

ICICI SECURITIES, INC.

15TH ANNUAL REPORT AND ACCOUNTS 2014-2015

Directors

Subir Saha, *Chairman*
Jaideep Goswami
Robert Ng
Bishen Pertab

Auditors

S. R. Batliboi & Co. LLP,
Chartered Accountants

Registered Office

2711 Centerville Road Suite 400
Wilmington, DE 19808,
United States of America

directors' report

to the members,

Your Directors have pleasure in presenting the 15th Annual Report of ICICI Securities, Inc. with the audited statement of accounts for the year ended March 31, 2015.

OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company 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 in Singapore. ICICI Securities, Inc. also holds an International Dealer registration from the Canadian Securities Regulatory Authority ("CSRA") which enables it to expand its reach to institutional investors in three provinces of Canada. The Company refers institutional investors in the US, Canada and Singapore who propose to deal in securities listed on the Indian Stock Exchanges to its parent company, viz., ICICI Securities Limited.

During fiscal 2015, the Company has strengthened its positioning among its US, Canada and Singapore based institutional investors. The Company conducted sales conferences in the US and Singapore in addition to numerous roadshows in both geographies during fiscal 2015. These activities, coupled with the increased demand for Indian securities, the Company has experienced an upward trend of client participation in terms of the quantity and quality of clients. ICICI Securities, Inc.'s corporate access activities add value to the decision-making process of its clients by providing differentiated research, access to corporate managements and experts from various fields which helps it to penetrate new clients as well as strengthen its positioning among existing clients.

FINANCIAL HIGHLIGHTS

| | (₹ in '000s) | |
|--------------------------|--------------------|--------------------|
| | <i>Fiscal 2014</i> | Fiscal 2015 |
| Gross income | 153,327 | 146,795 |
| Profit/(loss) before tax | 35,190 | 21,064 |
| Provision for tax | 875 | 489 |
| Profit/(Loss) after tax | 34,315 | 20,575 |

OUTLOOK FOR INDIAN EQUITIES

The Indian economy is expected to achieve higher growth in fiscal 2016, while inflation is expected to be subdued due to weak commodity prices. In spite of the expectation of a rate hike in the US in fiscal 2016, global liquidity is expected to be sanguine given the on-going QE in Eurozone and Japan, while monetary easing has led to a surge in Chinese equity markets over the last one year. Government focus on legislative reforms along with steps at reviving the investment cycle through higher allocation towards capital expenditure in the Union Budget 2015-16 will improve investor interest in Indian equities. The risk to the performance of equity markets arises out of weak corporate earnings growth in the second half of fiscal 2015, although it is expected to improve in fiscal 2016.

SHARE CAPITAL

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

DIRECTORS

During fiscal 2015, the Board of Directors of the Company was re-constituted effective from January 9, 2015.

The reconstituted Board of Directors are as follows:

Subir Saha (Chairman of the Board)
Jaideep Goswami
Robert Ng
Bishen Pertab

The Board places on its record, its appreciation for the valuable services and leadership rendered by Anup Bagchi and Ajay Saraf during their tenure as Directors of the Company.

AUDITORS

The Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants (Registration Number - 301003E) will retire at the ensuing Annual General Meeting and offer themselves for re-appointment. The Board, at its Meeting held on April 14, 2015, proposed their re-appointment as Auditors to audit the accounts of the Company, as per Indian GAAP, for the year ended March 31, 2016. You are requested to consider the re-appointment of the aforementioned retiring Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. 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 14, 2015

SUBIR SAHA
Chairman

auditors' report

To, The members of ICICI Securities Inc.

We have audited the accompanying standalone financial statements of ICICI Securities Inc., which comprise the Balance Sheet as at 31 March 2015 and also the Statement of Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements in accordance with the recognition and measurement principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements of ICICI Securities Inc. for the year ended March 31, 2015 are prepared, in all material respects, in accordance with recognition and measurement principles generally accepted in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number 301003E

