

# ICICI SECURITIES, INC.

## 16TH ANNUAL REPORT AND ACCOUNTS 2015-2016

### Directors

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

### Auditors

S. R. Batliboi & Co. LLP,  
Chartered Accountants  
(Registration No. 301003E)

### 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 16<sup>th</sup> Annual Report of ICICI Securities, Inc. with the audited statement of accounts for the year ended March 31, 2016.

### OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). It has its main office in New York, USA and branch office in Singapore, which holds a Capital Market Services license granted by the Monetary Authority of Singapore ("MAS") for the purpose of Dealing in Securities in Singapore. ICICI Securities, Inc. also received the International Dealer registration exemption from the Canadian Securities Regulatory Authorities ("CSRA") that enables it to expand its reach to institutional investors in the provinces of British Columbia, Ontario and Quebec. ICICI Securities, Inc. 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 2016, the Company has strengthened its positioning among its US, Canada and Singapore based institutional investors. The Company in association with ICICI Securities Limited, conducted several investors' conferences in the US and its flagship annual event in Singapore, along with numerous road shows in both geographies during fiscal 2016. 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. The Company'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)	
	Fiscal 2015	Fiscal 2016
Gross income	146,795	170,405
Profit/(loss) Loss before tax	21,064	28,807
Provision for tax	489	492
Profit/(Loss) after tax	20,575	28,315

### OUTLOOK FOR INDIAN EQUITIES

The Government of India presented a prudent and credible budget for fiscal 2017 which is expected to bode very well for the market in the coming months. However, unlike fiscal 2016, India may not benefit from the oil bounty in fiscal 2017 as oil prices are expected to inch up marginally in the current fiscal. Growth in the US and the Fed's response to it, hard-landing in China and the geo-politics concerning oil prices are likely to be key global triggers for Indian markets going ahead. Earnings growth of Indian corporates is expected to revive in fiscal 2017 and as volatility in global markets dip, FPI interest in Indian equities should revive. Domestic Institutional Investors inflows have been robust in fiscal 2016 and we expect this trend to continue in fiscal 2017 as retail investor interest in Indian equities appear structural in nature.

### SHARE CAPITAL

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

### DIRECTORS

As at the date of this report, following are the Directors of the Company:  
Subir Saha (Chairman of the Board)  
Jaideep Goswami  
Robert Ng  
Bishen Pertab

### 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 15, 2016, proposed their re-appointment as Auditors to audit the accounts of the Company, as per Indian GAAP, for the year ended March 31, 2017. You are requested to consider the re-appointment of the aforementioned retiring Auditors.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2016 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- that the annual accounts have been prepared on a 'going concern' basis; and
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### ACKNOWLEDGEMENTS

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

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

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

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

For and on behalf of the Board

April 15, 2016

SUBIR SAHA  
Chairman

# independent 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 march 31, 2016 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, 2016 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 18, 2016

# balance sheet

# profit and loss account

at March 31, 2016

for the year ended March 31, 2016

Note	(` in 000's)		(US\$ in 000's)		
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	3	5,71,667	5,71,667	12,980	12,980
(b) Reserves and surplus	4	(4,42,826)	(4,77,169)	(11,035)	(11,466)
		<u>1,28,841</u>	<u>94,498</u>	<u>1,945</u>	<u>1,514</u>
<b>2 Non-current liabilities</b>					
Other long term liabilities	5	39,279	45,720	593	731
<b>3 Current liabilities</b>					
Other current liabilities	6	33,524	31,107	506	497
		<u>2,01,644</u>	<u>1,71,325</u>	<u>3,044</u>	<u>2,742</u>
<b>II. ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Fixed assets					
Tangible assets	7	300	306	5	5
(b) Long-term loans and advances	8	38,337	38,414	579	615
		<u>38,637</u>	<u>38,720</u>	<u>584</u>	<u>620</u>
<b>2 Current assets</b>					
(a) Trade receivables	9	39,462	33,810	596	541
(b) Cash and bank balances	10	1,19,155	94,348	1,798	1,510
(c) Short-term loans and advances	11	4,390	4,447	66	71
		<u>163,007</u>	<u>1,32,605</u>	<u>2,460</u>	<u>2,122</u>
		<u>204,644</u>	<u>1,71,325</u>	<u>3,044</u>	<u>2,742</u>
Summary of significant accounting policies	2				

