

6th Annual Report of
India International
Clearing Corporation
(IFSC) Limited

2021-22



Company Information

Board of Directors:

Shri Ashishkumar Chauhan, Chairman & Shareholder Director
Dr. Alok Mohan Sherry, Public Interest Director
Shri Balasubramaniam Venkataramani, Shareholder Director
Shri Sameer Patil, Shareholder Director
Shri Arup Mukherjee, Managing Director & CEO

Management Team:

Shri Arup Mukherjee, Managing Director & CEO
Ms. Gunjan Mirani, Chief Risk & Regulatory Officer
Shri Deepak Khemani, Chief Financial Officer
Shri Dipen Shah, Head – Clearing & Settlement Operations & CISO

Company Secretary: Ms. Nikita Lakhiyani

Statutory Auditors: M/s. Dalal Doctors & Associates, Chartered Accountants

Internal Auditors: M/s. S. Panse & Co., LLP, Chartered Accountants

Secretarial Auditors: M/s. Yash Mehta & Associates, Company Secretaries, Ahmedabad.

Registered Office: 1st Floor, Unit No. 102, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY, Gandhinagar, Gujarat – 382355.

Registrar & Share Transfer Agent: TSR Consultants Private Limited

Website: www.indiaicc.com

Corporate Identity Number- U67190GJ2016PLC093683

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DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting the Sixth Annual Report of India International Clearing Corporation (IFSC) Ltd ('the Company'), together with the audited financials for the financial year (F.Y.) ended March 31, 2022.

FINANCIAL SUMMARY/HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2022:

Particulars	2021-22		2020-21	
	Rs. Lakhs	USD '000	Rs. Lakhs	USD '000
Total Revenue	164.38	220.61	179.52	241.93
Total Expenses	516.84	693.64	479.59	646.30
Profit / (Loss) before tax	(352.46)	(473.03)	(300.07)	(404.37)
Provision for tax	-	-	-	-
Net Profit / (Loss) for the year	(352.46)	(473.03)	(300.07)	(404.37)
Other comprehensive income (net of tax)	333.50	0.88	(219.61)	0.27
Total comprehensive income for the year	(18.96)	(472.15)	(519.68)	(404.10)
Net Profit / (Loss) attributable to the shareholders of the Company	(352.46)	(473.03)	(300.07)	(404.37)

Financial Results

The total income of the Company during the F.Y. 2021-22 was INR 164.38 Lakhs mainly on account of investment income of INR 123.14 Lakhs. The total expenses for the year were INR 516.84 Lakhs mainly on account of INR 157.37 Lakhs employee cost, INR 76.37 Lakhs computer technology related expenses and INR 109.34 Lakhs depreciation.

PERFORMANCE & OPERATIONS

India ICC is an International Financial Services Centres Authority (IFSC Authority) recognized Qualifying Central Counterparty (QCCP) and provides clearing & settlement, risk management and collateral management services to the India International Exchange (IFSC) Limited (India INX). India ICC is also recognized by the European Securities and Markets Authority (ESMA) and the Bank of England (BoE) as a Third Country Central

Counterparty (TC-CCP). The Company is also rated as AAA (Is) by CARE Ratings Limited. The products cleared and settled by India ICC includes Index and Single stock Derivatives, Commodity Derivatives, Currency Derivatives and Debt securities. India ICC engages with the International Central Securities Depository (ICSD), Clearstream S A, for clearing and settlement of debt securities and acceptance of AAA rated international sovereign securities as collaterals. The IFSC Authority vide letter no. 126/IFSCA/India ICC/20-21, dated December 24, 2021, renewed the recognition to India ICC for a further period of one year from December 29, 2021, to December 28, 2022. Presently, seven clearing banks, namely ICICI Bank Limited, State Bank of India, Kotak Mahindra Bank Limited, Axis Bank Limited, YES Bank Limited, IndusInd Bank Limited and HDFC Bank Limited are empaneled with India ICC to act as clearing banks. ICICI Bank IBU, SBI IBU, Phillip Ventures IFSC Private Limited and Stock Holding Corporation of India Limited empaneled as clearing members of India ICC during the year. India ICC has handled 2681 settlements till March 31, 2022, without any delays or disruptions, for a cumulative fund value of USD 73.11 million. Live clearing and settlement operations were successfully completed from disaster recovery site for five consecutive days, from 27th Dec 2021 to 31st Dec 2021. India ICC has established a dedicated default fund, which is readily and unconditionally available to meet settlement obligations in case of clearing member(s) failing to honour settlement obligation. The size of the default fund as on March 31, 2022, is USD 1.23 million.

KEY REGULATORY DEVELOPMENTS

1. Union Budget FY2022-23 – Key Policy Announcements for the IFSC

The Union Budget 2022-23 has provided new impetus to cementing the GIFT IFSC's position as a jurisdiction providing financial services and products comparative with the global financial markets.

Some of the key policy announcements are: -

- i. World-class foreign universities and institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics free from domestic regulations, except those by IFSCA, to facilitate availability of high-end human resources for financial services and technology.
- ii. An International Arbitration Centre to be set up for timely settlement of disputes under international jurisprudence.
- iii. Services for global capital for sustainable and climate finance in the country will be facilitated through the GIFT City.

- iv. Income of a non-resident from offshore derivative instruments or over the counter derivatives issued by an offshore banking unit, income from royalty and interest on account of lease of ship and income received from portfolio management services in IFSC shall be exempt from tax, subject to specified conditions.
- v. Rate of alternate minimum tax, in case of an assessee, being a unit located in an International Financial Services Centre and deriving its income solely in convertible foreign exchange, shall be nine per cent, and in case of an assessee, being a co-operative society, fifteen per cent.

2. India ICC successfully completed its risk management and clearing & settlement operations from Disaster Recovery site

India ICC has successfully completed its risk management and clearing & settlement operations from the Disaster Recovery (DR) site, for five days from 27th to 31st December 2021.

The live trading session from DR site had been conducted by India INX pursuant to International Financial Services Centers Authority (IFSCA) circular on June 22, 2021, clarifying “Status of transactions executed at Disaster Recovery (DR) Site of the MIIs” wherein it was mentioned that IFSCA Regulations, as adopted from Securities and Exchange Board of India (SEBI), require the stock exchanges to schedule live trading sessions from their Disaster Recovery (DR) site located in a different seismic zone, from that of the data centre, for at least two consecutive days every six months.

3. Key regulations issued by IFSCA:

The IFSCA has initiated various regulatory measures across financial services domains since it got operationalized. These measures have been in the form of notified regulations as well as directives by way of circulars and guidelines, a few of the key ones being: -

i. IFSCA (Market Infrastructure Institutions) Regulations, 2021:

The IFSCA notified the IFSCA (Market Infrastructure Institutions) Regulations on April 12, 2021. The regulations cover, inter alia, the eligibility criteria, grant of recognition on the basis of complying with various statutory requirements and norms, governance norms, permissible services and activities, reporting requirements and maintenance of records by an entity, general obligations of market infrastructure institutions etc.

The norms for the Governance of market infrastructure institutions requires that it shall adopt the broader principles of governance prescribed under the Principles for Financial Market Infrastructures issued by the Committee on Payments and Market Infrastructures (CPMI) and International Organization of Securities Commissions (IOSCO) and other governance norms specified by the IFSCA, from time to time. The governing board shall include shareholder directors, public interest directors and managing director and the clearing corporation is required to reconstitute its Board within the specified timeline granted by IFSCA. Further, the directors and key management personnel shall abide the specified Code of Conduct.

[\[https://ifsc.gov.in/Viewer/Index/164\]](https://ifsc.gov.in/Viewer/Index/164)

ii. IFSC (Banking) Regulation, 2020- Directions for implementation – Criteria for Banking Units (BUs) to become trading/clearing members of IFSCA recognized stock exchanges – Clarification

IFSCA issued a circular regarding certain clarifications related to the “IFSC (Banking) Regulation, 2020 – Directions for implementation”, dated December 4, 2020, which was earlier issued by IFSCA. The circular, inter alia, adopted Reserve Bank of India’s (Financial Services Provided by Banks) Directions, 2016, dated May 26, 2016 (as amended from time to time), as applicable to the BUs.

From the date of this circular, the criteria to be met by BUs to become trading/clearing member of the IFSC Stock Exchanges (para 21 (a) of the adopted Master Circular) shall be adopted for BUs in the following manner:

No Banking Unit shall become a trading member in interest rate and currency derivatives segment and/or clearing member in any derivatives segment of IFSC Stock Exchanges unless its parent bank satisfies the minimum prescribed capital requirement (including Capital Conservation Buffer) specified by the regulator of the parent bank.

In case the BU does not meet the condition, the BU may participate in the currency derivatives segment as a client. Further, a BU, which is a trading/clearing member, shall keep its and its clients’ position distinct from one another.

The clarification enables BUs to function as a trading member for trading in interest rate or currency derivatives and/or as a clearing member (including professional clearing member) for clearing and settlement in any derivative segment subject to satisfaction of the minimum prescribed capital requirement condition.

[\[https://ifsc.gov.in/Viewer/Index/175\]](https://ifsc.gov.in/Viewer/Index/175)

iii. International Financial Services Centres Authority (Bullion Exchange) (Amendment) Regulations, 2021:

IFSCA amended the Bullion Exchange regulations on July 05, 2021. The amended regulations cover insertions, substitutions and deletion of various clauses covered under International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020.

[\[https://ifsc.gov.in/Viewer/Index/196\]](https://ifsc.gov.in/Viewer/Index/196)

iv. International Financial Services Centres Authority (Issuance & Listing of Securities) Regulations, 2021:

IFSCA notified the International Financial Services Centres Authority (Issuance & Listing of Securities) Regulations, 2021 on July 16, 2021. The regulations covers, inter alia, eligibility criteria of the entities to list their securities on the stock exchange along with the prescribed processes and timelines, issues size, pricing, minimum subscription, lock in period, appointment of lead manager, underwriting obligations, initial and continual disclosures, general obligations, permitted to trade provisions, compulsory and voluntary delisting criteria etc.

Following entities shall be eligible to list their securities on a recognised stock exchange:

- A company incorporated in an IFSC;
- A company incorporated in India; and
- A company incorporated in a Foreign Jurisdiction.

[\[https://ifsc.gov.in/Viewer/Index/202\]](https://ifsc.gov.in/Viewer/Index/202)

v. International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021:

IFSCA notified the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 on October 18, 2021. The regulations cover the eligibility criteria, grant of registration on the basis of complying with various statutory requirements and norms, permissible services and activities, inspection, appointment of auditor, reporting requirements and maintenance of records by an entity, specific and general obligations of capital market intermediary etc. It also covers provisions of cross border business which are applicable to a capital market intermediary incorporated in IFSC.

[\[https://ifsc.gov.in/Viewer/Index/238\]](https://ifsc.gov.in/Viewer/Index/238)

4. Key circulars issued by IFSCA relevant for the securities markets

i. Fee structure of (MIIs) and participants:

As per the IFSCA's circular no. 286/IFSCA/Policy Matters (CMD-DMIIT)/2021, dated April 13, 2021, stock exchanges, clearing corporations and depositories operating in IFSC, clearing members operating in IFSC, are required to pay application/annual/registration fees to IFSCA. The fee structure and the bank account details to deposit the fees have been published in the circular.

[\[https://ifsc.gov.in/Viewer/Index/162\]](https://ifsc.gov.in/Viewer/Index/162)

ii. Status of transactions executed at Disaster Recovery (DR) site of the MIIs

As per the IFSCA's circular no. 257/IFSCA/CMD-DMIIT/2021/1, dated June 22, 2021, stock exchanges are required to schedule live trading sessions from their Disaster Recovery (DR) sites located in a different seismic zone, from that of the data centre, for at least two consecutive days every six months.

Further, it is clarified that the trades executed from the DR site (site located outside GIFT IFSC) of the stock exchanges in GIFT IFSC, due to the aforementioned regulatory requirement, shall be deemed to have been executed at GIFT IFSC.

[\[https://ifsc.gov.in/Viewer/Index/185\]](https://ifsc.gov.in/Viewer/Index/185)

iii. Introduction of Negotiated Large Trade ("NLT") facility on Stock Exchanges

IFSCA issued circular no. 286/IFSCA/PM (CMD-DMIIT)/2021/2, dated June 22, 2021, regarding negotiated large trades (NLT). In order to facilitate a vibrant capital market ecosystem in GIFT IFSC and to attract global investors and foreign capital, it has been decided to introduce NLT facility for derivatives on the stock exchanges. Circular contains details pertaining to trading hours, position limits, reference price, minimum order size etc.

[\[https://ifsc.gov.in/Viewer/Index/186\]](https://ifsc.gov.in/Viewer/Index/186)

iv. Operating Guidelines on Bullion Exchange, Bullion Clearing Corporation, Bullion Depository and Vault Manager

IFSCA circular no. 415/IFSCA/Consolidated Operating Guidelines/2021-22, dated August 25, 2021, enables Bullion Exchange, Bullion Clearing Corporation, Bullion Depository and Vault Manager in an International Financial Service Centres (IFSC) to operationalise their activities as per the International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020.

[\[https://ifsc.gov.in/Viewer/Index/224\]](https://ifsc.gov.in/Viewer/Index/224)

v. Code of Conduct and Code of Ethics for the Directors and Key Management Personnel (KMP) of recognized Market Infrastructure Institutions (MIIs) in GIFT IFSC

IFSCA vide their circular no. 286/IFSCA/CMD-DMIIT/PM/2021, dated September 13, 2021, prescribed the Code of Conduct and Code of Ethics for the Directors and Key Management Personnel (KMP) of recognized Market Infrastructure Institutions (MIIs) in GIFT IFSC, including Bullion Exchange, Bullion Clearing Corporation and Bullion Depository.

It contains details pertaining to code of conduct for public interest directors (PIDs), preparation of minutes for the meetings, regulatory compliance and general responsibilities of directors, formation of regulatory oversight committee, disclosure of holding and conflict of interest etc.

[\[https://ifsc.gov.in/Viewer/Index/227\]](https://ifsc.gov.in/Viewer/Index/227)

vi. Clearing Membership for non-bank Custodians

The IFSCA had already permitted foreign entities to operate as a clearing member in GIFT IFSC through a branch office, vide circular no. 113/IFSCA/CMD-TMCM/2020-21 dated December 11, 2020. In order to facilitate a vibrant ecosystem for custodial services in GIFT IFSC and also to ensure a level playing field in line with global jurisdictions, the IFSCA decided to permit an IFSCA recognized non-bank custodian, operating in GIFT IFSC through branch mode, to acquire clearing membership of clearing corporations in GIFT IFSC. Vide their circular no. 224/IFSCA/CMD-DMIIT/CUST/2021/2, dated September 15, 2021, IFSCA permitted non-bank custodians to register as clearing members of a clearing corporation at IFSC by complying with certain terms and conditions.

[\[https://ifsc.gov.in/Viewer/Index/228\]](https://ifsc.gov.in/Viewer/Index/228)

vii. Bullion Trading Member and Clearing Members in GIFT IFSC

IFSCA vide their circular no. 329/IFSCA/Bullion MIIs/2021, dated September 17, 2021, permitted all members of the stock exchanges and clearing corporations in GIFT IFSC to be enabled as Bullion Trading/Clearing Members subject to the fulfilment of requisite net worth criteria as specified by the IFSCA.

New entities who intend to become Bullion Trading/Clearing Members are required to follow the membership criteria and registration process for membership as determined by the Bullion Exchange /Bullion Clearing Corporation, subject to eligibility criteria as specified in IFSCA circular No. 415/IFSCA/Consolidated Operating Guidelines/2021-22, dated August 25, 2021.

[\[https://ifsc.gov.in/Viewer/Index/230\]](https://ifsc.gov.in/Viewer/Index/230)

viii. Application Forms for Recognition and Renewal of Market Infrastructure Institutions (MIIs):

IFSCA, vide their circular no. F. No. 286/IFSCA/CMD-DMIIT/PM-MII/2021/1, dated September 20, 2021, issued formats of application forms for recognition and renewal as MII.

[\[https://ifsc.gov.in/Viewer/Index/232\]](https://ifsc.gov.in/Viewer/Index/232)

ix. Global Access to Broker Dealers:

IFSCA issued circular no. 416/IFSCA/Global Access/2021-22, dated November 25, 2021, regarding granting of permission to brokers to access global markets by obtaining NOC from the recognized stock exchanges at IFSC and complying with prescribed conditions. The broker dealer providing global access are required to also comply with Chapter V of the IFSCA (Capital Market Intermediaries) Regulations, 2021.

[\[https://ifsc.gov.in/Viewer/Index/249\]](https://ifsc.gov.in/Viewer/Index/249)

x. Clarification regarding disclosure of dealing in securities by Directors and Key Management Personnel of the all recognized MIIs in GIFT IFSC

With reference to clause 5(c), clause 9 and clause 10 of IFSCA's circular no. 286/IFSCA/ CMD-DMIIT/PM/2021, dated September 13, 2021, IFSCA issued circular no. 286/IFSCA/ CMD-DMIIT/PM/2021/001, dated November 30, 2021, to provide

clarification regarding disclosure of dealing in securities by Directors and Key Management Personnel of the all recognized MIIs in GIFT IFSC.

[\[https://ifsc.gov.in/Viewer/Index/251\]](https://ifsc.gov.in/Viewer/Index/251)

xi. Settlement of trades executed on stock exchanges in IFSC

IFSCA issued circular no. 286/IFSCA/ CMD-DMIIT/PM/2021/002, dated December 16, 2021, regarding settlement of trades at clearing corporations which inter alia mentions that with a view to keeping pace with the changing market dynamics in IFSC and to align the clearing and settlement process with international best practices, it has been decided that the settlement for all the trades being executed on the stock exchanges in IFSC shall be done at least once a day. The clearing corporations shall ensure that the risk management framework is in line with the CPMI IOSCO Principles for Financial Market Infrastructures (PFMIs) at all times. The clearing corporations should also ensure that during the trading day/session, the mark-to market losses on open futures contracts are collateralized at regular intervals based on risk assessment.

[\[https://ifsc.gov.in/Viewer/Index/258\]](https://ifsc.gov.in/Viewer/Index/258)

xii. Regulatory fee structure for recognised stock exchanges in the IFSC

IFSCA, vide circular no. IFSCA-PLNP/5/2021-Capital Markets, dated December 23, 2021, inter alia mentioned that the recognised stock exchanges in the IFSC are required to pay regulatory fee in accordance with the applicable regulations and IFSCA circular on “Fee structure for Market Infrastructure Institutions (MIIs) and participants” dated April 13, 2021. As per the regulations, such fee has to be accompanied with a statement of computation of fee certified by a chartered accountant. In this context, it is clarified that the certification by a chartered accountant may be submitted on an annual basis. Further, IFSCA vide circular no. IFSCA-PLNP/5/2021-Capital Markets, dated September 15, 2021, prescribed the fee structure for issuance and listing of securities on the recognised stock exchanges in the IFSC. It has been represented by the stakeholders that considering the nascent stage of debt market at IFSC, the levy of fees for listing of privately placed debt securities may be deferred till development of the market at IFSC. Accordingly, in order to promote primary listing of debt securities on the recognised stock exchanges in the IFSC, it has been decided to defer the levy of regulatory fee of USD 1,000/- in respect of listing of privately placed debt securities, till March 31, 2023.

