ICICI Securities Inc

ICICI SECURITIES, INC.

21ST ANNUAL REPORT AND ACCOUNTS 2020-2021

Directors
Anupam Guha (Chairman of the Board)
Jaideep Goswami
Robert Ng
Bishen Pertab

Auditors
KNAV P.A.
Certified Public Accountants

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 Twenty First Annual Report of ICICI Securities, Inc. along with the audited statement of accounts for the year ended March 31, 2021.

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, United States of America ('US') 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 provinces of British Columbia, Ontario and Quebec. The Company refers major institutional investors in the US, 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.

FINANCIAL HIGHLIGHTS

(US$)

	Fiscal 2020	**Fiscal 2021**
Gross income	*2,768,691*	**2,497,196**
Profit/(loss) before tax	*195,197*	**251,240**
Provision for tax	*8,612*	**(6,025)**
Profit /(Loss) after tax	*186,585*	**257,265**

OUTLOOK FOR INDIAN EQUITIES

Most global equity markets rallied in fiscal 2021 as central banks across the world embarked on record monetary stimulus while governments adopted a counter-cyclical fiscal policy by embarking on fiscal spending to pull their respective economies out of a recession. Indian equities entered a bull market environment in fiscal 2021 after first dipping into bear market towards the end of fiscal 2020 on COVID-19 fears. In one of the most spectacular rallies since fiscal 2010 post the GFC (Global Financial Crisis), Indian benchmark index (NIFTY50) rallied 71% during fiscal 2021. Bullish sentiment for Indian equities was further fueled by Union Budget for fiscal 2022 which delivered by being expansionary and provided a counter-cyclical fiscal policy with focus on reviving growth while ensuring adequate resources for tackling the pandemic by expanding the fiscal deficit to a higher than expected level of 9.5% for fiscal 2021 and 6.8% for fiscal 2022.

In Fiscal 2021, Domestic Institutional Investors (DIIs) were net sellers of US$18.2 billion of equities while Foreign Institutional Investors (FIIs) bought US$37.3 billion. FII buying sustained throughout Fiscal 2021 with very little volatility in flows.

As per the IMF, the global economy will make a V shaped recovery in 2021 with global GDP growth expected to rise 6% after contracting -3.3% in 2020. Emerging economies will grow faster than advanced economies at 6.7% and 5% respectively. India will stand out as the fastest growing economy in the world at 12.5%. Structural reforms and pro-growth policies of the Government have the potential to extend the growth momentum for India beyond 2021.

Higher aggregate demand and firm commodity prices will translate into higher inflation although it should remain within the upper tolerance level of the Monetary Policy Committee. Inflation in advanced economies like the US although rising remains well below the target range of central banks thereby allowing them to remain in an accommodative stance in Fiscal 2022 which will further augment global liquidity.

SHARE CAPITAL

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

DIRECTORS

As at March 31, 2021, following are the Directors of the Company:

Anupam Guha (Chairman)
Jaideep Goswami
Robert Ng
Bishen Pertab

There were no change in Directors during the period.

AUDITORS

There were no qualifications, reservations, adverse remarks or disclaimers of the Auditors of the Company in the Auditors' Report for the year ended March 31, 2021, that were prepared in accordance with US Generally Accepted Accounting Principles (US GAAP). The Directors will appoint and set the compensation of financial auditors of the Company for FY2022.

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, 2021 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

Date : *April 15, 2021*
Place: Mumbai

Anupam Guha
Chairman

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2023
Estimated average burden hours per response . . . 12.00

ANNUAL AUDITED REPORT FORM X-17A-5
PART III
FACING PAGE

SEC FILE NUMBER
8-52746

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 04/01/20 (MM/DD/YY) AND ENDING 03/31/21 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

ICICI Securities Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1120 Avenue of the Americas, 4th Floor
(No. and Street)

New York	**NY**	**10036**
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Fredric Obsbaum **(212) 897-1694**
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KNAV P.A.
(Name - if individual, state last, first, middle name)

990 Hammond Dr NE #850	Atlanta	GA	30328
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

- [X] Certified Public Accountant
- [ ] Public Accountant
- [ ] Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

**Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a- 5(e)(2).SEC 1410 (3-91)*

table of contents

This report ** contains (check all applicable boxes):

[x] Independent Auditors' Report.