Per SHRAWAN JALAN
Partner
Membership Number 102102

Mumbai, April 16, 2015

balance sheet

profit and loss account

at March 31, 2015

for the year ended March 31, 2015

| Note | ₹ in 000's | | (US\$ in 000's) | | |
|---|----------------------|----------------------|----------------------|----------------------|--------------|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 | |
| I EQUITY AND LIABILITIES | | | | | |
| 1. Shareholders' funds | | | | | |
| (a) Share capital | 3 | 571,667 | 571,667 | 12,980 | 12,980 |
| (b) Reserves and surplus | 4 | (477,169) | (501,299) | (11,466) | (11,803) |
| | | <u>94,498</u> | <u>70,368</u> | <u>1,514</u> | <u>1,177</u> |
| 2. Non-current liabilities | | | | | |
| Other long term liabilities | 5 | 45,720 | 52,778 | 731 | 881 |
| 3. Current liabilities | | | | | |
| (a) Trade payables | 6 | - | - | - | 0 |
| (b) Other current liabilities | 6 | 31,107 | 23,661 | 497 | 392 |
| | | <u>171,325</u> | <u>146,807</u> | <u>2,742</u> | <u>2,450</u> |
| II ASSETS | | | | | |
| 1. Non-current assets | | | | | |
| (a) Fixed assets | | | | | |
| Tangible assets | 7 | 306 | 474 | 5 | 8 |
| (b) Long-term loans and advances | 8 | 38,414 | 45,508 | 615 | 759 |
| | | <u>38,720</u> | <u>45,982</u> | <u>620</u> | <u>767</u> |
| 2. Current assets | | | | | |
| (a) Trade receivables | 9 | 33,810 | 22,598 | 541 | 378 |
| (b) Cash and bank balances | 10 | 94,348 | 74,243 | 1,510 | 1,239 |
| (c) Short-term loans and advances | 11 | 4,447 | 3,984 | 71 | 66 |
| | | <u>132,605</u> | <u>100,825</u> | <u>2,122</u> | <u>1,683</u> |
| | | <u>171,325</u> | <u>146,807</u> | <u>2,742</u> | <u>2,450</u> |
| Summary of significant accounting policies | 2 | | | | |

| Note | ₹ in 000's | | (US\$ in 000's) | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------|
| | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | |
| I Revenue from operations | | | | | |
| (a) Brokerage and commission | 12 | 146,795 | 145,002 | 2,400 | 2,400 |
| (b) Income from services | 12 | - | 7,680 | - | 127 |
| | | <u>146,795</u> | <u>152,682</u> | <u>2,400</u> | <u>2,527</u> |
| II. Other operating income | 13 | - | 4 | 0 | 0 |
| III. Other income | 14 | - | 641 | - | 11 |
| IV. Total revenue (I+II+III) | | 146,795 | 153,327 | 2,400 | 2,538 |
| V. Expenses: | | | | | |
| (a) Employee benefit expense | 15 | 72,088 | 60,351 | 1,178 | 999 |
| (b) Operating expenses | 16 | 1,047 | 3,179 | 17 | 53 |
| (c) Depreciation | 7 | 333 | 1,657 | 5 | 27 |
| (d) Finance costs | 17 | 4,763 | 3,862 | 78 | 64 |
| (e) Other expenses | 18 | 47,500 | 49,088 | 777 | 812 |
| Total expenses | | 125,731 | 118,137 | 2,055 | 1,955 |
| VI Profit before tax | | 21,064 | 35,190 | 345 | 583 |
| VII Tax expense: | | <u>489</u> | <u>875</u> | <u>8</u> | <u>14</u> |
| VIII Profit (Loss) for the period | | 20,575 | 34,315 | 337 | 569 |
| IX Earnings per share (Basic and Diluted) (FY 2015 - No par value, FY 2014 -Face Value \$1 per share) | | <u>15,857</u> | <u>2.64</u> | <u>260</u> | <u>0.04</u> |
| Summary of significant accounting policies | 2 | | | | |

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

As per our report of even date

S.R. Batliboi & Co. LLP
ICAI Firm Registration No: 301003E
Chartered Accountants

Per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 16, 2015

For and on behalf of the Board of Directors

BISHEN PERTAB
President

ROBERT NG
Director

SUBIR SAHA
Chairman

New York, April 14, 2015

1 Corporate Information

ICICI Securities, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Holdings, Inc., is incorporated in the United States in 2001. 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") and 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 non-consolidated financial statements have been prepared solely for the information and use of ICICI Securities Limited, the Holding Company for consolidation. The financial statements have been prepared in accordance with generally accepted accounting principles in India. 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 Para 7 of the Companies (Accounts) Rules 2014. The non-consolidated financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, except where otherwise stated, are consistent with those used in the previous year.

b) Use of estimates

The preparation of 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 and financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.

d) Investments

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. All other investments are classified as Long term investments. The securities held as stock-in-trade are grouped under current assets and are valued at cost or market value, whichever is lower.

