Annual Report
2018-2019

INDIA ICC

INDIA INTERNATIONAL CLEARING CORPORATION

Index

DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting their Third Annual Report and Audited Accounts for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2019:

Particulars	**2018-19**		**2017-18**	
	Rs Lakhs	**USD '000**	**Rs Lakhs**	**USD '000**
Total Revenue	203.65	291.39	74.53	115.64
Total Expenses	452.94	648.09	372.59	578.12
Profit / (Loss) before exceptional items & tax	**(249.29)**	**(356.70)**	**(298.06)**	**(462.48)**
Exceptional items	**-**	-	-	-
Profit / (Loss) before tax	**(249.29)**	**(356.70)**	**(298.06)**	**(462.48)**
Provision for tax	**-**		-	-
Net Loss for the year/period	**(249.29)**	**(356.70)**	**(298.06)**	**(462.48)**
Other comprehensive income (net of tax)	**464.23**	**2.38**	**45.63**	**1.87**
Total comprehensive income for the year	**214.94**	**(354.32)**	**(252.43)**	**(460.61)**
Net Profit attributable to the shareholders of the Company	**(249.29)**	**(356.70)**	(298.06)	(462.48)

The total income of the Company during the FY 2018-19 was INR 203.65 Lakhs mainly on account of investment income. The total expenses for the year was INR 452.94 Lakh mainly on account of INR 190.24 lakhs employee cost, INR 61.91 lakhs Computer Technology Expenses and INR 94.31 Lakhs Depreciation.

PERFORMANCE & OPERATIONS

India ICC provides clearing & settlement, risk management and collateral management services to the India International Exchange (IFSC) Limited (India INX), a wholly owned subsidiary of the BSE operating at the IFSC, Gift City. The products cleared and settled by India ICC include Index and Single stock Derivatives, Commodity Derivatives, Currency Derivatives and Debt securities. SEBI has vide letter no. SEBI/HO/MRD/DRMNP/OW/P/35000/2018, dated December 21, 2018 granted renewal of recognition to India ICC for a period of one year from December 29, 2018 to December 28, 2019 to act as a Clearing Corporation. Presently, five clearing banks, namely ICICI Bank Limited, Kotak Mahindra Bank Limited, YES Bank Limited, Indusind Bank Limited and HDFC Bank Limited are empaneled with India ICC to facilitate funds settlement. Further, India ICC has seven clearing members under it for clearing and settlement of trades. India ICC has engaged with International Central Securities Depositories (ICSDs), such as Clearstream Banking S.A., for clearing & settlement of debt securities and has implemented SWIFT messaging system for communicating with ICSDs and clearing banks. India ICC has also received a rating of CARE AAA (Is) rating from CARE Ratings Limited for the second consecutive year. Till March 31, 2019, India ICC has handled 1130 settlements without any delays and disruptions for a cumulative fund value of USD 23.82 million.

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 financial year 2018-19.

TRANSFER TO RESERVES

In view of the loss, your Board of Directors do not recommend appropriating any amount to be transferred to General Reserves during the year under review.

ISSUE OF SHARES, ETC.

The Company has issued 11,38,50,000 Equity Shares of Rs. 1 each to ICICI Bank Limited. However, subscription and allotment has not been made. The Authorized Capital of the Company has been increased from Rs. 80 Crores to Rs. 115 Crores vide Special Resolution dated April 4, 2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not entered into any transactions pursuant to Section 186 of the Companies Act, 2013 and rules made thereunder.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no subsidiaries, associates and joint ventures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

- **Appointments**

No Director or KMPs has been appointed during the Financial 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, Shri Arun Mehta-Independent Director, Dr. Alok Mohan Sherry-Independent Director, Shri Balasubramaniam Venkataramani-Director, Shri Nehal Vora- Director and Shri Arup Mukherjee- Managing Director and CEO.

- **Key Managerial Personnel**

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

- **Cessation :**

  No Directors or KMPs has been ceased to hold office during the Financial Year under review.

DECLARATION OF INDEPENDENCE

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013. They have submitted a declaration that each of them meets the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR

During the financial year, four Board Meetings were convened and held on April 23, 2018; July 12, 2018; October 13, 2018 and January 9, 2019.

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	Independent Directors	Non-Independent Directors
2	Independent Directors	Chairman
3	Independent Directors	Entire Board
4	Entire Board	All Individual Directors
5	Entire Board	Independent 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.

AUDITORS & AUDITOR'S REPORT

Statutory Auditor

The Statutory Auditors, M/s. S. Panse & Co., Chartered Accountants (Firm Registration No. 113470W), were appointed as the Statutory Auditors of the Company at the first Annual General Meeting (AGM) of the Company held on July 21, 2017 for a period of five years till the conclusion of the sixth AGM to be held in the year 2022.