[x] (a) Facing Page.

[x] (b) Statement of Financial Condition.

[x] (c) Statement of Operations.

[x] (d) Statement of Changes in Stockholder's Equity.

[x] (e) Statement of Cash Flows.

[ ] (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).

[x] (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.

[x] (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.

[x] (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.

[ ] (j) A Reconciliation, including appropriate explanations, of the Computation of Net Capital Pursuant to Rule 15c3-1 and the Computation for Determination of Reserve Requirements Under Rule 15c3-3 (not applicable).

[ ] (k) A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable).

[x] (l) An Affirmation.

[ ] (m) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit (Supplemental Report on Internal Control).

[x] (n) Independent Auditors' Report Regarding Rule 15c3-3 exemption.

[x] (o) Rule 15c3-3 Exemption Report.

** *For conditions of confidential treatment of certain portions of this filing, see section 240.17a- 5(e)(3).*

AFFIRMATION

I, Bishen Pertab, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to ICICI Securities Inc. for the year ended March 31, 2021, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

Signature

President Title

Notary Public

ICICI Securities Inc

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Management,
ICICI Securities, Inc.:

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying statement of financial condition of ICICI Securities, Inc. (hereinafter referred to as "the Company") as of March 31, 2021, the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States of America) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

SUPPLEMENTARY INFORMATION

The supplementary information, the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission and the Computation for Determination of Reserve Requirements and Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission, has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplementary information is the responsibility of the Company's management. Our audit procedures included determining whether the supplementary information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplementary information. In forming our opinion on the supplementary information, we evaluated whether the supplementary information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

KNAV P.A.
Atlanta, Georgia
We have served as the Company's auditor since 2021.

April 17, 2021

statement of financial condition

as at March 31, 2021

	$	₹ 000*
Assets		
Cash	21,17,231	1,54,791
Certificates of deposit	21,17,367	1,54,801
Due from affiliated companies	3,81,666	27,904
Fixed assets, net of accumulated depreciation of $17,289 (₹ 1,264 thousand*)	6,479	474
Deposits	87,785	6,418
Deferred tax asset	2,48,238	18,149
Other assets	28,432	2,079
Total assets	**49,87,198**	**3,64,616**
Liabilities and Stockholder's Equity		
Accounts payable and other accrued liabilities	6,53,165	47,752
Due to Parent	16,404	1,199
Income taxes payable	9,496	697
Total liabilities	**6,79,065**	**49,648**
Stockholder's equity:		
Common stock, no par value. Authorized 1,500 shares; issued and outstanding 1,298 shares	1,29,80,000	9,48,968
Additional paid in capital	11,737	858
Accumulated deficit	(86,83,604)	(6,34,858)
Total stockholder's equity	43,08,133	3,14,968
Total liabilities and stockholder's equity	**49,87,198**	**3,64,616**

** ₹ figures are reported post conversion at closing rate for convenience and are unaudited*

The accompanying notes are an integral part of these financial statements

statement of operations

for the year ended March 31, 2021

	$	₹ 000*
Revenues		
Transfer pricing revenue	24,08,598	1,76,093
Interest income	53,709	3,927
Foreign exchange translation	34,889	2,551
	24,97,196	**1,82,571**
Expenses		
Compensation and benefits	16,70,801	1,22,152
Professional fees	2,09,633	15,326
Occupancy	1,22,990	8,992
Communications	1,11,553	8,156
Bank charges	70,335	5,142
Regulatory fees and expenses	28,732	2,101
Travel, entertainment and promotional	10,223	747
Depreciation	2,800	205
Other	18,889	1,382
	22,45,956	**1,64,203**
Net income before income taxes	2,51,240	18,368
Income tax benefit	(6,025)	(440)
Net income	**2,57,265**	**18,808**