[\[https://ifsc.gov.in/Viewer/Index/259\]](https://ifsc.gov.in/Viewer/Index/259)

xiii. Negotiated Large Trade facility on Stock Exchanges

IFSCA vide circular no. 286/IFSCA/PM(CMD-DMIIT)/2021/3, dated March 11, 2022, inter alia mentioned that, IFSCA has vide circular F. No. 286/IFSCA/PM(CMD-DMIIT)/2021/2 dated June 22, 2021, permitted introduction of Negotiated Large Trade (“NLT”) facility for derivatives on the recognised stock exchanges in IFSC.

Further, based on representations received, it has been decided that –

a) In order to facilitate connects of recognised stock exchanges in IFSC with international exchanges, the price limits on NLT facility mentioned at clause 2(b) of circular dated June 22, 2021, may be aligned with the international exchange for such derivatives products that are having connect with any international exchange;

b) In respect of other derivatives products, the price limits mentioned at clause 2(b) of circular dated June 22, 2021 may be decided by the recognised stock exchanges ensuring that such limits are fair and reasonable.

[\[https://ifsc.gov.in/Viewer/Index/275\]](https://ifsc.gov.in/Viewer/Index/275)

[\[https://ifsc.gov.in/Viewer/Index/186\]](https://ifsc.gov.in/Viewer/Index/186)

5. Key Notifications issued by various authorities in FY21-22:

i. List of notifications pertaining to the IFSCA are listed below:

- a. Notification no. CG-DL-E-05082021-228774 dated August 05, 2021, about exemption given to foreign companies offering their securities for subscription in IFSCs
- b. Notification no. CG-DL-E-05082021-228777 dated August 05, 2021, about (registration of foreign companies) amendment rules, 2021.
- c. Notification no. CG-DL-E-05082021-228779 dated August 05, 2021, about Companies (Specification of definitions) details Third amendment rules, 2021
- d. Notification no. CG-GJ-E-05012022-232424 dated January 04, 2022, about IFSCA (registration of insurance business) (amendment) regulations, 2021
- e. Notification no. CG-GJ-E-05012022-232425 dated January 04, 2022, about IFSCA (Insurance Intermediary) Regulations, 2021
- f. Notification no. CG-GJ-E-03022022-233102 dated January 31, 2022, about IFSCA (Insurance Web Aggregator) Regulations, 2022

[\[https://ifsc.gov.in/Notification\]](https://ifsc.gov.in/Notification)

DIVIDEND

In view of the loss incurred by the company during the year under review, your board of Directors do not recommend any dividend for the F.Y. 20201-22.

TRANSFER TO RESERVES

In view of the loss incurred by the company during the year under review, your Board of Directors do not recommend appropriating any amount to be transferred to General Reserves for the F.Y. 2021-22.

ISSUE OF SHARES, ETC.

During the year under review, the authorized capital of the company has been increased from Rs. 160 Crores to Rs. 200 Crores vide resolution passed by members at its meeting held on September 6, 2020.

During the year under review, the Company has made allotment of equity shares of Re. 1/- each on preferential basis as follows: -

Date of Allotment	Name of Shareholder	No. of Shares allotted
April 6, 2021	Individual Investors	7,63,25,000
May 4, 2021	DCB Bank Limited	5,00,00,000
June 29, 2021	Individual Investors	9,53,25,000
July 8, 2021	Individual Investors	3,50,00,000
July 8, 2021	Stock Holding Corporation of India Limited	1,02,44,720
February 2, 2022	ICICI Bank Limited	4,42,62,356
February 2, 2022	Stock Holding Corporation of India Limited	31,05,248
February 2, 2022	State Bank of India	13,28,32,186
Total	-	44,70,94,510

Accordingly, the paid up capital of the Company has been increased from Rs. 88,79,02,331 to Rs. 133,49,96,841.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has made investment in India International Bullion Holding IFSC Limited as follows: -

Date of Investment	No of Shares	USD Equivalent Amount
03/09/2021	6,75,00,000	9,23,645.32
18/02/2022	3,25,00,000	4,32,698.71
Total	10,00,00,000	13,56,344.03

The Company has not provided any guarantee or security to any person or entity and has not made any loans and advances in the nature of loans to firms / companies in which directors of the Company are interested.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

A separate statement containing the salient features of the financial statements of associate Company of the Company (i.e. Form AOC - 1) forms part of the consolidated financial statements.

India International Bullion Holding IFSC Ltd. (IIBH)

Pursuant to Memorandum of Understanding between Central Depository Services (India) Limited (CDSL), India International Exchange (IFSC) Limited (INDIA INX), Multi Commodity Exchange of India Limited (MCX), National Securities Depository Limited (NSDL) & National Stock Exchange of India Limited (NSE) the holding company India International Bullion Holding IFSC Limited (IIBH) has been created for setting up and operationalizing India International Bullion Exchange, Bullion Clearing Corporation and Depository in IFSC, GIFT City.

In the initial stage the Bullion Clearing Corporation will be operational as a division of Bullion Exchange i.e. India International Bullion Exchange IFSC Ltd. (IIBX) which would be hived off as a separate entity subsequently.

During the year under review, India INX has made investment of Rs. 10,00,00,000 representing 10.70% equity stake in IIBH and India ICC has also made investment of Rs. 10,00,00,000 representing 10.70% equity stake in IIBH. Thus, collectively India INX and India ICC holds 21.40% stake for Rs. 20 Crores in IIBH as on March 31, 2022.

India International Bullion Exchange IFSC Ltd. (IIBX)

IIBH has incorporated its wholly owned subsidiary, IIBX and made investment of Rs. 50,00,00,000 in IIBX. India ICC played a pivotal role and contributed actively IIBX is expected to:

- Serve as a single point marketplace for trading and clearing all imports of bullion into India
- Offer comprehensive facilities including storage, assaying & certification, transfer, borrow and lease out of bullion within the IFSC area
- Provide a range of financial products and services in bullion, and,
- Serve as a transparent bridge between the Indian bullion market ecosystem and global bullion markets

A soft launch of IIBX had taken place in August 2021 and mock trading commenced from September 15, 2021. The trail run of IIBX commenced on April 18, 2022, and it is expected to go live soon.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

➤ **Appointments**

No appointment of Director or KMP made during the year under review.

➤ **Cessation:**

No Directors or KMP ceased to hold the office during the year under review.

The composition of Directors and KMPs of the Company is as under:

• **Directors**

The Board of Directors comprises of Shri Ashishkumar Chauhan - Chairman and Shareholder Director, Dr. Alok Mohan Sherry - Public Interest Director, Shri Balasubramaniam Venkataramani - Shareholder Director, Shri Sameer Patil - Shareholder Director and Shri Arup Mukherjee - Managing Director & CEO (included in the category of Shareholder Director).

- **Key Managerial Personnel**

Shri Arup Mukherjee, Managing Director & CEO, Shri Deepak Khemani, Chief Financial Officer and Ms. Nikita Lakhiani, Company Secretary are the Key Managerial Personnel of the Company pursuant to the Companies Act, 2013.

DECLARATION OF INDEPENDENCE

The terms and conditions of appointment of Public Interest Director (PID) are as per Schedule IV of the Companies Act, 2013 and IFSCA (Market Infrastructure Institutions) Regulations, 2021. He has submitted a declaration that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013. Further, in compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, PID of the Company has registered himself with the Indian Institute of Corporate Affairs (IICA), Manesar and has included his names in the databank of Independent Directors within the statutory timeline and he has also passed online self assessment proficiency test as applicable to him. He has also submitted a declaration confirming the compliance of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, PID has also given the declarations that he satisfies “fit and proper” criteria as stipulated under Regulation 23 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 (“MII Regulations”).

There has been no change in the circumstances which may affect their status as PIDs during the year.

DECLARATION BY THE COMPANY

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR

During the financial year, four Board Meetings were convened and held on April 20, 2021; July 23, 2021; October 19, 2021, and January 19, 2022.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual evaluation of the performance of the Board and of Individual Directors and the Individual Directors: -

S. No.	Evaluation done by	Evaluation done for
1	Public Interest Director	Non-Independent Directors
2	Public Interest Director	Chairman
3	Public Interest Director	Entire Board
4	Entire Board	All Individual Directors
5	Entire Board	Public Interest Director
6	Entire Board	Chairman
7	Entire Board	Entire Board

Criteria for performance evaluation of the Individual Directors included aspects like knowledge and competency, ability to function as a team, initiatives, fulfillment of functions etc. Further, for the performance evaluation of the Board as a whole, aspects like roles and responsibilities of the Board & strategy and performance evaluation, governance and compliance, grievance redressal for investors & conflict of interest evaluation, stakeholder value and responsibility etc. formed part of the criteria.

A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board is of the opinion that Public Interest Director appointed on the Board of the Company possess requisite expertise, experience, and integrity.

AUDITORS & AUDITOR'S REPORT

Statutory Auditor

The Statutory Auditors, M/s. Dalal Doctor & Associates, (Firm Registration No. 120833W) were appointed as the Statutory Auditors of the company at the third Annual General Meeting (AGM) of the Company held on April 25, 2019, for a period of five years till the conclusion of the eighth AGM to be held in the year 2024.

The Report given by the Statutory Auditors on the financial statements of the Company is part of the Annual Report.

Secretarial Auditor

Pursuant to provisions of section 204 of the Companies Act, 2013 and rules framed thereunder, M/s. Yash Mehta & Associates, Practicing Company Secretaries, were appointed to undertake Secretarial Audit of the Company.

The Secretarial Audit Report forms part of the Directors' Report as **Annexure-1**.

Explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer made by auditors:

There have been no qualifications, reservations, adverse remarks or disclaimers given by the Statutory Auditor and Secretarial Auditor in their Reports. No instance of fraud has been reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

Internal Auditor

Internal Audit for the year ended March 31, 2022, was done by M/s. S. Panse & Co., LLP and internal audit report at relevant intervals were placed before the Board.

POLICY MATTERS

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters

The provisions of Section 178 of the Companies Act, 2013 in relation to policy on Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters are not applicable to the Company as per the exemption notification no. G.S.R. 08(E) dated January 4, 2017.

Corporate Social Responsibility

The provisions of CSR were not applicable to the Company during the financial year under review considering exemption by Ministry of Corporate Affairs as per the exemption notification no. G.S.R. 08(E) dated January 4, 2017, and company not falling under specified criteria regarding applicability of CSR as per section 135 of the Companies Act, 2013 and rules made thereunder.

Vigil Mechanism Policy

The provisions of Section 177 of the Companies Act, 2013, in relation to the Vigil Mechanism Policy are specifically exempted for IFSC Public Limited Company by Ministry of Corporate Affairs through exemption notification no. G.S.R. 08(E) dated January 4, 2017.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLCE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company has always endeavored to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace against women employees which aims at prevention of harassment of women employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An internal complaints committee has been set up by the senior management, as per requirement of the Act. This committee is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2022, no complaints pertaining to sexual harassment have been received.

RISK MANAGEMENT MECHANISM

Risk Management is a vital activity for the Company and is the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. It is an enterprise wide function at the Company, which covers major business and functional areas including strategy, operations, technology and compliance. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Several risks can impact the achievement of a particular business objective. Similarly, a single risk can impact the achievement of several business objectives. The focus of risk management is to assess risks, deploy mitigation measures and review them, including the risk management policy on a periodic basis. This is done through periodic review meetings.

The risk in relation to internal control over financial recording and reporting is reviewed by the Board. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditors. The Board reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's financial risk management policies and systems.

During the period of F.Y. 2021-22, the Company initiated the periodic compliance audit within the ISO 27001 Information Security Management System framework, with the objective of continuous improvement. The risk management framework within ISO 27001 determines the probability and magnitude of harm that could come to an information system and ultimately the Company itself in the event of a security breach. By determining the amount of risk that exists, the Company will be in a better position to determine how much of that risk should be mitigated and what controls should be used to achieve that mitigation. The scope of ISO 27001 risk management pertains to information systems of the Company and it applies to various assets like information asset, IT assets, business and operations processes or procedure and/or legal, regulatory and contractual requirements, by which these assets are administered and/or maintained.

In order to improve adherence to compliances of the various regulatory bodies governing the Company, Legatrix system has been implemented at the Company. Legatrix system can keep an automatic tracking of adherence to the various compliance and trigger automatic escalations in case of delay/noncompliance. This system is a comprehensive, robust, highly customizable legal support solution for tracking, managing and reporting on legal, regulatory and internal compliances. Each compliance can be added to a risk vector and based on the periodicity defined of each compliance, the adherence report can be auto generated by the system. A workflow is defined in the system where each department head receives the MIS on the compliance related to their departments.

For each risk identified, risk reduction can be achieved through the implementation of a managed system architecture that includes the following components:

- Technical
- Financial
- Informational
- Operational
- Procedural
- Physical
- Personnel
- Cyber

The risk that the organization carries regarding the threat to its information is the result of a combination of factors. Any change to either of these factors will alter the risk profile.

Reviewing of Information Security on a regular basis is vital to ensure that the safeguards employed continue to offer the appropriate level of protection.

The comprehensive Risk Assessment exercise is carried out at least once every year or in the event of any major changes brought about within the organization or any of its internal/external functional processes and also in the event of a security incident taking place which could have an impact on the risk profile of the Company.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has maintained adequate internal financial controls over financial reporting.

These includes policies and procedures –

- a. Pertaining to the maintenance of records that is reasonably detailed, accurately and fairly reflects the transactions and dispositions of the assets of the Company,
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Ind AS) Rules 2015 as amended from time to time, and that receipts and expenditures of the Clearing Corporation are being made only in accordance with authorization of management and directors of the Company, and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of March 31, 2022.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review the Company has entered into the transactions with related parties at arm’s length price as referred to in sub section (1) of Section 188 of the Companies Act, 2013, the details of which are provided in the financial statements of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy

The Company is located at Gujarat International Finance Tech City (GIFT City), which is India's model smart city. The city's air-conditioning system runs on chilled water which is also used for offices located at GIFT City. This results in significant reduction in energy consumption. The floor has glasses all around and we also use the ambient light for lighting purposes as much as possible. This reduces the electricity consumption due to lesser need of lighting during the day. The Company also takes appropriate steps for conservation of energy in its day to day operations by switching off lights, taking advantage of natural light wherever possible.

(B) Technology Absorption

At the outset, the Company is happy to mention that the uptime of collateral, clearing & settlement systems was 100% and there were no outages. This year company has migrated to new NVMe Architecture based Storage for both primary & DR Site with increased performance and improved TCO. The company have also successfully completed real time collateral, clearing & settlement systems from the Disaster Recovery (DR) site, running the operations seamlessly for 22 hours for five days, from 27th to 31st December 2021. By doing so company became the first clearing corporation in International Financial Services Centre (IFSC) to have successfully conducted the DR live session.

(C) Foreign Exchange Earnings and Outgo

The functional currency of company is USD and the presentation currency is INR. Foreign currency is a currency other than the functional currency of the entity. Hence, a) for the purpose of reporting of foreign exchange outgo, the conversion of amount from USD to INR is being considered for reporting herein. b) Company generates its revenue from operations and investment income in USD only. Only incentive from government authorities and refunds from authorities is being received in INR which is not being considered for reporting of foreign exchange earnings.

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange Earnings – Nil

Foreign Exchange Outgo – USD 6,65,000 (P.Y.: USD 3,53,000)

During the year under review, Company received earning from outside India of USD Nil (P.Y. USD Nil) and payment towards expenses made outside India of USD 74,307 (P.Y. USD 1,41,526).

HUMAN RESOURCE

India ICC has laid down HR policies to make benefits and compensation more transparent and employee friendly. Also, the organizational structure of India ICC has enhanced the accountability and efficiency to align with the performance management and reward strategies.

The provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are not applicable to the Company.

DEPOSITS

Your Company did not accept any deposits within the meaning of provisions of Chapter V- Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub section (5) of Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) they have selected such accounting policies and applied them consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year March 31, 2022 and of the losses of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) they have prepared the annual accounts on a going concern basis;
- v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURES

Annual Return

The provisions of Section 92(3) of the Companies Act, 2013, regarding placing of annual return on the website of the Company is specifically exempted by Ministry of Corporate Affairs to IFSC Company through exemption notification dated January 4, 2017.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There were no material changes and commitments that took place and had affected the financial position of the Company after the end of the financial period ended March 31, 2022.

Change in the Nature of Business

The Company has not undergone any changes in the nature of the business during the financial year.

Material orders passed by the regulators or courts or tribunals impacting the going concern status of the company.

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

ACKNOWLEDGMENTS

We take the opportunity to express gratitude to the Bankers, Statutory Authorities, Service Providers and Stakeholders for the support and co-operation extended by them from time to time.

For and on behalf of the Board of Directors,

Ashishkumar Chauhan

Chairman

DIN: 00898469

Date: April 20, 2022

Place: Mumbai

Registered Office: 1st Floor, Unit No. 102, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY, Gandhinagar, Gujarat – 382355.

Note:

In this report:

(a) “Company” has been used to denote India International Clearing Corporation (IFSC) Limited

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED
CIN: U67190GJ2016PLC093683
1st Floor, Unit No. 102, The Signature Building No.13B,
Road 1C, Zone 1, GIFT SEZ, GIFT CITY,
Gandhinagar – 382355, Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED** a Subsidiary of BSE Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company is an IFSC (International Financial Service Centre) Company which has obtained necessary approval from Central Government for setting up its centre in SEZ. The Company provides clearing & settlement, risk management services.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

- 1) *The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 3) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

4) The following Regulations prescribed by International Financial Services Centres Authority (IFSCA) under International Financial Services Centres Authority Act, 2019: -

(a) IFSCA (Market Infrastructure Institutions) Regulations, 2021

The Company has to maintain Networth as per the regulations 14 of IFSCA (MII) Regulations, 2021, which is reiterated as follows;

“(1) A recognised market infrastructure institution shall have net worth of at least USD 3 million at all times.

(2) If required, as a risk management measure, the Authority may prescribe higher net worth for a recognised market infrastructure institution based on the nature and scale of business of the entity.”

(b) IFSCA (Capital Market Intermediaries) Regulations, 2021

(c) IFSCA Circular no. F. No. 286/IFSCA/Policy Matters (CMD-DMIIT)/2021 regarding Fee structure for Market Infrastructure Institutions(MIIs)and participants

(d) Rules, Regulations, Circulars, Orders, Notifications and Directives issued under the above statute to the extent applicable.

5) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

6) Foreign Exchange Management Act, 1999 and the Rules and Regulations framed thereunder and to the extent it is applicable to IFSC Company;

7) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **NOT APPLICABLE** to the Company as the Company's Securities are not listed on any Stock Exchange:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations,2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;

- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (h) The Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (Came into force w.e.f.01.01.2019)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Following Standards / Clauses / Regulations were not subject to our examination as the same are **NOT APPLICABLE** to the Company:

- i) Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

We have relied on the representations made by the Company, its officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under applicable Acts, Laws and Regulations to the Company.

Auditor's Responsibility

The responsibility of the Auditor is to express opinion on the compliance with the applicable laws and maintenance of records based on audit. The audit was conducted in accordance with applicable Standards and those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

We further report that:

During the year under review, the Company has **COMPLIED** with all the material aspects of the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. as mentioned above. The Board of Directors of the Company is duly constituted. There are no changes in the composition of Board that took place during the year under review.

