INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

ANNUAL ACCOUNTS
FY 2019-2020

DALAL DOCTOR & Associates
Chartered Accountants
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Independent Auditor's Report

To the Members of India International Clearing Corporation (IFSC) Limited

Report on the audit of Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of **India International Clearing Corporation (IFSC) Limited** (herein after referred to as 'the Company') which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'the Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the loss including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management and Those Charged with Governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the Ind AS financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements

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

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

• Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act, the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the Company. Hence reporting under section 197(16) of the Act is not applicable to the Company;

(g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial control over financial reporting.; and

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to the best of our information and according to the explanations given to us we state that:

(i) there is no pending litigation against the Company

(ii) there are no material foreseeable losses on long term contracts including derivative contract where provision is required to be made by the Company under any law or accounting standards

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
Date: April 17, 2020
UDIN: 20116765AAAABX9279

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Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year March 31, 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified once every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its asset. Pursuant to the program, the fixed assets were verified during the year. In our opinion and according to information and explanation given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and based on the examination of registered lease deed provided to us in respect of immovable property of office premise that has been taken on lease and disclosed as fixed asset, the lease agreement is in the name of the Company.

(ii) The Company is a service company, primarily rendering clearing and settlement services. Accordingly, it does not hold any physical inventories. Hence reporting under paragraph 3(ii) of the Order is not applicable to the Company.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any investment or provided any guarantee or security in terms of provisions of section 185 and 186 of the Act. Hence reporting under paragraph 3 (iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, reporting under paragraph 3 (v) of the Order is not applicable.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of rendered by the Company. Hence reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) According to information and explanations given to us and on the basis of our examination of the books of account, and records, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

(b) There were no material dues of Income Tax, Goods and Service Tax, Duty of customs, Duty of Excise as applicable that were not deposited by the Company on account of dispute.

(viii) To the best of our knowledge and according to the explanations given to us, the Company has not taken any loans or borrowings from any financial institution, banks, government or has not issued any debentures. Hence reporting under paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans and hence reporting under clause paragraph 3 (ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act, the provisions of section 197 in respect of payment of managerial remuneration are not applicable to the Company. Hence reporting under clause paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) To the best of our knowledge and according to the information and explanations given to us, the Company is not a nidhi company. Hence reporting under the paragraph 3(xii) of the Order is not applicable.

(xiii) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act, the provisions of section 177 are not applicable to the Company. To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Act, as applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has preferential allotment or private placement of shares or fully or partly convertible debentures during the year and in respect of which the Company complied with section 42 of the Act and amount raised have been applied for the purposes for which the funds are raised.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and thus provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Hence reporting under paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
April 17, 2020
UDIN: 20116765AAAABX9279

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Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of India International Clearing Corporation (IFSC) Limited (Formerly known as BSE International Clearing Corporation (IFSC) Limited) ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
April 17, 2020
UDIN: 20116765AAAABX9279

India International Clearing Corporation (IFSC) Limited
Balance Sheet as at March 31, 2020

	Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
			(Rs)	(USD)	(Rs)	(USD)
			Audited	Audited	Audited	Audited
	ASSETS					
1	**Non-current Assets**					
	a. Property, Plant and Equipment	3	4,15,92,738	5,51,731	4,61,50,123	6,67,186
	b. Intangible Assets	4	47,92,659	63,575	57,07,255	82,509
	c. Financial Assets					
	(i) Other Financial Assets	7	8,35,82,307	11,08,726	1,01,060	1,461
	d. Non-current Tax Assets (net)		11,76,397	15,605	49,734	719
	Total		**13,11,44,101**	**17,39,637**	**5,20,08,172**	**7,51,875**
2	**Current Assets**					
	a. Financial Assets					
	(i) Cash and Cash Equivalents	5 (a)	12,53,71,125	16,63,058	6,56,24,957	9,48,731
	(ii) Bank Balances Other than (i) Above	5 (b)	75,38,11,959	99,99,376	72,27,79,353	1,04,49,122
	(iii) Trade Receivables	6	20,279	269	50,149	725
	(iv) Other Financial Assets	7	1,32,302	1,755	7,54,243	10,904
	b. Other Assets	8	7,24,986	9,617	6,97,524	10,084
	Total		**88,00,60,651**	**1,16,74,075**	**78,99,06,226**	**1,14,19,566**
	Total Assets		**1,01,12,04,752**	**1,34,13,712**	**84,19,14,398**	**1,21,71,441**
	EQUITY AND LIABILITIES					
1	**Equity**					
	a. Equity Share Capital	9	88,79,02,331	1,31,18,318	80,00,00,000	1,18,79,908
	b. Other Equity	10	43,21,608	(12,82,896)	(5,19,46,700)	(10,65,404)
	Total		**89,22,23,939**	**1,18,35,422**	**74,80,53,300**	**1,08,14,504**
	LIABILITIES					
2	**Non-current Liabilities**					
	a. Financial Liabilities					
	(i) Other Financial Liabilities	12	42,593	565	46,967	679
	b. Provisions	13	5,64,942	7,494	-	-
	c. Other Liabilities	14	19,78,126	26,240	26,28,579	38,001
	Total		**25,85,661**	**34,299**	**26,75,546**	**38,680**
3	**Current Liabilities**					
	a. Financial Liabilities					
	(i) Trade Payables					
	a. Total outstanding dues of micro enterprises and small enterprises	11	-	-	-	-
	b Total outstanding dues of creditor other than micro enterprises and small enterprises	11	21,45,935	28,466	17,16,556	24,816
	(ii) Other Financial Liabilities	12	11,18,01,361	14,83,054	8,66,63,270	12,52,879
	b. Provisions	13	12,03,159	15,960	16,24,557	23,486
	c. Other Liabilities	14	12,44,697	16,511	11,81,169	17,076
	Total		**11,63,95,152**	**15,43,991**	**9,11,85,552**	**13,18,257**
	Total Equity and Liabilities		**1,01,12,04,752**	**1,34,13,712**	**84,19,14,398**	**1,21,71,441**
	See accompanying notes forming part of the financial statements	**1-2**				

In terms of our report attached
For Dalal Doctor & Associates
Chartered Accountants
Firm Reg. No.: 120833W

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 17, 2020
Place: Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiyani
Company Secretary

India International Clearing Corporation (IFSC) Limited
Statement of Profit and Loss for the Year Ended March 31, 2020