** ₹ figures are reported post conversion at closing rate for convenience and are unaudited*

The accompanying notes are an integral part of these financial statements

statement of changes in stockholder’s equity

ICICI Securities Inc

for the year ended March 31, 2021

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
				$
Balance at March 31, 2020	1,29,80,000	-	(89,40,869)	40,39,131
Share based compensation		11,737		11,737
Net income	-	-	2,57,265	2,57,265
Balance at March 31, 2021	1,29,80,000	11,737	(86,83,604)	43,08,133

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
				₹ 000*
Balance at March 31, 2020	9,48,968	-	(6,53,666)	2,95,302
Share based compensation	-	858	-	858
Net income	-	-	18,808	18,808
Balance at March 31, 2021	9,48,968	858	(6,34,858)	3,14,968

** ₹ figures are reported post conversion at closing rate for convenience and are unaudited*

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

statement of cash flows

for the year ended March 31, 2021

	$	₹ 000*
Cash flows from operating activities:		
Net income	2,57,265	18,808
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,800	205
Interest on certificates of deposit	(53,664)	(3,923)
Foreign exchange gain	(34,889)	(2,551)
Share based compensation	11,737	858
Deferred tax asset	(6,025)	(440)
Decrease (increase) in operating assets		
Deposits	3,947	289
Due from affiliated companies	(84,886)	(6,206)
Other assets	13,822	1,012
Increase in operating liabilities:		
Accounts payable and other accrued liabilities	85,979	6,286
Due to Parent	16,404	1,199
Income taxes payable	3,068	224
Net cash provided by operating activities	2,15,558	15,761
Cash flows used in investing activities:		
Purchase of fixed assets	(5,603)	(411)
Net increase in cash	2,09,955	15,350
Effect of exchange rate changes on cash	34,889	2,551
Cash at beginning of year	18,72,387	1,36,890
Cash at end of year	21,17,231	1,54,791
Supplemental disclosures of non-cash flow information:		
Cash paid during the year for taxes	-	-

* ₹ *figures are reported post conversion at closing rate for convenience and are unaudited*

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

1. **Organization**

ICICI Securities Inc. (the Company) is a wholly owned subsidiary of ICICI Securities Holdings, Inc. (Parent), which in turn is subsidiary of ICICI Securities Ltd, an Indian financial services company listed on the major Indian stock exchanges. The Company provides brokerage and corporate finance services to institutional investors in the United States, Canada and Singapore, investing in securities of companies principally headquartered in India. In addition, it may provide brokerage services to Indian corporations wishing to invest in the United States and underwriting services for issuers wishing to offer securities to the marketplace. The Company is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is regulated by the Financial Industry Regulatory Authority (FINRA) and the Monetary Authority of Singapore (MAS). The Company is also approved to operate in Canada under the International Dealer Exemption in the provinces of British Columbia, Ontario and Quebec.

The Company's customers transact their business on a delivery versus payment basis. The settlement of the customer securities transactions is facilitated by an affiliate in India for securities traded in the Indian stock markets. Accordingly, the Company operates under the exemptive provisions of Rule 15c3-3(k)(2)(i) of the Securities Exchange Act of 1934, and it is also subject to Rule 15c3-1, the Uniform Net Capital Rule.

2. **Significant Accounting Policies**

Cash

The Company maintains cash at banking institutions in various countries. Cash on deposit in U.S. financial institutions may at times exceed federal insurance limits. The Company also maintains cash deposits in a Singapore financial institution that is subject to the limits of the deposit insurance scheme administered by the Monetary Authority of Singapore.

Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Company is a wholly owned subsidiary of its Parent and, therefore, all of its income and losses are included in the consolidated tax return filed by its Parent. Tax liabilities are calculated on a separate return basis. Deferred tax assets and liabilities are recognized subject to management's judgement that realization is more likely than not.

Foreign Currency

The U.S. dollar is considered the functional currency for the Company's foreign branch. The assets and liabilities of the foreign branch are remeasured from the local currency to U.S. dollar at current or historic exchange rates, as appropriate. Revenues and expenses are remeasured from the local currency to U.S. dollar using average monthly exchange rates for the month in which the transaction occurred. Remeasurement gains and losses are recorded in the statement of operations.

