 4,333                             | 57                                | 65           |              |
| (e) Other expenses                               | 17                                | 35,699                            | 37,815                            | 554                               | 564          |              |
| <b>Total expenses</b>                            |                                   | <u>208,380</u>                    | <u>153,687</u>                    | <u>3,233</u>                      | <u>2,292</u> |              |
| <b>III Profit before tax (I - II)</b>            |                                   |                                   | <u>44,606</u>                     | <u>10,673</u>                     | <u>692</u>   | <u>158</u>   |
| <b>IV Tax expense:</b>                           |                                   |                                   | <u>1,013</u>                      | <u>504</u>                        | <u>16</u>    | <u>8</u>     |
| <b>V Profit for the year (III - IV)</b>          |                                   |                                   | <u>43,593</u>                     | <u>10,169</u>                     | <u>676</u>   | <u>150</u>   |
| <b>VI Earnings per share (Basic and Diluted)</b> | 20                                | 33,584.49                         | 7,834.00                          | 520.95                            | 115.56       |              |
| Summary of significant accounting policies       | 2                                 |                                   |                                   |                                   |              |              |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

VENKATARAMANAN VISHWANATH  
Partner  
Membership No.: 113156

Mumbai, April 12, 2018

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

RIPUJIT CHAUDHURI  
Chairman

BISHEN PERTAB  
President

ROBERT NG  
Director

Singapore, April 11, 2018

### 1 CORPORATE INFORMATION

ICICI Securities, Inc. (the "Company"), a wholly owned subsidiary of ICICI Securities Holdings, Inc., is incorporated in the United States in June 2000. The Company is a registered broker dealer with the Securities and Exchange Commission ("SEC") and member of the Financial Industry Regulatory Authority ("FINRA"). The Firm has a branch office in Singapore that is registered with the Monetary Authority of Singapore (the "MAS") where it holds the Capital Markets Services ("CMS") license for Dealing in Securities in Singapore. The Company is also registered as an International Dealer in Canada in the provinces of British Columbia, Ontario, and Quebec.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

#### b) Use of estimates

Preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

#### c) Revenue recognition

Revenue from issue management, loan syndication, brokerage commission and financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.

#### d) Property, plant and equipment

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation on fixed assets is provided on straight line method. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

The rates of depreciation for fixed assets are given below:-

| Asset   | Estimated life |
|---|----------------|
| Tangible  |                |
| Plant and machinery like air conditioners, photo-copying machines, etc. | 3 Years        |
| Computers   | 3 Years        |
| Furniture and fixtures  | 7 years        |

#### e) Income taxes

Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the local tax rates of the United States of America. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. As there is no virtual certainty of future taxable profits, deferred tax assets is not recognized.

#### f) Earnings per share ("EPS")

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### g) Provisions

Provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates.

#### h) 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.

#### i) Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

#### j) 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.

#### k) Segment Reporting

The Company does not have any reportable segment.

# notes



forming part of the financial statements for the year ended March 31, 2018 *Continued*

|   | ₹ in 000's     |                | (US\$ in 000's) |               |
|---|----------------|----------------|-----------------|---------------|
|   | As at          | As at March    | As at           | As at March   |
|   | March 31, 2018 | 31, 2017       | March 31, 2018  | 31, 2017      |
| <b>3. SHARE CAPITAL</b>   |                |                |                 |               |
| <b>Authorised:</b>  |                |                |                 |               |
| 1,500 Common stock of no par value<br>(As at March 31, 2017 1,500 Common stock of no par value)   |                |                |                 |               |
| <b>Issued subscribed &amp; paid up:</b>   |                |                |                 |               |
| 1,298 Common stock<br>(As at March 31, 2017 1,298 Common stock of no par value)<br>(All Common stock mentioned above are held by holding company ICICI Securities Holding Inc.) |                |                |                 |               |
| <b>Total issued, subscribed and fully paid-up share capital</b>   | <b>571,667</b> | <b>571,667</b> | <b>12,980</b>   | <b>12,980</b> |

