

**ICICI Securities Inc.**  
**(a wholly owned subsidiary of ICICI Securities Holdings, Inc.)**

**Statement of Financial Condition**

**March 31, 2017**

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

OMB APPROVAL
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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 04/01/16 AND ENDING 03/31/17  
MM/DD/YY 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.)

**415 Madison Avenue – Suite 1427**

(No. and Street)

**New York**

(City)

**NY**

(State)

**10017**

(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\*

**WithumSmith+Brown, PC**

(Name - if individual, state last, first, middle name)

**200 Jefferson Park**

(Address)

**Whippany**

(City)

**NJ**

(State)

**07981**

(Zip Code)

CHECK ONE:

☒

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)

## ICICI Securities Inc.

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

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- ☐ (c) Statement of Operations.
- ☐ (d) Statement of Changes in Stockholder's Equity.
- ☐ (e) Statement of Cash Flows.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).
- ☐ (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- ☐ (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- ☐ (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).
- ☒ (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).
- ☐ (n) Independent Auditors' Report Regarding Rule 15c3-3 exemption.
- ☐ (o) Rule 15c3-3 Exemption Report.

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

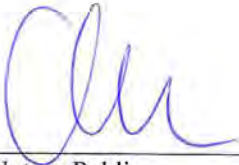
## AFFIRMATION

I, Bishen Pertab, affirm that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to ICICI Securities Inc., for the year ended March 31, 2017, is 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

5/11/2017

CINDY YAU  
NOTARY PUBLIC-STATE OF NEW YORK  
(No. 02YA6211682)  
Qualified in Westchester County  
My Commission Expires November 18, 2017

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Management of  
ICICI Securities, Inc.

We have audited the accompanying statement of financial condition of ICICI Securities, Inc. (the "Company"), as of March 31, 2017. This financial statement is the responsibility of ICICI Securities, Inc.'s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial condition of ICICI Securities, Inc. as of March 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

*WithumSmith+Brown, PC*

May 11, 2017

**ICICI Securities Inc.****(a wholly owned subsidiary of ICICI Securities Holdings, Inc.)****Statement of Financial Condition****March 31, 2017**

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**Assets**

Cash	\$ 2,323,383
Due from affiliated companies	269,486
Deposits	576,940
Other assets	<u>38,622</u>
<b>Total assets</b>	<b>\$ 3,208,431</b>

**Liabilities and Stockholder's Equity**

Accounts payable and other accrued liabilities	\$ 654,387
Due to affiliated company	<u>4,104</u>
<b>Total liabilities</b>	<b><u>658,491</u></b>

## Stockholder's equity:

Common stock, no par value. Authorized 1,500 shares; issued and outstanding 1,298 shares	12,980,000
Additional paid-in capital	454,126
Accumulated deficit	<u>(10,884,185)</u>

<b>Total stockholder's equity</b>	<b><u>2,549,941</u></b>
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<b>Total liabilities and stockholder's equity</b>	<b><u><u>\$ 3,208,431</u></u></b>
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The accompanying notes are an integral part of this statement of financial condition.

# **ICICI Securities Inc.**

(a wholly owned subsidiary of ICICI Securities Holdings, Inc.)

## **Notes to Statement of Financial Condition**

**March 31, 2017**

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### **(1) Organization**

ICICI Securities Inc. (the Company) is a wholly owned subsidiary of ICICI Securities Holdings, Inc. (Parent), which is an indirect wholly owned subsidiary of ICICI Bank Limited, an Indian financial services company, whose American Depositary Receipts are listed on the New York Stock Exchange. The Company provides brokerage, research and corporate finance services to institutional investors in the United States and in Singapore investing in securities of companies principally headquartered in India. In addition, it may provide brokerage services to Indian clients 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's customers transact their business on 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**

#### ***(a) 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.

#### ***(b) Revenues***

The Company entered into a fixed fee arrangement with its affiliate for facilitating securities transactions on the affiliate's behalf. The monthly fixed management fee becomes due on the first day of each month and is recorded accordingly. Revenues and fees from investment banking assignments are recorded when the services related to the underlying transactions are completed under the terms of the assignment or engagement.