Estimates

These financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Significant Judgements

Significant judgement is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

Transfer Pricing Revenue

The Company provides execution and brokerage services for transactions between its U.S. institutional investors and an affiliate, in accordance with SEC Rule 15a-6(a)(3). Pursuant to a Master Services Agreement between the Company and the affiliate, the Company provides execution, marketing and client relationship services to institutional customers in the purchase and sales of foreign securities. This represents the only performance obligation which is satisfied over time as the services are provided. The Company recorded revenue based on a cost plus 8% arrangement that was agreed to by the Company and the affiliate and is in agreement with a transfer pricing study obtained by both the Company and its affiliate. The Company has determined that its affiliate would be deemed to be the customer.

Disaggregation of Revenue

Disaggregation can be found on the statement of operations for the year ended March 31, 2021 by type of revenue stream.

Accounts Receivable and Contract Assets and Liabilities

Accounts receivable arise when the Company has an unconditional right to receive payment under a contract with a customer and are derecognized when the cash is received. There were no accounts receivable on April 1, 2020 and no contract assets or liabilities. As of March 31, 2021, there were no accounts receivable and no contract assets or liabilities.

Allowance for Credit Losses

In June 2016, the FASB issued ASU 2016-13, Accounting for Financial Instruments - Credit Losses (Topic 326). ASU 2016-13 requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Until last year US GAAP required an incurred loss methodology that delays recognition until it is probable a loss has been incurred. Under the new standard, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The income statement will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This provision of the guidance requires a modified retrospective transition method with a cumulative-effect adjustment in retained earnings upon adoption. This guidance became effective for the Company on April 1, 2020, and the Company adopted this guidance on that date. The impact of this guidance resulted in no adjustment to stockholder's equity.

3. **Fair Value Measurements**

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability that rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.

* figures are reported post conversion at closing rate for convenience and are unaudited

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the Company's fair value hierarchy for the investments measured at fair value as of March 31, 2021:

				$
Securities owned, at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
CD - maturity date 12/18/21	-	1,062,414	-	1,062,414
CD - maturity date 06/05/21	-	1,054,953	-	1,054,953
Total	**-**	**2,117,367**	**-**	**2,117,367**

				(₹ 000*)
Securities owned, at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
CD - maturity date 12/18/21	-	77,673	-	77,673
Municipal bonds	-	-	-	-
Corporate bonds	-	-	-	-
CD - maturity date 06/05/21	-	77,128	-	77,128
Total	**-**	**1,54,801**	**-**	**1,54,801**

4. Related Party Transactions

The Company's customer securities transactions are facilitated by an affiliate in India. Commissions earned are collected and retained by the affiliate. The affiliate compensates the Company by paying its expenses plus a markup of 8%. The Company earned $2,408,598 (₹ 1,76,093 thousand*) in transfer pricing revenue. The Company also receives a fixed annual fee in the amount of $45,000 (₹ 3,290 thousand*) for providing certain administrative services to another affiliated Company and is included in transfer pricing revenue on the statement of operations. The total amount due from affiliated companies was $381,666 (₹ 27,904 thousand*) as of March 31, 2021.

5. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital (SEC Rule 15c3-1) ("the Rule") under the Securities Exchange Act of 1934. The Company has elected to use the alternative method permitted by the Rule, which requires that the Company maintain minimum net capital, as defined, shall not be less than $250,000 (₹ 18,278 thousand*). At March 31, 2021, the Company had net capital of approximately $1,275,000 (₹ 93,215 thousand*) which exceeded requirements by approximately $1,025,000 (₹ 74,938 thousand*).

6. Off-Balance-Sheet Risk, Concentration Risk and Credit Risk

The Company's policy is to continuously monitor its exposure to market and counterparty risk using a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each customer and/or other counterparty with which it conducts business.

The Company's operations are mainly conducted through an affiliated company located in India. The Company's performance can be significantly influenced by economic factors and risks inherent in conducting business in foreign countries, including government regulations, currency restrictions and other factors that may significantly affect management's estimates and the Company's performance.

Substantially all of the Company's cash is held in accounts at major financial institutions. Management does not expect any losses to result with respect to any of these concentrations.

A significant portion of the Company's assets are represented by receivables from its affiliates and a foreign bank account.