Long term investments are carried at acquisition cost, inclusive of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs and is provided for in the statement profit and loss. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

e) Tangible Assets

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 | |
| Leasehold improvements | 10 years |
| Plant and machinery like air conditioners, photo-copying machines, etc. | 3 Years |
| Computers | 3 Years |
| Furniture and fixtures | 7 years |

f) Intangible Assets

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

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

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

notes

| | ₹ in 000's | | (US\$ in 000's) | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |

3. SHARE CAPITAL :

Authorised:

1500 Common stock of no par value

(As at March 31, 2014 15,000,000 shares of US\$ 1 each)

Issued subscribed & paid up:

Common stock 1,298 shares

(As at March 31, 2014 12,980,000 shares of US\$ 1 each)

(All shares mentioned above are held by holding company ICICI Securities Holding Inc.)

Total issued, subscribed and fully paid-up share capital

| | | | | |
|--|---------|---------|--------|--------|
| | 571,667 | 571,667 | 12,980 | 12,980 |
|--|---------|---------|--------|--------|

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

At the beginning of the year

Issued during the year

Issued during the year - ESOP

Outstanding at the end of the year

| | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|----------------|----------------------|----------------|
| | Nos. | ₹ | Nos. | ₹ |
| At the beginning of the year | 1,298 | 571,667 | 12,980,000 | 571,667 |
| Issued during the year | - | - | - | - |
| Issued during the year - ESOP | - | - | - | - |
| Outstanding at the end of the year | 1,298 | 571,667 | 12,980,000 | 571,667 |

During the year the Company has amended its Authorised Share Capital from 12,980,000 shares of US \$ 1 each to 1,298 shares of no par value with the Secretary of State, State of Delaware on September 30, 2014.

Due to this amendment there is an impact on the calculation of EPS reported for the current year.

Terms /rights attached to equity shares

The Company has only one class of equity shares having no par value. Each holder of equity shares is entitled to one vote per share.

4. RESERVES & SURPLUS

Reserves and surplus consist of the following:

Profit and loss account debit balance:

Balance as on April 1, 2014

Add: Additions during the year

Less: deductions during the year

Balance as on March 31, 2015

| | | | | |
|--------------|------------------|------------------|-----------------|-----------------|
| | (519,263) | (553,578) | (11,848) | (12,417) |
| | 20,575 | 34,315 | 337 | 569 |
| TOTAL | (498,688) | (519,263) | (11,511) | (11,848) |

Translation reserve:

Balance as on April 1, 2014

Add: Additions during the year

Less: deductions during the year

Balance as on March 31, 2015

TOTAL

| | | | | |
|--------------|------------------|------------------|-----------------|-----------------|
| | 17,964 | 14,956 | 45 | 45 |
| | 3,555 | 3,008 | - | - |
| | 21,519 | 17,964 | 45 | 45 |
| TOTAL | (477,169) | (501,299) | (11,466) | (11,803) |

5. OTHER LONG TERM LIABILITIES

Other long term liabilities consist of the following:

Due to Parent

Liabilities for sublease

| | | | | |
|--------------|---------------|---------------|------------|------------|
| | 28,383 | 27,209 | 454 | 454 |
| | 17,337 | 25,569 | 277 | 427 |
| TOTAL | 45,720 | 52,778 | 731 | 881 |

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

Other liabilities

Provision for taxes

TOTAL

| | | | | |
|--------------|---------------|---------------|------------|------------|
| | 30,320 | 22,259 | 485 | 369 |
| | 787 | 1,402 | 12 | 23 |
| TOTAL | 31,107 | 23,661 | 497 | 392 |

7. FIXED ASSETS :

(₹ in 000's) (US\$ in 000's)

| | GROSS BLOCK (at Cost) | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | | | |
|------------------------|-----------------------|------------|--------------|----------------|--------------------------|------------|--------------|----------------|----------------|----------------|----------------|----------------|
| | April 01, 2014 | Additions | Sale/Adj* | March 31, 2015 | April 01, 2014 | Additions | Sale/Adj* | March 31, 2015 | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| Computers | 6,457 | 161 | (279) | 6,897 | 6,197 | 141 | (279) | 6,618 | 279 | 260 | 5 | 4 |
| Software | 894 | - | (39) | 933 | 894 | - | (39) | 933 | - | 0 | - | 0 |
| Leasehold improvement | 11,078 | - | (479) | 11,557 | 10,866 | 192 | (473) | 11,530 | 27 | 212 | 0 | 4 |
| Lease hold improvement | 1,730 | - | (75) | 1,805 | 1,728 | - | (77) | 1,805 | 0 | 2 | 0 | - |
| TOTAL | 20,159 | 161 | (872) | 21,192 | 19,685 | 333 | (868) | 20,886 | 306 | 474 | 5 | 8 |