#### ***(c) 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.

#### ***(d) 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 judgment that realization is more likely than not.

# ICICI Securities Inc.

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## Notes to Statement of Financial Condition

March 31, 2017

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### *(e) Foreign Currency*

Asset and liability accounts are translated at the exchange rate in effect at year-end, and income accounts are translated at the average rates of exchange prevailing during the year for revenues and month-end exchange rate for expenses. The U.S. dollar is considered the functional currency for the Company's foreign branch and foreign currency translation gains and losses are recorded in the statement of operations.

### *(f) Estimates*

This statement of financial condition was 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 statement of financial condition and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **(3) Related Party Transactions**

All of the Company's customer securities transactions are facilitated by an affiliate in India. Commissions earned are collected by affiliates and the Company is entitled to a monthly fixed management fee of \$200,000 or 66% of commissions, whichever is greater. For the year ended March 31, 2017, total management fees charged to this affiliate were \$2,405,025. The Company also paid certain expenses on behalf of the affiliate amounting to \$114,000. The Company also provided management services for another affiliated company in the amount of \$45,000. The total amount due from the affiliated companies was \$269,486 at March 31, 2017 and is reflected in Due from Affiliated Companies on the statement of financial condition.

### **(4) Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1 and has elected to compute its net capital requirements in accordance with the Alternative Net Capital Method. Under this alternative, net capital, as defined, shall not be less than \$250,000. At March 31, 2017, the Company had net capital of \$1,521,481 which exceeded requirements by \$1,271,481.

### **(5) 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 majority of the Company's operations, are 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.



# ICICI Securities Inc.

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## Notes to Statement of Financial Condition

March 31, 2017

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### (6) Income Taxes

Total tax expense is \$7,520. This represents state and local minimum tax. There is no benefit for income taxes for the year ended March 31, 2017 due to the net operating losses incurred being offset by valuation allowances recorded on the related net deferred tax assets. A reconciliation between the effective income tax benefit and the amount computed using the statutory federal tax rate of 35% is as follows:

Pretax net income	\$ 145,287
Expected federal tax at statutory rate of 35%	<u>50,850</u>
State and local taxes	(2,632)
Net operating losses	(48,218)
Federal tax expense reflected in these financial statements	<u>-</u>

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

Deferred tax assets:	
Net operating loss carry-forwards	\$ 3,206,412
Fixed assets	141,475
Gross deferred tax assets	3,347,887
Less: valuation allowance	(3,347,887)
Deferred tax assets, net	<u>\$ -</u>

At March 31, 2017, the Company's deferred tax assets were primarily related to federal, state and local net operating loss carryovers that primarily will start to expire in 2028. Due to a history of net operating losses, management does not believe that the deferred tax asset is more likely than not to be realized and has established a full valuation allowance.

The Company does not have any liabilities for uncertain tax position or any known unrecognized tax benefits at March 31, 2017. 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, 2017. At this time, the Company does not expect any material change in the unrecognized tax benefits amount over the next twelve months.

### (7) Bank Guaranty

Under the terms of the sublease the Company was required to provide a letter of credit to a subtenant to cover the lease shortfall. ICICI Bank Ltd., the ultimate parent, on behalf of the Company, has provided a Letter of Credit to subtenant for an amount of \$1,000,000. The said bank guaranty will expire on May 31, 2017 as the said sublease has expired on February 28, 2017.

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**March 31, 2017**

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### **(8) Concentrations**

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

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

### **(9) Commitments**

The Company rents office space under an operating lease that expires October 31, 2017. Future minimum payments through the end of the lease will be \$28,350. Rent expense for the year was \$80,040 and is reflected on the statement of operations.

A security deposit of approximately \$493,000 relating to the expired lease is reflected in Deposits on the statement of financial condition. The deposit was returned by the landlord in April 2017.