ICICI Securities, Inc.

ICICI SECURITIES, INC.

19TH ANNUAL REPORT AND ACCOUNTS 2018-2019

Directors:
Sonali Chandak (Chairperson)
Jaideep Goswami
Robert Ng
Bishen Pertab

Auditors:
B S R & Co. LLP
Chartered Accountants
(Registration No. 101248W/W-100022)

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

directors' report

to the members,

The Directors are pleased to present the Nineteenth Annual Report of ICICI Securities, Inc. along with the audited statement of accounts for the year ended March 31, 2019.

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 capital markets products. The Company also operates under the International Dealer exemption from the Canadian Securities Administrators ("CSA") that enables it to expand its reach to institutional investors in the province of British Columbia, Ontario and Quebec. The Company 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.

In fiscal 2019, 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 2019, 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 2018	**Fiscal 2019**
Gross income	*252,986*	**210,758**
Profit/(loss) Loss before tax	*44,606*	**19,377**
Provision for tax	*1,013*	**(17,117)**
Profit /(loss) after tax	*43,593*	**36,494**

OUTLOOK FOR INDIAN EQUITIES

Fiscal year 2018 was a year of robust returns for equities especially for mid and small capitalization stocks, with major stock indices touching all-time highs during the year. However, strong fiscal 2018 base year was followed by a challenging fiscal 2019. It was a year of risk aversion in Indian equities wherein the mid and small cap stocks underperformed the NIFTY50 by 17.6% and 29.3% respectively. Liquidity issues in the NBFC sector adversely impacted credit flow and the performance of financial stocks. Domestic Institutional Investors ('DIIs') were net buyers of US$10.3 billion in equities and Foreign Portfolio Investors ('FPIs') bought US$1.5 billion during fiscal 2019. FPI buying saw a reversal in the last quarter of fiscal 2019, as they bought equities worth US$8.2 billion while remaining sellers for the rest of the year. Funds raised through equity slowed down substantially during the year resulting in ~70% decline in equity fund raising.

While India's GDP is estimated to have grown at 7% in fiscal 2019, growth is expected to pick up in the second half of fiscal 2020, with RBI projecting growth at 6.8-7.1% in the first half and 7.3-7.4% in the second half, taking fiscal 2020 projected growth to 7.2%. CPI inflation trajectory is expected to be benign in fiscal 2020 thereby providing an environment of lower interest rates. However, prospects of fiscal slippage and continued strengthening in oil prices will put pressure on interest rates. Domestic equity flows are likely to be robust while FPI flows could continue to be volatile. Corporate profitability of Indian Inc. is expected to improve in fiscal 2020 as the NPA recognition cycle peaks out along with improving consumption and infrastructure spend by the government, which should support positive outlook for equity markets. Amongst global drivers which could impact EMs like India, are geo-political risks such as Brexit and global trade war as their resolution timelines continue to get delayed.

SHARE CAPITAL

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

DIRECTORS

As at March 31, 2019, following are the Directors of the Company:

Sonali Chandak (Chairperson)
Jaideep Goswami
Robert Ng
Bishen Pertab

During fiscal 2019, the Board approved the appointment of Sonali Chandak as a Director on the Board of Directors of the Company. The Board also accepted the resignation of Ripujit Chaudhuri as a Director of the Company. The appointment and resignation were effective July 12, 2018. The Board places on its record, its appreciation for the valuable services and leadership rendered by Ripujit Chaudhuri during his tenure as a Director of the Company.

AUDITORS

The Board, at its Meeting held on April 15, 2019, proposed the re-appointment of B S R & Co. LLP (Registration number 101248W/W-100022), Chartered Accountants as Statutory Auditors of the Company for fiscal 2020 as per Indian Accounting Standards (Ind-AS) as well as Indian GAAP and for the purpose of complying with the provisions of the Indian Companies Act, 2013, as the accounts of the Company are consolidated with the accounts of the holding company *viz*. ICICI Securities Limited. You are requested to consider the appointment of the aforementioned Auditor.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;

ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2019 and of the profit of the Company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records 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