Adequate notice is given to all the Directors to schedule the Board Meetings in advance in due compliances of law. Agenda and detailed notes on agenda were also sent in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors / Committees of the Company were carried through on the basis of majority. We were informed that there were no dissenting views by any members of Board / Committee in the meetings held during the year under review that were required to be captured and recorded as part of minutes

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

During the audit period, there were following instances of:

- a) Increase in Authorized Share Capital of the Company from Rs. 160,00,00,000.00/- divided into 160,00,00,000 equity shares of Re. 1/- each to Rs. 200,00,00,000.00/- divided into 200,00,00,000 equity shares of Re. 1/- each and alteration in Clause V of Memorandum of Association of the Company by the members of the Company at their Extraordinary General Meeting held on 06.09.2021.
- b) Allotment of 7,63,25,000 (Seven Crore Sixty Three Lakh Twenty Five Thousand) Equity Shares at Re. 1.00 (Rupee One Only) per equity share amounting to Rs. 7,63,25,000.00 (Rupees Seven Crore Sixty Three Lakh Twenty Five Thousand Only) on 06.04.2021 to Individual Investors on preferential issue basis in compliance of provisions of Section 62(1)(C) of the Companies Act, 2013 including the Rules framed there under.
- c) Allotment of 5,00,00,000 (Five Crore) Equity Shares at Re. 1.00 (Rupee One Only) per equity share amounting to Rs. 5,00,00,000.00 (Rupees Five Crore Only) on 04.05.2021 to DCB Bank Limited on preferential issue basis in compliance of provisions of Section 62(1)(C) of the Companies Act, 2013 including the Rules framed there under.
- d) Allotment of 9,53,25,000 (Nine Crore Fifty Three Lakh Twenty Five Thousand) Equity Shares at Re. 1.00 (Rupee One Only) per equity share amounting to Rs. 9,53,25,000.00 (Rupees Nine Crore Fifty Three Lakh Twenty Five Thousand Only) on 29.06.2021 to existing and new Individual Investors on preferential issue basis in compliance of provisions of Section 62(1)(C) of the Companies Act, 2013 including the Rules framed there under.
- e) Allotment of 4,52,44,720 (Four Crore Fifty Two Lakh Forty Four Thousand Seven Hundred Twenty) Equity Shares at Re. 1.00 (Rupee One Only) per equity share amounting to Rs. 4,52,44,720.00 (Rupees Four Crore Fifty Two Lakh Forty Four Thousand Seven Hundred Twenty Only) on 08.07.2021 existing Individual Investors and Stock Holding Corporation of India Limited on preferential issue basis in compliance of provisions of Section 62(1)(C) of the Companies Act, 2013 including the Rules framed there under.

- f) Allotment of 18,01,99,790 (Eighteen Crore One Lakh Ninety Nine Thousand Seven Hundred Ninety) Equity Shares at Re. 1.00 (Rupee One Only) per equity share amounting to Rs. 18,01,99,790.00 (Rupees Eighteen Crore One Lakh Ninety Nine Thousand Seven Hundred Ninety Only) on 02.02.2022 ICICI Bank Limited, Stock Holding Corporation of India Limited and State Bank of India on preferential issue basis in compliance of provisions of Section 62(1)(C) of the Companies Act, 2013 including the Rules framed there under.

There were no other instances of:

- a) Public issue / Right issue of Shares / Debentures / Sweat Equity etc.
b) Redemption / Buy – Back of Securities.
c) Merger / amalgamation / Reconstruction etc.
d) Foreign Technical Collaboration.

**FOR YASH MEHTA & ASSOCIATES
COMPANY SECRETARIES**

Date: 20.04.2022
Place: Ahmedabad

**YASH MEHTA
PROPRIETOR
ACS: 45267
COP: 16535
UDIN: A045267D000173307
Peer Review: 1269/2021**

*Note1:The Company being an IFSC Company is exempted from complying with certain provisions of Companies Act, 2013 pursuant to the Notification issued by MCA dated January 4, 2017.

*Note 2: IFSCA is an Authority established under sub-section (1) of Section 4 of International Financial Services Centres Authority Act, 2019 to develop and regulate the financial services market in the International Financial Services Centres in India for matter connected therewith or incidental thereto.

This report is to be read with our letter of even date which is annexed as “ANNEXURE - A” and forms an integral part of this report

“ANNEXURE - A”

To,
The Members,
INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED
CIN: U67190GJ2016PLC093683
1stFloor, Unit No. 102, The Signature Building No.13B,
Road 1C, Zone 1, GIFT SEZ, GIFT CITY,
Gandhinagar – 382355, Gujarat, India.

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR YASH MEHTA & ASSOCIATES
COMPANY SECRETARIES

YASH MEHTA
PROPRIETOR
ACS: 45267
COP: 16535
UDIN: A045267D000173307
Peer Review: 1269/2021

Date: 20.04.2022
Place: Ahmedabad



INDIA INTERNATIONAL
CLEARING CORPORATION
(IFSC) LIMITED

Audited Consolidated
Financial Statement for the
Year ended March 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of India International Clearing Corporation IFSC Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INDIA International Clearing Corporation IFSC Limited (the "Holding company")** and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associate **India International Bullion Holding IFSC Limited** which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2022 and their consolidated loss, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules 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 on the Ind AS Financial Statements.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report Thereon

The holding Company's Board of Directors is responsible for the preparation of the other information. The other information included in the Annual Report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS 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 Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated 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 consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 Holding Company and its associate company which are companies incorporated in India, 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 Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its associate incorporated in India and the reports of the statutory auditors of associate company, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein

- g) 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 and in pursuance of sub-section (2) of the said section of Companies Act 2013(18 of 2013), the provisions of section 197 in respect of the remuneration paid by the Holding Company to its directors are not applicable to the Holding Company. Hence reporting under section 197(16) of the Act is not applicable to the Holding Company;
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us we state that:
- i. The Holding Company does not have any pending litigations which would impact its financial position
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company
 - iv. (a) The respective management of the Holding Company and its associate company has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective management of the Holding company and its associate company has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement
- v. No dividend has been declared or paid during the year by the Holding Company.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its associate included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Dalal Doctor and Associates

Chartered Accountants

FRN: 120833W

Amol Khanolkar

Partner

Membership No: 116765

ICAI UDIN: 22116765AHZYHY6793

Place: Mumbai

Date: 20th April 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **India International Clearing Corporation IFSC Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **India International Clearing Corporation IFSC Limited** (hereinafter referred to as “Company”) and its associate company which are companies incorporated in India, as of that date

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“ the 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 the respective 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its associate company, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting of the Holding Company and its associate company, which are companies incorporated in India.

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 consolidated 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 consolidated Ind AS 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 consolidated Ind AS financial statements.

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 and to the best of our information and according to the explanations given to us, the Holding Company and associate company which are companies incorporated in India, have, 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 March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies 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 and Associates

Chartered Accountants

FRN: 120833W

Amol Khanolkar

Partner

Membership No: 116765

ICAI UDIN: 22116765AHZYHY6793

Place: Mumbai

Date: 20th April 2022

India International Clearing Corporation (IFSC) Limited Consolidated Balance Sheet as at March 31, 2022					
Amounts in Thousand					
Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
ASSETS					
1 Non-Current Assets					
a. Property, Plant and Equipment	3	43,971.83	580.05	32,393.67	440.70
b. Intangible Assets	4	1,956.81	25.81	3,285.22	44.69
c. Financial Assets					
(i) Investment in Equity Instrument	7	97,952.59	1,255.15	-	-
(ii) Other Financial Assets	8	3,81,307.89	5,029.98	6,21,115.96	8,450.02
d. Non-current Tax Assets (net)		552.55	7.29	1,280.16	17.42
Total		5,25,741.67	6,898.28	6,58,075.01	8,952.83
2 Current Assets					
a. Financial Assets					
(i) Cash and Cash Equivalents	5 (a)	3,24,795.45	4,284.50	81,277.38	1,105.74
(ii) Bank Balances Other than (i) Above	5 (b)	4,566.77	60.24	31,631.06	430.33
(iii) Trade Receivables	6	-	-	291.30	3.96
(iv) Other Financial Assets	8	7,82,001.48	10,315.68	2,87,032.18	3,904.95
b. Other Assets	9	4,179.85	55.14	4,158.82	56.58
Total		11,15,543.55	14,715.56	4,04,390.74	5,501.56
Total Assets		16,41,285.22	21,613.84	10,62,465.75	14,454.39
EQUITY AND LIABILITIES					
1 Equity					
a. Equity Share Capital	10	13,34,996.84	19,115.49	8,87,902.33	13,118.32
b. Other Equity	11	(51,976.81)	(2,227.66)	25,083.52	(697.54)
Total		12,83,020.03	16,887.83	9,12,985.85	12,420.78
LIABILITIES					
2 Non-Current Liabilities					
a. Financial Liabilities					
(i) Other Financial Liabilities	13	-	-	-	-
(ii) Lease Liability		38.28	0.51	40.43	0.55
b. Provisions	14	635.26	8.38	658.53	8.96
c. Other Liabilities	15	349.77	4.61	1,011.94	13.77
Total		1,023.31	13.50	1,710.90	23.28
3 Current Liabilities					
a. Financial Liabilities					
(i) Trade Payables					
a. Total outstanding dues of micro enterprises and small enterprises	12	114.55	1.51	-	-
b. Total outstanding dues of creditor other than micro enterprises and small enterprises	12	2,809.71	37.06	1,639.16	22.30
(ii) Other Financial Liabilities	13	3,51,721.90	4,639.70	1,43,501.10	1,952.27
(iii) Lease Liability		2.12	0.03	2.13	0.03
b. Provisions	14	1,188.66	15.68	1,384.31	18.83
c. Other Liabilities	15	1,404.94	18.53	1,242.30	16.90
Total		3,57,241.88	4,712.51	1,47,769.00	2,010.33
Total Equity and Liabilities		16,41,285.22	21,613.84	10,62,465.75	14,454.39
Notes forming part of the consolidated 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 20, 2022 Place: Mumbai		Deepak Khemani Chief Financial Officer Place : Gandhinagar		Nikita Lakhiyani Company Secretary	

India International Clearing Corporation (IFSC) Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Amounts in Thousand

Particulars	Note No.	For the Year ended March 31,2022	For the Year ended March 31, 2022	For the Year ended March 31,2021	For the Year ended March 31,2021
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
1 Revenue from Operations	16	120.49	1.62	82.89	1.12
2 Investment Income		12,314.00	165.26	15,536.54	209.37
3 Other Income	17	4,003.31	53.73	2,333.33	31.44
4 Total revenue (1 + 2+3)		16,437.80	220.61	17,952.76	241.93
5 Expenses					
Employee Benefits Expense	18	15,737.31	211.21	15,678.79	211.29
Administration and Other Expenses	19	25,012.04	335.68	22,640.19	305.10
Finance Costs		0.22	-	0.30	-
Depreciation and Amortisation Expenses	3&4	10,934.26	146.75	9,640.07	129.91
Total Expenses		51,683.83	693.64	47,959.35	646.30
6 Profit / (loss) before tax (4 - 5)		(35,246.03)	(473.03)	(30,006.59)	(404.37)
7 Share of profit / (loss) of associate accounted using equity method		(7,553.94)	(101.19)		
8 Tax Expense:					
Current tax and Deferred tax		-	-	-	-
9 Profit / (loss) for the Year from Continuing Operations (6+7-8)		(42,799.97)	(574.22)	(30,006.59)	(404.37)
10 Profit from Discontinuing Operations		-	-	-	-
11 Tax expenses of Discontinuing Operations		-	-	-	-
12 Profit from Discontinuing Operations (after tax) (9+10)		-	-	-	-
13 Profit / (loss) for the Year (9 + 12)		(42,799.97)	(574.22)	(30,006.59)	(404.37)
14 Other Comprehensive Income					
A Items that will not be reclassified to profit or loss					
(i) Remeasurement of defined benefit plan		65.35	0.88	20.18	0.27
B Items that will be reclassified to profit or loss					
(i) Foreign Currency translation reserve		33,284.76	-	(21,981.49)	-
(ii) Share of other comprehensive income of associate accounted using equity method		2,686.01	-	-	-
Total Other Comprehensive Income for the Year		36,036.12	0.88	(21,961.31)	0.27
Total Comprehensive Income for the Year (12+13)		(6,763.85)	(573.34)	(51,967.90)	(404.10)
15 Earning Per Equity Share :					
Basic and Diluted before and after exceptional items	21	(0.037)	(0.0005)	(0.034)	(0.0005)
Per value of share Rs		1	NA	1	NA
Weighted average number of shares (Nos.)		1,14,21,99,942	1,14,21,99,942	88,79,02,331	88,79,02,331
See accompanying notes forming part of the consolidated 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 20, 2022
Place: Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiani
Company Secretary

India International Clearing Corporation (IFSC) Limited				
Consolidated Cash Flow Statement for the year ended March 31, 2022				
Particulars	Amounts in Thousand			
	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
A. Cash Flow From Operating Activities				
Profit / (Loss) For The Year	(42,799.97)	(574.22)	(30,006.59)	(404.37)
Depreciation and Amortisation Expenses	10,934.26	146.75	9,640.07	129.91
Remeasurement of Defined Benefit Plan	65.35	0.88	20.18	0.27
Interest Income on Fixed Deposits	(12,314.00)	(165.26)	(15,536.54)	(209.37)
Foreign Currency Translation Reserve	30,560.27	-	(19,790.84)	-
Share of profit/loss in associate accounted by equity method	7,553.94	101.19	-	-
Adjustments for Changes in operating Liability and Assets				
Trade Payable	1,285.10	16.27	(506.78)	(6.17)
Trade Receivables	291.30	3.96	(271.02)	(3.69)
Provisions	(218.92)	(3.73)	274.74	4.34
Other Liabilities	(499.54)	(7.52)	(968.58)	(12.08)
Other Financial Liabilities	2,08,220.80	2,687.43	31,701.92	469.25
Finance cost	0.22	-	0.30	-
Other Financial Assets	(86.46)	(0.99)	(231.69)	(3.20)
Other Assets	(21.03)	1.44	(3,433.84)	(46.96)
	2,02,971.32	2,206.20	(29,108.67)	(82.07)
Taxes Paid	727.60	10.13	(103.76)	(1.81)
Net Cash Generated From /(Used in) Operating Activities	2,03,698.92	2,216.33	(29,212.43)	(83.88)
B. Cash Flow From Investing Activities				
Purchase of Property, Plant & Equipment and Intangible Assets	(21,184.01)	(267.21)	1,066.44	-
Investment in associate company	(1,02,820.51)	(1,356.34)	-	-
Investment in Fixed deposit	(9,74,130.78)	(12,507.30)	(8,42,038.55)	(11,733.43)
Proceeds of Maturity of Fixed Deposit	7,63,551.85	10,072.30	8,04,758.86	10,948.40
Interest Income Received	2,446.31	44.49	20,840.02	280.84
Net Cash Generated From /(Used in) Investment Activities	(3,32,137.14)	(4,014.06)	(15,373.23)	(504.19)
C. Cash Flow From Financing Activities				
Proceeds From Allotment of Equity Share	3,75,749.01	5,026.54	-	-
Receipt of Share Application Money	-	-	71,345.50	970.62
Contribution to Default Fund	(3,790.35)	(50.00)	-	-
Repayment of lease liability	(2.15)	(0.05)	(2.22)	(0.02)
Finance cost	(0.22)	-	(0.30)	-
Net Cash Generated From Financing Activities	3,71,956.29	4,976.49	71,342.98	970.60
D. Net Increase / (Decrease) In Cash and Cash Equivalents	2,43,518.07	3,178.76	26,757.32	382.53
Cash and Cash Equivalents at the End of the Year				
In Current Account - Owned	16,669.75	219.90	72,456.82	985.74
In Current Account - Member Fund	-	-	8,820.56	120.00
In Deposit account - Own Fund	1,93,361.33	2,550.70	-	-
In Deposit account - Member Fund	1,14,764.37	1,513.90	-	-
	3,24,795.45	4,284.50	81,277.38	1,105.74
Cash and Cash Equivalents at the Beginning of the Year	81,277.38	1,105.74	54,520.06	723.21
Changes In Cash and Cash Equivalents	2,43,518.07	3,178.76	26,757.32	382.53
Cash and Cash Equivalents at the End of the Year	3,24,795.45	4,284.50	81,277.38	1,105.74
Cash and Bank Balance (Refer note 5 (a))	3,24,795.45	4,284.50	81,277.38	1,105.74
See accompanying notes forming part of the consolidated financial statements				
Notes :				
1 Cash and cash equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 3 months.				
2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".				
3 There is no purchase and sale of Property, Plant and Equipment and Intangible Assets, movement represent Forex conversion impact during the year ended March 2021.				
4 Movement in earmarked asset and liability is not considered.				
In terms of our report attached		For and on behalf of the Board of Directors		
For Dalal Doctor & Associates				
Chartered Accountants				
Firm Reg. No.: 120833W				
Amol Khanolkar	Ashishkumar Chauhan	Arup Mukherjee		
Partner	Chairman	Managing Director & CEO		
Membership No.: 116765				
	Deepak Khemani	Nikita Lakhiani		
	Chief Financial Officer	Company Secretary		
Date : April 20, 2022				
Place: Mumbai	Place : Gandhinagar			

India International Clearing Corporation (IFSC) Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

Particulars	Amounts in Thousand	
	(Rs)	(USD)
Balance at April 01, 2020	8,87,902.33	13,118.32
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2021	8,87,902.33	13,118.32
Balance at April 01, 2021	8,87,902.33	13,118.32
Changes in Equity Share Capital during the year	4,47,094.51	5,997.17
Balance as at March 31, 2022	13,34,996.84	19,115.49

B. Other Equity

Particulars	Reserve & Surplus				Share Application Money Pending allotment		Items of Other Comprehensive Income				Total Other equity	Total Other equity	
	Retained earning	Retained earning	Default Fund	Default Fund	Share Application Money	Share Application Money	Foreign Currency translation reserve	Remeasurements gain / (loss) on the defined employee benefit plans	Remeasurements gain / (loss) on the defined employee benefit plans	Share of other comprehensive income of associate accounted using equity method	Share of other comprehensive income of associate accounted using equity method		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(USD)
Balance as at April 01, 2020	(1,64,105.96)	(2,452.25)	87,786.58	1,164.50	-	-	80,314.42	326.57	4.85			4,321.61	(1,282.90)
Contribution to Default Fund	-	-	-	-								-	-
Profit / (Loss) for the year ended March 31, 2021	(30,006.60)	(404.36)										(30,006.60)	(404.36)
Interest on Default Fund for the year March 31, 2021			1,345.13	18.30								1,345.14	18.30
Penalty transferred to Default Fund during the year ended March 31, 2021			39.18	0.53								39.18	0.53
Other Comprehensive Income for the year Ended March 31, 2021	-	-	(2,190.65)	-			(19,790.84)	20.19	0.27			(21,961.31)	0.27
Share Application Money pending allotment					71,345.50	970.62						71,345.50	970.62
Balance as at March 31, 2021	(1,94,112.56)	(2,856.61)	86,980.24	1,183.33	71,345.50	970.62	60,523.58	346.76	5.12			25,083.52	(697.54)
Balance as at April 01, 2021	(1,94,112.56)	(2,856.61)	86,980.24	1,183.33	71,345.50	970.62	60,523.58	346.76	5.12			25,083.52	(697.54)
Contribution to Default Fund	(3,790.36)	(50.00)	3,790.36	50.00								-	-
Profit / (Loss) for the year ended March 31, 2022	(42,799.97)	(574.22)										(42,799.97)	(574.22)
Interest on Default Fund for the year ended March 31, 2022			1,049.02	13.84								1,049.02	13.84
Penalty transferred to Default Fund during the year ended March 31, 2022			-	-								-	-
Other Comprehensive Income for the year ended March 31, 2022			2,724.50	-			30,560.26	65.35	0.88	2,686.01	-	36,036.12	0.88
Share allotted against share application money pending allotment at beginning of the year					(71,345.50)	(970.62)						(71,345.50)	(970.62)
Balance as at March 31, 2022	(2,40,702.89)	(3,480.83)	94,544.12	1,247.17	-	-	91,083.84	412.11	6.00	2,686.01	-	(51,976.81)	(2,227.66)

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 20, 2022
Place : Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiani
Company Secretary

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 IFSC Authority from time to time.