	Particulars	Note No.	For the year ended March 31, 2020		For the year ended March 31, 2019	
			(Rs)	(USD)	(Rs)	(USD)
			Audited	Audited	Audited	Audited
1	Revenue from Operations	15	54,506	769	1,42,154	2,034
2	Investment Income		2,11,76,194	2,98,765	1,73,32,797	2,48,005
3	Other Income	16	16,02,576	22,610	28,90,046	41,352
4	**Total Revenue (1+2+3)**		**2,28,33,276**	**3,22,144**	**2,03,64,997**	**2,91,391**
5	**Expenses**					
	Employee Benefits Expense	17	1,66,08,533	2,34,322	1,90,24,248	2,72,207
	Administration and Other Expenses	18	1,39,16,404	1,96,340	1,68,38,822	2,40,937
	Finance Costs		1,772	25	140	2
	Depreciation and Amortisation Expenses	3&4	96,62,948	1,36,330	94,31,018	1,34,943
	Total Expenses		**4,01,89,657**	**5,67,017**	**4,52,94,228**	**6,48,089**
6	**Profit / (loss) before tax (4 - 5)**		(1,73,56,381)	(2,44,873)	(2,49,29,231)	(3,56,698)
7	**Tax Expense:**					
	Current tax and Deferred tax		-	-	-	-
			-	-	-	-
8	**Profit / (Loss) For The Year From Continuing Operations (6 - 7)**		**(1,73,56,381)**	**(2,44,873)**	**(2,49,29,231)**	**(3,56,698)**
9	Profit from Discontinuing Operations		-	-	-	-
10	Tax Expenses of Discontinuing Operations		-	-	-	-
11	**Profit from Discontinuing Operations (after tax) (9+10)**		**-**	**-**	**-**	**-**
12	**Profit / (Loss) For The Year (8 + 11)**		**(1,73,56,381)**	**(2,44,873)**	**(2,49,29,231)**	**(3,56,698)**
13	**Other Comprehensive Income**					
	A Items that will not be reclassified to profit or loss					
	(i) Remeasurement of defined benefit plan		(8,505)	(120)	1,65,916	2,374
	B Items that will be reclassified to profit or loss					
	(i) Foreign Currency translation reserve		7,15,60,006	-	4,62,57,615	-
	Total Other Comprehensive Income For The Year		**7,15,51,501**	**(120)**	**4,64,23,531**	**2,374**
	Total Comprehensive Income For The Year (12+13)		**5,41,95,120**	**(2,44,993)**	**2,14,94,300**	**(3,54,324)**
14	**Earning Per Equity Share :**	20				
	Basic and Diluted before and after exceptional items		(0.020)	(0.0003)	(0.031)	(0.0004)
	Per value of share Rs		1	NA	1	NA
	Weighted average number of shares (Nos.)		85,76,40,873	85,76,40,873	80,00,00,000	80,00,00,000
	See accompanying notes forming part of the financial statements	1-2				

In terms of our report attached
For Dalal Doctor & Associates
Chartered Accountants
Firm Reg. No.: 120833W

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Deepak Khemani
Chief Financial Officer

Nikita Lakhiyani
Company Secretary

Date: April 17, 2020
Place: Mumbai

Place : Gandhinagar

India International Clearing Corporation (IFSC) Limited
Cash Flow Statement for the Year ended March 31, 2020

	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
A.	**Cash Flow From Operating Activities**				
	Profit / (Loss) For The Year	(1,73,56,381)	(2,44,873)	(2,49,29,231)	(3,56,698)
	Depreciation and Amortisation Expenses	96,62,948	1,36,330	94,31,018	1,34,943
	Remeasurement of Defined Benefit Plan	(8,505)	(120)	1,65,916	2,374
	Interest Income on Fixed Deposits	(2,11,76,194)	(2,98,765)	(1,73,32,797)	(2,48,005)
	Foreign Currency Translation Reserve	7,15,60,006	-	4,62,57,615	-
	Adjustments for Changes in operating Liability and Assets				
	Trade Payable	4,29,379	3,650	(39,42,150)	(62,182)
	Trade Receivables	29,870	456	-	-
	Provisions	1,43,544	(32)	(18,33,187)	(29,674)
	Other Liabilities	(5,86,925)	(12,326)	34,50,965	49,561
	Other Financial Liabilities	2,51,33,717	2,30,061	(3,97,52,861)	(6,90,709)
	Other Financial Assets	7,23,001	10,610	(26,511)	423
	Other Assets	(27,462)	467	16,06,533	25,339
		6,85,26,998	**(1,74,542)**	**(2,69,04,690)**	**(11,74,628)**
	Taxes Paid	(11,26,663)	(14,886)	(46,482)	(669)
	Net Cash Generated From /(Used in) Operating Activities	**6,74,00,335**	**(1,89,428)**	**(2,69,51,172)**	**(11,75,297)**
B.	**Cash Flow From Investing Activities**				
	Purchase of Property, Plant & Equipment and Intangible Assets	(41,90,967)	(1,941)	(67,36,625)	(45,949)
	Investment in Fixed deposit	(1,04,99,37,494)	(1,30,68,400)	(59,98,48,414)	(80,11,450)
	Proceeds of Maturity of Fixed Deposit	93,46,79,469	1,23,98,598	51,96,23,972	74,35,000
	Interest Income Received	2,38,92,494	3,37,088	1,29,58,800	1,85,420
	Net Cash Generated From /(Used in) Investment Activities	**(9,55,56,498)**	**(3,34,655)**	**(7,40,02,267)**	**(4,36,979)**
C.	**Cash Flow From Financing Activities**				
	Proceeds From Allotment of Equity Share	8,79,02,331	12,38,410	-	-
	Net Cash Generated From Financing Activities	**8,79,02,331**	**12,38,410**	**-**	**-**
D.	**Net Increase / (Decrease) In Cash and Cash Equivalents**	**5,97,46,168**	**7,14,327**	**(10,09,53,439)**	**(16,12,276)**
	Cash and Cash Equivalents at the End of the Period/year				
	In Current Account - Owned	1,64,47,696	2,18,180	2,04,30,850	2,95,366
	In Current Account - Member Fund	3,76,930	5,000	4,50,99,688	6,52,000
	In Current Account - Earmarked	5,352	71	94,419	1,365
	In Deposit account - Own Fund	98,02,655	1,30,033	-	-
	In Deposit account - Member Fund	2,78,92,783	3,70,000	-	-
	In Deposit account - Earmarked Fund	7,08,45,709	9,39,774	-	-
		12,53,71,125	**16,63,058**	**6,56,24,957**	**9,48,731**
	Cash and Cash Equivalents at the Beginning of the Year	**6,56,24,957**	**9,48,731**	**16,65,78,396**	**25,61,007**
	Changes In Cash and Cash Equivalents	**5,97,46,168**	**7,14,327**	**(10,09,53,439)**	**(16,12,276)**
	Cash and Cash Equivalents at the End of the Year	**12,53,71,125**	**16,63,058**	**6,56,24,957**	**9,48,731**
	Cash and Bank Balance (Refer note 5 (a))	**12,53,71,125**	**16,63,058**	**6,56,24,957**	**9,48,731**
	See accompanying notes forming part of the financial statements				

Note :

1 Cash and cash equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 90 days.

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".

In terms of our report attached
For Dalal Doctor & Associates
Chartered Accountants
Firm Reg. No.: 120833W

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 17, 2020
Place: Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiyani
Company Secretary

India International Clearing Corporation (IFSC) Limited
Statement of Changes in Equity for the Year Ended March 31, 2020

A. Equity Share Capital

Particulars	(Rs)	(USD)
Balance as at March 31, 2018	80,00,00,000	1,18,79,908
Changes in Equity Share Capital during the Year		
Balance as at March 31, 2019	**80,00,00,000**	**1,18,79,908**
Changes in Equity Share Capital during the Year	**8,79,02,331**	**12,38,410**
Balance as at March 31, 2020	**88,79,02,331**	**1,31,18,318**

B. Other Equity

Particulars	Reserve & Surplus				Items of Other Comprehensive income	Total Other equity	Total Other equity
	Retained earning	Retained earning	Default Fund	Default Fund	Foreign Currency transaltion reserve		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance as at March 31,2018	(10,64,94,342)	(16,34,444)	5,85,99,465	9,00,919	(2,70,98,673)	(7,49,93,550)	(7,33,525)
Contribution to Default Fund	(1,05,50,768)	(1,52,531)	1,05,50,768	1,52,531		-	-
Profit / (Loss) for the Year ended March 2019	(2,49,29,231)	(3,56,698)	15,52,550	22,445	-	(2,33,76,681)	(3,34,253)
Other Comprehensive Income for the Year ended March 31, 2019	1,65,916	2,374	37,18,204	-	4,25,39,411	4,64,23,531	2,374
Balance as at March 31,2019	**(14,18,08,425)**	**(21,41,299)**	**7,44,20,987**	**10,75,895**	**1,54,40,738**	**(5,19,46,700)**	**(10,65,404)**
Contribution to Default Fund	**(46,06,078)**	**(61,100)**	46,06,078	61,100	-	-	-
Profit / (Loss) for the Year Ended March 31, 2020	(1,73,56,381)	(2,44,873)	20,73,188	27,501	-	(1,52,83,193)	(2,17,372)
Other Comprehensive Income for the Year Ended March 31, 2020	(8,505)	(120)	66,86,326	-	6,48,73,680	7,15,51,501	(120)
Balance as at March 31, 2020	**(16,37,79,389)**	**(24,47,392)**	**8,77,86,579**	**11,64,496**	**8,03,14,418**	**43,21,608**	**(12,82,896)**