Sonali Chandak
Chairperson

Date: April 15, 2019

independent auditors' report

to the members of ICICI Securities, Inc.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of ICICI Securities, Inc. (the 'Company'), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters with respect to the preparation of these financial statements, that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system with reference to financial statements and the operating effectiveness of such controls but not for for the purpose of expressing an opinion on the effectiveness of the Company's internal control..
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTER

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2017 included in these financial statements, are based on the previously issued financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 20 April 2017, expressed an unmodified opinion on those condensed standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no. 101248W/W-100022

Milind Ranade
Partner
Membership No. 100564

Place: Mumbai
Date: 15 April 2019

balance sheet

as at March 31, 2019

	Note No.	As at March 31, 2019	*As at March 31, 2018*	*As at April 1, 2017*
				(₹ in 000's)
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	3	**205,425**	*200,584*	*150,671*
(b) Bank balance other than (a) above	3	**69,749**	-	-
(c) Receivables				
(I) Trade receivables	4	**38,160**	*90,598*	*17,476*
(II) Other receivables		**-**	-	-
(d) Other financial assets	5	**5,997**	*5,797*	*37,414*
		319,331	*296,979*	*205,561*
(2) Non-financial assets				
(a) Deferred tax asset (Net)		**17,338**	-	-
(b) Property, plant and equipment	7	**365**	*384*	*130*
(c) Other non-financial assets	6	**1,901**	*3,361*	*2,375*
		19,604	*3,745*	*2,505*
TOTAL ASSETS		**338,935**	*300,724*	*208,066*
II. LIABILITIES AND EQUITY				
Liabilities				
(1) Financial liabilities				
(a) Payables	8			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**6,003**	*5,932*	*7,753*
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	-	-
(b) Other financial liabilities	9	**31,405**	*29,596*	*29,715*
		37,408	*35,528*	*37,468*
(2) Non-financial liabilities				
(a) Current tax liabilities (Net)		**868**	*1,323*	*808*
(b) Other non financial liabilities	10	**82,935**	*82,643*	*33,876*
		83,803	*83,966*	*34,684*
(3) Equity				
(a) Equity share capital	11	**571,667**	*571,667*	*571,667*
(b) Other equity	12	**(353,943)**	*(390,437)*	*(435,753)*
		217,724	*181,230*	*135,914*
Total Liabilities and Equity		**338,935**	*300,724*	*208,066*

statement of profit and loss

for the year ended March 31, 2019

		Note No.	For the year ended March 31, 2019	*For the year ended March 31, 2018*
				(₹ in 000's)
	Revenue from operations			
	(a) Interest Income	13	**601**	-
	(b) Fees and commission Income			
	- Brokerage income		**-**	*214,010*
	- Income from services		**200,036**	*36,799*
I	**Total Revenue from operations**		**200,637**	*250,809*
II	**Other Income**			
	Other Income	14	**10,121**	*2,177*
III	**Total Income (I+II)**		**210,758**	*252,986*
	Expenses:			
	(a) Finance costs	15	**3,616**	*3,645*
	(b) Employee benefits expense	16	**131,885**	*156,219*
	(c) Depreciation		**188**	*382*
	(d) Operating expenses	17	**1,331**	*12,435*
	(e) Other expenses	18	**54,361**	*35,699*
IV	**Total expenses**		**191,381**	*208,380*
V	**Profit before tax (III - IV)**		**19,377**	*44,606*
	Tax expense:			
	(1) Current tax		**413**	*1,013*
	(2) Deferred tax		**(17,530)**	-
VI	**Total**		**(17,117)**	*1,013*
VII	**Profit for the year (V-VI)**		**36,494**	*43,593*
VIII	**Earnings per share (Basic and Diluted)**		**28,115.56**	*33,584.49*

See accompanying notes to the financial statements

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors

Sonali Chandak
Chairperson

Bishen Pertab
President

Robert Ng
Director

Singapore, April 15, 2019

standalone statement of changes in equity

for the year ended March 31, 2019

A EQUITY SHARE CAPITAL

(₹ in 000's)

Balance as of April 1, 2017	*Changes in equity share capital during the year*	*Balance as on March 31, 2018*
571,667	-	*571,667*