Note	(` in 000's)		(US\$ in 000's)		
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	
<b>I Revenue from operations</b>					
(a) Brokerage and commission	12	1,60,044	1,46,795	2,445	2,400
(b) Income from services	12	9,857	-	151	-
(c) Other income	13	504	-	8	-
<b>Total revenue</b>		<u>1,70,405</u>	<u>1,46,795</u>	<u>2,604</u>	<u>2,400</u>
<b>II Expenses:</b>					
(a) Employee benefits expense	14	89,410	72,088	1,366	1,178
(b) Operating expenses	15	3,634	1,047	56	17
(c) Depreciation	7	184	333	3	5
(d) Finance costs	16	4,481	4,763	69	78
(e) Other expenses	17	43,889	47,500	671	777
<b>Total expenses</b>		<u>141,598</u>	<u>1,25,731</u>	<u>2,165</u>	<u>2,055</u>
<b>III Profit before tax</b>		<u>28,807</u>	<u>21,064</u>	<u>439</u>	<u>345</u>
<b>IV Tax expense:</b>		<u>492</u>	<u>489</u>	<u>8</u>	<u>8</u>
<b>V Profit (Loss) for the year</b>		<u>28,315</u>	<u>20,575</u>	<u>431</u>	<u>337</u>
<b>VI Earnings per share (Basic and Diluted)</b>		<u>21,814</u>	<u>15,851</u>	<u>332</u>	<u>260</u>
Summary of significant accounting policies	2				

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

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

As per our report of even date

For and on behalf of the Board of Directors

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

SUBIR SAHA  
Chairman

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

BISHEN PERTAB  
President

ROBERT NG  
Director

Mumbai, April 18, 2016

Singapore, April 15, 2016

### 1 Corporate Information

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The 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 (Account) 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 that are acquired with the intention of holding for not more than one year from the date on which such investments are made, are classified as current investments and are reported as stock-in-trade. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost inclusive of direct acquisition costs, if any. The securities held as stock-in-trade are carried at cost arrived at on FIFO basis or market value, determined on an individual investment basis, whichever is lower.

Long term investments are carried at acquisition cost. Any decline in the value of investments, which is other than temporary is reduced from its acquisition cost and provided for in the statement of 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 & 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 various jurisdictions in which the Company operates. 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 date 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, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>3. SHARE CAPITAL :</b>				
<b>Authorised:</b>				
1500 Common stock of no par value (As at March 31, 2015 1500 Common stock of no par value)				
<b>Issued subscribed &amp; paid up:</b>				
Common stock 1298 shares (As at March 31, 2015 1298 shares of no par value) (All shares mentioned above are held by holding company ICICI Securities Holding Inc.)				
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>5,71,667</b>	<b>5,71,667</b>	<b>12,980</b>	<b>12,980</b>
<b>Reconciliation of the shares at the beginning and at the end of the reporting year</b>				
<b>Equity shares</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>Nos.</b>	<b>₹</b>	<b>Nos.</b>	<b>₹</b>
At the beginning of the year	1,298	5,71,667	1,298	5,71,667
Issued during the year	-	-	-	-
Issued during the year - ESOP	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,298</b>	<b>5,71,667</b>	<b>1,298</b>	<b>5,71,667</b>
<b>Terms /rights attached to equity shares</b>				
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.				
<b>4. RESERVES &amp; SURPLUS</b>				
Reserves and surplus consist of the following:				
Profit and loss account debit balance:				
Balance as on April 1, 2015	(4,98,688)	(5,19,263)	(11,511)	(11,848)
Add: Additions during the year	28,315	20,575	431	337
Less: deductions during the year	(4,70,373)	(4,98,688)	(11,080)	(11,511)
Balance as on March 31, 2016				
Translation reserve:				
Balance as on April 1, 2015	21,519	17,964	45	45
Add: Additions during the year	6,028	3,555	-	-
Less: deductions during the year	-	-	-	-
Balance as on March 31, 2016	27,547	21,519	45	45
<b>TOTAL</b>	<b>(4,42,826)</b>	<b>(4,77,169)</b>	<b>(11,035)</b>	<b>(11,466)</b>
<b>5. OTHER LONG TERM LIABILITIES</b>				
Other long term liabilities consist of the following:				
Due to Parent	30,088	28,383	454	454
Liabilities for sublease	9,191	17,337	139	277
<b>TOTAL</b>	<b>39,279</b>	<b>45,720</b>	<b>593</b>	<b>731</b>
<b>6. OTHER CURRENT LIABILITIES</b>				
Other current liabilities consist of the following:				
Other liabilities	32,732	30,320	494	485
Provision for taxes	792	787	12	12
<b>TOTAL</b>	<b>33,524</b>	<b>31,107</b>	<b>506</b>	<b>497</b>