International Financial Services Centres Authority (IFSCA) is a unified authority for the development and regulation of financial products, financial services and financial institutions in GIFT IFSC. Prior to the establishment of IFSCA, the domestic Indian financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in the IFSC. W.e.f. October 01, 2020, IFSCA is the regulator for the Company. Prior to this SEBI was the regulator for the Company.

The consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 20, 2022.

2 Significant Accounting Policies

2.1 Basis of preparation of financial statement

2.1.1 Statement of compliance

The consolidated financial statements as at and for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands, as per the requirement of Schedule III, unless stated otherwise.

2.1.2 Basis of Consolidation

The Company consolidates entity on which it has significant influence. The consolidated financial statements comprise the financial statements of the Company and its associate.

Particulars of Associate:

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Name of the Company	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2022
India International Bullion Holding IFSC Limited (w.e.f September 03, 2021) - Associate	Finance company undertaking specialized activity - Holding Company for Bullion Project	India	10.70%

2.2 *Foreign currency translation and transactions*

a) **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.

b) **Transactions and balances**

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period

- (a) foreign currency monetary items shall be translated using the closing rate;
- (b) nonmonetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and
- (c) nonmonetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined

c) Translation to presentation currency (Foreign Currency 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.

2.3 *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.

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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. Property plant and equipment: The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- d. Defined employee benefit obligation determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- e. 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.

2.4 Financial instruments

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

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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. 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.

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

b. Equity investments in Subsidiary:

All equity investment in subsidiary is measured at cost.

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.

Earmarked Funds

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or 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.

2.5 **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 life or 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

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Furniture, fixtures	10 years
Office equipments	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.

2.6 *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.

2.7 *Leases*

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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1. the contract involves the use of an identified asset;
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
3. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.8 Impairment

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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.

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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").

2.9 **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 provided for based on actuarial valuation using the projected unit credit method.

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Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods

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. The Company recognizes actuarial gains and losses immediately in statement of profit and Loss Account.

c. Provident Fund and pension Fund

The Company offers its employees defined contribution plan in the form of provident fund. The Company recognises contribution made towards provident fund in statement of profit and Loss Account.

2.10 *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.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

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.

2.11 Revenue Recognition :

The Company derives revenue primarily from Services to Corporate and Securities Services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

a. Time and service contracts

Revenues and costs relating to time and service contracts are recognized as the related services are rendered.

b. Annual / monthly Fee contracts

Revenue from Annual / monthly fee contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. Revenues are shown net of applicable discounts and allowances.

2.12 Investment income and interest expense

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of financial assets measured at FVTPL and amortised cost.

Interest income on bond is recognised as it accrues in the Statement of Profit and Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

Dividend income is recognised in the Profit or Loss on the date that the Company's right to receive payment is established.

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Interest expenses consist of interest expense on loans, borrowings and finance lease. Borrowing costs are recognised in the Profit or Loss using the effective interest method.

2.13 *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.

a. *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.

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.

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

2.14 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 year.

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 year, 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.

2.15 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, tax assets and Deferred tax 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.

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2.16 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.

2.17 Settlement Obligation

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

2.18 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.

2.19 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 in Thousand						
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, 2021	228.22	42.97	599.97	13.13	5.31	889.60
Additions during the year			267.21			267.21
Deductions / adjustments			0.31		0.19	0.50
Balance as at March 31, 2022	228.22	42.97	866.87	13.13	5.12	1,156.31
Accumulated Depreciation and Impairment						
Balance as at April 01, 2021	32.83	17.39	389.27	5.15	4.26	448.90
Depreciation for the year	7.60	4.30	113.62	1.31	1.03	127.86
Deductions / Adjustments			0.31		0.19	0.50
Balance as at March 31, 2022	40.43	21.69	502.58	6.46	5.10	576.26
Net Book Value						
Balance as at March 31, 2022	187.79	21.28	364.29	6.67	0.02	580.05
Balance as at March 31, 2021	195.39	25.58	210.70	7.98	1.05	440.70
Rs in Thousand						
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, 2021	16,775.17	3,158.57	44,100.84	965.41	389.65	65,389.64
Additions during the year	-	-	20,256.49	-	-	20,256.49
Deductions / adjustments	-	-	23.35	-	14.02	37.37
Currency Fluctuation	525.45	98.94	1,381.37	30.24	12.20	2,048.20
Balance as at March 31, 2022	17,300.62	3,257.51	65,715.35	995.65	387.83	87,656.96
Accumulated Depreciation and Impairment						
Balance as at April 01, 2021	2,413.38	1,278.40	28,612.95	378.33	312.91	32,995.97
Depreciation for the year	566.29	320.18	8,466.28	97.83	76.82	9,527.40
Deductions / Adjustments	-	-	22.95	-	-	36.73
Currency Fluctuation	85.44	45.60	1,043.00	13.55	10.90	1,198.49
Balance as at March 31, 2022	3,065.11	1,644.18	38,099.28	489.71	386.85	43,685.13
Net Book Value						
Balance as at March 31, 2022	14,235.51	1,613.33	27,616.07	505.94	0.98	43,971.83
Balance as at March 31, 2021	14,361.79	1,880.17	15,487.89	587.08	76.74	32,393.67
USD in Thousand						
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, 2020	228.22	42.97	599.97	13.13	5.30	889.60
Additions during the year						-
Deductions / adjustments						-
Balance as at March 31, 2021	228.22	42.97	599.97	13.13	5.30	889.60
Accumulated Depreciation and Impairment						
Balance as at April 01, 2020	25.23	13.10	292.51	3.83	3.20	337.87
Depreciation for the year	7.60	4.30	96.76	1.31	1.06	111.03
Deductions / Adjustments						-
Balance as at March 31, 2021	32.83	17.39	389.27	5.15	4.26	448.90
Net Book Value						
Balance as at March 31, 2021	195.39	25.58	210.71	7.99	1.04	440.70
Balance as at March 31, 2020	202.99	29.88	307.47	9.30	2.10	551.73
Rs in Thousand						
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, 2020	17,204.50	3,239.41	45,229.51	990.12	399.62	67,063.15
Additions during the year	-	-	-	-	-	-
Deductions / adjustments	-	-	-	-	-	-
Currency Fluctuation	(429.33)	(80.84)	(1,128.67)	(24.71)	(9.97)	(1,673.51)
Balance as at March 31, 2021	16,775.17	3,158.57	44,100.84	965.41	389.65	65,389.63
Accumulated Depreciation and Impairment						
Balance as at April 01, 2020	1,902.21	987.18	22,050.98	289.03	241.01	25,470.41
Depreciation for the year	563.96	318.86	7,180.08	97.43	78.66	8,238.99
Deductions / Adjustments	-	-	-	-	-	-
Currency Fluctuation	(52.80)	(27.65)	(618.11)	(8.13)	(6.76)	(713.44)
Balance as at March 31, 2021	2,413.38	1,278.40	28,612.95	378.33	312.91	32,995.97
Net Book Value						
Balance as at March 31, 2021	14,361.79	1,880.18	15,487.88	587.08	76.74	32,393.67
Balance as at March 31, 2020	15,302.28	2,252.23	23,178.53	701.09	158.61	41,592.74

4. Intangible Assets		
USD in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2021	113.27	113.27
Additions during the period	-	-
Deductions / adjustments	-	-
Balance as at March 31, 2022	113.27	113.27
Accumulated Depreciation and Impairment		
Balance as at April 01, 2021	68.57	68.57
Amortisation for the period	18.89	18.89
Deductions / Adjustments	-	-
Balance as at March 31, 2022	87.46	87.46
Net Book Value		
Balance as at March 31, 2022	25.81	25.81
Balance as at March 31, 2021	44.69	44.69
Rs in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2021	8,325.58	8,325.58
Additions during the period	-	-
Deductions / adjustments	-	-
Currency Fluctuation	260.78	260.78
Balance as at March 31, 2022	8,586.36	8,586.36
Accumulated Depreciation and Impairment		
Balance as at April 01, 2021	5,040.36	5,040.36
Amortisation for the period	1,406.86	1,406.86
Deductions / Adjustments	-	-
Currency Fluctuation	182.33	182.33
Balance as at March 31, 2022	6,629.55	6,629.55
Net Book Value		
Balance as at March 31, 2022	1,956.81	1,956.81
Balance as at March 31, 2021	3,285.22	3,285.22
USD in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2020	113.27	113.27
Additions during the year	-	-
Deductions / adjustments	-	-
Balance as at March 31, 2021	113.27	113.27
Accumulated Depreciation and Impairment		
Balance as at April 01, 2020	49.69	49.69
Amortisation for the year	18.88	18.88
Deductions / Adjustments	-	-
Balance as at March 31, 2021	68.57	68.57
Net Book Value		
Balance as at March 31, 2021	44.69	44.69
Balance as at March 31, 2020	63.58	63.58
Rs in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2020	8,538.66	8,538.66
Additions during the year	-	-
Deductions / adjustments	-	-
Currency Fluctuation	(213.08)	(213.08)
Balance as at March 31, 2021	8,325.58	8,325.58
Accumulated Depreciation and Impairment		
Balance as at April 01, 2020	3,746.00	3,746.00
Amortisation for the Year	1,401.08	1,401.08
Deductions / Adjustments	-	-
Currency Fluctuation	(106.72)	(106.72)
Balance as at March 31, 2021	5,040.36	5,040.36
Net Book Value		
Balance as at March 31, 2021	3,285.22	3,285.22
Balance as at March 31, 2020	4,792.66	4,792.66

5. Cash and Cash Equivalents and Bank Balances		Amounts in Thousand			
		As at March 31, 2022		As at March 31, 2021	
Particulars	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
5 (a) Cash and Cash Equivalents					
Balance with Banks					
Own					
In Current Accounts	16,669.75	219.90	72,456.82	985.74	
In Deposit Accounts - Original maturity less than 3 months	1,93,308.11	2,550.00	-	-	
Accrued Interest	53.22	0.70	-	-	
Member Fund					
In Current Accounts	-	-	8,820.56	120.00	
In Deposit Accounts - Original maturity less than 3 months	1,14,764.37	1,513.90	-	-	
Total	3,24,795.45	4,284.50	81,277.38	1,105.74	
5 (b) Bank Balance Other than Above					
Own					
In Deposit Accounts - Original Maturity more than 3 months and remaining maturity less than 12 months	4,548.42	59.99	13,249.22	180.25	
Accrued Interest	10.31	0.14	5.66	0.08	
Member Funds					
In Deposit Accounts - Original Maturity more than 3 months and remaining maturity less than 12 months	-	-	18,376.18	250.00	
Earmarked Fund - Default Fund					
In Current Accounts (Refer Note below)	8.04	0.11	-	-	
Total	4,566.77	60.24	31,631.06	430.33	
Note : The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. Accordingly it is shown as Bank balances other than above. All other cash and bank balances are available for the operating activities of the Company.					
6. Trade Receivables		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Current					
Trade Receivables					
- Secured, Considered Good	-	-	-	-	
Receivable from Group Company - Unsecured, Considered Good	-	-	291.30	3.96	
Total Trade Receivables	-	-	291.30	3.96	
Ageing Schedule of trade receivable					
Outstanding for the following periods from the due date of payment		Amounts in Thousand			
	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Undisputed trade receivable considered Good					
Less than 6 months	-	-	291.30	3.96	
6 months - 1 Year					
1-2 years					
2-3 years					
More than 3 years					
Total	-	-	291.30	3.96	
7. Investment in Equity Instrument		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Non Current Investment					
Investment in associate company					
India International Bullion Holding IFSC Limited (Fully paid equity shares of Re 1 each)	1,00,000.00	1,356.34	-	-	
Add: Conversion Impact	2,820.51	-	-	-	
Total Investment in Equity Instrument	1,02,820.51	1,356.34	-	-	
Opening balance of share of profit/loss in associate company					
Share of profit/loss for the period	(7,553.94)	(101.19)	-	-	
Share of other comprehensive income for the period	2,686.02	-	-	-	
Closing balance of share of profit/loss in associate company	(4,867.92)	(101.19)	-	-	
Total Investment in Equity Instrument	97,952.59	1,255.15	-	-	

8. Other Financial Assets				
Particulars	Amounts in Thousand			
	As at March 31, 2022		As at March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Own				
Deposit with Banks (remaining maturity more than 12 months)	2,78,970.12	3,680.00	5,53,857.91	7,535.00
Accrued Interest	2,622.01	34.59	6,334.78	86.18
Member Funds				
Deposit with Banks (remaining maturity more than 12 months)	22,742.13	300.00	44,102.82	600.00
Earmarked Fund - Default Fund				
Deposit with Banks (remaining maturity more than 12 months)	76,219.35	1,005.44	16,697.70	227.17
Accrued Interest	754.28	9.95	122.75	1.67
Total (A)	3,81,307.89	5,029.98	6,21,115.96	8,450.02
Current				
Own				
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)*	6,57,505.30	8,673.40	1,88,054.42	2,558.40
Accrued Interest	15,514.76	204.66	2,359.80	32.10
Member Funds				
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	90,968.52	1,200.00	26,094.17	355.00
Earmarked Fund - Default Fund				
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	17,220.72	227.17	69,182.62	941.20
Accrued Interest	341.73	4.50	977.17	13.29
Deposits with Public Bodies and Other Parties	382.00	5.05	227.57	3.10
Receivable towards Incentive Scheme	68.45	0.90	136.43	1.86
Total (B)	7,82,001.48	10,315.68	2,87,032.18	3,904.95
Total (A+B)	11,63,309.37	15,345.66	9,08,148.14	12,354.97
* Company has set up an overdraft limit of USD 1,000.00 Thousand with ICICI Bank and for which a lien is marked on principal value of fixed deposit amounting to USD 1,238.40 Thousand.				
* Company has set up an overdraft limit of USD 2,066.25 Thousand with SBI Bank and for which a lien is marked on principal value of fixed deposit amounting to USD 2,175.00 Thousand.				
9. Other Assets				
Particulars	Amounts in Thousand			
	As at March 31, 2022		As at March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Advance to Vendors	31.54	0.41	36.82	0.50
Prepaid Expenses	3,883.29	51.23	3,864.29	52.57
Gratuity	-	-	3.53	0.05
Goods & Service Tax Receivable	265.02	3.50	254.18	3.46
Total	4,179.85	55.14	4,158.82	56.58

10. Equity Share Capital				
Particulars	Amounts in Thousand			
	As at March 31, 2022		As at March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Equity Share Capital				
Authorised Share Capital: 200,00,00,000 Equity Shares (Previous year - 160,00,00,000 Equity Shares) of Re. 1/- each with voting rights	20,00,000.00	Not Applicable	16,00,000.00	Not Applicable
Issued Share Capital: 133,49,96,841 Equity Shares (Previous year - 1,07,31,77,331 Equity Shares) of Re. 1/- each with voting rights	13,34,996.84	Not applicable	10,73,177.33	Not applicable
Subscribed and Fully Paid - up 88,79,02,331 Equity Shares (Previous year - 88,79,02,331 Equity Shares) of Re. 1/- each with voting rights	8,87,902.33	13,118.32	8,87,902.33	13,118.32
Add: Addition during the year 133,49,96,841 Equity Shares (Previous year - 88,79,02,331 Equity Shares) of Re. 1/- each with voting rights	4,47,094.51 13,34,996.84	5,997.17 19,115.49	- 8,87,902.33	- 13,118.32
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting Period/Year				
Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares		Number of shares	
No. of shares at the beginning of the Year	88,79,02,331	-	88,79,02,331	-
Preferential allotment	44,70,94,510	-	-	-
No. of shares at the end of the Period/Year	1,33,49,96,841	-	88,79,02,331	-
Shareholders holding more than 5% of the shares in the company				
Equity Shares				
Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	80,00,00,000	59.93%	80,00,00,000	90.10%
State Bank of India	13,28,32,186	9.95%	-	-
ICICI Bank Limited	13,21,64,687	9.90%	8,79,02,331	9.90%
Other Shareholders	26,99,99,968	20.22%	-	-
Total	1,33,49,96,841	100%	88,79,02,331	100%
Shares held by Promoters at the end of the period				
Sr no	Promoter Name	No of shares	% of Total shares	% Change during the Period
Equity Share Capital				
	BSE Limited - Current Year	80,00,00,000	59.93%	30.17%
	BSE Limited - Previous Year	80,00,00,000	90.10%	-
Note : The number of shares held by BSE Limited are same in the current year as well as the previous year, only the percentage has changed.				
11. Other Equity				
Particulars	Amounts in Thousand			
	As at March 31, 2022		As at March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Share application money pending allotment	-	-	71,345.50	970.62
Default Fund				
Opening Balance	86,980.24	1,183.33	87,786.58	1,164.50
Add: Contribution to Default Fund	3,790.36	50.00	-	-
Add: Foreign Currency Translation Reserve	2,724.50	-	(2,190.66)	-
Add: Penalty transferred During the Year	-	-	39.18	0.53
Add: Income Earned During the Year	1,049.02	13.84	1,345.14	18.30
Closing Balance	94,544.12	1,247.17	86,980.24	1,183.33
Retained Earnings				
Opening Balance	(1,94,112.56)	(2,856.61)	(1,64,105.96)	(2,452.24)
Total Comprehensive Income during the Year other than FCTR	(35,246.03)	(473.03)	(30,006.60)	(404.37)
Share of profit/(loss) of associate accounted using equity method	(7,553.94)	(101.19)	-	-
Less : Contribution to Default Fund	(3,790.36)	(50.00)	-	-
Closing Balance	(2,40,702.89)	(3,480.83)	(1,94,112.56)	(2,856.61)
Other Comprehensive Income				
Opening Balance	60,870.34	5.12	80,640.99	4.85
Remeasurements gain / (loss) on the defined employee benefit plans	65.35	0.88	20.18	0.27
Foreign Currency Translation Reserve During the Quarter (FCTR)	30,560.26	-	(19,790.83)	-
Share of other comprehensive income of associate accounted using equity method	2,686.01	-	-	-
Closing Balance	94,181.96	6.00	60,870.34	5.12
Total Equity	(51,976.81)	(2,227.66)	25,083.52	(697.54)