(₹ in 000's)

Balance as of April 1, 2018	**Changes in equity share capital during the year**	**Balance as on March 31, 2019**
571,667	**-**	**571,667**

B OTHER EQUITY

(₹ in 000's)

	Reserves and Surplus	**Exchange Difference on translating the financial statements of a foreign operation**	**Total**
	Retained Earnings		
Balance as of April 1, 2017	(460,204)	24,451	(435,753)
Profit for the year	43,593	-	43,593
Any other changes:			-
Additions during the year (net)	-	1,723	1,723
Balance as on March 31, 2018	**(416,611)**	**26,174**	**(390,437)**
Balance as of April 1, 2018	**(416,611)**	**26,174**	**(390,437)**
Profit for the year	36,494	-	36,494
Any other changes:			-
Additions during the year (net)	-	-	-
Balance as on March 31, 2019	**(380,117)**	**26,174**	**(353,943)**

See accompanying notes to the financial statements

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors

Sonali Chandak
Chairperson

Bishen Pertab
President

Robert Ng
Director

Singapore, April 15, 2019

cash flow statement

ICICI Securities, Inc. **for the year ended March 31, 2019**

		For the year ended March 31, 2019	For the year ended March 31, 2018
			(₹ in 000's)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	19,377	44,606
	- Depreciation	188	382
	- Exchange adjustments	-	1,723
	Operating profit before changes in operating assets and liabilities	19,565	46,711
	Adjustments for net change in operating assets and liabilities		
	- Trade Receivables relating to operations	52,438	(73,122)
	- Loans and advances relating to operations	1,428	30,632
	- Liabilites relating to operations	2,172	46,828
		56,038	4,339
	Cash generated from operations	75,603	51,050
	Payment of taxes	(867)	(498)
	Net cash generated from/ used in operating activities	74,736	50,552
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	- (Purchase) / Sale of investments	(69,749)	-
	- Purchase of fixed assets	(146)	(639)
	Net cash used in investment activities	(69,895)	(639)
C	**CASH FLOW FROM FINANCING ACTIVITIES**	-	-
	Net change in cash and cash equivalents	4,841	49,913
	Cash and cash equivalents at the beginning of the year	200,584	150,671
	Cash and cash equivalents at the end of the year	205,425	200,584
	Components of cash and cash equivalents		
	In current account with banks	205,425	200,584

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes to the financial statements

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors

Sonali Chandak
Chairperson

Bishen Pertab
President

Robert Ng
Director

Singapore, April 15, 2019

(1) CORPORATE INFORMATION

ICICI Securities, Inc. (the "Company"), a wholly owned subsidiary of ICICI Securities Holdings, Inc., was 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

(i) Basis of preparation

The intermediary holding company, ICICI Securities Ltd. has in accordance with the notification issued by the Ministry of Corporate Affairs, adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2018. The said notification is also applicable to the subsidiaries and hence the Company has also prepared financials in accordance with Ind AS. Previous year numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of the financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2018 and April 1, 2017 and of the total comprehensive income for the year ended March 31, 2018.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the Act).

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements are the Company's first Ind AS standalone financial statements. The Company's financial statements are presented in Indian Rupees (₹) and rounded off to the nearest thousand.

(ii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

(iii) Revenue recognition

The Company provides referral and marketing services to its intermediary holding company by providing marketing, corporate access and client relationship services to institutional customers to trade on the Indian stock markets. This represents the only performance obligation which is satisfied over time as the services are provided. The Company has recorded revenue based on cost plus arrangement.

(iv) Property, Plant and Equipment (PPE)

PPE are carried at cost less accumulated depreciation. Cost comprises purchase price, borrowing cost if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use.

Losses arising from the retirement of, and gains or losses arising from disposal of PPE are recognized in the statement of profit and loss. Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management. The estimated useful lives of assets are as follows:

Tangible Asset	As per Companies Act 2013	Estimated by Management
Computers	3 years	3 years
Furniture and fixtures	10 years	6.67 years

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Upon first time adoption of Ind AS, the Company has elected to measure all its PPE at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. April 1, 2017.