## 7. FIXED ASSETS

	GROSS BLOCK (at Cost)					ACCUMULATED DEP			NET BLOCK				
	Apr 1, 2015	Addition	Sale/Adj*	March 31, 2016	April 1, 2015	Addition	Sale /Adj*	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	
Computers	6,897	163	(414)	7,474	6,618	184	(401)	7,203	271	279	5	5	
Software	933	-	(56)	989	933	-	(56)	989	-	0	-	-	
Leasehold Improvement	11,557	-	(695)	12,252	11,530	0	(693)	12,223	29	27	0	0	
Leasehold Improvement	1,805	-	(108)	1,913	1,805	-	(108)	1,913	-	-	-	-	
<b>TOTAL</b>	<b>21,192</b>	<b>163</b>	<b>(1,273)</b>	<b>22,628</b>	<b>20,886</b>	<b>184</b>	<b>(1,258)</b>	<b>22,328</b>	<b>300</b>	<b>306</b>	<b>5</b>	<b>5</b>	

  

	GROSS BLOCK (at Cost)					ACCUMULATED DEP			NET BLOCK				
	Apr 1, 2014	Addition	Sale/Adj*	March 31, 2015	April 1, 2014	Addition	Sale /Adj*	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	
Computers	6,457	161	(278)	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	-	4	
Leasehold Improvement	1,730	-	(75)	1,805	1,728	-	(77)	1,805	-	2	-	-	
<b>TOTAL</b>	<b>20,159</b>	<b>161</b>	<b>(871)</b>	<b>21,192</b>	<b>19,685</b>	<b>333</b>	<b>(868)</b>	<b>20,886</b>	<b>306</b>	<b>474</b>	<b>5</b>	<b>8</b>	

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

\* Includes translation reserve of Rs. 16 thousand (previous year Rs.14 thousand)