12. Trade payables					Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021					
	(Rs)	(USD)	(Rs)	(USD)				
	Audited	Audited	Audited	Audited				
Current								
Payable to Group company-Small Enterprise	64.89	0.85	-	-				
Outstanding dues of micro, small and medium enterprises	49.66	0.66	-	-				
Total outstanding dues of micro, small and medium enterprises (A)	114.55	1.51						
Payable to Service Providers	32.37	0.43	1.91	0.03				
Unbilled Dues from Service Provider	2,500.27	32.98	1,505.68	20.48				
Payable to Holding Company	118.48	1.56	131.57	1.79				
Payable to Group Company	158.59	2.09	-	-				
Total outstanding dues of creditor other than micro, small and medium enterprises (B)	2,809.71	37.06	1,639.16	22.30				
Total (A+B)	2,924.26	38.57	1,639.16	22.30				
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006					Amounts in Thousand			
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	114.55	1.51	-	-				
(b) Interest due and payable for delay during the year	-	-	-	-				
(c) Amount of interest accrued and unpaid as at year end	-	-	-	-				
(d) The amount of further interest due and payable even in the succeeding year	-	-	-	-				
Ageing Schedule of trade Payables					Amounts in Thousand			
Outstanding for the following periods from the due date of payment	As at March 31, 2022		As at March 31, 2021					
	(Rs)	(USD)	(Rs)	(USD)				
MSME								
Less than 1 year	114.55	1.51	-	-				
Others								
Less than 1 year	309.44	4.08	133.49	1.82				
1-2 years								
2-3 years								
More than 3 years								
Unbilled Dues from Service Provider	2,500.27	32.98	1,505.67	20.48				
Total	2,924.26	38.57	1,639.16	22.30				
13. Other Financial Liabilities					Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021					
	(Rs)	(USD)	(Rs)	(USD)				
	Audited	Audited	Audited	Audited				
Current								
Accrued Employee Benefits	1,955.52	25.80	2,004.55	27.27				
Deposits from Members	2,28,475.02	3,013.90	97,393.73	1,325.00				
Deposits from Clearing Bank	1,21,291.36	1,600.00	44,102.82	600.00				
Total	3,51,721.90	4,639.70	1,43,501.10	1,952.27				
14. Provisions					Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021					
	(Rs)	(USD)	(Rs)	(USD)				
	Audited	Audited	Audited	Audited				
Non Current								
Compensated Absences	635.26	8.38	658.53	8.96				
Total (A)	635.26	8.38	658.53	8.96				
Current								
Compensated Absences	1,177.97	15.54	1,384.31	18.83				
Gratuity Liability	10.69	0.14	-	-				
Total (B)	1,188.66	15.68	1,384.31	18.83				
Total (A+B)	1,823.92	24.06	2,042.84	27.79				
15. Other Liabilities					Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021					
	(Rs)	(USD)	(Rs)	(USD)				
	Audited	Audited	Audited	Audited				
Non Current								
Unamortised Portion of Capital Subsidy	349.77	4.61	1,011.94	13.77				
Total (A)	349.77	4.61	1,011.94	13.77				
Current								
Statutory Liabilities	509.58	6.72	325.48	4.43				
Unamortised Portion of Capital Subsidy	895.36	11.81	916.82	12.47				
Total (B)	1,404.94	18.53	1,242.30	16.90				
Total (A+B)	1,754.71	23.14	2,254.24	30.67				

16. Revenue from Operations				
Particulars	Amounts in Thousand			
	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Processing Fees	37.26	0.50	-	-
Charges Recovered from Members	83.23	1.12	82.89	1.12
TOTAL	120.49	1.62	82.89	1.12
17. Other Income				
Particulars	Amounts in Thousand			
	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Miscellaneous Income	2,774.46	37.24	1,196.94	16.13
Incentives from Government Authorities	1,228.85	16.49	1,136.39	15.31
TOTAL	4,003.31	53.73	2,333.33	31.44
18. Employee Benefits Expense				
Particulars	Amounts in Thousand			
	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	14,205.49	190.65	13,712.71	184.79
Contribution to Provident and Other Funds	512.42	6.88	538.81	7.27
Staff Welfare Expenses	14.68	0.20	5.49	0.07
Compensated Absences	1,004.72	13.48	1,421.78	19.16
TOTAL	15,737.31	211.21	15,678.79	211.29
19. Administration and Other Expenses				
Particulars	Amounts in Thousand			
	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Advertising and marketing expenses	-	-	601.00	8.10
Auditors Remuneration	184.86	2.48	180.47	2.43
Bank Charges	67.28	0.90	66.12	0.89
Building Repair and Maintenance	1,805.50	24.23	1,911.84	25.76
Computer Technology Related Expenses	7,636.66	102.49	7,128.80	96.07
Directors Fees	89.64	1.20	150.27	2.03
Insurance Expenses	37.41	0.50	36.58	0.49
Legal Fees	1,033.33	13.87	166.44	2.24
Miscellaneous Expenses	284.57	3.83	59.89	0.81
Postage & Telephone Expenses	52.46	0.70	50.68	0.68
Professional Fee	5,789.51	77.70	2,957.10	39.85
Regulatory Fees	4,482.64	60.16	5,625.02	75.80
Rent	276.59	3.71	286.43	3.86
Stamp Duty & Registration Fee	3,218.02	43.19	3,418.36	46.07
Travelling Expenses	53.57	0.72	1.19	0.02
TOTAL	25,012.04	335.68	22,640.19	305.10
Note 1 : Auditors Remuneration includes -				
	(Rs)	(USD)	(Rs)	(USD)
Statutory Audit Fees	151.70	2.04	146.04	1.97
Statutory Auditors Out of Pocket Expenses	15.20	0.20	16.77	0.22
Statutory Auditor Fees - Other services	17.96	0.24	17.66	0.24
Total	184.86	2.48	180.47	2.43
20. Exchange Rate :-				
Amounts of Balance Sheet other than shareholder funds in these condensed financial statements have been translated into Indian rupees at the closing rate as at March 31, 2022 which is 1 USD = Rs 75.8071, amount of Statement of Profit and Loss at the average rate from April 01, 2021 to March 31, 2022 which is 1 USD = Rs 74.5120.				

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

21 Earnings Per Share

Particulars	Amount in Thousand			
	For the year ended March 31, 2022		For the year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(42,799.97)	(574.22)	(30,006.59)	(404.37)
Weighted average number of equity shares (Nos)	1,14,21,99,942	1,14,21,99,942	88,79,02,331	88,79,02,331
Earnings per share basic and diluted before and after exceptional item	(0.037)	(0.0005)	(0.034)	(0.0005)
Face value per equity share	1.00	NA	1.00	NA

22 Segment Reporting

The Managing Director and CEO 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.

23 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 2.4 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 at balance sheet date is as follows and the directors consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars	Amount in Thousand			
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Financial Assets carried at amortised cost				
Other non-current financial assets	3,81,307.89	5,029.98	6,21,115.96	8,450.02
Cash and cash equivalents	3,24,795.45	4,284.50	81,277.38	1,105.74
Bank Balances	4,566.77	60.24	31,631.06	430.33
Trade Receivables	-	-	291.30	3.96
Other current financial assets	7,82,001.48	10,315.68	2,87,032.18	3,904.95
Total	14,92,671.59	19,690.40	10,21,347.88	13,895.00

Financial Liabilities carried at amortised cost				
Other non-current financial liabilities	38.28	0.51	40.43	0.55
Trade payables	2,924.26	38.57	1,639.16	22.30
Other current financial liabilities	3,51,724.02	4,639.73	1,43,503.23	1,952.30
Total	3,54,686.56	4,678.81	1,45,182.82	1,975.15

24 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 is managed by the insurer.
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.

The following tables set out the funded status of the gratuity benefit Scheme and the amounts recognized in the Company's financial statements:

i.

Particulars	Amount in Thousand			
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Funded (Rs)	Funded (USD)	Funded (Rs)	Funded (USD)
Change in benefit obligations				
Benefit obligations at the beginning	652.17	11.91	475.54	9.53
Current Service Cost	166.75	2.24	175.00	2.36
Interest on defined benefit obligation	43.88	0.59	32.47	0.44
Actuarial loss / (gain)	(84.24)	(1.13)	(30.83)	(0.42)
Benefit Paid	(165.00)	(2.21)	-	-
Net Liability assumed on transfer within Group companies (Transfer in/(out) obligation)	-	-	-	-
Translation/ Forex impact	-	-	(0.01)	-
Closing Defined Benefit Obligation (A)	613.55	11.39	652.17	11.91
Change in Plan assets				
Fair value of plan assets at the beginning	655.68	10.21	351.37	6.08
Employer Contribution	80.41	1.06	285.01	3.88
Interest income	50.72	0.68	29.94	0.40

Return on plan assets excluding amounts included in interest income	(18.92)	(0.25)	(10.64)	(0.14)
Assets assumed / settled	-	-	-	-
Benefits paid	(165.00)	(2.21)	-	-
Fair value of plan assets at the end	602.90	9.49	655.68	10.21
Funded status (B)	602.90	9.49	655.68	10.21
Translation/ Forex impact (C)	-	-	0.02	1.74
Payable / (Prepaid) gratuity benefit (A-B-C)	10.66	1.90	(3.53)	(0.05)
Current Assets (Refer note 9)	-	-	3.53	0.05
Current Provision (Refer note 14)	10.69	0.14	-	-

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

Particulars	Amount in Thousand			
	For the Year Ended March 2022		For the Year Ended March 2021	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	166.75	2.24	175.00	2.36
Interest on net defined benefit obligations	(6.84)	(0.09)	2.53	0.03
Total Included in "Employee Benefit Expense"	159.91	2.15	177.53	2.39

iii. **Amount recognised in the Other Comprehensive Income**

Particulars	Amount in Thousand			
	For the Year Ended March 2022	For the Year Ended March 2022	For the Year Ended March 2021	For the Year Ended March 2021
	(Rs)	(USD)	(Rs)	(USD)
Actuarial loss / (gain) arising from change in financial assumptions	(32.85)	(0.44)	8.27	0.11
Actual return on plan assets less interest on plan asset	(51.39)	(0.69)	(39.09)	(0.53)
Actuarial loss / (gain) arising on account of experience changes	18.92	0.25	10.64	0.14
Amount recognised in the Other Comprehensive Income	(65.33)	(0.88)	(20.18)	(0.27)

iv. **Principle actuarial assumption**

Assumptions	March 31, 2022	March 31, 2021
Discount Rate/Rate of Return on plan asset	7.25%	6.80%
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		For the Year ended	
	March 31, 2022		March 31, 2021	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-5.34%	5.89%	-6.07%	6.64%

Impact of decrease in 50 bps on defined benefit obligation	5.98%	-5.31%	6.78%	6.00%
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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, 2022	March 31, 2021
Policy of insurance	99.958%	99.993%
Other investment	0.042%	0.007%
Total	100%	100%

Actual return on the assets for the year ended March 31, 2022 ₹ 31.80 Thousand (2021 : ₹ 19.30 Thousand)

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 ₹ 10.66 Thousand.

vii. **Maturity profile of defined benefit obligations**

Particulars	(Rs in Thousand)	
	March 31, 2022	March 31, 2021
Expected benefits for year 1	13,588	13,802
Expected benefits for year 2	15,317	15,671
Expected benefits for year 3	1,32,018	16,813
Expected benefits for year 4	2,62,970	1,18,404
Expected benefits for year 5	10,062	2,44,751
Expected benefits for year 6 to year 10	52,767	54,505
10 year and above	15,40,888	15,88,330

The weighted average duration to the payment of these cash flows is 12.10 years (2021 : 13.39 years).

24.2 **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 283.09 Thousand (USD 3.80 Thousand) (2021 : 275.22 Thousand (USD 3.71 Thousand)) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

During the current year, National pension scheme contributions amounting to Rs 69.46 Thousand (USD 0.93 Thousand) (2021: Rs 86.03 Thousand (USD 1.16 Thousand)) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

24.3 **Compensated Absence**

The liability for compensated absences as at the year ended March 31, 2022 is Rs 1,177.97 Thousand (USD 15.54 Thousand) (2021: Rs 1,384.31 Thousand (USD 18.83 Thousand)) as shown under current provision and Rs 635.26 Thousand (USD 8.38 Thousand) (2021: Rs 658.53 Thousand (USD 8.96 Thousand)) as shown under non-current provision. Provision for compensated absence amounting to Rs 1,004.72 Thousand (USD 13.48 Thousand) (2021: Rs 1,421.78 Thousand (USD 19.16 Thousand)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 18 "Employee benefits expense".

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
	BSE Technologies Private Limited (Formerly known as Marketplace Technologies Private Limited)
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
	BSE E-Agricultural Markets Limited
	BSE Administration & Supervision Limited
Subsidiary of Fellow Subsidiaries	BSE Tech Infra Services Private Limited (Formerly known as Marketplace Tech Infra Services Private Limited)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	BSE Institute of Research Development & Innovation
	India INX Global Access IFSC Limited
Direct Associate of Holding	Central Depository Services (India) Limited
	Asia Index Private Limited
Indirect Associate of Holding	CDSL Ventures Limited
	CDSL Insurance Repository Limited
	CDSL Commodity Repository Limited
	CDSL IFSC Limited
	BSE EBIX Insurance Broking Private Limited
	BSE EBIX Insuretech Private Limited
	Hindustan Power Exchange Limited (Previously known as Pranurja Solutions Limited)
Associate Company	India International Bullion Holding IFSC Ltd
Wholly Owned Subsidiary of Associate Company	India International Bullion Exchange IFSC Ltd
Trust Set up by Holding Company	BSE Investors Protection Fund
Trust Set up by 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. Balasubramaniam Venkataramani – Director
	Mr. Sameer Patil – Director

2. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

Particulars	Amount in Thousand			
	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Reimbursement/ (Recovery) of Expenses/ Transactions				
Computer Technology related Expenses	1,576.75	21.16	1,590.16	21.43
Reimbursement of Parents Insurance policy of Employees	158.79	2.13	133.20	1.80

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Liability				
Payable	118.49	1.56	131.57	1.79

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Recovery of Expenses				
Computer Technology Related Expenses	2,153.70	28.90	2,892.91	38.99
Postage and Telephone Expense	23.92	0.32	24.04	0.32
Salaries, allowances and bonus	364.22	4.89	190.19	2.56
Building repair and maintenance	736.92	9.89	705.55	9.51
Other Income				
Recovery of Computer Technology related expenses	1,166.71	15.66	1,161.91	15.66

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Assets/ Liability				
Payable (Net)	223.48	2.95	-	-
Receivable (net)	-	-	284.46	3.87

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Expenditure				
Travelling Expenses	-	-	2.31	0.03

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Reimbursement of Expenses				
Postage & Telephone Expense	-	-	6.90	0.09

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Receivable	-	-	6.84	0.09

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Expenses				
Rent	-	-	34.58	0.47

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Expenses				
Professional Fees	84.35	1.13	74.58	1.01
Rates and Taxes	8.72	0.12	-	-

(g) India International Clearing Corporation (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Trust setup by the Company):

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Asset/ (Liability)				
Net defined benefit	(10.69)	(0.14)	3.53	0.05

(h) India International Bullion Holding IFSC Limited (Associate Company):

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Other Transactions				
Investment*	1,00,000.00	1,356.34	-	-

* Actual investment excluding the forex conversion impact.

(i) Key Managerial remuneration:

Particular	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Salaries, allowances & bonus and contribution to Funds				
Mr. Arup Mukherjee - Managing Director and Chief Executive Officer*	6,032.58	80.96	5,455.16	73.51
Director Fees				
Board Meeting Fees				
Mr. Alok Sherry – Independent Director	89.64	1.20	150.27	2.03

* 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.

26 Contingent liabilities and Capital Commitments

There are no contingent liabilities and Capital commitments as at March 31, 2022 (2021 @Nil).

27 Lease

Company has taken leasehold premises and improvements on 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:

Rs in Thousand

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, 2022	2.43	12.14	43.69	58.25
March 31, 2021	2.43	12.14	46.11	60.68
Finance Charge				
March 31, 2022	0.30	2.23	15.32	17.85
March 31, 2021	0.30	2.02	15.80	18.12
Present value of Minimum Lease Payments				
March 31, 2022	2.12	9.91	28.37	40.40
March 31, 2021	2.13	10.11	30.32	42.56

USD in Thousand

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, 2022	0.03	0.16	0.58	0.77
March 31, 2021	0.03	0.17	0.63	0.83
Finance Charge				
March 31, 2022	0.00	0.03	0.20	0.23
March 31, 2021	0.00	0.03	0.22	0.25
Present value of Minimum Lease Payments				
March 31, 2022	0.03	0.13	0.38	0.54
March 31, 2021	0.03	0.14	0.41	0.58

- 28 During the year, Company has not done any transaction with companies struck off under section 248 of the Companies Act, 2013.
- 29 Company has not given any loans or advances granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the financial year 2021-2022.
- 30 There are no borrowings from banks or financial institutions as at March 31, 2022 (Previous Year : Nil). The Company has set up an overdraft limit with ICICI Bank and SBI Bank against lien on fixed deposits. There is no amount outstanding as on March 31, 2022.
- 31 There are no undisclosed income reported in any assessment year as on March 31, 2022 (Previous Year : Nil).
- 32 The company has not traded or invested in any Crypto currency or virtual currency during the financial year.
- 33 The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act.

34 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'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 table. 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:

As per Regulation 14 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021, a recognized Clearing Corporation shall have net worth of at least USD 3 million at all times. The Company has maintained the net worth at all times as per this requirement.

35 Company is making losses in current year and also incurred losses in the previous years. Accordingly, Section 135 is not applicable to the company for the financial year 2021-22.

36 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 the regulator. As per Regulation 31 (2) of IFSCA (MII) Regulations, 2021, Settlement Guarantee Fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.

In view of the above, before commencement of operations, i.e. on January 10, 2017, a Core Settlement Guarantee Fund (Default Fund) of USD 875.93 Thousand (Rs 59,562.97 Thousand) @ RBI reference rate i.e Rs 68/- has been created through earmarking investments. Default Fund size as on March 31, 2022 is Rs 94,544.11 Thousand (USD 1,247.17 Thousand). 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.

37 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 exposes 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 continuous 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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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. Interest rate risk can be controlled by the Company by making investments for tenors not exceeding the pre stipulated period and normally holding investments till its maturity.

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 by having adequate liquid assets and realisable investments.