## Reconciliation of the common stock at the beginning and at the end of the reporting year

| Common stock                              | As at March 31, 2018 |                | As at March 31, 2017 |                |
|---|----------------------|----------------|----------------------|----------------|
|   | Nos.                 | Rs.            | Nos.                 | Rs.            |
| At the beginning of the year              | 1,298                | 571,667        | 1,298                | 571,667        |
| Issued during the year                    | -                    | -              | -                    | -              |
| <b>Outstanding at the end of the year</b> | <b>1,298</b>         | <b>571,667</b> | <b>1,298</b>         | <b>571,667</b> |

## Terms /rights attached to common stock

The Company has only one class of common stock having no par value. Each holder of common stock is entitled to one vote

## 4. RESERVES & SURPLUS

Reserves and surplus consist of the following:

Profit and loss account debit balance:

|                                |                  |                  |                 |                 |
|--------------------------------|------------------|------------------|-----------------|-----------------|
| Opening balance                | (460,204)        | (470,373)        | (10,930)        | (11,080)        |
| Add: Profit during the year    | 43,593           | 10,169           | 676             | 150             |
| Closing Balance                | (416,611)        | (460,204)        | (10,254)        | (10,930)        |
| Translation reserve:           |                  |                  |                 |                 |
| Opening balance                | 24,451           | 27,547           | 45              | 45              |
| Add: Additions during the year | 1,723            | (3,096)          | -               | -               |
| Closing balance                | 26,174           | 24,451           | 45              | 45              |
| <b>TOTAL</b>                   | <b>(390,437)</b> | <b>(435,753)</b> | <b>(10,209)</b> | <b>(10,885)</b> |

## 5. OTHER LONG TERM LIABILITIES

Other long term liabilities consist of the following:

|                   |               |               |              |            |
|-------------------|---------------|---------------|--------------|------------|
| Due to Parent     | 29,598        | 29,716        | 454          | 458        |
| other liabilities | 49,991        | -             | 776          | -          |
| <b>TOTAL</b>      | <b>79,589</b> | <b>29,716</b> | <b>1,230</b> | <b>458</b> |

## 6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

|                     |               |               |            |            |
|---------------------|---------------|---------------|------------|------------|
| Other liabilities   | 38,582        | 41,628        | 593        | 642        |
| Provision for taxes | 1,323         | 808           | 20         | 13         |
| <b>TOTAL</b>        | <b>39,905</b> | <b>42,436</b> | <b>613</b> | <b>655</b> |

## 7. FIXED ASSETS

|              | ₹ in 000's            |            |            |             |                | (US\$ in 000's) |            |              |              |              |
|--------------|-----------------------|------------|------------|-------------|----------------|-----------------|------------|--------------|--------------|--------------|
|              | GROSS BLOCK (at Cost) |            |            |             |                | ACCUMULATED DEP |            |              | NET BLOCK    | NET BLOCK    |
|              | Apr 1, 2,017          | Addition   | Sale/Adj*  | Mar 31 2018 | April 1, 2,017 | Addition        | Sale/Adj*  | Mar 31, 2018 | Mar 31, 2018 | Mar 31, 2018 |
| Computers    | 326                   | 574        | (2)        | 901         | 196            | 380             | (9)        | 585          | 316          | 5            |
| Furniture    | -                     | 72         | -          | 72          | -              | 4               | -          | 4            | 68           | 1            |
| <b>TOTAL</b> | <b>326</b>            | <b>646</b> | <b>(2)</b> | <b>973</b>  | <b>196</b>     | <b>384</b>      | <b>(9)</b> | <b>589</b>   | <b>384</b>   | <b>6</b>     |

  

|                       | ₹ in 000's            |          |               |             |                | (US\$ in 000's) |               |              |              |              |
|-----------------------|-----------------------|----------|---------------|-------------|----------------|-----------------|---------------|--------------|--------------|--------------|
|                       | GROSS BLOCK (at Cost) |          |               |             |                | ACCUMULATED DEP |               |              | NET BLOCK    | NET BLOCK    |
|                       | Apr 1, 2,016          | Addition | Sale/Adj*     | Mar 31 2017 | April 1, 2,017 | Addition        | Sale/Adj*     | Mar 31, 2017 | Mar 31, 2017 | Mar 31, 2017 |
| Computers             | 7,474                 | -        | 7,148         | 326         | 7,203          | 3               | 7,010         | 196          | 130          | 2            |
| Furniture             | 989                   | -        | 989           | -           | 989            | -               | 989           | -            | -            | -            |
| Leasehold Improvement | 14,165                | -        | 14,165        | -           | 14,136         | -               | 14,136        | -            | -            | -            |
| <b>TOTAL</b>          | <b>22,628</b>         | <b>-</b> | <b>22,302</b> | <b>326</b>  | <b>22,328</b>  | <b>3</b>        | <b>22,135</b> | <b>196</b>   | <b>130</b>   | <b>2</b>     |