(₹ in 000's) (US\$ in 000's)

| | GROSS BLOCK (at Cost) | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | | | |
|------------------------|-----------------------|------------|----------------|----------------|--------------------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | April 01, 2013 | Additions | Sale/Adj* | March 31, 2014 | April 01, 2013 | Additions | Sale/Adj* | March 31, 2014 | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| Computers | 5,621 | 252 | (584) | 6,457 | 5,544 | 73 | (580) | 6,197 | 260 | 77 | 4 | 1 |
| Software | 810 | - | (84) | 894 | 810 | - | (84) | 894 | (0) | 0 | (0) | 0 |
| Leasehold improvement | 10,036 | - | (1,042) | 11,078 | 8,433 | 1,571 | (862) | 10,866 | 212 | 1,603 | 4 | 30 |
| Lease hold improvement | 1,567 | - | (163) | 1,730 | 1,554 | 13 | (161) | 1,728 | 2 | 13 | 0 | - |
| TOTAL | 18,034 | 252 | (1,873) | 20,159 | 16,341 | 1,657 | (1,687) | 19,685 | 474 | 1,693 | 8 | 31 |

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

* Includes translation reserve of ₹ 5 thousand (previous year ₹186 thousand)

| | ₹ in 000's | | (US\$ in 000's) | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| 8. LONG TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated) Long-term loans and advance consist of the following: | | | | |
| Other advances and deposits | 6,874 | 15,411 | 110 | 257 |
| Security deposit for leased premises | 31,540 | 30,097 | 505 | 502 |
| TOTAL | 38,414 | 45,508 | 615 | 759 |
| Other advances and deposits include: | | | | |
| Security Deposit | 4,548 | 10,749 | 73 | 179 |
| Prepaid expenses | 2,326 | 4,662 | 37 | 78 |
| 9. TRADE RECEIVABLES Unsecured, considered good | | | | |
| Due from ICICI Securities Ltd. (Ultimate Holding Company) | 33,810 | 21,845 | 541 | 365 |
| Other Receivables | 0 | 753 | 0 | 13 |
| TOTAL | 33,810 | 22,598 | 541 | 378 |
| 10. CASH AND BANK BALANCES In current accounts with banks | 94,348 | 74,243 | 1,510 | 1,239 |
| TOTAL | 94,348 | 74,243 | 1,510 | 1,239 |
| 11. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated) Short-term loans and advance consist of the following: | | | | |
| Other advances and deposits | 4,447 | 3,984 | 71 | 66 |
| TOTAL | 4,447 | 3,984 | 71 | 66 |
| Other advances and deposits include: | | | | |
| Prepaid Expenses | 3,931 | 3,432 | 63 | 57 |
| 12. BROKERAGE, COMMISSION & INCOME FROM SERVICES Brokerage and commission | 146,795 | 145,002 | 2,400 | 2,400 |
| Financial advisory services | - | 7,680 | - | 127 |
| TOTAL | 146,795 | 152,682 | 2,400 | 2,527 |
| 13. INTEREST INCOME Interest on other loans and advances | 0 | 4 | 0 | 0 |
| TOTAL | 0 | 4 | 0 | 0 |
| (₹ 0 thousand indicates values are lower than ₹ 1 thousand or US\$ 1 thousand) | | | | |
| 14. OTHER INCOME Miscellaneous income | - | 641 | - | 11 |
| TOTAL | 0 | 641 | 0 | 11 |
| 15. EMPLOYEE BENEFIT EXPENSE Employee benefits expense consist of the following: | | | | |
| Salaries, wages and incentive | 67,861 | 55,892 | 1,109 | 925 |
| Staff welfare expenses | 4,227 | 4,459 | 69 | 74 |
| TOTAL | 72,088 | 60,351 | 1,178 | 999 |
| 16. OPERATING EXPENSES Other operating expenses | 1,047 | 849 | 17 | 14 |
| Commission expenses and transaction charges | 0 | 2,330 | 0 | 39 |
| TOTAL | 1,047 | 3,179 | 17 | 53 |
| 17. FINANCE COST Finance cost consist of the following: | | | | |
| Bank charges | 4,763 | 3,847 | 78 | 64 |
| Other interest | 0 | 15 | - | 0 |
| TOTAL | 4,763 | 3,862 | 78 | 64 |
| (₹ 0 thousand indicates values are lower than ₹ 1 thousand or US\$ 1 thousand) | | | | |