In terms of our report attached
For Dalal Doctor & Associates
Chartered Accountants
Firm Reg. No.: 120833W

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiyani
Company Secretary

Date: April 17, 2020
Place: Mumbai

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. General Information

India International Clearing Corporation (IFSC) Limited was incorporated in September 2016, , to carry on business as a clearing corporation and to assist, regulate, control and/or otherwise associate with the business of clearing and settlement of debt securities, currency & interest rate derivatives, single stock derivatives, index based derivatives, commodities derivatives and such other securities/derivatives/products of any kind as may be permitted by Securities and Exchange Board of India or any other concerned authorities from time to time.

The financial statements were authorized for issuance by the Company's Board of Directors on April 17, 2020.

2. Significant Accounting Policies

2.1 *Basis of preparation of financial statements*

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (`Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards on date of incorporation i.e. September 12, 2016. The company has commenced its operation from January 16, 2017.

2.2 *Functional and presentation currency*

United State Dollars (USD) is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. The financial statements are presented in Indian rupees. The presentation currency is different from functional currency to comply with Income tax and other statutory law.

2.3 *Foreign Exchange Translation Reserve*

For the purpose of preparation of financial statements in Indian Rupees, income and expenses are translated at average rates and the assets and liabilities except equity share capital are stated at closing rate. The net impact of such changes is presented under foreign exchange translation reserve.

2.4 *Use of Estimates and judgment*

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

a. *Income taxes:* The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Company is eligible to claim deduction of income, an amount equal to one hundred per cent of the income for any ten consecutive assessment years, out of fifteen years as per section 80LA of Income tax Act, 1961.

b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

c. Defined employee benefit obligations determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.

d. *Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.5 ***Financial instruments***

Financial assets and financial liabilities are recognised when company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payable are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets comprising amortised cost, financial assets (debt instruments) at fair value through Other Comprehensive Income (FVTOCI), equity instruments at FVTOCI and fair value through Profit and Loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

a. Financial assets at amortised cost: A financial asset shall be measured at amortised cost if both of the following conditions are met:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.
Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

b. Equity instruments at FVTOCI and FVTPL:

All equity instruments are measured at fair value other than investment in subsidiaries, joint venture and associate. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

c. Financial assets at FVTPL :

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss

Financial liabilities

(a) Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

(b) Financial liabilities at FVTPL:

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss

2.6 ***Property, plant and equipment***

a. Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

b. Depreciation: The Company depreciates property, plant and equipment over the estimated useful lives on a Straight Line method basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful lives and lease term. The estimated useful lives of assets of significant items of property, plant and equipment are as follows:

Category	**Useful lives**
Leasehold premises	30 years
Plant and Equipments	15 years
Electrical installations	10 years
Networking Equipments – Owned	6 years
Computers Hardware – Owned	3 years
Furniture, fixtures	10 years
Office equipment	5 years
Motor vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

2.7 ***Intangible assets***

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a "Straight Line method", from the date that they are available for use. The estimated useful lives of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category	Useful lives
Computer software	6 years

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.8 ***Leases***

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as an operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis except where the lease payments are structured to increase in line with expected general inflation.

2.9 ***Impairment***

a. Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b. Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.10 ***Employee benefit***

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined Contribution Plan

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service.

Defined benefit Plan

Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

a. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains or losses are recognized in full in the other comprehensive income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

b. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an

obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur.

2.11 ***Provisions and Contingent liabilities***

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract and is adjusted to the cost of such assets.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates.

2.12 ***Revenue Recognition:***

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Service is recognized as and when the service is performed as per the relevant agreements and when there is a reasonable certainty of ultimate realization.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There was no impact on the adoption of the standard on the financial statements of the Company.

2.13 ***Dividend Income***

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

2.14 ***Finance income and expense***

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans, borrowings and finance lease. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

2.15 ***Taxation***

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.16 ***Earnings per share***

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit/loss after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.17 ***Current and Non-current classification***

The company present assets and liabilities in the balance sheet based on current/non-current classification

Assets: An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within twelve months after the balance sheet date; or
d. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date

All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

(a) It is expected to be settled in, the entity's normal operating cycle;
(b) It is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
(c) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.18 ***Government grants***

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.19 ***Earmarked Funds***

Earmarked Funds represent Core SGF etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. The Gain/(Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Statement of Profit and Loss.

2.20 ***Settlement Obligation***

Pay-in/Pay-out obligation (Settlement Obligation) of the Company are accounted based on settlement dates.

2.21 ***Cash Flow Statement***

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or
financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.22 ***Cash and cash equivalents (for purposes of Cash Flow Statement)***

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

3. Property, Plant and Equipment

(USD)

Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipments - owned	Furniture & fixtures	Office equipments	Total
Gross block						
Balance as at April 01, 2018	2,28,219	42,392	5,82,904	11,604	5,301	8,70,420
Additions during the year			16,812	425	-	17,237
Deductions / adjustments						-
Balance as at March 31, 2019	**2,28,219**	**42,392**	**5,99,716**	**12,029**	**5,301**	**8,87,657**
Accumulated Depreciation and Impairment						
Balance as at April 01, 2018	10,012	4,595	86,173	1,424	1,074	1,03,278
Depreciation for the year	7,600	4,239	1,03,116	1,177	1,061	1,17,193
Deductions / Adjustments						-
Balance as at March 31, 2019	**17,612**	**8,834**	**1,89,289**	**2,601**	**2,135**	**2,20,471**
Net Book Value						
Balance as at March 31, 2019	**2,10,607**	**33,558**	**4,10,427**	**9,428**	**3,166**	**6,67,186**

(Rs)

Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipments - owned	Furniture & fixtures	Office equipments	Total
Gross block						
Balance as at April 01, 2018	1,48,44,299	27,57,349	3,79,14,466	7,54,772	3,44,799	5,66,15,685
Additions during the year	-	-	11,62,908	29,398	-	11,92,306
Deductions / adjustments	-	-	-	-	-	-
Currency Fluctuation	9,41,906	1,74,961	24,05,761	47,892	21,878	35,92,398
Balance as at March 31, 2019	**1,57,86,205**	**29,32,310**	**4,14,83,135**	**8,32,062**	**3,66,677**	**6,14,00,389**
Accumulated Depreciation and Impairment						
Balance as at April 01, 2018	6,51,222	2,98,878	56,05,044	92,623	69,857	67,17,624
Depreciation for the year	5,31,156	2,96,259	72,06,663	82,259	74,152	81,90,489
Deductions / Adjustments	-	-	-	-	-	-
Currency Fluctuation	35,867	15,922	2,81,659	5,033	3,672	3,42,153
Balance as at March 31, 2019	**12,18,245**	**6,11,059**	**1,30,93,366**	**1,79,915**	**1,47,681**	**1,52,50,266**
Net Book Value						
Balance as at March 31, 2019	**1,45,67,960**	**23,21,251**	**2,83,89,769**	**6,52,147**	**2,18,996**	**4,61,50,123**