(v) Financial instruments

The Company recognizes all the financial assets and liabilities at its fair value on initial recognition; in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

Financial assets are classified into three categories for subsequent measurement based on the following:

a. **Amortised cost:** The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category. The carrying amount of trade receivables which are subsequently measured at amortised cost, approximate the fair values of these instruments due to their short-term nature.

b. **Fair value through other comprehensive income (FVOCI):** The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest rate method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss.

c. **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying financial asset at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows –

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For trade, other payables and other financial liabilities the carrying amount approximates the fair value due to short maturity of these instruments.

d. **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. The Company provides for its receivables as per the simplified method if the outstanding is overdue more than ninety days.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

(vi) De-recognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to the cash flows from financial assets has expired or where the Company has transferred substantially all the risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Company has retained control, the assets continue to be recognised to the extent of the Company's continuing involvement.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expired.

(vii) 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.

(viii) Impairment of non-financial assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ix) Lease

Lease arrangements where the risk and rewards incidental to ownership of an assets substantially vest with the lessor, are recognised as operating lease.

Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

(x) 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 the balance sheet date and adjusted to reflect the current management estimates.

(xi) 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.

(xii) Earnings per share

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xiii) Foreign exchange transactions

The functional currency and the presentation currency of the Company is Indian Rupees. As a result of change in the circumstances affecting the operations of the Company, the management has determined that with effect from April 1, 2018 the functional currency of the Company will be INR.

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

(xiv) Employee benefits

The Company has a long term incentive plan which is paid in three annual tranches. The Company accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding rate of interest and staff attrition as per the projected unit credit method made at the end of each reporting period. The actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

(xv) Income tax

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 reflect 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 is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

(₹ in 000's)

	As at March 31, 2019	*As at March 31, 2018*	*As at April 1, 2017*
(3) CASH AND CASH EQUIVALENTS			
(a) Balances with Banks (of the nature of cash and cash equivalents)			
In current accounts with banks			
- In India with scheduled banks	**-**	-	-
- Outside India	**205,425**	*200,584*	*150,671*
TOTAL	**205,425**	*200,584*	*150,671*
(ii) Other Bank Balance			
(a) Fixed deposits with banks			
- In India	**-**	-	-
- Outside India	**69,749**	-	-
TOTAL	**69,749**	-	-
(4) TRADE RECEIVABLES			
(a) Receivables considered good - Unsecured			
- Due from Intermediary Holding Company	**35,048**	*87,665*	*14,558*
- Others	**3,112**	*2,933*	*2,918*
Less : Impairment Loss Allowance	**-**	-	-
TOTAL	**38,160**	*90,598*	*17,476*

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

	As at March 31, 2019	*As at March 31, 2018*	*As at April 1, 2017*
(5) OTHER FINANCIAL ASSETS			
(a) Security deposits :			
Unsecured, considered good			
- Deposit with Monetary Authority of Singapore	**5,100**	*4,971*	*4,647*
- Security deposit for leased premises	**897**	*826*	*32,767*
TOTAL	**5,997**	*5,797*	*37,414*
(6) OTHER NON-FINANCIAL ASSETS			
Advances other than capital advances:			
- Prepaid expenses	**1,625**	*1,503*	*1,486*
- Others	**276**	*1,858*	*889*
TOTAL	**1,901**	*3,361*	*2,375*

(7) PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ in 000's)

	Property, Plant and Equipment		
	Computers	**Furniture and fixtures**	**Total**
Gross Carrying amount (At Cost or deemed cost)			
Balance at April 1, 2017	326	-	**326**
Additions	574	72	**646**
Disposal / Adjustment	(2)	-	**(2)**
Balance at March 31, 2018	902	72	**974**
Additions	146	-	**146**
Disposal / Adjustment *	60	3	**63**
Balance at March 31, 2019	**1,108**	**75**	**1,183**
Accumulated depreciation/amortisation			
Balance at April 1, 2017	196	-	**196**
Depreciation for the year	380	4	**384**
Disposal / Adjustment	(9)	-	**(9)**
Balance at March 31, 2018	585	4	**589**
Depreciation for the year	172	16	**188**
Disposal / Adjustment	48	(7)	**41**
Balance at March 31, 2019	**805**	**13**	**818**
Carrying amounts (net)			
Balance at April 1, 2017	130	-	**130**
Balance at March 31, 2018	317	68	**384**
Balance at March 31, 2019	**303**	**62**	**365**