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

Rs in Thousand

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, 2022	-	2.43	12.14	43.69	58.25
March 31, 2021	-	2.43	12.14	46.11	60.68
Deposits from Members & Clearing Bank					
March 31, 2022	3,49,766.38	-	-	-	3,49,766.38
March 31, 2021	1,41,496.55	-	-	-	1,41,496.55
Trade Payables					
March 31, 2022	-	3,096.50	-	-	3,096.50
March 31, 2021	-	1,639.16	-	-	1,639.16
Other Financial Liabilities					
March 31, 2022	-	1,976.59	-	-	1,976.59
March 31, 2021	-	2,004.55	-	-	2,004.55

USD in Thousand

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, 2022	-	0.03	0.16	0.58	0.77
March 31, 2021	-	0.03	0.17	0.63	0.83
Deposits from Members & Clearing Bank					
March 31, 2022	4,613.90	-	-	-	4,613.90
March 31, 2021	1,925.00	-	-	-	1,925.00
Trade Payables					
March 31, 2022	-	40.83	-	-	40.83
March 31, 2021	-	22.30	-	-	22.30
Other Financial liabilities					
March 31, 2022	-	25.80	-	-	25.80
March 31, 2021	-	27.27	-	-	27.27

- 38 The Company has not created any deferred tax provision. Deferred tax provision will be recognised based on the reasonable certainty.
- 39 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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 40 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the Entity	March 31, 2022		March 31, 2022		March 31, 2021		March 31, 2021	
	Rs in Thousand		USD in Thousand		Rs in Thousand		USD in Thousand	
	%	Amount	%	Amount	%	Amount	%	Amount
As % of consolidated net assets, i.e., total assets minus total liabilities								
Parent Company	100%	12,87,887.95	101%	16,989.02	100%	9,12,985.85	100%	12,420.78
Associate - India International Bullion Holding IFSC Limited	0%	(4,867.92)	-1%	(101.19)	-	-	-	-
Total	100%	12,83,020.03	100%	16,887.83	100%	9,12,985.85	100%	12,420.78
As % of consolidated net Profit and Loss								
Parent Company	82%	(35,246.03)	82%	(473.03)	100%	(30,006.59)	100%	(404.37)
Associate - India International Bullion Holding IFSC Limited	18%	(7,553.94)	18%	(101.19)	-	-	-	-
Total	100%	(42,799.97)	100%	(574.22)	100%	(30,006.59)	100%	(404.37)
As % of consolidated net Other Comprehensive Income								
Parent Company	93%	33,350.11	100%	0.88	100%	(21,961.31)	100%	0.27
Associate - India International Bullion Holding IFSC Limited	7%	2,686.01	-	-	-	-	-	-
Total	100%	36,036.12	100%	0.88	100%	(21,961.31)	100%	0.27
As % of consolidated net Total Comprehensive Income								
Parent Company	28%	(1,895.92)	82%	(472.15)	100%	(51,967.90)	100%	(404.10)
Associate - India International Bullion Holding IFSC Limited	72%	(4,867.93)	18%	(101.19)	-	-	-	-
Total	100%	(6,763.85)	100%	(573.34)	100%	(51,967.90)	100%	(404.10)

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

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
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 20, 2022
Place : Mumbai

Deepak Khemani
Chief Financial Officer
Place: Gandhinagar

Nikita Lakhiani
Company Secretary

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

Amount in Thousand

Sr. No.	Name of Associate Company	India International Bullion Holding IFSC Limited	
		(Rs)	(USD)
1	Latest audited Balance Sheet Date (Financial year ended)	31-Mar-22	
2	Date on which the Associate was associated or acquired	03-Sep-21	
3	Shares of Associate held by the company on the year end		
	a. No. of shares	10,00,00,000	
	b. Amount of Investment in Associate*	1,02,820.51	1,356.34
	c. Extent of Holding %	10.70%	
4	Description of how there is significant influence	Having one common director in Board of both the Companies	
5	Reason why the associate/joint venture is not consolidated	Not Applicable	
6	Networth attributable to Shareholding as per latest audited Balance Sheet	95,177.08	1,255.52
7	Profit / (Loss) for the year		
	i. Considered in Consolidation	(4,867.93)	(101.19)
	ii. Not Considered in Consolidation	Not Applicable	

* Amount in Rs is shown as including forex of Rs. 2,820.51 Thousand

For and on behalf of the Board of Directors**Ashishkumar Chauhan**
Chairman**Arup Mukherjee**
Managing Director & CEO

Date : April 20, 2022

Deepak Khemani
Chief Financial Officer**Nikita Lakhiyani**
Company Secretary

Place: Gandhinagar



**INDIA INTERNATIONAL
CLEARING CORPORATION
(IFSC) LIMITED**

**Audited Financial Statement
For the Year ended March 2022**

Independent Auditor's Report

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

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the accompanying Ind AS Standalone 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 2022, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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 of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules 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 on the Standalone Ind AS Financial Statements.

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

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

Our opinion on the Standalone 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 Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS 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 of these 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 Standalone 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 Standalone 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 Standalone 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 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 Standalone 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) 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
 - g) 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 and in pursuance of sub-section (2) of the said section of Companies Act 2013(18 of 2013), 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;

- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us we state that:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement
 - v. No dividend has been declared or paid during the year by the Company.

For
Dalal Doctor & Associates
Chartered Accountants
(Firm Registration No: 120833W)

Amol Khanolkar
Partner
Membership No.: 116765
Mumbai, April 20th 2022
ICAI UDIN: 22116765AHZWCK4215

Annexure - A to the Independent Auditors' Report

In respect of the Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Ind AS financial statements for the year March 31, 2022, we report that:

- (i) (a) (A)The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B)The company is maintaining proper records showing full particulars of intangible 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.
- (d) the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) To the best of our knowledge and according to the information and explanations given to us , no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) The Company is a service company, primarily rendering financial services in the Capital market. Accordingly, it does not hold any physical inventories. Hence reporting under paragraph 3 (ii) of the Order is not applicable to the Company.
- (b) the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of Fixed deposits. As explained to us, there is no requirement for the company to file quarterly returns/statements with banks.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans, guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
(b) The company has made investment during the year. In our opinion, the investment made is not prejudicial to the Company's interest. There is no grant of loans during the year. Hence, reporting under clause 3(iii)(c)(d)(e)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable. According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect investments made by the Company.

- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits 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 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, 2022 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, Customs Duty, Excise duty, Cess and other material statutory dues as applicable that were not deposited by the Company on account of dispute.
- (viii) To the best of our knowledge and according to the information and explanations given to us, there are no unrecorded transactions in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- (ix) 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 (ix) of the Order is not applicable to the Company
- (x) (a) 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.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xi) 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.
Accordingly, clauses (a) (b) of paragraph 3 (xi) of the Order are not applicable.

- c) To the best of our knowledge and according to the information and explanations given to us, no whistle – blower complaints received during the year by 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 Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) (a) the company has an internal audit system commensurate with the size and nature of its business;
- (b) we have considered the reports of the Internal Auditors for the period under audit;
- (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) (a) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.
- (b) To the best of our knowledge and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) To the best of our knowledge and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- (d) To the best of our knowledge and according to the information and explanations given to us, the Group does not have any CIC as part of the Group;
- (xvii) the company has incurred cash losses of **Rs. 24,311.77 Thousand (USD 326.28 Thousand)** in the current financial year and **Rs. 20,366.52 Thousand (USD 274.46 Thousand)** in the immediately preceding financial year.
- (xviii) No resignation of the statutory auditors has been taken during the year;

- (xix) on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) Company is making losses in current year and have also incurred losses in the past years. Accordingly, Section 135 is not applicable to the company for the financial year 2021-22
- (xxi) Being standalone financials, this clause is not applicable to the company.

For
Dalal Doctor & Associates
Chartered Accountants
(Firm Registration No: 120833W)

Amol Khanolkar
Partner
Membership No.: 116765
Mumbai, April 20th 2022
ICAI UDIN: 22116765AHZWCK4215

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** ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the company 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.

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.

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 2022, 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
(Firm Registration No: 120833W)

Amol Khanolkar
Partner
Membership No.: 116765
Mumbai, April 20th 2022
ICAI UDIN: 22116765AHZWCK4215

India International Clearing Corporation (IFSC) Limited					
Balance Sheet as at March 31, 2022					
Amounts in Thousand					
Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
ASSETS					
1 Non-Current Assets					
a. Property, Plant and Equipment	3	43,971.83	580.05	32,393.67	440.70
b. Intangible Assets	4	1,956.81	25.81	3,285.22	44.69
c. Financial Assets					
(i) Investment in Equity Instrument	7	1,02,820.51	1,356.34	-	-
(ii) Other Financial Assets	8	3,81,307.89	5,029.98	6,21,115.96	8,450.02
d. Non-current Tax Assets (net)		552.55	7.29	1,280.16	17.42
Total		5,30,609.59	6,999.47	6,58,075.01	8,952.83
2 Current Assets					
a. Financial Assets					
(i) Cash and Cash Equivalents	5 (a)	3,24,795.45	4,284.50	81,277.38	1,105.74
(ii) Bank Balances Other than (i) Above	5 (b)	4,566.77	60.24	31,631.06	430.33
(iii) Trade Receivables	6	-	-	291.30	3.96
(iv) Other Financial Assets	8	7,82,001.48	10,315.68	2,87,032.18	3,904.95
b. Other Assets	9	4,179.85	55.14	4,158.82	56.58
Total		11,15,543.55	14,715.56	4,04,390.74	5,501.56
Total Assets		16,46,153.14	21,715.03	10,62,465.75	14,454.39
EQUITY AND LIABILITIES					
1 Equity					
a. Equity Share Capital	10	13,34,996.84	19,115.49	8,87,902.33	13,118.32
b. Other Equity	11	(47,108.89)	(2,126.47)	25,083.52	(697.54)
Total		12,87,887.95	16,989.02	9,12,985.85	12,420.78
LIABILITIES					
2 Non-Current Liabilities					
a. Financial Liabilities					
(i) Other Financial Liabilities	13	-	-	-	-
(ii) Lease Liability		38.28	0.51	40.43	0.55
b. Provisions	14	635.26	8.38	658.53	8.96
c. Other Liabilities	15	349.77	4.61	1,011.94	13.77
Total		1,023.31	13.50	1,710.90	23.28
3 Current Liabilities					
a. Financial Liabilities					
(i) Trade Payables					
a. Total outstanding dues of micro enterprises and small enterprises	12	114.55	1.51	-	-
b. Total outstanding dues of creditor other than micro enterprises and small enterprises	12	2,809.71	37.06	1,639.16	22.30
(ii) Other Financial Liabilities	13	3,51,721.90	4,639.70	1,43,501.10	1,952.27
(iii) Lease Liability		2.12	0.03	2.13	0.03
b. Provisions	14	1,188.66	15.68	1,384.31	18.83
c. Other Liabilities	15	1,404.94	18.53	1,242.30	16.90
Total		3,57,241.88	4,712.51	1,47,769.00	2,010.33
Total Equity and Liabilities		16,46,153.14	21,715.03	10,62,465.75	14,454.39
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 20, 2022 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, 2022

Amounts in Thousand

Particulars	Note No.	For the Year ended March 31,2022	For the Year ended March 31, 2022	For the Year ended March 31,2021	For the Year ended March 31,2021
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
1 Revenue from Operations	16	120.49	1.62	82.89	1.12
2 Investment Income		12,314.00	165.26	15,536.54	209.37
3 Other Income	17	4,003.31	53.73	2,333.33	31.44
4 Total revenue (1 + 2+3)		16,437.80	220.61	17,952.76	241.93
5 Expenses					
Employee Benefits Expense	18	15,737.31	211.21	15,678.79	211.29
Administration and Other Expenses	19	25,012.04	335.68	22,640.19	305.10
Finance Costs (Refer below note)		0.22	-	0.30	-
Depreciation and Amortisation Expenses	3&4	10,934.26	146.75	9,640.07	129.91
Total Expenses		51,683.83	693.64	47,959.35	646.30
6 Profit / (loss) before tax (4 - 5)		(35,246.03)	(473.03)	(30,006.59)	(404.37)
7 Tax Expense:					
Current tax and Deferred tax		-	-	-	-
8 Profit / (loss) for the Year from Continuing Operations (6 - 7)		(35,246.03)	(473.03)	(30,006.59)	(404.37)
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)		(35,246.03)	(473.03)	(30,006.59)	(404.37)
13 Other Comprehensive Income					
A Items that will not be reclassified to profit or loss					
(i) Remeasurement of defined benefit plan		65.35	0.88	20.18	0.27
B Items that will be reclassified to profit or loss					
(i) Foreign Currency translation reserve		33,284.76	-	(21,981.49)	-
Total Other Comprehensive Income for the Year		33,350.11	0.88	(21,961.31)	0.27
Total Comprehensive Income for the Year (12+13)		(1,895.92)	(472.15)	(51,967.90)	(404.10)
14 Earning Per Equity Share :	21				
Basic and Diluted before and after exceptional items		(0.031)	(0.0004)	(0.034)	(0.0005)
Per value of share Rs		1	NA	1	NA
Weighted average number of shares (Nos.)		1,14,21,99,942	1,14,21,99,942	88,79,02,331	88,79,02,331
See accompanying notes forming part of the financial statements	1-2				

Note - The amount of Finance Costs is very small. Due to which, this amount is appearing in Rs in Thousand but not appearing in USD in Thousand.

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 20, 2022
Place: Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiyani
Company Secretary

India International Clearing Corporation (IFSC) Limited
Cash Flow Statement for the year ended March 31, 2022

Amounts in Thousand

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
A. Cash Flow From Operating Activities				
Profit / (Loss) For The Year	(35,246.03)	(473.03)	(30,006.59)	(404.37)
Depreciation and Amortisation Expenses	10,934.26	146.75	9,640.07	129.91
Remeasurement of Defined Benefit Plan	65.35	0.88	20.18	0.27
Interest Income on Fixed Deposits	(12,314.00)	(165.26)	(15,536.54)	(209.37)
Foreign Currency Translation Reserve	30,560.27	-	(19,790.84)	-
<u>Adjustments for Changes in operating Liability and Assets</u>				
Trade Payable	1,285.10	16.27	(506.78)	(6.17)
Trade Receivables	291.30	3.96	(271.02)	(3.69)
Provisions	(218.92)	(3.73)	274.74	4.34
Other Liabilities	(499.54)	(7.52)	(968.58)	(12.08)
Other Financial Liabilities	2,08,220.80	2,687.43	31,701.92	469.25
Finance cost	0.22	-	0.30	-
Other Financial Assets	(86.46)	(0.99)	(231.69)	(3.20)
Other Assets	(21.03)	1.44	(3,433.84)	(46.96)
	2,02,971.32	2,206.20	(29,108.67)	(82.07)
Taxes Paid	727.60	10.13	(103.76)	(1.81)
Net Cash Generated From / (Used in) Operating Activities	2,03,698.92	2,216.33	(29,212.43)	(83.88)
B. Cash Flow From Investing Activities				
Purchase of Property, Plant & Equipment and Intangible Assets	(21,184.01)	(267.21)	1,066.44	-
Investment in associate company	(1,02,820.51)	(1,356.34)	-	-
Investment in Fixed deposit	(9,74,130.78)	(12,507.30)	(8,42,038.55)	(11,733.43)
Proceeds of Maturity of Fixed Deposit	7,63,551.85	10,072.30	8,04,758.86	10,948.40
Interest Income Received	2,446.31	44.49	20,840.02	280.84
Net Cash Generated From / (Used in) Investment Activities	(3,32,137.14)	(4,014.06)	(15,373.23)	(504.19)
C. Cash Flow From Financing Activities				
Proceeds From Allotment of Equity Share	3,75,749.01	5,026.54	-	-
Receipt of Share Application Money	-	-	71,345.50	970.62
Contribution to Default Fund	(3,790.35)	(50.00)	-	-
Repayment of lease liability	(2.15)	(0.05)	(2.22)	(0.02)
Finance cost	(0.22)	-	(0.30)	-
Net Cash Generated From Financing Activities	3,71,956.29	4,976.49	71,342.98	970.60
D. Net Increase / (Decrease) In Cash and Cash Equivalents	2,43,518.07	3,178.76	26,757.32	382.53
Cash and Cash Equivalents at the End of the Year				
In Current Account - Owned	16,669.75	219.90	72,456.82	985.74
In Current Account - Member Fund	-	-	8,820.56	120.00
In Deposit account - Own Fund	1,93,361.33	2,550.70	-	-
In Deposit account - Member Fund	1,14,764.37	1,513.90	-	-
	3,24,795.45	4,284.50	81,277.38	1,105.74
Cash and Cash Equivalents at the Beginning of the Year	81,277.38	1,105.74	54,520.06	723.21
Changes In Cash and Cash Equivalents	2,43,518.07	3,178.76	26,757.32	382.53
Cash and Cash Equivalents at the End of the Year	3,24,795.45	4,284.50	81,277.38	1,105.74
Cash and Bank Balance (Refer note 5 (a))	3,24,795.45	4,284.50	81,277.38	1,105.74

See accompanying notes forming part of the financial statements

Notes :

- 1 Cash and cash equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 3 months.
- 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
- 3 There is no purchase and sale of Property, Plant and Equipment and Intangible Assets, movement represent Forex conversion impact during the year ended March 2021.
- 4 Movement in earmarked asset and liability is not considered.

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 20, 2022
Place : Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiani
Company Secretary

India International Clearing Corporation (IFSC) Limited
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

Particulars	Amounts in Thousand	
	(Rs)	(USD)
Balance at April 01, 2020	8,87,902.33	13,118.32
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2021	8,87,902.33	13,118.32
Balance at April 01, 2021	8,87,902.33	13,118.32
Changes in Equity Share Capital during the year	4,47,094.51	5,997.17
Balance as at March 31, 2022	13,34,996.84	19,115.49

B. Other Equity

Particulars	Reserve & Surplus				Share Application Money Pending allotment		Items of Other Comprehensive income			Total Other equity	
	Retained earning	Retained earning	Default Fund	Default Fund	Share Application Money	Share Application Money	Foreign Currency translation reserve	Remeasurements gain / (loss) on the defined employee benefit plans	Remeasurements gain / (loss) on the defined employee benefit plans	Total Other equity	Total Other equity
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)	(Rs)	(USD)
Balance as at April 01, 2020	(1,64,105.96)	(2,452.25)	87,786.58	1,164.50	-	-	80,314.42	326.57	4.85	4,321.61	(1,282.90)
Contribution to Default Fund	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year ended March 31, 2021	(30,006.60)	(404.36)	-	-	-	-	-	-	-	(30,006.60)	(404.36)
Interest on Default Fund for the year March 31, 2021	-	-	1,345.13	18.30	-	-	-	-	-	1,345.14	18.30
Penalty transferred to Default Fund during the year ended March 31, 2021	-	-	39.18	0.53	-	-	-	-	-	39.18	0.53
Other Comprehensive Income for the year Ended March 31, 2021	-	-	(2,190.65)	-	-	-	(19,790.84)	20.19	0.27	(21,961.31)	0.27
Share Application Money pending allotment	-	-	-	-	71,345.50	970.62	-	-	-	71,345.50	970.62
Balance as at March 31, 2021	(1,94,112.56)	(2,856.61)	86,980.24	1,183.33	71,345.50	970.62	60,523.58	346.76	5.12	25,083.52	(697.54)
Balance as at April 01, 2021	(1,94,112.56)	(2,856.61)	86,980.24	1,183.33	71,345.50	970.62	60,523.58	346.76	5.12	25,083.52	(697.54)
Contribution to Default Fund	(3,790.36)	(50.00)	3,790.36	50.00	-	-	-	-	-	-	-
Profit / (Loss) for the year ended March 31, 2022	(35,246.04)	(473.03)	-	-	-	-	-	-	-	(35,246.04)	(473.03)
Interest on Default Fund for the year ended March 31, 2022	-	-	1,049.02	13.84	-	-	-	-	-	1,049.02	13.84
Penalty transferred to Default Fund during the year ended March 31, 2022	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year ended March 31, 2022	-	-	2,724.50	-	-	-	30,560.26	65.35	0.88	33,350.11	0.88
Share allotted against share application money pending allotment at beginning of the year	-	-	-	-	(71,345.50)	(970.62)	-	-	-	(71,345.50)	(970.62)
Balance as at March 31, 2022	(2,33,148.96)	(3,379.64)	94,544.12	1,247.17	-	-	91,083.84	412.11	6.00	(47,108.89)	(2,126.47)

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 20, 2022
Place : Mumbai

Deepak Khemani
Chief Financial Officer
Place : Gandhinagar

Nikita Lakhiyani
Company Secretary

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 IFSC Authority from time to time.

International Financial Services Centres Authority (IFSCA) is a unified authority for the development and regulation of financial products, financial services and financial institutions in GIFT IFSC. Prior to the establishment of IFSCA, the domestic Indian financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in the IFSC. W.e.f. October 01, 2020, IFSCA is the regulator for the Company. Prior to this SEBI was the regulator for the Company.

The financial statements were authorized for issuance by the Company's Board of Directors on April 20, 2022.

2 Significant Accounting Policies

2.1 *Basis of preparation of financial statement*

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) and defined benefit and other long term employee benefits. the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI)/ International Financial Services Centres Authority (IFSCA). 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.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands, as per the requirement of Schedule III, unless stated otherwise.

2.2 *Foreign currency translation and transactions*

a) **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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

b) Transactions and balances

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period

- (a) foreign currency monetary items shall be translated using the closing rate;
- (b) nonmonetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and
- (c) nonmonetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined

c) Translation to presentation currency (*Foreign Currency 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.