(USD)

Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipments - owned	Furniture & fixtures	Office equipments	Total
Gross Block						
Balance as at April 01, 2019	2,28,219	42,392	5,99,716	12,029	5,301	8,87,657
Additions during the year		579	257	1,105	-	1,941
Deductions / adjustments						-
Balance as at March 31, 2020	**2,28,219**	**42,971**	**5,99,973**	**13,134**	**5,301**	**8,89,598**
Accumulated Depreciation and Impairment						
Balance as at April 01, 2019	17,612	8,834	1,89,289	2,601	2,135	2,20,471
Depreciation for the year	7,621	4,261	1,03,219	1,233	1,062	1,17,396
Deductions / Adjustments						-
Balance as at March 31, 2020	**25,233**	**13,095**	**2,92,508**	**3,834**	**3,197**	**3,37,867**
Net Book Value						
Balance as at March 31, 2020	**2,02,986**	**29,876**	**3,07,465**	**9,300**	**2,104**	**5,51,731**

(Rs)

Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipments - owned	Furniture & fixtures	Office equipments	Total
Gross block						
Balance as at April 01, 2019	1,57,86,205	29,32,310	4,14,83,135	8,32,062	3,66,677	6,14,00,389
Additions during the year	-	43,648	19,374	83,301	-	1,46,323
Deductions / adjustments	-	-	-	-	-	-
Currency Fluctuation	14,18,290	2,63,450	37,26,996	74,755	32,944	55,16,435
Balance as at March 31, 2020	**1,72,04,495**	**32,39,408**	**4,52,29,505**	**9,90,118**	**3,99,621**	**6,70,63,147**
Accumulated Depreciation and Impairment						
Balance as at April 01, 2019	12,18,245	6,11,059	1,30,93,366	1,79,915	1,47,681	1,52,50,266
Depreciation for the year	5,40,170	3,02,016	73,16,070	87,394	75,273	83,20,923
Deductions / Adjustments	-	-	-	-	-	-
Currency Fluctuation	1,43,797	74,103	16,41,542	21,721	18,057	18,99,220
Balance as at March 31, 2020	**19,02,212**	**9,87,178**	**2,20,50,978**	**2,89,030**	**2,41,011**	**2,54,70,409**
Net Book Value						
Balance as at March 31, 2020	**1,53,02,283**	**22,52,230**	**2,31,78,527**	**7,01,088**	**1,58,610**	**4,15,92,738**

4. Intangible Assets

(USD)

Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	84,553	84,553
Additions during the year	28,713	28,713
Deductions / adjustments	-	-
Acquisition through Business Combination	-	-
Balance as at March 31, 2019	**1,13,266**	**1,13,266**
Accumulated depreciation and impairment		
Balance as at April 01, 2018	13,006	13,006
Amortisation for the year	17,751	17,751
Deductions / Adjustments	-	-
Balance as at March 31, 2019	**30,757**	**30,757**
Net book value		
Balance as at March 31, 2019	**82,509**	**82,509**

(Rs)

Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	54,99,674	54,99,674
Additions during the year	19,86,116	19,86,116
Deductions / adjustments	-	-
Currency Fluctuation	3,48,966	3,48,966
Balance as at March 31, 2019	**78,34,756**	**78,34,756**
Accumulated depreciation and impairment		
Balance as at April 01, 2018	8,45,964	8,45,964
Amortisation for the year	12,40,598	12,40,598
Deductions / Adjustments	-	-
Currency Fluctuation	40,939	40,939
Balance as at March 31, 2019	**21,27,501**	**21,27,501**
Net book value		
Balance as at March 31, 2019	**57,07,255**	**57,07,255**

(USD)

Particulars	Software	Total
Gross Block		
Balance as at April 01, 2019	1,13,266	1,13,266
Additions during the year	-	-
Deductions / adjustments	-	-
Balance as at March 31, 2020	**1,13,266**	**1,13,266**
Accumulated Depreciation and Impairment		
Balance as at April 01, 2019	30,757	30,757
Amortisation for the year	18,934	18,934
Deductions / Adjustments	-	-
Balance as at March 31, 2020	**49,691**	**49,691**
Net Book Value		
Balance as at March 31, 2020	**63,575**	**63,575**
Balance as at March 31, 2019	**82,509**	**82,509**

(Rs)

Particulars	Software	Total
Gross Block		
Balance as at April 01, 2019	78,34,756	78,34,756
Additions during the year	-	-
Deductions / adjustments	-	-
Currency Fluctuation	7,03,903	7,03,903
Balance as at March 31, 2020	**85,38,659**	**85,38,659**
Accumulated Depreciation and Impairment		
Balance as at April 01, 2019	21,27,501	21,27,501
Amortisation for the year	13,42,025	13,42,025
Deductions / Adjustments	-	-
Currency Fluctuation	2,76,474	2,76,474
Balance as at March 31, 2020	**37,46,000**	**37,46,000**
Net Book Value		
Balance as at March 31, 2020	**47,92,659**	**47,92,659**
Balance as at March 31, 2019	**57,07,255**	**57,07,255**

5. Cash and Cash Equivalents and Bank Balances

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
5 (a) Cash and Cash Equivalents				
Balance with Banks				
Own				
In Current Accounts	1,64,47,696	2,18,180	2,04,30,850	2,95,366
In Deposit Accounts - Original maturity less than 90 days	98,02,655	1,30,033	-	-
Member Fund				
In Current Accounts	3,76,930	5,000	4,50,99,688	6,52,000
In Deposit Accounts - Original maturity less than 90 days	2,78,92,783	3,70,000	-	-
Earmarked Fund - Default Fund				
In Current Accounts	5,352	71	94,419	1,365
In Deposit Accounts - Original maturity less than 90 days	7,08,45,709	9,39,774	-	-
Total	**12,53,71,125**	**16,63,058**	**6,56,24,957**	**9,48,731**
5 (b) Bank Balance Other than Above				
Own				
In Deposit Accounts*	70,06,91,209	92,94,725	62,35,51,117	90,14,593
Member Funds				
In Deposit Accounts	3,61,85,232	4,80,000	2,49,01,668	3,60,000
Earmarked Fund - Default Fund				
In Deposit Accounts	1,69,35,518	2,24,651	7,43,26,568	10,74,529
Total	**75,38,11,959**	**99,99,376**	**72,27,79,353**	**1,04,49,122**

* Company has set up an overdraft limit of USD 10,00,000 with ICICI Bank and for which a lien is marked on fixed deposit value of USD 12,38,400 and accrued interest thereon of USD 22,443

6. Trade Receivables

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Trade Receivables				
- Secured, Considered Good	20,279	269	-	-
Receivable from Group Company - Unsecured, Considered Good	-	-	50,149	725
Total Trade Receivables	**20,279**	**269**	**50,149**	**725**

7. Other Financial Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Loan to Employees	-	-	34,586	500
Gratuity	-	-	66,474	961
	-	**-**	**1,01,060**	**1,461**
Own				
Deposit with Banks (remaining maturity more than 12 months)	8,35,82,307	11,08,726	-	-
Total (A)	**8,35,82,307**	**11,08,726**	**1,01,060**	**1,461**
Current				
Deposits with Public Bodies and Other Parties	44,553	591	1,10,328	1,595
Loan to Employees	-	-	21,512	311
Receivable towards Incentive Scheme	87,749	1,164	6,22,403	8,998
Total (B)	**1,32,302**	**1,755**	**7,54,243**	**10,904**
Total (A+B)	**8,37,14,609**	**11,10,481**	**8,55,303**	**12,365**