(₹ in 000's)

	As at March 31, 2019	*As at March 31, 2018*	*As at April 1, 2017*
(8) PAYABLES			
(I) Trade Payables :			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,003	5,932	7,753
(II) Other Payables:			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total (I) and (II)	**6,003**	5,932	7,753
(9) OTHER FINANCIAL LIABILITIES			
Due to Parent	31,405	29,596	29,715
TOTAL	**31,405**	29,596	29,715
(10) OTHER NON FINANCIAL LIABILITIES			
(a) Others			
(i) Statutory liabilities	1,387	552	451
(ii) Employee related liabilities	81,411	81,860	33,173
(iii) Other liabilities	137	231	252
TOTAL	**82,935**	82,643	33,876

Equity

(11) SHARE CAPITAL

(a) Authorised:

1,500 Common stock of no par value

(As at March 31, 2018 1,500 Common stock of no par value)

(b) Issued subscribed & paid up:

1,298 Common stock

(As at March 31, 2018 1,298 Common stock of no par value)

(All Common stock mentioned above are held by holding company ICICI Securities Holding, Inc.)

(All shares mentioned above are held by holding company

	As at March 31, 2019	*As at March 31, 2018*	*As at April 1, 2017*
Total issued, subscribed and fully paid-up share capital	**571,667**	571,667	571,667

(c) Reconciliation of the common stock at the beginning and at the end of the reporting year

Common stock	As at March 31, 2019		*As at March 31, 2018*		*As at April 1, 2017*	
	Nos.	**₹**	*Nos.*	₹	*Nos.*	₹
At the beginning of the year	1,298	571,667	1,298	571,667	1,298	571,667
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**1,298**	**571,667**	1,298	571,667	1,298	571,667

(d) 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

(e) Pattern of holding

	As at March 31, 2019		*As at March 31, 2018*		*As at April 1, 2017*	
	Nos.	**₹**	*Nos.*	₹	*Nos.*	₹
ICICI Securities Holdings, Inc.	1,298	571,667	1,298	571,667	1,298	571,667
	1,298	571,667	1,298	571,667	1,298	571,667

(f) Other details of Equity Shares for a period of five years immediately preceding March 31, 2019:

Particulars	2019	*2018*	*2017*	*2016*	*2015*
	No of Shares				
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

(₹ in 000's)

	As at March 31, 2019	*As at March 31, 2018*	*As at April 1, 2017*
(12) OTHER EQUITY			
(a) Retained earnings:			
Opening balance	**(416,611)**	*(460,204)*	*(470,373)*
Add: Profit during the year	**36,494**	*43,593*	*10,169*
Closing Balance	**(380,117)**	*(416,611)*	*(460,204)*
(b) Exchange Difference on translating the financial statements of a foreign operation			
Opening balance	**26,174**	*24,451*	*27,547*
Add: Additions during the year	**-**	*1,723*	*(3,096)*
Less: deductions during the year	**-**	*-*	*-*
Closing balance	**26,174**	*26,174*	*24,451*
TOTAL	**(353,943)**	*(390,437)*	*(435,753)*

Nature and purpose of reserves

(a) Retained earnings:	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
(b) Exchange difference on translating the financial statements of a foreign operation:	Under Ind AS, in cases where the functional currency of the foreign operation is different from the functional currency of the reporting entity, the translation differences are accounted in the Other Comprehensive Income and disclosed under Other Equity.