(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US\$ 1 thousand)

\* Includes translation reserve of ₹ 6 thousand (previous year ₹ 168 thousand)

# notes

forming part of the financial statements for the year ended March 31, 2018

Continued

|  | ₹ in 000's                              |   | US\$ in 000's                           |   |
|--|---|---|---|---|
|  | As at<br>March 31, 2018                 | As at March<br>31, 2017                 | As at<br>March 31, 2018                 | As at March<br>31, 2017                 |
| <b>8. LONG TERM LOANS AND ADVANCES</b><br>(Unsecured, considered good unless otherwise stated)   |   |   |   |   |
| Security deposit   | 4,971                                   | 4,647                                   | 76                                      | 72                                      |
| <b>TOTAL</b>   | <b>4,971</b>                            | <b>4,647</b>                            | <b>76</b>                               | <b>72</b>                               |
| <b>9. TRADE RECEIVABLES</b>  |   |   |   |   |
| Unsecured, considered good   |   |   |   |   |
| Due from ICICI Securities Ltd. (Ultimate Holding Company)  | 87,665                                  | 14,558                                  | 1,345                                   | 224                                     |
| Other Receivables  | 2,933                                   | 2,918                                   | 45                                      | 45                                      |
| <b>TOTAL</b>   | <b>90,598</b>                           | <b>17,476</b>                           | <b>1,390</b>                            | <b>269</b>                              |
| <b>10. CASH AND BANK BALANCES</b>  |   |   |   |   |
| Cash and cash equivalents  |   |   |   |   |
| Balances with banks  | 200,584                                 | 150,671                                 | 3,078                                   | 2,323                                   |
| <b>TOTAL</b>   | <b>200,584</b>                          | <b>150,671</b>                          | <b>3,078</b>                            | <b>2,323</b>                            |
| <b>11. SHORT TERM LOANS AND ADVANCES</b><br>(Unsecured, considered good unless otherwise stated) |   |   |   |   |
| Other advances and deposits *  | 3,361                                   | 2,375                                   | 52                                      | 37                                      |
| Security deposit for leased premises   | 826                                     | 32,767                                  | 13                                      | 505                                     |
| <b>Total</b>   | <b>4,187</b>                            | <b>35,142</b>                           | <b>64</b>                               | <b>542</b>                              |
| *Other advances and deposits include:<br>Prepaid Expenses  | 1,503                                   | 1,486                                   | 23                                      | 23                                      |
|  |   |   |   |   |
|  | For the<br>year ended<br>March 31, 2018 | For the<br>year ended<br>March 31, 2017 | For the<br>year ended<br>March 31, 2018 | For the<br>year ended<br>March 31, 2017 |
| <b>12. REVENUE FROM OPERATIONS</b>   |   |   |   |   |
| Brokerage and commission   | 214,010                                 | 161,004                                 | 3,320                                   | 2,405                                   |
| Financial advisory services  | 36,799                                  | 3,356                                   | 571                                     | 45                                      |
| <b>TOTAL</b>   | <b>250,809</b>                          | <b>164,360</b>                          | <b>3,891</b>                            | <b>2,450</b>                            |
| <b>13. OTHER INCOME</b>  |   |   |   |   |
| Foreign exchange translation   | 2,177                                   | -                                       | 34                                      | -                                       |
| <b>TOTAL</b>   | <b>2,177</b>                            | <b>-</b>                                | <b>34</b>                               | <b>-</b>                                |
| <b>14. EMPLOYEE BENEFITS EXPENSE</b>   |   |   |   |   |
| Salaries, wages and incentive  | 151,419                                 | 103,623                                 | 2,349                                   | 1,545                                   |
| Staff welfare expenses   | 4,800                                   | 6,543                                   | 74                                      | 97                                      |
| <b>TOTAL</b>   | <b>156,219</b>                          | <b>110,166</b>                          | <b>2,423</b>                            | <b>1,642</b>                            |
| <b>15. OPERATING EXPENSES</b>  |   |   |   |   |
| Commission expenses and transaction charges  | 11,298                                  | -                                       | 175                                     | -                                       |
| Other operating expenses   | 1,137                                   | 1,204                                   | 18                                      | 18                                      |
| <b>TOTAL</b>   | <b>12,435</b>                           | <b>1,204</b>                            | <b>193</b>                              | <b>18</b>                               |
| <b>16. FINANCE COST</b>  |   |   |   |   |
| Bank charges   | 3,645                                   | 4,333                                   | 57                                      | 65                                      |
| <b>TOTAL</b>   | <b>3,645</b>                            | <b>4,333</b>                            | <b>57</b>                               | <b>65</b>                               |
| <b>17. OTHER EXPENSES</b>  |   |   |   |   |
| Rent and amenities   | 5,620                                   | 3,347                                   | 87                                      | 50                                      |
| Rates and taxes  | 993                                     | 199                                     | 16                                      | 3                                       |
| Insurance  | 288                                     | 285                                     | 4                                       | 5                                       |
| Business promotion, travelling and conveyance expenses   | 6,986                                   | 8,172                                   | 108                                     | 122                                     |
| Subscription and periodicals   | 5,338                                   | 5,837                                   | 83                                      | 87                                      |
| Printing and stationery  | 500                                     | 445                                     | 8                                       | 7                                       |
| Communication expenses   | 1,916                                   | 1,808                                   | 30                                      | 27                                      |
| Professional fees  | 7,415                                   | 7,639                                   | 115                                     | 114                                     |
| Auditors' remuneration   | 4,849                                   | 4,022                                   | 75                                      | 60                                      |
| Repairs, maintenance, upkeep and others  | 1,794                                   | 3,182                                   | 28                                      | 47                                      |
| Foreign exchange translation   | -                                       | 2,879                                   | -                                       | 42                                      |
| <b>TOTAL</b>   | <b>35,699</b>                           | <b>37,815</b>                           | <b>554</b>                              | <b>564</b>                              |