8. Other Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Advance to Vendors	37,241	494	-	-
Prepaid Expenses	4,53,672	6,018	4,86,897	7,039
Goods & Service Tax Receivable	2,34,073	3,105	2,10,627	3,045
Total	**7,24,986**	**9,617**	**6,97,524**	**10,084**

9. Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Equity Share Capital				
Authorised Share Capital:				
115,00,00,000 Equity Shares (Previous year - 115,00,00,000 Equity Shares) of Re. 1/- each with voting rights	1,15,00,00,000	Not Applicable	1,15,00,00,000	Not Applicable
Issued Share Capital:				
88,79,02,331 Equity Shares (Previous year - 91,38,50,000 Equity Shares) of Re. 1/- each with voting rights (Refer note below)	88,79,02,331	Not applicable	91,38,50,000	Not applicable
Subscribed and Fully Paid - up				
80,00,00,000 Equity Shares (Previous year - 80,00,00,000 Equity Shares) of Re. 1/- each with voting rights	80,00,00,000	1,18,79,908	80,00,00,000	1,18,79,908
Add: Addition during the year	8,79,02,331	12,38,410	-	-
88,79,02,331 Equity Shares (Previous year - 80,00,00,000 Equity Shares) of Re. 1/- each with voting rights	88,79,02,331	1,31,18,318	80,00,00,000	1,18,79,908

Note : The Company had passed Special Resolution on November 19, 2018, for preferential issue of 11,38,50,000 equity shares of Rs. 1/- each for a period of 1 year from the date of passing the resolution out of which 8,79,02,331 equity shares of Rs. 1/- each allotted on August 05, 2019. The Validity of Issued Capital expired on November 19, 2019.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
No. of shares at the beginning of the year	80,00,00,000	-	80,00,00,000	-
Preferential allotment	8,79,02,331	-	-	-
No. of shares at the end of the year	**88,79,02,331**	**-**	**80,00,00,000**	**-**

Shareholders holding more than 5% of the shares in the company
Equity Shares

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	80,00,00,000	90.10%	80,00,00,000	100%
ICICI Bank Limited	8,79,02,331	9.90%	-	0%
Total	**88,79,02,331**	**100.00%**	**80,00,00,000**	**100%**

10. Other Equity

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Default Fund (Refer note 28)				
Opening Balance	7,44,20,987	10,75,895	5,85,99,465	9,00,919
Add: Contribution to Default Fund	46,06,078	61,100	1,05,50,768	1,52,531
Add: Foreign Currency Translation Reserve	66,86,326	-	37,18,204	-
Add: Income Earned During the Year	20,73,188	27,501	15,52,550	22,445
Closing Balance (A)	**8,77,86,579**	**11,64,496**	**7,44,20,987**	**10,75,895**
Retained Earnings				
Opening Balance	(12,63,67,687)	(21,41,299)	(13,35,93,015)	(16,34,444)
Total Comprehensive Income during the year other than FCTR	(1,73,64,886)	(2,44,993)	(2,47,63,315)	(3,54,324)
Foreign Currency Translation Reserve (FCTR)	6,48,73,680	-	4,25,39,411	-
Less : Contribution to Default Fund	(46,06,078)	(61,100)	(1,05,50,768)	(1,52,531)
Closing Balance (B)	**(8,34,64,971)**	**(24,47,392)**	**(12,63,67,687)**	**(21,41,299)**
Total (A+B)	**43,21,608**	**(12,82,896)**	**(5,19,46,700)**	**(10,65,404)**

11. Trade payables

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Total outstanding dues of micro, small and medium enterprises (A)	**-**	**-**	**-**	**-**
Payable to Service Providers	10,99,428	14,584	14,84,694	21,464
Payable to Holding Company	4,02,108	5,334	-	-
Payable to Group Company	6,44,399	8,548	2,31,862	3,352
Total outstanding dues of creditor other than micro, small and medium enterprises (B)	**21,45,935**	**28,466**	**17,16,556**	**24,816**
Total (A+B)	**21,45,935**	**28,466**	**17,16,556**	**24,816**

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	-	-	-	-
(b) Interest due and payable for delay during the year / period	-	-	-	-
(c) Amount of interest accrued and unpaid as at year end / period end	-	-	-	-
(d) The amount of further interest due and payable even in the succeeding year / period	-	-	-	-

12. Other Financial Liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Finance Lease Obligations	42,593	565	46,967	679
Total (A)	**42,593**	**565**	**46,967**	**679**
Current				
Payable for Capital Creditors (refer note below)	-	-	1,59,993	2,313
Accrued Employee Benefits	21,12,690	28,025	26,65,378	38,533
Deposits from Members	6,44,54,945	8,55,000	7,00,01,356	10,12,000
Deposits from Clearing Bank	4,52,31,540	6,00,000	1,38,34,260	2,00,000
Current Maturities of Finance Lease Obligations	2,186	29	2,283	33
Total (B)	**11,18,01,361**	**14,83,054**	**8,66,63,270**	**12,52,879**
Total (A+B)	**11,18,43,954**	**14,83,619**	**8,67,10,237**	**12,53,558**

Note : Payable for capital creditor represents payable to MSME creditor of USD 2,313 (Rs 1,59,993) as at March 31, 2019.

13. Provisions

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Compensated Absences (Refer note 23.2)	5,64,942	7,494		
Total (A)	**5,64,942**	**7,494**	**-**	**-**
Current				
Compensated Absences (Refer note 23.2)	10,78,998	14,313	16,24,557	23,486
Gratuity Liability (Refer note 23.1)	1,24,161	1,647	-	-
Total (B)	**12,03,159**	**15,960**	**16,24,557**	**23,486**
Total (A+B)	**17,68,101**	**23,454**	**16,24,557**	**23,486**

14. Other Liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Unamortised Portion of Capital Subsidy	19,78,126	26,240	26,28,579	38,001
	19,78,126	**26,240**	**26,28,579**	**38,001**
Current				
Statutory Liabilities	3,58,083	4,750	2,70,460	3,910
Unamortised Portion of Capital Subsidy	8,86,614	11,761	9,10,709	13,166
Total	**12,44,697**	**16,511**	**11,81,169**	**17,076**

15. Revenue from Operations

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Processing Fees	35,440	500	34,944	500
Charges Recovered	19,066	269	1,07,210	1,534
TOTAL	**54,506**	**769**	**1,42,154**	**2,034**

16. Other Income

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Miscellaneous Income	4,38,316	6,184	1,96,528	2,812
Incentives from Government Authorities	11,64,260	16,426	26,93,518	38,540
TOTAL	**16,02,576**	**22,610**	**28,90,046**	**41,352**

17. Employee Benefits Expense

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	1,46,43,835	2,06,603	1,68,36,236	2,40,900
Contribution to Provident and Other Funds	6,27,847	8,858	8,08,894	11,574
Staff Welfare Expenses	21,122	298	30,821	441
Compensated Absences	13,15,729	18,563	13,48,297	19,292
TOTAL	**1,66,08,533**	**2,34,322**	**1,90,24,248**	**2,72,207**

18. Administration and Other Expenses

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Travelling Expenses	4,17,832	5,895	7,49,628	10,726
Computer Technology Related Expenses	60,03,672	84,703	61,91,108	88,585
Bank Charges	1,19,786	1,690	27,257	390
Rent	7,65,920	10,806	6,40,462	9,164
Professional Fee	28,29,423	39,919	27,90,594	39,929
Stamp Duty & Registration Fee	1,80,033	2,540	28,70,267	41,069
Postage & Telephone Expenses	92,072	1,299	55,702	797
Audit Fees	1,50,122	2,118	1,44,181	2,063
Directors Fees	2,56,866	3,624	2,83,120	4,051
Insurance Expenses	24,808	350	24,811	355
Building Repair and Maintenance	25,03,450	35,320	21,19,660	30,329
Miscellaneous Expenses	4,63,833	6,544	10,42,672	14,919
Foreign Exchange (Gain)/Loss	1,08,587	1,532	(1,00,640)	(1,440)
TOTAL	**1,39,16,404**	**1,96,340**	**1,68,38,822**	**2,40,937**

Note : Professional Fees includes payment to auditor Rs Nil (Previous year Rs 32,810 (USD 469) towards other services and other reimbursement of expenses.