(₹ in 000's)

	For the year ended March 31, 2019	*For the year ended March 31, 2018*
(13) INTEREST INCOME		
Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with banks	**601**	*-*
TOTAL	**601**	*-*
(14) OTHER INCOME		
Net gain/(loss) on foreign currency transaction and translation	**10,121**	*2,177*
TOTAL	**10,121**	*2,177*
(15) FINANCE COST		
Bank charges	**3,616**	*3,645*
TOTAL	**3,616**	*3,645*
(16) EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**121,062**	*148,599*
Contribution to provident and other funds	**4,112**	*2,820*
Staff welfare expenses	**6,711**	*4,800*
TOTAL	**131,885**	*156,219*
(17) OPERATING EXPENSES		
Other operating expenses	**1,331**	*1,137*
Transaction charges	**-**	*11,298*
TOTAL	**1,331**	*12,435*
(18) OTHER EXPENSES		
Rent and amenities	**6,477**	*5,620*
Rates and taxes	**813**	*993*
Insurance	**315**	*288*
Business promotion, travelling and conveyance expenses	**16,227**	*6,986*
Subscription and periodicals	**7,220**	*5,338*
Printing and stationery	**610**	*500*
Communication cost	**2,042**	*1,916*
Legal and Professional charges	**10,495**	*7,415*
Auditor's fees and expenses	**4,970**	*4,849*
Repairs, maintenance, upkeep and others	**2,404**	*1,794*
Foreign exchange translation	**2,788**	*-*
TOTAL	**54,361**	*35,699*
Auditors' remuneration		
(a) for audit fees	**4,897**	*4,214*
(b) for reimbursement of expenses	**73**	*635*
TOTAL	**4,970**	*4,849*

(19) EARNINGS PER SHARE

The computation of basic and diluted earnings per share is given below

Particulars	Year ended March 31, 2019	*Year ended March 31, 2018*
Net profit after tax, before preference dividend (₹ 000's)	**36,494**	*43,593*
Preference dividend and tax on dividend (₹ 000's)	**-**	-
Net profit after tax and preference dividend (₹ 000's) (A)	**36,494**	*43,593*
Weighted average number of equity shares outstanding for basic EPS (B)	**1,298**	*1,298*
Basic & diluted earnings per share (₹) (A) / (B)	**28,115.56**	*33,584.49*

(20) SEGMENT REPORTING

The Company has a single reporting segment and hence no separate disclosure has been provided. The President of the Company has been considered as the chief operating decision maker (CODM).

(21) LEASE

The Company's leasing arrangements are in respect of operating leases for premises.

There are no restrictions placed upon the lessee by entering into these leases (e.g., such as those concerning dividends, additional debt and further leasing).

Future minimum rentals payable under non-cancellable operating lease as at 31st March 2019 are, as follow:

Particulars	Year ended 31-Mar-19	*Year ended 31-Mar-18*
A) Lease payments recognized in the Profit and Loss Account during the year		
Lease payments recognized in the statement of profit and loss during the period	**6,477**	*5,620*
Future minimum lease rentals payable		
- Not later than one year	**4,935**	*6,158*
- Later than one year but not later than five years	**947**	*2,509*
- Later than five years	**-**	-

(22) EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

(23) CAPITAL MANAGEMENT

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital, as defined. As per above requirement net capital as defined, shall not be less than $250,000.

(24) FIRST TIME ADOPTION OF IND AS

For reporting periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Indian GAAP. The Company has prepared its financial statements in accordance with Ind AS prescribed under section 133 of the Act and other accounting principles generally accepted in India and as notified by Ministry of Corporate Affairs with the transition date being April 1, 2017.

A. Optional exemptions: Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS of which the Company has elected the below exemption.

   a. Fair value or revaluation as deemed costs

      The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

B. Mandatory exceptions from retrospective application: The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

   a. Estimates: On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

   b. Classification and measurement of financial assets: The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

   The networth and Statement of Profit and Loss account remain unchanged under Ind AS.