notes

| | ₹ in 000's | | US\$ in 000's | |
|--|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |

18. OTHER EXPENSES

Other expenses consist of the following:

| | | | | |
|--|---------------|---------------|------------|------------|
| Rent and amenities | 6,001 | 8,268 | 98 | 137 |
| Rates and taxes | 216 | 639 | 4 | 11 |
| Insurance | 496 | 353 | 8 | 6 |
| Business promotion, travelling and conveyance expenses | 12,206 | 7,764 | 200 | 128 |
| Subscription and periodicals | 5,345 | 2,570 | 87 | 43 |
| Printing and stationery | 317 | 315 | 5 | 5 |
| Communication expenses | 2,239 | 2,675 | 37 | 44 |
| Professional fees | 7,178 | 9,193 | 117 | 152 |
| Auditors' remuneration (statutory audit fee) | 3,741 | 10,111 | 61 | 167 |
| Repairs, maintenance, upkeep and others | 2,641 | 2,293 | 44 | 38 |
| Foreign exchange translation | 7,120 | 4,907 | 116 | 81 |
| TOTAL | 47,500 | 49,088 | 777 | 812 |

19. 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.

20. EARNINGS PER EQUITY SHARE (EPS)

| | ₹ in 000's | | US\$ in 000's | |
|---|----------------|----------------|----------------|----------------|
| | Year ended | | Year ended | |
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| Basic & Diluted | | | | |
| Weighted average no. of equity shares outstanding | 1,298 | 12,980 | 1,298 | 12,980 |
| Net profit / (loss) | 20,575 | 34,315 | 337 | 569 |
| Basic earnings per share (₹)/ (US\$) | 15,851 | 2.64 | 260 | 0.04 |

21. LEASE

The company has obligations for its office space in New York city under the term of an operating lease expiring on February 28, 2017.

| | ₹ in 000's | | US\$ in 000's | |
|---|----------------|----------------|----------------|----------------|
| | Year ended | | Year ended | |
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| Lease payments for the year | 32,298 | 31,638 | 528 | 528 |
| Minimum lease payments: | | | | |
| Not later than one year | 32,298 | 31,638 | 528 | 528 |
| Later than one year but not later than five years | 29,606 | 60,639 | 484 | 1,012 |
| Later than five years | - | - | - | - |

22. SUBLEASE

The Company is having existing 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 has provided a corporate guarantee on behalf of the company to its sub lessee amounting to US\$ 1,500 thousand. This guarantee has been 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) of US\$ 1,000 thousand to the sub lessee of the company.

During the year Company has received ₹24,219 thousand (US\$ 396 thousand) as basic sub-lease rentals from US Bank National Association and paid ₹32,298 thousand (US\$ 528 thousand) as basic lease rental to SL Green Management Company. The same has been adjusted against the lease abandonment liability.

23. 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 Companies: ICICI Bank Limited;
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 N G CEO Singapore Branch

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

| Nature of transaction | Ultimate Holding Company | | Holding Company | |
|---------------------------|--------------------------|------------------|-----------------|---------------|
| | ₹ in 000's | US\$ in 000's | ₹ in 000's | US\$ in 000's |
| Income from Services | | | | |
| ICICI Securities Limited | 146,795 (145,002) | 2,400 (2,400) | - | - |
| Operating expenses | | | | |
| ICICI Securities Limited | 570 (1,752) | 9 (29) | | |
| Reimbursement of expenses | | | | |
| ICICI Securities Limited | 8,564 (846) | 140 (14) | | |
| Finance charges | | | | |
| ICICI Bank Limited | 3,670 (2,864) | 60 (47) | - | - |