19. Exchange Rate :-

Amounts of Balance Sheet other than shareholder funds in these financial statements have been translated into Indian rupees at the closing rate as at March 31, 2020 which is 1 USD = Rs 75.3859 , amount of Statement of Profit and Loss at the average rate from April 01, 2019 to March 31, 2020 which is 1 USD = Rs 70.8791.

20. Earnings Per Share

Particulars	For the year ended March 31, 2020		For the year ended March, 2019	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(1,73,56,381)	(2,44,873)	(2,49,29,231)	(3,56,698)
Weighted average number of equity shares (Nos)	85,76,40,873	85,76,40,873	80,00,00,000	80,00,00,000
Earnings per share basic and diluted	(0.020)	(0.0003)	(0.031)	(0.0004)
Face value per equity share	1	NA	1	NA

21. Segment Reporting

The Chief Executive Officer & Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The Company operates only in one Business Segment i.e. "Clearing and Settlement Services", hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

22. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.5 to the financial statements.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs).

The carrying value of financial instruments by categories as of March 31, 2020 is as follows and the Company consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	(Rs)	(USD)	(Rs)	(USD)
Financial Assets carried at amortised cost				
Other non-current financial assets	8,35,82,307	11,08,726	1,01,060	1,461
Cash and cash equivalents	12,53,71,125	16,63,058	6,56,24,957	9,48,731
Bank balance other than above cash and cash equivalents	75,38,11,959	99,99,376	72,27,79,353	1,04,49,122
Trade receivables	20,279	269	50,149	725
Other current financial assets	1,32,302	1,755	7,54,243	10,904
Total	**96,29,17,972**	**1,27,73,184**	**78,93,09,762**	**1,14,10,943**
Financial Liabilities carried at amortised cost				
Other non-current financial liabilities	42,593	565	46,967	679
Trade payables	21,45,935	28,466	17,16,556	24,816
Other current financial liabilities	11,18,01,361	14,83,054	8,66,63,270	12,52,879
Total	**11,39,89,889**	**15,12,085**	**8,84,26,793**	**12,78,374**

23. Disclosure as required on "Employee Benefits" is as under:

23.1 Defined Benefit Plan – Gratuity

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

Such plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

i. **The following tables set out the funded status of the gratuity plans and the amounts recognized in the financial statements as at March 31, 2020.**

Particulars	**As at March 31, 2020**	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2019**
	Funded	**Funded**	**Funded**	**Funded**
	(Rs)	**(USD)**	**(Rs)**	**(USD)**
Change in benefit obligations				
Benefit obligations at the beginning	**10,96,977**	**17,577**	**18,98,247**	**29,183**
Current Service Cost	2,83,040	3,993	1,39,325	1,994
Interest on defined benefit obligation	53,103	749	1,45,833	2,087
Actuarial loss / (gain)	(77,364)	(1,091)	(1,39,397)	(1,995)
Liability assumed on transfer from group company(Transfer in/(out) obligation)	(47,851)	(660)	(9,47,031)	(13,692)
Benefit paid	(8,32,350)	(11,041)	-	-
Translation/ Forex impact	(15)			
Closing Defined Benefit Obligation (A)	**4,75,540**	**9,527**	**10,96,977**	**17,577**
Change in Plan assets				
Fair value of plan assets at the beginning	**11,63,475**	**16,816**	**-**	**-**
Employer Contribution	-	-	20,66,908	29,881
Interest income	1,23,213	1,738	-	-
Return on Plan assets	(85,869)	(1,211)	26,529	380
Assets assumed / settled	(17,098)	(227)	(9,29,962)	(13,444)
Benefits paid	(8,32,350)	(11,041)	-	-
Fair value of plan assets at the end	**3,51,371**	**6,075**	**11,63,475**	**16,816**
Funded status (B)	**3,51,371**	**6,075**	**11,63,475**	**16,816**
Translation/ Forex impact (c)	**8**	**1,805**	**(24)**	**1,722**
Payable / (Prepaid) gratuity benefit (a-b-c)	**1,24,161**	**1,647**	**(66,474)**	**(961)**
Non Current Assets (Refer note 7)	**-**	**-**	**(66,474)**	**(961)**
Current Provision (Refer note 13)	**1,24,161**	**1,647**	**-**	**-**
Non-Current Provision (Refer note 13)	**-**	**-**	**-**	**-**

ii. **Amount recognised in the Statement of Profit and Loss**

Particulars	**For the Year Ended March 2020**		**For the Year Ended March 2019**	
	(Rs)	**(USD)**	**(Rs)**	**(USD)**
Current Service Cost	2,83,040	3,993	1,39,325	1,994

Particulars	For the Year Ended March 2020		For the Year Ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Interest cost (net)	(70,110)	(989)	1,45,833	2,087
Total Included in "Employee Benefit Expense"	**2,12,930**	**3,004**	**2,85,158**	**4,081**

iii. Amount recognised in the Other Comprehensive Income

Particulars	For the Year Ended March 2020		For the Year Ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Actuarial loss / (gain) arising from change in financial assumptions	47,405	669	(5,478)	(78)
Changes in demographic assumptions	-	-	(171)	(2)
Actuarial loss / (gain) arising on account of experience changes	(1,24,769)	(1,760)	(1,33,748)	(1,914)
Actual return on plan assets less interest on plan assets	85,869	1,211	(26,529)	(380)
Amount recognised in the Other Comprehensive Income	**8,505**	**120**	**(1,65,926)**	**(2,374)**

iv. Principle actuarial assumption

Assumptions	March 31, 2020	March 31, 2019
Discount Rate/Rate of return on plan asset	6.90%	7.80%
Salary escalation	7.00%	7.00%

- Discount Rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

- Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

- The Company has considered past service on account of benefit amendment.

v. Sensitivity Analysis: The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate

Impact of increase in 50 bps on defined benefit obligation	(5.76)%	6.38%	(4.80)%	5.16%
Impact of decrease in 50 bps on defined benefit obligation	6.27%	(5.71)%	5.18%	(4.86)%

Sensitivity for the significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50 basis points, keeping all other actuarial assumption constant.

vi. Composition of Plan Assets

Particulars	March 31, 2020	March 31, 2019
Policy of insurance	99.45%	99.65%
Other investment	0.55%	0.35%
Total	100%	100%

Actual return on the assets for the year ended March 31, 2020 ₹ 37,344 (Previous Year: ₹ 26,529)

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan.

The plan assets in respect of gratuity represent funds managed by the India International Clearing Corporation (IFSC) Limited employee's Group Gratuity Fund. The Employer's best estimate of the contributions expected to be paid to the plan during the next year is ₹ 1,24,169

vii. Maturity profile of defined benefit obligations

Maturity Profile	March 31, 2020	March 31, 2019
Expected benefits for year 1	9,955	20,863
Expected benefits for year 2	11,033	23,371
Expected benefits for year 3	11,952	25,237
Expected benefits for year 4	12,721	27,272
Expected benefits for year 5	1,04,361	29,476
Expected benefits for year 6 to Year 10	2,46,257	4,03,927
Above 10 year	10,22,034	23,59,460

The weighted average duration to the payment of these cash flows is 12.72 years.