(25) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ 000's)

	As at March 31, 2019			*As at March 31, 2018*			*As at April 1, 2017*		
	Within 12 months	After 12 months	Total	*Within 12 months*	*After 12 months*	*Total*	*Within 12 months*	*After 12 months*	*Total*
ASSETS									
1 Financial assets									
(a) Cash and cash equivalents	205,425	-	205,425	200,584	-	200,584	150,671	-	150,671
(b) Bank balance other than (a) above	69,749	-	69,749	-	-	-	-	-	-
(c) Receivables	-	-	-	-	-	-	-	-	-
(I) Trade receivables	38,160	-	38,160	90,598	-	90,598	17,476	-	17,476
(II) Other receivables	-	-	-	-	-	-	-	-	-
(d) Other financial assets	-	5,997	5,997	-	5,797	5,797	-	37,414	37,414
	313,334	5,997	319,331	291,182	5,797	296,979	168,148	37,414	205,561
2 Non-financial assets									
(a) Deferred tax asset	17,338	-	17,338	-	-	-	-	-	-
(b) Property, plant and equipment	365	-	365	384	-	384	130	-	130
(c) Other non-financial assets	1,901	-	1,901	3,361	-	3,361	2,375	-	2,375
	19,604	-	19,604	3,745	-	3,745	2,505	-	2,505
Total Assets	332,938	5,997	338,935	294,927	5,797	300,724	170,653	37,414	208,066
LIABILITIES									
1 Financial liabilities									
(a) Trade Payables	6,003	-	6,003	5,932	-	5,932	7,753	-	7,753
(b) Other financial liabilities	31,405	-	31,405	-	29,596	29,596	-	29,715	29,715
	37,408	-	37,408	5,932	29,596	35,528	-	29,715	37,468
2 Non-financial liabilities									
(a) Current tax liabilities (Net)	868	-	868	1,323	-	1,323	808	-	808
(b) Other non financial liabilities	82,935	-	82,935	82,643	-	82,643	33,876	-	33,876
	83,803	-	83,803	83,966	-	83,966	34,684	-	34,684
Total Liabilities	121,211	-	121,211	89,898	29,596	119,494	34,684	29,715	72,152
Net	211,727	5,997	217,724	205,029	(23,799)	181,230	135,968	7,699	135,914

(26) FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(₹ '000s)

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	205,425	205,425
Other balances with banks	-	-	69,749	69,749
Trade receivables	-	-	38,160	38,160
Other financial assets	-	-	5,997	5,997
Total			3,19,331	3,19,331
Liabilities:				
Trade Payable	-	-	6,003	6,003
Other financial liabilities	-	-	31,405	31,405
Total	-	-	37,408	37,408

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

(₹ '000s)

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	200,584	200,584
Trade receivables	-	-	90,598	90,598
Other financial assets	-	-	5,797	5,797
Total	-	-	296,979	296,979
Liabilities:				
Trade Payable	-	-	5,932	5,932
Other financial liabilities	-	-	29,596	29,596
Total	-	-	35,528	35,528

The carrying value of financial instruments by categories as of April 01, 2017 is as follows:

(₹ '000s)

	Fair value through P&L	Fair value through OCI	Amortised cost	Total carrying value
Assets:				
Cash and cash equivalents	-	-	150,671	150,671
Trade receivables	-	-	17,476	17,476
Other financial assets	-	-	37,414	37,414
Total	-	-	2,05,561	2,05,561
Liabilities:				
Trade Payable	-	-	7,753	7,753
Other financial liabilities	-	-	29,715	29,715
Total	-	-	37,468	37,468

No Financial instruments are subject to offsetting or netting.

Financial risk management

The Company through its intermediary holding company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The assets of the Company mainly comprise of cash and bank balances and trade receivable from intermediary holding company. The Company's bank balances are maintained with two major financial institutions and hence the liquidity risk is very low.

The Company is dependent on its intermediary holding company for 100% of its revenue, which is a leading broker in its domestic market in India. Consequently, the Company has no exposure to market risk or credit risk.

(27) RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of completing a detailed assessment of the impact on its financials.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact from this pronouncement.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not have any control / joint control of a business that is a joint operation.