	₹ in 000's		(US\$ in 000's)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>8. LONG TERM LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated) Long-term loans and advance consist of the following:				
Other advances and deposits	4,897	6,874	74	110
Security deposit for leased premises	33,440	31,540	505	505
<b>TOTAL</b>	<b>38,337</b>	<b>38,414</b>	<b>579</b>	<b>615</b>
Other advances and deposits include				
Security Deposit	4,897	4,548	74	73
Prepaid expenses	-	2,326	-	37
<b>9. TRADE RECEIVABLES</b> Unsecured, considered good				
Due from ICICI Securities Limited (Ultimate Holding Company)	26,504	33,810	400	541
Other Receivables	12,958	-	196	-
<b>TOTAL</b>	<b>39,462</b>	<b>33,810</b>	<b>596</b>	<b>541</b>
<b>10. CASH AND BANK BALANCES</b> In current accounts with banks	1,19,155	94,348	1,798	1,510
<b>TOTAL</b>	<b>1,19,155</b>	<b>94,348</b>	<b>1,798</b>	<b>1,510</b>
<b>11. SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated) Short-term loans and advance consist of the following:				
Other advances and deposits	4,390	4,447	66	71
<b>Total</b>	<b>4,390</b>	<b>4,447</b>	<b>66</b>	<b>71</b>
Other advances and deposits include:				
Prepaid Expenses	3,789	3,432	57	57
<b>12. BROKERAGE, COMMISSION &amp; INCOME FROM SERVICES</b> Brokerage and commission	1,60,044	1,46,795	2,445	2,400
Financial advisory services	9,857	-	151	-
<b>TOTAL</b>	<b>1,69,901</b>	<b>1,46,795</b>	<b>2,596</b>	<b>2,400</b>
<b>13. OTHER INCOME</b> Foreign exchange translation	504	-	8	-
<b>TOTAL</b>	<b>504</b>	<b>-</b>	<b>8</b>	<b>-</b>
<b>14. EMPLOYEE BENEFITS EXPENSE</b> Employee benefits expense consist of the following:				
Salaries, wages and incentive	84,129	67,861	1,285	1,109
Staff welfare expenses	5,281	4,227	81	69
<b>TOTAL</b>	<b>89,410</b>	<b>72,088</b>	<b>1,366</b>	<b>1,178</b>
<b>15. OPERATING EXPENSES</b> Other operating expenses	1,170	1,047	18	17
Commission expenses and transaction charges	2,464	-	38	-
<b>TOTAL</b>	<b>3,634</b>	<b>1,047</b>	<b>56</b>	<b>17</b>
<b>16. FINANCE COST</b> Finance cost consist of the following:				
Bank charges	4,481	4,763	69	78
<b>TOTAL</b>	<b>4,481</b>	<b>4,763</b>	<b>69</b>	<b>78</b>
<b>17. OTHER EXPENSES</b> Other expenses consist of the following:				
Rent and amenities	6,992	6,001	107	98
Rates and taxes	283	216	5	4
Insurance	269	496	4	8
Business promotion, travelling and conveyance expenses	13,887	12,206	212	200
Subscription and periodicals	6,094	5,345	93	87
Printing and stationery	472	317	7	5
Communication expenses	2,111	2,239	32	37
Professional fees	6,424	7,178	98	117
Auditors' remuneration (statutory audit fee)	4,774	3,741	73	61
Repairs, maintenance, upkeep and others	2,583	2,641	40	44
Foreign exchange translation	-	7,120	-	116
<b>TOTAL</b>	<b>43,889</b>	<b>47,500</b>	<b>671</b>	<b>777</b>

## 18. DEFERRED TAX

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

## 19. AUDITORS REMUNERATION

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

	(₹ in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Audit fees	3,810	3,438	58	56
Certification fees	491	-	8	-
Out of pocket expenses	460	306	7	5
Total	4,761	3,744	73	61

## 20. EARNINGS PER EQUITY SHARE (EPS)

	(₹ in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Basic & Diluted				
Weighted average no. of equity shares outstanding	1,298	1,298	1,298	1,298
Net profit / (loss)	28,315	20,575	431	337
Basic earnings per share (Rs.)/ (US\$)	21,814	15,851	332	260

## 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, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Lease payments for the year	34,562	32,298	528	528
Minimum lease payments:				
Not later than one year	31,681	32,298	484	528
Later than one year but not later than five years	-	29,606	-	484
Later than five years	-	-	-	-