23.2 Defined Benefit Plan – Compensated absence

The liability for compensated absences as at the year ended March 31, 2020 is Rs 10,78,998 (USD-14,313) (2019: Rs 16,24,557 (USD-23,486)) as shown under current provision and Rs 5,64,942 (USD 7,494) (2019 NIL) as shown under non-current provision. Provision for compensated absence

amounting to Rs 13,15,729 (USD-18,563) (2019: Rs 13,48,297 (USD-19,292)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 18 "Employee benefits expense".

For Principle actuarial assumption refer above iv table of assumption.

23.3 Defined Contribution Plan – Provident Fund, Pension Fund and National Pension Scheme (NPS)

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund and National Pension Scheme, contributions into the family pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

During the current year, provident fund contributions amounting to Rs 3,17,467 (USD – 4,479) (2019 : Rs 3,68,964 (USD – 5,279)) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 16 "Employee benefits expense".

During the current year, National pension scheme contributions amounting to Rs 97,459 (USD- 1,375) (2019: Rs 1,54,779 (USD-2,215) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 16 "Employee benefits expense".

24 Related Party Transactions

1. Names of related parties and nature of relationship

Category of related parties	Name
Holding Company	BSE Limited
Fellow Subsidiaries:	India International Exchange (IFSC) Limited
	Indian Clearing Corporation Limited
	Marketplace Technologies Private Limited
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
Subsidiary of Fellow Subsidiary	Marketplace Tech Infra Services Private Limited
	BSE Skills Limited (up to June 28, 2018)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	Pranurja Solutions Limited (w.e.f April 24, 2018 up to May 6,2019)
	BSE Institute of Research Development & Innovation (w.e.f December 5, 2019)

Category of related parties	Name
	India INX Global Access IFSC Limited
Direct Associate of Holding	Central Depository Services (India) Limited (w.e.f June 30, 2017)
	Asia Index Private Limited
Indirect Associate of Holding	CDSL Ventures Limited (w.e.f June 30, 2017)
	CDSL Insurance Repository Limited (w.e.f June 30, 2017)
	CDSL Commodity Repository Limited (w.e.f June 30, 2017)
	BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018)
	Marketplace EBIX Technology Services Private Limited (w.e.f April 03, 2018)
	Pranurja Solutions Limited (w.e.f May 7, 2019)
Trust set up by the holding company	BSE Investors Protection Fund
Trust set up by the company	India International Clearing Corporation (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme
Key Management Personnel	Mr. Ashishkumar Chauhan – Non Executive Chairman
	Mr. Arup Mukherjee - Managing Director and Chief Executive Officer
	Mr. Alok Sherry – Independent Director
	Mr. Arun Mehta – Independent Director (till January 03, 2020)
	Mr. Balasubramaniam Venkataramani – Director
	Mr. Nehal Vora – Director (till September 18, 2019)
	Mr. Sameer Patil – Director (w.e.f November 22, 2019)

2. **<u>Transactions with Related Parties</u>**

(a) BSE Ltd (Holding Company):

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Reimbursement/ (Recovery) of Expenses/ Transactions				
Computer Technology Related Expenses	15,71,514	22,172	15,70,924	22,477
Payable of gratuity liabilities on account of employee transfer out	-	-	9,29,962	13,561
Payable towards compensated absence liabilities on account of employee transfer out	-	-	92,744	1,352
Reimbursement of Parents Insurance policy of Employees	1,58,840	2,241	1,59,509	2,289

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Liability-				
Payable	4,02,108	5,334	-	-

(b) India International Exchange (IFSC) Limited (Fellow Subsidiary):

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Reimbursement of Expenses				
Computer Technology Related Expenses	32,67,218	46,096	36,43,918	52,139
Postage and Telephone Expense	22,897	323	-	-
Staff Welfare Expenses	-	-	30,799	441
Salaries, allowances and bonus	1,05,575	1,490	2,44,299	3,496
Building repair and maintenance	7,35,764	10,381	7,14,453	10,223

Other Income				
Recovery of Computer Technology related expenses	(2,77,451)	(3,914)	-	-
Reimbursement of Other Transactions				
Incentives from Government authorities	-	-	2,45,127	3,508
Recovery of insurance policy	19,421	274	10,571	151
Compensated absence liabilities – Transfer Out Obligation	97,531	1,316	1,65,458	2,331
Gratuity Liability - Transfer Out Obligation	14,955	196	17,098	241

Particulars	**As at March 31, 2020 (Rs)**	**As at March 31, 2020 (USD)**	**As at March 31, 2019 (Rs)**	**As at March 31, 2019 (USD)**
Liability				
Payable (net)*	6,44,399	8,548	2,31,862	3,352

* The above payable does not include Provision amounting to Rs Nil as at March 31, 2020 and Rs. 4,74,202(USD 6,855) as at March 31, 2019

(c) Indian Clearing Corporation Limited (Fellow Subsidiary):

Particulars	**For the Year ended March 31, 2020 (Rs)**	**For the Year ended March 31, 2020 (USD)**	**For the Year ended March 31, 2019 (Rs)**	**For the Year ended March 31, 2019 (USD)**
Reimbursement of Transactions				
Travelling expenses	2,306	33	-	-

(d) India INX Global Access IFSC Limited (Subsidiary of Fellow Subsidiary):

Particulars	**For the Year ended March 31, 2020 (Rs)**	**For the Year ended March 31, 2020 (USD)**	**For the Year ended March 31, 2019 (Rs)**	**For the Year ended March 31, 2019 (USD)**
Other Income				
Recovery of Manpower Cost	-	-	50,653	725

Other Transaction				
Compensated absence liabilities – Transfer out obligation	24,799	350	-	-
Gratuity Liability - Transfer out obligation	32,896	464	-	-
Particulars	**As at March 31, 2020 (Rs)**	**As at March 31, 2020 (USD)**	**As at March 31, 2019 (Rs)**	**As at March 31, 2019 (USD)**
Receivable	-	-	50,149	725

(e) BSE Investors Protection Fund (Trust set up by the Holding Company):

Particulars	**For the Year ended March 31, 2020 (Rs)**	**For the Year ended March 31, 2020 (USD)**	**For the Year ended March 31, 2019 (Rs)**	**For the Year ended March 31, 2019 (USD)**
Expenses				
Rent	3,80,831	5,373	1,90,828	2,730

(f) Central Depository Services (India) Limited (Associate of Holding Company):

Particulars	**For the Year ended March 31, 2020 (Rs)**	**For the Year ended March 31, 2020 (USD)**	**For the Year ended March 31, 2019 (Rs)**	**For the Year ended March 31, 2019 (USD)**
Expenses				
Professional Fees	77,561	1,094	1,00,572	1,439

(g) Key Managerial remuneration:

Particular	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Salaries, allowances and bonus				
Mr. Arup Mukherjee - Managing Director and Chief Executive Officer*	53,28,268	75,174	46,14,256	66,023

* The Company provides long term benefits in the form of Gratuity to Key managerial person along with all employees, cost of same is not identifiable separately and not disclosed.

25 Contingent liabilities and Capital Commitments

There are no contingent liabilities and Capital commitments as at March 31, 2020 (2019: Nil).

26 Lease

26.1 Operating Lease:

The Company has taken residential facilities and official facilities under cancellable operating lease. During the year ended March 31, 2020 rental expenses under cancellable operating lease is recorded Rs 7,46,215 (USD- 10,528) (2019: Rs 6,40,462 (USD-9,164)).