# notes



forming part of the financial statements for the year ended March 31, 2018 *Continued*

## 18. DEFERRED TAX

Deferred Tax asset resulting from accumulated losses have not been accounted in the absence of virtual certainty of availability of sufficient future taxable income.

## 19. AUDITOR'S REMUNERATION

The details regarding the remuneration paid to the auditors are given in the table below

|                        | ₹ in 000's     |                | US\$ in 000's  |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | Year ended     |                | Year ended     |                |
|                        | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Audit fees             | 4,214          | 3,864          | 65             | 58             |
| Out of pocket expenses | 635            | 134            | 10             | 2              |
| <b>Total</b>           | <b>4,849</b>   | <b>3,998</b>   | <b>75</b>      | <b>60</b>      |

## 20. EARNINGS PER EQUITY SHARE (EPS)

|   | ₹ in 000's     |                | US\$ in 000's  |                |
|---|----------------|----------------|----------------|----------------|
|   | Year ended     |                | Year ended     |                |
|   | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Basic & Diluted                                   |                |                |                |                |
| Weighted average no. of equity shares outstanding | 1,298          | 1,298          | 1,298          | 1,298          |
| Net profit / (loss)                               | 43,593         | 10,169         | 676            | 150            |
| Basic earnings per share (Rs.)/ (US\$)            | 33,584.49      | 7.83           | 521            | 115.43         |