## 22. SUBLEASE

The Company is having existing lease agreement for its office space in New York City. During the year 2009-2010, 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 Rs.26,617 thousand (US\$ 407 thousand) as basic sub-lease rentals from US Bank National Association and paid Rs.34,562 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:  
ICICI Securities Primary Dealership Limited
- C. Key Management Personnel  
a) Bishen Pertab President & CEO  
b) Robert NG 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		Fellow Subsidiary	
	(₹ in 000's)	(US\$ in 000's)	(₹ in 000's)	(US\$ in 000's)
Income from Services				
ICICI Securities Limited	1,57,098 (1,46,795)	2,400 (2,400)	-	-
ICICI Securities Primary Dealership Limited	-	-	2,946	45
Operating expenses				
ICICI Securities Limited	2,464	38		
Reimbursement of expenses				
ICICI Securities Limited	7,462 (8,564)	114 (140)		
Finance charges				
ICICI Bank Limited	3,267 (3,670)	50 (60)	-	-
ICICI Securities Limited	589 (570)	9 (9)	-	-

The balances payable to/receivable from related parties included in the balance sheet as on March 31, 2016 are given below:

Nature of Transaction	Ultimate Holding Company		Fellow Subsidiary	
	(₹ in 000's)	(US\$ in 000's)	(₹ in 000's)	(US\$ in 000's)
Receivables				
ICICI Securities Limited	26,504 (33,810)	400 (541)	-	-
ICICI Securities Primary Dealership Limited			2,981	45
Payables				
ICICI Securities Holdings Inc.	30,088 (28,383)	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)	99,383 (93,750)	1,500 (1,500)	-	-
ICICI Securities Limited. (Standby Bank letter of credit)	66,255 (62,500)	1,000 (1,000)	-	-

Amount in parenthesis represent previous year figures

### Key Management Personnel

The compensation for the year ending March 31, 2016 to Bishen Pertab, President & CEO was ₹ 14,842 thousand (US\$ 230 thousand) March 2015 ₹ 10,919 thousand (US\$ 179 thousand), Robert Ng, CEO Singapore Branch ₹ 11,622 thousand (US\$ 178 thousand) March 2015 ₹ 9,847 thousand (US\$ 161 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

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

Per SHRAWAN JALAN  
Partner  
Membership No.: 102102

Mumbai, April 18, 2016

Signature to Note 1 to 25

For and on behalf of the Board of Directors

SUBIR SAHA  
Chairman

BISHEN PERTAB  
President

ROBERT NG  
Director

Singapore, April 15, 2016

# cash flow statement

**ICICI Securities Inc** for the year ended March 31, 2016

	(₹ in 000's)		(US\$ in 000's)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
<b>A Cash flow from operating activities</b>				
Profit/ (Loss) before tax	28,807	21,064	439	345
- (Profit)/Loss on sale of fixed assets	-	-	-	-
- Depreciation	184	333	3	5
- Lease abandonment expenses	-	-	-	-
- Exchange adjustments	6,028	3,551	-	-
- Bad and doubtful debts (Net)	-	-	-	-
Operating profit before changes in operating assets and liabilities	35,019	24,948	442	350
Adjustments for net change in operating assets and liabilities				
- Current assets excluding cash and cash equivalents	(5,652)	(11,212)	(55)	(163)
- Loans and advances relating to operations	133	6,632	40	139
- Current liabilities relating to operations	(4,040)	1,002	(129)	(34)
Cash generated from operations	25,460	21,370	298	292
Payment of taxes (net)	(487)	(1,104)	(7)	(18)
Net cash used in operating activities	24,973	20,266	291	274
<b>B Cash flow from investment activities</b>				
- Acquisition of equity investments in subsidiary companies	-	-	-	-
- (Purchase) / Sale of investments	-	-	-	-
- (Purchase) / Sale of fixed assets (net)	(166)	(161)	(3)	(3)
Net cash used in investment activities	(166)	(161)	(3)	(3)
<b>C Cash flow from financing activities</b>				
Net change in cash and cash equivalents	24,807	20,105	288	271
Cash and cash equivalents at the beginning of the year	94,348	74,243	1,510	1,239
Cash and cash equivalents at the end of the year	1,19,155	94,348	1,798	1,510

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 18, 2016

For and on behalf of the Board of Directors

SUBIR SAHA  
Chairman

BISHEN PERTAB  
President

ROBERT NG  
Director

Singapore, April 15, 2016