26.2 Finance Lease –

During the current period, Company has taken leasehold premises under finance lease term of 30 years. The Minimum lease rentals along with their leased premium and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

Amount in Rs

Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2020	**2,427**	**12,135**	**48,540**	**63,102**
March 31, 2019	2,427	9,708	55,435	67,570
Finance Charge				
March 31, 2020	**234**	**1,814**	**16,299**	**18,348**
March 31, 2019	143	1,023	17,154	18,320
Present value of Minimum Lease Payments				
March 31, 2020	**2,193**	**10,321**	**32,241**	**44,754**
March 31, 2019	2,284	8,685	38,281	49,250

Amount in USD

Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2020	**32**	**161**	**644**	**837**
March 31, 2019	35	141	806	982
Finance Charge				
March 31, 2020	**3**	**24**	**216**	**243**
March 31, 2019	2	15	253	270
Present value of Minimum Lease Payments				
March 31, 2020	**29**	**137**	**428**	**594**
March 31, 2019	33	126	553	712

27 Capital management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in fixed deposit being far in excess of financial liabilities.

Compliance with externally imposed capital requirements:

In accordance with the SEBI (International Financial Services Centre) Guidelines, 2015, the Company shall have a minimum net worth equivalent of rupees fifty crores initially and it shall enhance its net worth to a minimum equivalent of rupees one hundred crores or risk based capital whichever is higher, over the period of three years from commencement of operations, i.e. by January 15, 2020. Further, SEBI has relaxed the net-worth requirement of rupees one hundred crores or risk based capital whichever is higher for a period of one year, i.e. till January 15, 2021, vide its letter dated July 3, 2019, subject to maintenance of minimum net-worth of rupees fifty crores or risk based capital whichever is higher at all times.

28 SEBI vide its circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, had inter alia specified that Clearing Corporations in IFSC shall establish and maintain a Fund to guarantee the settlement of trades executed in the stock exchanges in IFSC. To begin with such fund shall have a corpus equivalent to at least 10% of the net-worth of the clearing corporation. Clearing corporations shall evolve a detailed framework for the Fund, subject to approval of SEBI.

In view of the above, before commencement of operations, i.e. on January 10, 2017, a Core Settlement Guarantee Fund (Default Fund) of USD 8,75,926.05 (Rs 5,95,62,971.40) @ RBI reference rate i.e Rs 68/- has been created through earmarking investments. Default Fund size as on March 31, 2020 is Rs 8,77,86,579 (USD 11,64,496). Further company had applied to Central Board of Direct Tax for the purpose of issuance of notification notifying the Core Settlement Guarantee Fund (Core SGF – Default

Fund) set up by the Company u/s 10 (23EE) of the Income Tax Act 1961 and approval of the same is awaited.

From current year 2019-20, contribution to default fund if any will be charged to Default Fund through retained earning. However, contribution to default fund in earlier years was earmarked from Investments and not charged to default fund through retained earning. Due to this comparative figures of the previous years have been re-stated. The details of financial statement line items have been given below.

Sr. No.	Statement of Change in Other Equity	As reported Previously as on March 31, 2019		Amount re-stated as on March 31, 2019	
	Default Fund	**(Rs)**	**(USD)**	**(Rs)**	**(USD)**
A	Opening Balance	16,23,772	24,971	5,85,99,465	9,00,919
B	Contribution to Default Fund	-	-	1,05,50,768	1,52,531
C	Foreign Currency Translation Reserve	-	-	37,18,204	-
D	Income earned during the year	15,52,550	22,445	15,52,550	22,445
E	**Closing Balance (i)**	**31,76,322**	**47,416**	**7,44,20,987**	**10,75,895**
	Retained Earnings				
A	Opening Balance	(7,66,17,322)	(7,58,496)	(13,35,93,015)	(16,34,444)
B	Total Comprehensive Income during the year other than FCTR	(2,47,63,315)	(3,54,324)	(2,47,63,315)	(3,54,324)
C	Foreign Currency Translation Reserve (FCTR)	4,62,57,615	-	4,25,39,411	-
D	Contribution to Default Fund	-	-	(1,05,50,768)	(1,52,531)
	Closing Balance (ii)	**(5,51,23,022)**	**(11,12,820)**	**(12,63,67,687)**	**(21,41,299)**
	Total (i+ii)	**(5,19,46,700)**	**(10,65,404)**	**(5,19,46,700)**	**(10,65,404)**

29 Financial Risk Management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets includes Cash and cash equivalents.

The Company's activities expose it to a variety of risks: Regulatory risk, Liquidity risk, Foreign Currencies risk, Interest rate risk.

Regulatory risk:

The company maintains an integrated and comprehensive view of risk and ensures that its risk management tools can manage and report on, all relevant risks. The Company's risk management policies, procedures, systems and controls form a part of a coherent and consistent governance framework which is reviewed and updated regularly. Participant Exposure and Settlement Default Risk, Credit Risk, Liquidity Risk, Legal Risk, Operational Risk, Custody and Investment Risk, Technology Risk, Clearing Bank Risk etc. are some of the risks that can be foreseen on a continuo us basis. The Company has a sound framework for the comprehensive management of all material risks and established

documented policies, procedures, systems and controls to identify, measure, monitor and manage such risks. The risk management policy of the Company shall be in accordance with the Principles for Financial Market Infrastructures ("PFMI") published by the Committee on Payments and Market Infrastructures ("CPMI") and the Technical Committee of the International Organization of Securities Commissions ("IOSCO").

Foreign currency risk

United State Dollars (USD) is the functional currency of the Company, thus the Company's exchange risk arises from its foreign currency expenses. Currency other than USD is considered as foreign currency. Company is using Special Non-Resident Rupee account for discharging the liability of INR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Company's control.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below provides details regarding the contractual maturities of significant financial liabilities as follows.

Amount in Rs

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2020	**-**	**2,427**	**12,135**	**48,540**	**63,102**
March 31, 2019	-	2,427	9,708	55,435	67,570
Deposits from Members & Clearing Banks					
March 31, 2020	**10,96,86,485**	-	-	-	**10,96,86,485**
March 31, 2019	8,38,35,616	-	-	-	8,38,35,616
Trade payable					
March 31, 2020	-	**21,45,935**	-	-	**21,45,935**
March 31, 2019	-	17,16,556	-	-	17,16,556
Other financial liabilities					
March 31, 2020	**-**	**21,12,690**	**-**	**-**	**21,12,690**
March 31, 2019	-	28,25,371	-	-	28,25,371

Amount in USD

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2020	**-**	**32**	**161**	**644**	**837**
March 31, 2019	-	35	141	806	982
Deposits from Members & Clearing bank					
March 31, 2020	**14,55,000**	**-**	**-**	**-**	**14,55,000**
March 31, 2019	12,12,000	-	-	-	12,12,000
Trade payable					
March 31, 2020	**-**	**28,466**	**-**	**-**	**28,466**
March 31, 2019	-	24,816	-	-	24,816
Other financial liabilities					
March 31, 2020	-	**28,025**	-	-	**28,025**
March 31, 2019	-	40,846	-	-	40,846

30 The management of Company is seized of the evolving situation pertaining to the COVID 19 pandemic and continues to closely monitor it to ensure safety of all its staff members, the normal conduct of the market operations and prompt identification and resolution of issues, if any. Company continues to operate normally, Accordingly there is no significant impact considered in the financial statement.

31 Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification / disclosure.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

In terms of our report of attached

For Dalal Doctor & Associates
Chartered Accountants
Firm Reg. No.: 120833W

For and on behalf of the Board of Directors

Amol Khanolkar
Date: April 17, 2020
Place: Mumbai

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiyani
Company Secretary