The Company is dependent on its affiliates for 100% of its revenue.

7. Income Taxes

The Company is part of a group that files a consolidated tax return.

The income tax benefit of $6,025 (₹ 440 thousand*) represents deferred tax benefit. The deferred tax asset of $248,238 (₹ 18,149 thousand*) was computed using the effective tax rate of 21%.

The components of the net deferred tax assets are as follows:

Deferred tax assets:	$	(₹ 000*)
Net operating loss federal carry forward	15,79,459	1,15,474
Net operating loss state carry forward	32,448	2,372
Accrued liabilities	2,564	187
Foreign tax credit	12,083	883
Gross deferred tax assets	16,26,554	1,18,916
Less: valuation allowance	(13,78,316)	(1,00,767)
Deferred tax assets, net	2,48,238	18,149

At March 31, 2021, the Company's deferred tax assets were primarily related to federal net operating loss carryovers that primarily will start to expire in 2028. The value of the deferred tax asset was calculated based on estimated future earnings of the Company over the next five years.

The Company does not have any liabilities for uncertain tax positions or any known unrecognized tax benefits at March 31, 2021. The Company recognizes accrued interest and penalties related to uncertain tax positions in income tax expense within the statement of operations; however, there are none for the year ended March 31, 2021. At this time, the Company does not expect any material change in the unrecognized tax benefits amount over the next twelve months.

8. Certificate of Deposit

At March 31, 2021, the Company held certificates of deposit that have two-year terms and are valued at cost plus accrued interest. The CD's are non-negotiable, not convertible into cash and non-redeemable prior to maturity.

9. Commitments and Contingencies

The Company rents office space under operating leases that expire January 31, 2022 and August 31, 2021, respectively. Future minimum payments through the end of the leases will be $37,054 (₹ 2,709 thousand*). Rent expense for the year was $103,696 (₹ 7,581 thousand*) and is reflected on the statement of operations.

The Company has a long-term incentive bonus plan in place that is partly dependent on the overall economic performance of the Company. To be eligible to receive payment, an employee must be employed by the Company past the payment date. The Company has accrued $325,991 (₹ 23,833 thousand*) representing the next payment due April 30, 2021. The amount is reflected in compensation and benefits on the statement of operations.

Future payments are projected to be as follows:

Due Date	$	(₹ 000*)
April 30, 2021	325,991	23,833
April 30, 2022	250,037	18,280
April 30, 2023	115,914	8,474
	691,942	**50,587**

10. 401(k) Plan

The Company sponsors a qualified defined contribution salary reduction 401(k) plan covering all eligible employees. The maximum contribution payable under the plan is equal to a defined percentage of the eligible employee's salary subject to Internal Revenue Service ("IRS") limits.

Employee contributions may be matched at the discretion of the Company subject to IRS limits. The expense related to the 401(k) plan for the year-ended March 31, 2021 was $3,530 (₹ 258 thousand*).

11. Share Based Compensation

ICICI Securities Limited, the parent, has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Company and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

* figures are reported post conversion at closing rate for convenience and are unaudited

The employees of the Company have participated in the above scheme, based on which the employees of the Company have been granted stock options of the Ultimate Parent Company. The Company accounts for stock compensation in accordance with ASC 718, "Compensation- Stock Compensation". ASC 718 requires share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in statements of operations based on their fair values. The Company elected to use the Black- Scholes pricing model to determine the fair value of the stock options on the date of grant. In accordance with ASC 718, stock compensation for all options granted that the Company expects to vest is recognized on a straight-line basis over the vesting period. In respect of options that have a graded vesting schedule and with only service conditions, compensation cost is recognized on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was-in-substance, multiple awards. In determining whether an award is expected to vest, the Company uses an estimated forfeiture rate based on historical rates. The estimated forfeiture rate is updated for actual forfeitures annually. An amount equal to such compensation expense for the year is credited to additional paid in capital of the company.

Details in respect of options granted to the Company's employees is as follows:

Scheme - ESOS - 2017

	Outstanding	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life**
04/01/20			
Granted	12,400	4.92 (₹ 359.7)	3.51 to 5.51 years
Exercised	-		
Cancelled	-		
03/31/21	12,400		

Additional information on vesting

30% of the options would vest on May 7, 2021, 30% of the options would vest on May 7, 2022 and the balance of 40% of the options would vest on May 7, 2023.