2.3 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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- c. Property plant and equipment: The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- d. Defined employee benefit obligation determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- e. 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.

2.4 Financial instruments

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 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. 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.

b. Equity investments in Subsidiary:

All equity investment in subsidiary is measured at cost.

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.

Earmarked Funds

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or Loss.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

2.5 *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 life or 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 equipments	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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

2.6 *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.

2.7 *Leases*

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset;
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
3. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

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2.8 *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.

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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").

2.9 *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 provided for based on actuarial valuation using the projected unit credit method.

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Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods

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. The Company recognizes actuarial gains and losses immediately in statement of profit and Loss Account.

c. Provident Fund and pension Fund

The Company offers its employees defined contribution plan in the form of provident fund. The Company recognises contribution made towards provident fund in statement of profit and Loss Account.

2.10 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.

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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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

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.

2.11 Revenue Recognition :

The Company derives revenue primarily from Services to Corporate and Securities Services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

a. Time and service contracts

Revenues and costs relating to time and service contracts are recognized as the related services are rendered.

b. Annual / monthly Fee contracts

Revenue from Annual / monthly fee contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. Revenues are shown net of applicable discounts and allowances.

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2.12 *Investment income and interest expense*

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of financial assets measured at FVTPL and amortised cost.

Interest income on bond is recognised as it accrues in the Statement of Profit and Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

Dividend income is recognised in the Profit or Loss on the date that the Company's right to receive payment is established.

Interest expenses consist of interest expense on loans, borrowings and finance lease. Borrowing costs are recognised in the Profit or Loss using the effective interest method.

2.13 *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.

a. *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.

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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.

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.

2.14 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 year.

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 year, 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.

2.15 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.

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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, tax assets and Deferred tax 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.

2.16 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.

2.17 Settlement Obligation

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

2.18 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.

2.19 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 in Thousand						
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, 2021	228.22	42.97	599.97	13.13	5.31	889.60
Additions during the year	-	-	267.21	-	-	267.21
Deductions / adjustments	-	-	0.31	-	0.19	0.50
Balance as at March 31, 2022	228.22	42.97	866.87	13.13	5.12	1,156.31
Accumulated Depreciation and Impairment						
Balance as at April 01, 2021	32.83	17.39	389.27	5.15	4.26	448.90
Depreciation for the year	7.60	4.30	113.62	1.31	1.03	127.86
Deductions / Adjustments	-	-	0.31	-	0.19	0.50
Balance as at March 31, 2022	40.43	21.69	502.58	6.46	5.10	576.26
Net Book Value						
Balance as at March 31, 2022	187.79	21.28	364.29	6.67	0.02	580.05
Balance as at March 31, 2021	195.39	25.58	210.70	7.98	1.05	440.70
Rs in Thousand						
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, 2021	16,775.17	3,158.57	44,100.84	965.41	389.65	65,389.64
Additions during the year	-	-	20,256.49	-	-	20,256.49
Deductions / adjustments	-	-	23.35	-	14.02	37.37
Currency Fluctuation	525.45	98.94	1,381.37	30.24	12.20	2,048.20
Balance as at March 31, 2022	17,300.62	3,257.51	65,715.35	995.65	387.83	87,656.96
Accumulated Depreciation and Impairment						
Balance as at April 01, 2021	2,413.38	1,278.40	28,612.95	378.33	312.91	32,995.97
Depreciation for the year	566.29	320.18	8,466.28	97.83	76.82	9,527.40
Deductions / Adjustments	-	-	22.95	-	13.78	36.73
Currency Fluctuation	85.44	45.60	1,043.00	13.55	10.90	1,198.49
Balance as at March 31, 2022	3,065.11	1,644.18	38,099.28	489.71	386.85	43,685.13
Net Book Value						
Balance as at March 31, 2022	14,235.51	1,613.33	27,616.07	505.94	0.98	43,971.83
Balance as at March 31, 2021	14,361.79	1,880.17	15,487.89	587.08	76.74	32,393.67
USD in Thousand						
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, 2020	228.22	42.97	599.97	13.13	5.30	889.60
Additions during the year	-	-	-	-	-	-
Deductions / adjustments	-	-	-	-	-	-
Balance as at March 31, 2021	228.22	42.97	599.97	13.13	5.30	889.60
Accumulated Depreciation and Impairment						
Balance as at April 01, 2020	25.23	13.10	292.51	3.83	3.20	337.87
Depreciation for the year	7.60	4.30	96.76	1.31	1.06	111.03
Deductions / Adjustments	-	-	-	-	-	-
Balance as at March 31, 2021	32.83	17.39	389.27	5.15	4.26	448.90
Net Book Value						
Balance as at March 31, 2021	195.39	25.58	210.71	7.99	1.04	440.70
Balance as at March 31, 2020	202.99	29.88	307.47	9.30	2.10	551.73
Rs in Thousand						
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, 2020	17,204.50	3,239.41	45,229.51	990.12	399.62	67,063.15
Additions during the year	-	-	-	-	-	-
Deductions / adjustments	-	-	-	-	-	-
Currency Fluctuation	(429.33)	(80.84)	(1,128.67)	(24.71)	(9.97)	(1,673.51)
Balance as at March 31, 2021	16,775.17	3,158.57	44,100.84	965.41	389.65	65,389.63
Accumulated Depreciation and Impairment						
Balance as at April 01, 2020	1,902.21	987.18	22,050.98	289.03	241.01	25,470.41
Depreciation for the year	563.96	318.86	7,180.08	97.43	78.66	8,238.99
Deductions / Adjustments	-	-	-	-	-	-
Currency Fluctuation	(52.80)	(27.65)	(618.11)	(8.13)	(6.76)	(713.44)
Balance as at March 31, 2021	2,413.38	1,278.40	28,612.95	378.33	312.91	32,995.97
Net Book Value						
Balance as at March 31, 2021	14,361.79	1,880.18	15,487.88	587.08	76.74	32,393.67
Balance as at March 31, 2020	15,302.28	2,252.23	23,178.53	701.09	158.61	41,592.74

4. Intangible Assets		
USD in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2021	113.27	113.27
Additions during the period	-	-
Deductions / adjustments	-	-
Balance as at March 31, 2022	113.27	113.27
Accumulated Depreciation and Impairment		
Balance as at April 01, 2021	68.57	68.57
Amortisation for the period	18.89	18.89
Deductions / Adjustments	-	-
Balance as at March 31, 2022	87.46	87.46
Net Book Value		
Balance as at March 31, 2022	25.81	25.81
Balance as at March 31, 2021	44.70	44.69
Rs in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2021	8,325.58	8,325.58
Additions during the period	-	-
Deductions / adjustments	-	-
Currency Fluctuation	260.78	260.78
Balance as at March 31, 2022	8,586.36	8,586.36
Accumulated Depreciation and Impairment		
Balance as at April 01, 2021	5,040.36	5,040.36
Amortisation for the period	1,406.86	1,406.86
Deductions / Adjustments	-	-
Currency Fluctuation	182.33	182.33
Balance as at March 31, 2022	6,629.55	6,629.55
Net Book Value		
Balance as at March 31, 2022	1,956.81	1,956.81
Balance as at March 31, 2021	3,285.22	3,285.22
USD in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2020	113.27	113.27
Additions during the year	-	-
Deductions / adjustments	-	-
Balance as at March 31, 2021	113.27	113.27
Accumulated Depreciation and Impairment		
Balance as at April 01, 2020	49.69	49.69
Amortisation for the year	18.88	18.88
Deductions / Adjustments	-	-
Balance as at March 31, 2021	68.57	68.57
Net Book Value		
Balance as at March 31, 2021	44.69	44.69
Balance as at March 31, 2020	63.58	63.58
Rs in Thousand		
Particulars	Software	Total
Gross Block		
Balance as at April 01, 2020	8,538.66	8,538.66
Additions during the year	-	-
Deductions / adjustments	-	-
Currency Fluctuation	(213.08)	(213.08)
Balance as at March 31, 2021	8,325.58	8,325.58
Accumulated Depreciation and Impairment		
Balance as at April 01, 2020	3,746.00	3,746.00
Amortisation for the Year	1,401.08	1,401.08
Deductions / Adjustments	-	-
Currency Fluctuation	(106.72)	(106.72)
Balance as at March 31, 2021	5,040.36	5,040.36
Net Book Value		
Balance as at March 31, 2021	3,285.22	3,285.22
Balance as at March 31, 2020	4,792.66	4,792.66

5. Cash and Cash Equivalents and Bank Balances		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
5 (a) Cash and Cash Equivalents					
Balance with Banks					
Own					
In Current Accounts	16,669.75	219.90	72,456.82	985.74	
In Deposit Accounts - Original maturity less than 3 months	1,93,308.11	2,550.00	-	-	
Accrued Interest	53.22	0.70	-	-	
Member Fund					
In Current Accounts	-	-	8,820.56	120.00	
In Deposit Accounts - Original maturity less than 3 months	1,14,764.37	1,513.90	-	-	
Total	3,24,795.45	4,284.50	81,277.38	1,105.74	
5 (b) Bank Balance Other than Above					
Own					
In Deposit Accounts - Original Maturity more than 3 months and remaining maturity less than 12 months	4,548.42	59.99	13,249.22	180.25	
Accrued Interest	10.31	0.14	5.66	0.08	
Member Funds					
In Deposit Accounts - Original Maturity more than 3 months and remaining maturity less than 12 months	-	-	18,376.18	250.00	
Earmarked Fund - Default Fund					
In Current Accounts (Refer Note below)	8.04	0.11	-	-	
Total	4,566.77	60.24	31,631.06	430.33	
Note : The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. Accordingly it is shown as Bank balances other than above. All other cash and bank balances are available for the operating activities of the Company.					
6. Trade Receivables		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Current					
Trade Receivables					
- Secured, Considered Good	-	-	-	-	
Receivable from Group Company - Unsecured, Considered Good	-	-	291.30	3.96	
Total Trade Receivables	-	-	291.30	3.96	
Ageing Schedule of trade receivable					
Outstanding for the following periods from the due date of payment		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Undisputed trade receivable considered Good					
Less than 6 months	-	-	291.30	3.96	
6 months - 1 Year					
1-2 years					
2-3 years					
More than 3 years					
Total	-	-	291.30	3.96	
7. Investment in Equity Instrument		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Non Current Investment					
Investment in associate company					
India International Bullion Holding IFSC Limited (Fully paid equity shares of Re 1 each)	1,00,000.00	1,356.34	-	-	
Add: Conversion Impact	2,820.51	-	-	-	
Total Investment in Equity Instrument	1,02,820.51	1,356.34	-	-	

8. Other Financial Assets		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Non Current					
Own					
Deposit with Banks (remaining maturity more than 12 months)	2,78,970.12	3,680.00	5,53,857.91	7,535.00	
Accrued Interest	2,622.01	34.59	6,334.78	86.18	
Member Funds					
Deposit with Banks (remaining maturity more than 12 months)	22,742.13	300.00	44,102.82	600.00	
Earmarked Fund - Default Fund					
Deposit with Banks (remaining maturity more than 12 months)	76,219.35	1,005.44	16,697.70	227.17	
Accrued Interest	754.28	9.95	122.75	1.67	
Total (A)	3,81,307.89	5,029.98	6,21,115.96	8,450.02	
Current					
Own					
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)*	6,57,505.30	8,673.40	1,88,054.42	2,558.40	
Accrued Interest	15,514.76	204.66	2,359.80	32.10	
Member Funds					
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	90,968.52	1,200.00	26,094.17	355.00	
Earmarked Fund - Default Fund					
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	17,220.72	227.17	69,182.62	941.20	
Accrued Interest	341.73	4.50	977.17	13.29	
Deposits with Public Bodies and Other Parties	382.00	5.05	227.57	3.10	
Receivable towards Incentive Scheme	68.45	0.90	136.43	1.86	
Total (B)	7,82,001.48	10,315.68	2,87,032.18	3,904.95	
Total (A+B)	11,63,309.37	15,345.66	9,08,148.14	12,354.97	
* Company has set up an overdraft limit of USD 1,000.00 Thousand with ICICI Bank and for which a lien is marked on principal value of fixed deposit amounting to USD 1,238.40 Thousand.					
* Company has set up an overdraft limit of USD 2,066.25 Thousand with SBI Bank and for which a lien is marked on principal value of fixed deposit amounting to USD 2,175.00 Thousand.					
9. Other Assets		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Current					
Advance to Vendors	31.54	0.41	36.82	0.50	
Prepaid Expenses	3,883.29	51.23	3,864.29	52.57	
Gratuity	-	-	3.53	0.05	
Goods & Service Tax Receivable	265.02	3.50	254.18	3.46	
Total	4,179.85	55.14	4,158.82	56.58	
10. Equity Share Capital		Amounts in Thousand			
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Equity Share Capital					
Authorised Share Capital:					
200,00,00,000 Equity Shares (Previous year - 160,00,00,000 Equity Shares) of Re. 1/- each with voting rights	20,00,000.00	Not Applicable	16,00,000.00	Not Applicable	
Issued Share Capital:					
133,49,96,841 Equity Shares (Previous year - 1,07,31,77,331 Equity Shares) of Re. 1/- each with voting rights	13,34,996.84	Not applicable	10,73,177.33	Not applicable	
Subscribed and Fully Paid - up					
88,79,02,331 Equity Shares (Previous year - 88,79,02,331 Equity Shares) of Re. 1/- each with voting rights	8,87,902.33	13,118.32	8,87,902.33	13,118.32	
Add: Addition during the year	4,47,094.51	5,997.17	-	-	
133,49,96,841 Equity Shares (Previous year - 88,79,02,331 Equity Shares) of Re. 1/- each with voting rights	13,34,996.84	19,115.49	8,87,902.33	13,118.32	

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year				
Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares		Number of shares	
No. of shares at the beginning of the Year	88,79,02,331	-	88,79,02,331	-
Preferential allotment	44,70,94,510	-	-	-
No. of shares at the end of the Year	1,33,49,96,841	-	88,79,02,331	-
Shareholders holding more than 5% of the shares in the company				
Equity Shares				
Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	80,00,00,000	59.93%	80,00,00,000	90.10%
State Bank of India	13,28,32,186	9.95%	-	-
ICICI Bank Limited	13,21,64,687	9.90%	8,79,02,331	9.90%
Other Shareholders	26,99,99,968	20.22%	-	-
Total	1,33,49,96,841	100%	88,79,02,331	100%
Shares held by Promoters at the end of the Year				
Promoter Name	No of shares	% of Total shares	% Change during the Year	
Equity Share Capital				
BSE Limited - Current Year	80,00,00,000	59.93%	30.17%	
BSE Limited - Previous Year	80,00,00,000	90.10%	-	
Note : The number of shares held by BSE Limited are same in the current year as well as the previous year, only the percentage has changed.				
11. Other Equity				
Amounts in Thousand				
Particulars	As at March 31, 2022		As at March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Share application money pending allotment	-	-	71,345.50	970.62
Default Fund				
Opening Balance	86,980.24	1,183.33	87,786.58	1,164.50
Add: Contribution to Default Fund	3,790.36	50.00	-	-
Add: Foreign Currency Translation Reserve	2,724.50	-	(2,190.66)	-
Add: Penalty transferred During the Year	-	-	39.18	0.53
Add: Income Earned During the Year	1,049.02	13.84	1,345.14	18.30
Closing Balance	94,544.12	1,247.17	86,980.24	1,183.33
Retained Earnings				
Opening Balance	(1,94,112.56)	(2,856.61)	(1,64,105.96)	(2,452.24)
Total Comprehensive Income During the Year other than FCTR	(35,246.04)	(473.03)	(30,006.60)	(404.37)
Less : Contribution to Default Fund	(3,790.36)	(50.00)	-	-
Closing Balance	(2,33,148.96)	(3,379.64)	(1,94,112.56)	(2,856.61)
Other Comprehensive Income				
Opening Balance	60,870.34	5.12	80,640.99	4.85
Remeasurements gain / (loss) on the defined employee benefit plans	65.35	0.88	20.18	0.27
Foreign Currency Translation Reserve During the Quarter (FCTR)	30,560.26	-	(19,790.83)	-
Closing Balance	91,495.95	6.00	60,870.34	5.12
Total Equity	(47,108.89)	(2,126.47)	25,083.52	(697.54)
12. Trade payables				
Amounts in Thousand				
Particulars	As at March 31, 2022		As at March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Payable to Group Company - Small Enterprise	64.89	0.85	-	-
Outstanding dues of micro, small and medium enterprises	49.66	0.66	-	-
Total outstanding dues of micro, small and medium enterprises (A)	114.55	1.51	-	-
Payable to Service Providers	32.37	0.43	1.91	0.03
Unbilled Dues from Service Provider	2,500.27	32.98	1,505.68	20.48
Payable to Holding Company	118.48	1.56	131.57	1.79
Payable to Group Company	158.59	2.09	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises (B)	2,809.71	37.06	1,639.16	22.30
Total (A+B)	2,924.26	38.57	1,639.16	22.30

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006				Amounts in Thousand	
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	114.55	1.51	-	-	-
(b) Interest due and payable for delay during the year	-	-	-	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-	-	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-	-	-	-
Ageing Schedule of trade Payables				Amounts in Thousand	
Outstanding for the following periods from the due date of payment	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
MSME					
Less than 1 year	114.55	1.51	-	-	
Others					
Less than 1 year	309.44	4.08	133.49	1.82	
1-2 years					
2-3 years					
More than 3 years					
Unbilled Dues from Service Provider	2,500.27	32.98	1,505.67	20.48	
Total	2,924.26	38.57	1,639.16	22.30	
13. Other Financial Liabilities				Amounts in Thousand	
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Current					
Accrued Employee Benefits	1,955.52	25.80	2,004.55	27.27	
Deposits from Members	2,28,475.02	3,013.90	97,393.73	1,325.00	
Deposits from Clearing Bank	1,21,291.36	1,600.00	44,102.82	600.00	
Total	3,51,721.90	4,639.70	1,43,501.10	1,952.27	
14. Provisions				Amounts in Thousand	
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Non Current					
Compensated Absences	635.26	8.38	658.53	8.96	
Total (A)	635.26	8.38	658.53	8.96	
Current					
Compensated Absences	1,177.97	15.54	1,384.31	18.83	
Gratuity Liability	10.69	0.14	-	-	
Total (B)	1,188.66	15.68	1,384.31	18.83	
Total (A+B)	1,823.92	24.06	2,042.84	27.79	
15. Other Liabilities				Amounts in Thousand	
Particulars	As at March 31, 2022		As at March 31, 2021		
	(Rs)	(USD)	(Rs)	(USD)	
	Audited	Audited	Audited	Audited	
Non Current					
Unamortised Portion of Capital Subsidy	349.77	4.61	1,011.94	13.77	
Total (A)	349.77	4.61	1,011.94	13.77	
Current					
Statutory Liabilities	509.58	6.72	325.48	4.43	
Unamortised Portion of Capital Subsidy	895.36	11.81	916.82	12.47	
Total (B)	1,404.94	18.53	1,242.30	16.90	
Total (A+B)	1,754.71	23.14	2,254.24	30.67	

16. Revenue from Operations				
Amounts in Thousand				
Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Processing Fees	37.26	0.50	-	-
Charges Recovered from Members	83.23	1.12	82.89	1.12
TOTAL	120.49	1.62	82.89	1.12
17. Other Income				
Amounts in Thousand				
Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Miscellaneous Income	2,774.46	37.24	1,196.94	16.13
Incentives from Government Authorities	1,228.85	16.49	1,136.39	15.31
TOTAL	4,003.31	53.73	2,333.33	31.44
18. Employee Benefits Expense				
Amounts in Thousand				
Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	14,205.49	190.65	13,712.71	184.79
Contribution to Provident and Other Funds	512.42	6.88	538.81	7.27
Staff Welfare Expenses	14.68	0.20	5.49	0.07
Compensated Absences	1,004.72	13.48	1,421.78	19.16
TOTAL	15,737.31	211.21	15,678.79	211.29
19. Administration and Other Expenses				
Amounts in Thousand				
Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Advertising and marketing expenses	-	-	601.00	8.10
Auditors Remuneration	184.86	2.48	180.47	2.43
Bank Charges	67.28	0.90	66.12	0.89
Building Repair and Maintenance	1,805.50	24.23	1,911.84	25.76
Computer Technology Related Expenses	7,636.66	102.49	7,128.80	96.07
Directors Fees	89.64	1.20	150.27	2.03
Insurance Expenses	37.41	0.50	36.58	0.49
Legal Fees	1,033.33	13.87	166.44	2.24
Miscellaneous Expenses	284.57	3.83	59.89	0.81
Postage & Telephone Expenses	52.46	0.70	50.68	0.68
Professional Fee	5,789.51	77.70	2,957.10	39.85
Regulatory Fees	4,482.64	60.16	5,625.02	75.80
Rent	276.59	3.71	286.43	3.86
Stamp Duty & Registration Fee	3,218.02	43.19	3,418.36	46.07
Travelling Expenses	53.57	0.72	1.19	0.02
TOTAL	25,012.04	335.68	22,640.19	305.10
Note 1 : Auditors Remuneration includes -				
Amounts in Thousand				
	(Rs)	(USD)	(Rs)	(USD)
Statutory Audit Fees	151.70	2.04	146.04	1.97
Statutory Auditors Out of Pocket Expenses	15.20	0.20	16.77	0.22
Statutory Auditor Fees - Other services	17.96	0.24	17.66	0.24
Total	184.86	2.48	180.47	2.43
20. Exchange Rate :-				
Amounts of Balance Sheet other than shareholder funds in these condensed financial statements have been translated into Indian rupees at the closing rate as at March 31, 2022 which is 1 USD = Rs 75.8071, amount of Statement of Profit and Loss at the average rate from April 01, 2021 to March 31, 2022 which is 1 USD = Rs 74.5120.				