The balances payable to/receivable from related parties included in the balance sheet as on March 31, 2015 are given below:

| Nature of transaction | Ultimate Holding Company | | Holding Company | |
|--------------------------------|--------------------------|---------------|----------------------|--------------------|
| | ₹ in 000's | US\$ in 000's | ₹ in 000's | US\$ in 000's |
| Receivables | | | | |
| ICICI Securities Limited | 33,810 (21,845) | 541 (365) | - | - |
| Payables | | | | |
| ICICI Securities Holdings Inc. | - | - | 28,383 (27,209) | 454 (454) |
| Share Capital | | | | |
| ICICI Securities Holdings Inc. | - | - | 571,667 (571,667) | 12,980 (12,980) |

forming part of the financial statements

Other related party transactions are given below

| Nature of transaction | Ultimate Holding Company | | Holding Company | |
|---|--------------------------|------------------|-----------------|-----------------|
| | (₹ in 000's) | (US\$ in 000's) | (₹ in 000's) | (US\$ in 000's) |
| Guarantees given by | | | | |
| ICICI Securities Limited (Corporate Guarantee) | 93,750 (89,880) | 1,500 (1,500) | - | - |
| ICICI Securities Limited. (Standby Bank letter of credit) | 62,500 (59,920) | 1,000 (1,000) | - | - |

Amount in parenthesis represent previous year figures

Key Management Personnel

The compensation for the year ending March 31, 2015 to Bishen Pertab, President & CEO was ₹10,919 thousand (US\$ 179 thousand) March 31, 2014 ₹ 8,389 thousand (US\$ 140 thousand), Robert Ng, CEO Singapore Branch ₹ 9,847 thousand (US\$ 161 thousand) March 2014 ₹ 7,437 thousand (US\$ 123 thousand)

24. 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.

25. FIGURES FOR THE PREVIOUS YEAR HAVE BEEN REGROUPED/RECLASSIFIED WHEREVER NECESSARY.

As per our report attached

S.R. Batliboi & Co. LLP
ICAI Firm Registration No: 301003E
Chartered Accountants

Per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 16, 2015

Signature to Note 1 to 25

For and on behalf of the Board of Directors

BISHEN PERTAB
President

ROBERT NG
Director

SUBIR SAHA
Chairman

New York, April 14, 2015

cash flow statement

ICICI Securities Inc for the year ended March 31, 2015

| | (₹ in 000's) | | (US\$ in 000's) | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2015 | Year ended March 31, 2014 |
| A Cash flow from operating activities | | | | |
| Profit/ (Loss) before tax | 21,064 | 35,190 | 345 | 583 |
| - Depreciation | 333 | 1,657 | 5 | 27 |
| - Exchange adjustments | 3,551 | 2,819 | - | - |
| Operating profit before changes in operating assets and liabilities | 24,948 | 39,666 | 350 | 610 |
| Adjustments for net change in operating assets and liabilities | | | | |
| - Current assets excluding cash and cash equivalents | (11,212) | (20,461) | (163) | (339) |
| - Loans and advances relating to operations | 6,632 | (2,798) | 139 | 36 |
| - Current liabilities relating to operations | 1,002 | 8,342 | (34) | 20 |
| | (3,578) | (14,917) | (58) | (283) |
| Cash generated from operations | 21,370 | 24,749 | 292 | 327 |
| Payment of taxes (net) | (1,104) | (34) | (18) | (1) |
| Net cash used in operating activities | 20,266 | 24,715 | 274 | 326 |
| B Cash flow from investment activities | | | | |
| - Acquisition of equity investments in subsidiary companies | - | - | - | - |
| - (Purchase) / Sale of investments | - | - | - | - |
| - (Purchase) / Sale of fixed assets (net) | (161) | (252) | (3) | (4) |
| Net cash used in investment activities | (161) | (252) | (3) | (4) |
| C Cash flow from financing activities | | | | |
| Net change in cash and cash equivalents | 20,105 | 24,463 | 271 | 322 |
| Cash and cash equivalents at the beginning of the year | 74,243 | 49,780 | 1,239 | 917 |
| Cash and cash equivalents at the end of the year | 94,348 | 74,243 | 1,510 | 1,239 |

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

As per our report of even date

S.R. Batliboi & Co. LLP
ICAI Firm Registration No: 301003E
Chartered Accountants

Per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 16, 2015

For and on behalf of the Board of Directors

SUBIR SAHA
Chairman

BISHEN PERTAB
President

ROBERT NG
Director

New York, April 14, 2015