The following assumptions were used in the calculation of the fair value of the grants in accordance with the Black-Scholes options pricing model:

Year Ended March 31, 2021
5.08% to 5.70%
3.51 to 5.51 years

The Company has recognized stock compensation expense of $11,737 (₹ 858 thousand*) for the year ended March 31, 2021, Unrecognized compensation expense associated under the fair value method for options expected to vest as of March 31, 2021 was approximately $10,716 (₹ 783 thousand*) and is expected to be recognized over the period of 2-3 years.

The aggregate fair value of all options granted during the year was $21,913 (₹ 1,602 thousand*) and the weighted average grant date fair value per option that vested during the year was $1.27 (₹ 93).

12. COVID-19

During the 2020 calendar year, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern". This pandemic has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The financial performance of the Company is subject to future developments related to the COVID-19 outbreak and possible government advisories and restrictions placed on the financial markets and business activities. The impact on financial markets and the overall economy, all of which are highly uncertain, cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period the Company's results may be materially affected. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

During the calendar year 2020 the Inland Revenue Authority of Singapore distributed cash grants to qualifying companies to support local businesses keeping employees fully employed. The grants bear no requirement to be repaid. The Company received $35,776 (₹ 2,616 thousand*) in such grants that are reflected on the statement of operations as a reduction to compensation and benefits.

13. Subsequent Events

The Company has evaluated subsequent events up to the date on which the financial statements are issued. The Company's evaluation noted no subsequent events that require adjustment to, or disclosure in, these financial statements.

* figures are reported post conversion at closing rate for convenience and are unaudited

PURSUANT TO RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934

computation of net capital under rule 15c3-1

of the Securities and Exchange Commission as at March 31, 2021

	$	₹ 000*
Net capital:		
Total stockholder's equity	43,08,133	3,14,968
Deductions and/or charges:		
Nonallowable assets:		
Certificates of deposit	21,17,367	1,54,801
Due from affiliated companies	3,81,666	27,904
Fixed assets	6,479	474
Deferred tax asset	2,48,238	18,149
Deposits	87,785	6,418
Other assets	28,432	2,079
Total nonallowable assets	28,69,967	2,09,825
Net capital before haircuts	14,38,166	1,05,144
Haircuts on foreign currency	1,63,110	11,925
Net capital	12,75,056	93,219
Minimum net capital requirement	2,50,000	18,278
Excess net capital	10,25,056	74,941
Composition of other assets		
Prepaid expenses	22,977	1,680
Advances	5,455	399
	28,432	2,079

There were no material differences between the computation of net capital presented above and the computation of net capital reported in the Company's unaudited Form X-17A-5, Part II filing as of March 31, 2021.

* ₹ *figures are reported post conversion at closing rate for convenience and are unaudited*

computation for determination of reserve requirements and information relating to possession or control requirements

Under Rule 15c3-3 of the Securities and Exchange Commission March 31, 2021

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i).

report of independent registered public accounting firm

To the Management, ICICI Securities, Inc.:

We have reviewed management's statements, included in the accompanying Management's Statement Regarding Compliance With The Exemption Provisions Of SEC Rule 15c3-3 (the Exemption Report), in which (1) ICICI Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which ICICI Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) ICICI Securities, Inc. stated that ICICI Securities, Inc. met the identified exemption provisions throughout the year ended March 31, 2021 without exception. ICICI Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States of America) and, accordingly, included inquiries and other required procedures to obtain evidence about ICICI Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

KNAV P.A.
Atlanta, Georgia

April 17, 2021

management statement regarding compliance with the exemption provisions of sec rule 15c3-3

ICICI Securities Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (the ''SEC '). To the best of its knowledge and belief the Company states the following:

(1) The Company claimed an exemption from Rule 15c3-3 under the provis ion of 15c3 -3(k)(2)(i).

(2) The Company met the identified exemption provision in Rule 15c3-3(k) throughout the most recent fiscal year without exception.

Signature

President