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

| Nature of Transaction                       | Ultimate Holding Company |               | Intermediary Holding Company |               | Fellow Subsidiary |               |
|---|--------------------------|---------------|------------------------------|---------------|-------------------|---------------|
|   | ₹ in 000's               | US\$ in 000's | ₹ in 000's                   | US\$ in 000's | ₹ in 000's        | US\$ in 000's |
| <b>Income from Services</b>                 |                          |               |                              |               |                   |               |
| ICICI Securities Limited                    | -                        | -             | 214,010                      | 3,320         | -                 | -             |
|   | -                        | -             | (161,004)                    | (2,405)       | -                 | -             |
| ICICI Securities Primary Dealership Limited | -                        | -             | -                            | -             | 2,901             | 45            |
|   | -                        | -             | -                            | -             | (3,019)           | (45)          |
| Operating expenses                          |                          |               |                              |               |                   |               |
| ICICI Securities Limited                    | -                        | -             | 11,395                       | 177           | -                 | -             |
|   | -                        | -             | -                            | -             | -                 | -             |
| <b>Reimbursement of expenses</b>            |                          |               |                              |               |                   |               |
| ICICI Securities Limited                    | -                        | -             | 709,928                      | 11,014        | -                 | -             |
|   | -                        | -             | (7,581)                      | (113)         | -                 | -             |
| Finance charges                             |                          |               |                              |               |                   |               |
| ICICI Bank Limited                          | 3,309                    | 51            | -                            | -             | -                 | -             |
|   | (3,267)                  | (50)          | -                            | -             | -                 | -             |
| ICICI Securities Limited                    | -                        | -             | -                            | -             | -                 | -             |
|   | -                        | -             | (573)                        | (9)           | -                 | -             |

The balances payable to/receivable from related parties included in the balance sheet as on March 31, 2018 are given below:

| Nature of Transaction                       | Holding Company |               | Intermediary Holding Company |               | Fellow Subsidiary |               |
|---|-----------------|---------------|------------------------------|---------------|-------------------|---------------|
|   | ₹ in 000's      | US\$ in 000's | ₹ in 000's                   | US\$ in 000's | ₹ in 000's        | US\$ in 000's |
| <b>Receivables</b>                          |                 |               |                              |               |                   |               |
| ICICI Securities Limited                    | -               | -             | 87,227                       | 1,345         | -                 | -             |
|   | -               | -             | (14,558)                     | (224)         | -                 | -             |
| ICICI Securities Primary Dealership Limited | -               | -             | -                            | -             | 2,933             | 45            |
|   | -               | -             | -                            | -             | (2,981)           | (45)          |
| <b>Payables</b>                             |                 |               |                              |               |                   |               |
| ICICI Securities Holdings Inc.              | 29,589          | 454           | -                            | -             | -                 | -             |
|   | (29,716)        | (458)         | -                            | -             | -                 | -             |
| Share Capital                               |                 |               |                              |               |                   |               |
| ICICI Securities Holdings Inc.              | 571,667         | 12,980        | -                            | -             | -                 | -             |
|   | (571,667)       | (12,980)      | -                            | -             | -                 | -             |

## 21. SUBLEASE

The Company had a lease agreement for its office space in New York City. During the year 2009-10, the Company sub-leased its office space in New York City, by entering into sublease agreement with US Bank National Association.

ICICI Securities Limited had provided a corporate guarantee on behalf of the Company to its sub lessee amounting to USD 1,500 thousand. This guarantee was provided as per the prevailing practice in the New York sub lease market to secure the Company's performance of its lease obligations. ICICI Securities Limited also provided Standby Letter of Credit (issued by ICICI Bank Limited) of USD 1,000 thousand to the sub lessee of the Company. The sublease period ended on February 28, 2017.

## 22. RELATED PARTY DISCLOSURES

As per accounting standard on related party disclosures (AS18) 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
- Ultimate Holding Company: ICICI Bank Limited
- Intermediary Holding Company: ICICI Securities Limited
- Holding Company: ICICI Securities Holding Inc.
- B. Other related parties where transactions have occurred during the year: NIL
- C. Key Management Personnel
- a) Bishen Pertab President & CEO
- b) Robert Ng CEO Singapore Branch

Other related party transactions are given below

| Nature of Transaction                                     | Intermediary Holding Company |                 |
|---|------------------------------|-----------------|
|   | (₹ in 000's)                 | (US\$ in 000's) |
| Guarantees given by                                       |                              |                 |
| ICICI Securities Limited (Corporate Guarantee)            | -                            | -               |
|   | (97,275)                     | (1,500)         |
| ICICI Securities Limited. (Standby Bank letter of credit) | -                            | -               |
|   | (64,850)                     | (1,000)         |