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

21 Earnings Per Share

Particulars	Amount in Thousand			
	For the year ended March 31, 2022		For the year ended March 31, 2021	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(35,246.03)	(473.03)	(30,006.59)	(404.37)
Weighted average number of equity shares (Nos)	1,14,21,99,942	1,14,21,99,942	88,79,02,331	88,79,02,331
Earnings per share basic and diluted before and after exceptional item	(0.031)	(0.0004)	(0.034)	(0.0005)
Face value per equity share	1.00	NA	1.00	NA

22 Segment Reporting

The Managing Director and CEO 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.

23 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 2.4 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 at balance sheet date is as follows and the directors consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars	Amount in Thousand			
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Financial Assets carried at amortised cost				
Other non-current financial assets	3,81,307.89	5,029.98	6,21,115.96	8,450.02
Cash and cash equivalents	3,24,795.45	4,284.50	81,277.38	1,105.74
Bank Balances	4,566.77	60.24	31,631.06	430.33
Trade Receivables	-	-	291.30	3.96
Other current financial assets	7,82,001.48	10,315.68	2,87,032.18	3,904.95
Total	14,92,671.59	19,690.40	10,21,347.88	13,895.00

Financial Liabilities carried at amortised cost				
Other non-current financial liabilities	38.28	0.51	40.43	0.55
Trade payables	2,924.26	38.57	1,639.16	22.30
Other current financial liabilities	3,51,724.02	4,639.73	1,43,503.23	1,952.30
Total	3,54,686.56	4,678.81	1,45,182.82	1,975.15

24 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 is managed by the insurer.
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.

i. The following tables set out the funded status of the gratuity benefit Scheme and the amounts recognized in the Company's financial statements:

Particulars	Amount in Thousand			
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Funded	Funded	Funded	Funded
	(Rs)	(USD)	(Rs)	(USD)
Change in benefit obligations				
Benefit obligations at the beginning	652.17	11.91	475.54	9.53
Current Service Cost	166.75	2.24	175.00	2.36
Interest on defined benefit obligation	43.88	0.59	32.47	0.44
Actuarial loss / (gain)	(84.24)	(1.13)	(30.83)	(0.42)
Benefit Paid	(165.00)	(2.21)	-	-
Net Liability assumed on transfer within Group companies (Transfer in/(out) obligation)	-	-	-	-
Translation/ Forex impact	-	-	(0.01)	-
Closing Defined Benefit Obligation (A)	613.55	11.39	652.17	11.91
Change in Plan assets				
Fair value of plan assets at the beginning	655.68	10.21	351.37	6.08
Employer Contribution	80.41	1.06	285.01	3.88
Interest income	50.72	0.68	29.94	0.40

Return on plan assets excluding amounts included in interest income	(18.92)	(0.25)	(10.64)	(0.14)
Assets assumed / settled	-	-	-	-
Benefits paid	(165.00)	(2.21)	-	-
Fair value of plan assets at the end	602.90	9.49	655.68	10.21
Funded status (B)	602.90	9.49	655.68	10.21
Translation/ Forex impact (C)	-	-	0.02	1.74
Payable / (Prepaid) gratuity benefit (A-B-C)	10.66	1.90	(3.53)	(0.05)
Current Assets (Refer note 9)	-	-	3.53	0.05
Current Provision (Refer note 14)	10.69	0.14	-	-

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

Amount in Thousand

Particulars	For the Year Ended March 2022		For the Year Ended March 2021	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	166.75	2.24	175.00	2.36
Interest on net defined benefit obligations	(6.84)	(0.09)	2.53	0.03
Total Included in "Employee Benefit Expense"	159.91	2.15	177.53	2.39

iii. **Amount recognised in the Other Comprehensive Income**

Amount in Thousand

Particulars	For the Year Ended March 2022	For the Year Ended March 2022	For the Year Ended March 2021	For the Year Ended March 2021
	(Rs)	(USD)	(Rs)	(USD)
Actuarial loss / (gain) arising from change in financial assumptions	(32.85)	(0.44)	8.27	0.11
Actual return on plan assets less interest on plan asset	(51.39)	(0.69)	(39.09)	(0.53)
Actuarial loss / (gain) arising on account of experience changes	18.92	0.25	10.64	0.14
Amount recognised in the Other Comprehensive Income	(65.33)	(0.88)	(20.18)	(0.27)

iv. **Principle actuarial assumption**

Assumptions	March 31, 2022	March 31, 2021
Discount Rate/Rate of Return on plan asset	7.25%	6.80%
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		For the Year ended	
	March 31, 2022		March 31, 2021	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-5.34%	5.89%	-6.07%	6.64%
Impact of decrease in 50 bps on defined benefit obligation	5.98%	-5.31%	6.78%	6.00%

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, 2022	March 31, 2021
Policy of insurance	99.958%	99.993%
Other investment	0.042%	0.007%
Total	100%	100%

Actual return on the assets for the year ended March 31, 2022 ₹ 31.80 Thousand (2021 : ₹ 19.30 Thousand)

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 ₹ 10.66 Thousand.

vii. **Maturity profile of defined benefit obligations**

Particulars	(Rs in Thousand)	
	March 31, 2022	March 31, 2021
Expected benefits for year 1	13.59	13.80
Expected benefits for year 2	15.32	15.67
Expected benefits for year 3	132.02	16.81
Expected benefits for year 4	262.97	118.40
Expected benefits for year 5	10.06	244.75
Expected benefits for year 6 to year 10	52.77	54.51
10 year and above	1,540.89	1,588.33

The weighted average duration to the payment of these cash flows is 12.10 years (2021 : 13.39 years).

24.2 **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 283.09 Thousand (USD 3.80 Thousand) (2021 : 275.22 Thousand (USD 3.71 Thousand)) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

During the current year, National pension scheme contributions amounting to Rs 69.46 Thousand (USD 0.93 Thousand) (2021: Rs 86.03 Thousand (USD 1.16 Thousand)) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

24.3 Compensated Absence

The liability for compensated absences as at the year ended March 31, 2022 is Rs 1,177.97 Thousand (USD 15.54 Thousand) (2021: Rs 1,384.31 Thousand (USD 18.83 Thousand)) as shown under current provision and Rs 635.26 Thousand (USD 8.38 Thousand) (2021: Rs 658.53 Thousand (USD 8.96 Thousand)) as shown under non-current provision. Provision for compensated absence amounting to Rs 1,004.72 Thousand (USD 13.48 Thousand) (2021: Rs 1,421.78 Thousand (USD 19.16 Thousand)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 18 "Employee benefits expense".

25 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
	BSE Technologies Private Limited (Formerly known as Marketplace Technologies Private Limited)
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
	BSE E-Agricultural Markets Limited
	BSE Administration & Supervision Limited
Subsidiary of Fellow Subsidiaries	BSE Tech Infra Services Private Limited (Formerly known as Marketplace Tech Infra Services Private Limited)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	BSE Institute of Research Development & Innovation
	India INX Global Access IFSC Limited
Direct Associate of Holding	Central Depository Services (India) Limited
	Asia Index Private Limited
Indirect Associate of Holding	CDSL Ventures Limited
	CDSL Insurance Repository Limited
	CDSL Commodity Repository Limited
	CDSL IFSC Limited
	BSE EBIX Insurance Broking Private Limited
	BSE EBIX Insuretech Private Limited
	Hindustan Power Exchange Limited (Previously known as Pranurja Solutions Limited)
Associate Company	India International Bullion Holding IFSC Ltd
Wholly Owned Subsidiary of Associate Company	India International Bullion Exchange IFSC Ltd
Trust Set up by Holding Company	BSE Investors Protection Fund
Trust Set up by 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. Balasubramaniam Venkataramani – Director
	Mr. Sameer Patil – Director

2. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

Amount in Thousand				
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Reimbursement/ (Recovery) of Expenses/ Transactions				
Computer Technology related Expenses	1,576.75	21.16	1,590.16	21.43
Reimbursement of Parents Insurance policy of Employees	158.79	2.13	133.20	1.80
As at March 31, 2022				
Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Liability				
Payable	118.49	1.56	131.57	1.79

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

Amount in Thousand				
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Recovery of Expenses				
Computer Technology Related Expenses	2,153.70	28.90	2,892.91	38.99
Postage and Telephone Expense	23.92	0.32	24.04	0.32
Salaries, allowances and bonus	364.22	4.89	190.19	2.56
Building repair and maintenance	736.92	9.89	705.55	9.51
Other Income				
Recovery of Computer Technology related expenses	1,166.71	15.66	1,161.91	15.66
As at March 31, 2022				
Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Assets/ Liability				
Payable (Net)	223.48	2.95	-	-
Receivable (net)	-	-	284.46	3.87

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

Amount in Thousand				
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Expenditure				
Travelling Expenses	-	-	2.31	0.03

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

Amount in Thousand				
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Reimbursement of Expenses				
Postage & Telephone Expense	-	-	6.90	0.09
As at March 31, 2022				
Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Receivable	-	-	6.84	0.09

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Expenses				
Rent	-	-	34.58	0.47

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

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Expenses				
Professional Fees	84.35	1.13	74.58	1.01
Rates and Taxes	8.72	0.12	-	-

(g) India International Clearing Corporation (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Trust setup by the Company):

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Asset/ (Liability)				
Net defined benefit	(10.69)	(0.14)	3.53	0.05

(h) India International Bullion Holding IFSC Limited (Associate Company):

Amount in Thousand

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Other Transactions				
Investment*	1,00,000.00	1,356.34	-	-

* Actual investment excluding the forex conversion impact.

(i) Key Managerial remuneration:

Amount in Thousand

Particular	For the Year ended March 31, 2022	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2021
	(Rs)	(USD)	(Rs)	(USD)
Salaries, allowances & bonus and contribution to Funds				
Mr. Arup Mukherjee - Managing Director and Chief Executive Officer*	6,032.58	80.96	5,455.16	73.51
Director Fees				
Board Meeting Fees				
Mr. Alok Sherry – Independent Director	89.64	1.20	150.27	2.03

* 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.

Contingent liabilities and Capital Commitments

There are no contingent liabilities and Capital commitments as at March 31, 2022 (2021 ₹Nil).

27 Lease

Company has taken leasehold premises and improvements on 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:

Rs in Thousand

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, 2022	2.43	12.14	43.69	58.25
March 31, 2021	2.43	12.14	46.11	60.68
Finance Charge				
March 31, 2022	0.30	2.23	15.32	17.85
March 31, 2021	0.30	2.03	15.79	18.12
Present value of Minimum Lease Payments				
March 31, 2022	2.12	9.91	28.37	40.40
March 31, 2021	2.13	10.11	30.32	42.56

USD in Thousand

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, 2022	0.03	0.16	0.58	0.77
March 31, 2021	0.03	0.17	0.63	0.83
Finance Charge				
March 31, 2022	0.00	0.03	0.20	0.23
March 31, 2021	0.00	0.03	0.22	0.25
Present value of Minimum Lease Payments				
March 31, 2022	0.03	0.13	0.38	0.54
March 31, 2021	0.03	0.14	0.41	0.58

- 28 During the year, Company has not done any transaction with companies struck off under section 248 of the Companies Act, 2013.
- 29 All the immovable properties as per books of accounts are held in name of the Company.
- 30 Company has not given any loans or advances granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the financial year 2021-2022.
- 31 There are no borrowings from banks or financial institutions as at March 31, 2022 (Previous Year : Nil). The Company has set up an overdraft limit with ICICI Bank and SBI Bank against lien on fixed deposits. There is no amount outstanding as on March 31, 2022.
- 32 There are no undisclosed income reported in any assessment year as on March 31, 2022 (Previous Year : Nil).
- 33 There is no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 34 The company has not traded or invested in any Crypto currency or virtual currency during the financial year.
- 35 The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

36 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'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 table. 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:

As per Regulation 14 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021, a recognized Clearing Corporation shall have net worth of at least USD 3 million at all times. The Company has maintained the net worth at all times as per this requirement.

37 Company is making losses in current year and also incurred losses in the previous years. Accordingly, Section 135 is not applicable to the company for the financial year 2021-22.

38 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 the regulator. As per Regulation 31 (2) of IFSCA (MII) Regulations, 2021, Settlement Guarantee Fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.

In view of the above, before commencement of operations, i.e. on January 10, 2017, a Core Settlement Guarantee Fund (Default Fund) of USD 875.93 Thousand (Rs 59,562.97 Thousand) @ RBI reference rate i.e Rs 68/- has been created through earmarking investments. Default Fund size as on March 31, 2022 is Rs 94,544.11 Thousand (USD 1,247.17 Thousand). 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.

39 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 exposes 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 continuous 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").

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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. Interest rate risk can be controlled by the Company by making investments for tenors not exceeding the pre stipulated period and normally holding investments till its maturity.

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 by having adequate liquid assets and realisable investments.

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

Rs in Thousand

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, 2022	-	2.43	12.14	43.69	58.25
March 31, 2021	-	2.43	12.14	46.11	60.68
Deposits from Members & Clearing Bank					
March 31, 2022	3,49,766.38	-	-	-	3,49,766.38
March 31, 2021	1,41,496.55	-	-	-	1,41,496.55
Trade Payables					
March 31, 2022	-	3,096.50	-	-	3,096.50
March 31, 2021	-	1,639.16	-	-	1,639.16
Other Financial Liabilities					
March 31, 2022	-	1,976.59	-	-	1,976.59
March 31, 2021	-	2,004.55	-	-	2,004.55

USD in Thousand

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, 2022	-	0.03	0.16	0.58	0.77
March 31, 2021	-	0.03	0.17	0.63	0.83
Deposits from Members & Clearing Bank					
March 31, 2022	4,613.90	-	-	-	4,613.90
March 31, 2021	1,925.00	-	-	-	1,925.00
Trade Payables					
March 31, 2022	-	40.83	-	-	40.83
March 31, 2021	-	22.30	-	-	22.30
Other Financial liabilities					
March 31, 2022	-	25.80	-	-	25.80
March 31, 2021	-	27.27	-	-	27.27

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

40 Financial ratios

Sr No	Ratios	Current Year	Previous Year	% Variance
1	Current ratio	3.07	2.26	35.84%
2	Debt - Equity ratio	0.00003	0.00005	-40.00%
3	Debt Service coverage ratio	-10223.53	-8094.68	26.30%
4	Return on Equity Ratio	-3.31%	-3.46%	-4.34%
5	Inventory turnover ratio	NA	NA	NA
6	Trade Receivable turnover ratio	0.83	0.53	56.60%
7	Trade Payables turnover ratio*	10.96	11.96	-8.36%
8	Net Capital turnover ratio	0.03%	0.02%	50.00%
9	Net Profit ratio	-29253.22%	-36201.37%	-19.19%
10	Return on capital employed	-2.74%	-3.57%	-23.25%
11	Return on Investment - Fixed Deposits	1.10%	1.82%	-39.56%

Reasons (If exceed from 25%) :

- Current ratio is increased on account of increase in current assets in the current financial year
- Debt equity ratio is decreased on account of increase in shareholder funds. Shareholder funds increased due to increase in equity share capital
- Debt Service coverage ratio is increased due to increase in loss in the current financial year
- Trade Receivable turnover ratio is increased due to decrease in trade receivables in the current financial year
- Net Capital turnover ratio is increased on account of decrease in average working capital
- Return on Investment is decreased on account of decrease in investment income due to decrease in USD fixed deposit rates in the current financial year

1 Current Ratio
$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

2 Debt-Equity ratio
$$\frac{\text{Debt (lease liability)}}{\text{Total equity}}$$

3 Debt-service coverage ratio
$$\frac{\text{Earnings available for debt service}}{\text{Debt service}}$$

Earnings available for debt service = Net profit after tax + Non cash Expenses like depreciation and amortizations + Interest+Loss on sale of asset etc

Debt service = Interest & lease payments + principal repayments

4 ROE
$$\frac{\text{Net Profits after taxes} - \text{Preference Dividend (if any)}}{\text{Average Shareholder's Equity}}$$

6 Trade receivables turnover ratio
$$\frac{\text{Net Credit Sales}}{\text{Avg. Accounts Receivable}}$$

a) Net credit sales consist of gross credit sales minus sales return.

b) Trade receivables includes sundry debtors and bills receivables.

Average trade debtors = (Opening + Closing balance / 2)

c) Trade Receivables : Gross of ECL Provision

7 Trade payables turnover ratio
$$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$$

* It does not include capital expenditure and capital creditors

8 Net capital turnover ratio
$$\frac{\text{Net Sales}}{\text{Average Working Capital}}$$

a) Net sales is calculated as total sales minus sales returns.

b) Working capital is calculated as current assets minus current liabilities

9 Net profit ratio
$$\frac{\text{Net Profit}}{\text{Net Sales}}$$

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- a) Net profit is after tax.
- b) Net sales is calculated as total sales minus sales returns.

10 Return on capital employed (ROCE) $\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$

- a) Capital Employed = Net Worth+lease liability
Networth is calculated as per Companies Act

11 Return on Investment $\frac{\text{Investment Income}}{\text{Average Investment}}$

- 41 The Company has not created any deferred tax provision. Deferred tax provision will be recognised based on the reasonable certainty.
- 42 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.
- 43 Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification / disclosure.

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
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 20, 2022
Place : Mumbai

Deepak Khemani
Chief Financial Officer
Place: Gandhinagar

Nikita Lakhiyani
Company Secretary