(28) RELATED PARTY DISCLOSURES

As per Indian Accounting Standards on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

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:

Group Company	:	ICICI Securities Primary Dealership Limited

C. Directors and Key Management Personnel of the Company

i)	Bishen Pertab	– President & CEO
ii)	Robert Ng	– CEO Singapore Branch

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

(₹ 000's)

Nature of Transaction	Ultimate Holding Company	Intermediary Holding Company	Group Company
Fees and commission income			
- *ICICI Securities Limited*	-	**1,96,890** *(2,14,010)*	-
- *ICICI Securities Primary Dealership Limited*	-	-	**3,146** *(2,901)*
Reimbursement of expenses		-	-
- *ICICI Securities Limited*	-	(7,09,928)	
Finance charges			
- *ICICI Bank Limited*	**3,515** *(3,309)*	-	-

The balances payable to/receivable from related parties included in the balance sheet as on March 31, 2019 are given below:

(₹ 000's)

Nature of Transaction	Holding Company	Intermediary Holding Company	Group Company
Receivables			
- *ICICI Securities Limited*	-	**35,048** *(87,227)*	-
- *ICICI Securities Primary Dealership Limited*		-	**3,112** *(2,933)*
Payables			
- ICICI Securities Holdings, Inc.	**31,405** *(29,589)*	-	-
Share Capital			
- ICICI Securities Holdings, Inc.	-	-	-

The compensation for the year ending March 31, 2019 to Bishen Pertab, President & CEO was ₹22,738 thousand, (March 2018 ₹20,257 thousand), Robert Ng, CEO Singapore Branch ₹17,740 thousand (March 2018 ₹17,084 thousand).

The compensation paid includes bonus and long term incentives.

(29) REVENUE FROM CONTRACT WITH CUSTOMERS

Income from services: The Company provides referral and marketing services to its intermediary holding company by providing marketing, corporate access and client relationship services to institutional customers to trade on the Indian stock markets. This represents the only performance obligation which is satisfied over time as the services are provided. The Company has recorded revenue based on cost plus arrangement and disclosed it under Income from services in the statement of profit and loss account.

There are no contract assets or liabilities as at 31st March 2019.

(30) EMPLOYEE BENEFITS

Long Term Incentive Plan: Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method.

Assumptions:

Particulars	For the year ended March 31, 2019	*For the year ended March 31, 2018*
Discount rate	**2.25%**	*2.20%*

(31) INCOME TAXES

A. The major components of income tax expense for the year are as under:

(₹ in 000's)

Particulars	F Y 2018-19	*FY 2017-18*
Current tax		
In respect of current year	**413**	*1,013*
Total (A)	**413**	*1,013*
Deferred Tax		
Attributable to recognition of previously unrecognised tax losses	**(17,530)**	-
Total (B)	**(17,530)**	**-**
Income Tax recognised in the statement of Profit and Loss (A+B)	**(17,117)**	*1,013*

The tax expense for year ₹413 thousand. This represents federal, state and local tax. There is no charge of income tax for year ended March 31, 2019 due to brought forward net operating losses.

B. Movement of deferred tax assets and liabilities

As at 31st March 2019

(₹ in 000's)

Movement during the year ended 31st Mar 2019	As at 1st April, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Exchange difference	As at 31st March, 2019
Difference between book and tax depreciation	-	(225)	-	-	(225)
Recognition of previously unrecognised tax losses	-	17,755	-	(192)	17,563
Net deferred tax assets/ (liabilities)	-	17,530		(192)	17,338

The Company has estimated its taxable income for the next five years and this assessment has provided reasonable certainty to the Company to recognise deferred tax assets.

C. The Company has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet.

(₹ in 000's)

Financial Year	As at 31st March 2019	Expiry Date	*As at 31st March 2018*	Expiry Date
2007-08	**115,804**	31st March 2028	*197,885*	31st March 2028
2008-09	**203,529**	31st March 2029	*191,815*	31st March 2029
2009-10	**47,403**	31st March 2030	*44,675*	31st March 2030
2010-11	**40,870**	31st March 2031	*38,518*	31st March 2031
2012-13	**53,890**	31st March 2033	*50,788*	31st March 2033
2016-17	**22,145**	31st March 2037	*20,870*	31st March 2037
TOTAL	**483,641**		*544,551*	

Note: - The increase in loss for FY 2008-09 and subsequent year is due to increase in closing exchange rate in March 2019 as compared to March 2018.

(32) CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS.

There are no contingent liabilities and capital commitments to be reported for the year ended March 31, 2019.

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors

Sonali Chandak
Chairperson

Bishen Pertab
President

Robert Ng
Director

Singapore, April 15, 2019