Amount in parenthesis represent previous year figures

#### Key Management Personnel

The compensation for the year ending March 31, 2018 to Bishen Pertab, President & CEO was Rs.20,257 thousand (US\$ 314 thousand) March 2017 Rs 18,272 thousand (US\$ 272 thousand), Robert Ng, CEO Singapore Branch Rs 17,084 thousand (US\$ 265 thousand) March 2017 Rs. 13,142 thousand (US\$ 196 thousand)

#### 23 CONVERSION TO INDIAN RUPEES

All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Investments) and liabilities (except Share Capital) are translated at the closing rate as on the Balance Sheet date.

The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus".

Amounts in US\$ (USD) given in the financial statements are stated only for the purpose of conversion.

24 Figures for the previous year have been regrouped/reclassified wherever necessary.

As per our report of attached

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

VENKATARAMANAN VISHWANATH  
Partner  
Membership No.: 113156

Mumbai, April 12, 2018

Signature to Note 1 to 24

For and on behalf of the Board of Directors

RIPUJIT CHAUDHURI  
Chairman

BISHEN PERTAB  
President

ROBERT NG  
Director

Singapore, April 11, 2018



# cash flow statement

**ICICI Securities Inc** for the year ended March 31, 2018

|   | (₹ in 000's)                    |                                 | (US\$ in 000's)                 |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | Year ended<br>March 31,<br>2018 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2018 | Year ended<br>March 31,<br>2017 |
| <b>A Cash flow from operating activities</b>                        |                                 |                                 |                                 |                                 |
| Profit before tax   | 44,606                          | 10,673                          | 692                             | 158                             |
| - Depreciation  | 382                             | 169                             | 6                               | 3                               |
| - Exchange adjustments  | 1,723                           | (3,096)                         | (0)                             | -                               |
| Operating profit before changes in operating assets and liabilities | 46,711                          | 7,746                           | 698                             | 161                             |
| Adjustments for net change in operating assets and liabilities      |                                 |                                 |                                 |                                 |
| - Trade Receivables relating to operations                          | (73,122)                        | 21,986                          | (1,121)                         | 327                             |
| - Loans and advances relating to operations                         | 30,632                          | 2,938                           | 473                             | 32                              |
| - Current liabilities relating to operations                        | 46,828                          | (666)                           | 723                             | 13                              |
|   | 4,338                           | 24,258                          | 75                              | 372                             |
| Cash generated from operations                                      | 51,049                          | 32,004                          | 773                             | 533                             |
| Payment of taxes  | (498)                           | (488)                           | (8)                             | (8)                             |
| Net cash generated from/ used in operating activities               | 50,551                          | 31,516                          | 765                             | 525                             |
| <b>B Cash flow from investment activities</b>                       |                                 |                                 |                                 |                                 |
| - Purchase of fixed assets  | (639)                           | -                               | (10)                            | -                               |
| Net cash used in investment activities                              | (639)                           | -                               | (10)                            | -                               |
| <b>C Cash flow from financing activities</b>                        |                                 |                                 |                                 |                                 |
| Net change in cash and cash equivalents                             | 49,912                          | 31,516                          | 755                             | 525                             |
| Cash and cash equivalents at the beginning of the year              | 150,671                         | 119,155                         | 2,323                           | 1,798                           |
| Cash and cash equivalents at the end of the year                    | 200,584                         | 150,671                         | 3,078                           | 2,323                           |
| Components of cash and cash equivalents                             |                                 |                                 |                                 |                                 |
| In current account with banks                                       | 200,584                         | 150,671                         | 3,078                           | 2,323                           |

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

**This is the Cash Flow Statement referred to in our report of even date.**

As per our report of even date

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

VENKATARAMANAN VISHWANATH  
Partner  
Membership No.: 113156

Mumbai, April 12, 2018

For and on behalf of the Board of Directors

RIPUJIT CHAUDHURI  
Chairman

BISHEN PERTAB  
President

ROBERT NG  
Director

Singapore, April 11, 2018