The Members are informed that M/s S. Panse & Co. resigned from the office of the Statutory Auditor of the Company in order to undertake the proposed professional assignment of BSE group and as per the limitation laid down in Section 144 of Companies Act 2013, resulting into casual vacancy in the office of Auditors.

The Board has recommended to the Members the appointment of M/s. Dalal Doctor & Associates, (Firm Registration No. 120833W) as a Statutory Auditor of the Company:-

a. To fill the casual vacancy caused by the resignation of M/s. S. Panse & Co. and to hold the office up to the conclusion of this AGM, and
b. For a period of 5 years from the conclusion of this AGM till the conclusion of the 8^{th} AGM of the Company to be held in the year 2024

A written consent from M/s. Dalal Doctor and Associates has been received along with a certificate that their appointment if made, shall be in accordance with the prescribed conditions and the said Auditors satisfy the criteria provided in Section 141 of the companies Act, 2013.

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 I**

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.

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 Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility are not applicable to the Company for a period of five years from the date of commencement of Business as per the exemption notification no. G.S.R. 08 (E) dated January 4, 2017.

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, with one half constituting women. 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, 2019, no complaints pertaining to sexual harassment have been received.

RISK MANAGEMENT MECHANISM

Risk Management 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, the Company initiated the periodic compliance audit with 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 any information system of the Company and it applies to various assets like information asset, IT assets, Business and operation's process or procedure and or legal, regulatory and contractual requirements by which these assets are administered and/or maintained.

During the period, in order to improve adherence to compliances of the various regulatory bodies governing us, Legatrix system was also rolled out. 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 work flow 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 Risk Assessment & Treatment Plan is reviewed 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 a security incident takes place which could have an impact on the Risk Profile.

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 ("IAS") notified under the Companies (IAS) 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, 2019.

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 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

The Company started its operations on January 16, 2017 and implemented the latest technologies for its operations. The company has not imported any technology during the year.

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.

None of the employees of the Company are drawing remuneration in excess of the limits as specified in sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 31st March, 2019 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

Web address where copy Annual Return referred to Section 92(3) has been placed

The provisions of Section 92(3) of the Companies Act, 2017 regarding placing a copy of the Annual Return on the website of the company is specifically exempted by Ministry of Corporate Affairs 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 31st March, 2019.

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 Director

Ashishkumar Chauhan
Chairman
DIN: 00898469

Place: Mumbai
Date: April 25, 2019

Registered Office: #102, First Floor, Hiranandani Signature Tower, Building no. 13B, Road 1C, Zone 1, 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, 2019
[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 (Formerly known as BSE INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED)** a Wholly Owned 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 mainly deals with the financial products and services across borders.

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, 2019** 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, 2019** 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 (Regulatory Fees on Stock Exchanges) Regulations, 2006

(b) 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;

(c) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

(d) Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015.

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

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

5) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The Company being an IFSC Company the provision related to Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder are **NOT APPLICABLE** to the Company.

6) 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 except those which is listed in Point No. 3 specifically applicable to IFSC Company and Clearing Corporations registered with SEBI:

(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, 2009;

(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 examinations 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.

During the year under review, the Company has **COMPLIED** with all the material aspects of the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. There were no changes in the composition of Board during the year under review.

Adequate notice is given to all the Directors to schedule the Board Meetings at least seven days 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) The authorized share capital of the Company increased from Rs. 80,00,00,000.00 (Rupees Eighty Crore Only) consisting of 80,00,00,000 (Eighty Crore) Equity Shares of Rs. 1.00 (Rupees One Only) each to Rs. 1,15,00,00,000.00 (Rupees One Hundred and Fifteen Crore Only) consisting of 1,15,00,00,000 (One Hundred and Fifteen Crore) Equity Shares of Rs. 1.00 (Rupees One Only) each by way of Special Resolution passed in Extra Ordinary General Meeting held on 30.04.2018.

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

YASH MEHTA
PROPRIETOR
ACS : 45267
COP :16535

Date **:** April 25, 2019
Place **:** Ahmedabad

*Note: 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.

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
1st Floor, 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 follow 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 provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to 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

Date **:** April 25, 2019
Place **:** Ahmedabad

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED

Audited Financial Statement

For the Year ended March 2019

Independent Auditor's Report

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

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of India International Clearing Corporation Limited (herein after referred to as 'the Company') which comprise the balance sheet as at 31 March 2019, 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 financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the Financial position of the Company as at 31 March 2019 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of the 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 accounting standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

(e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

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

   (i) there is no pending litigation against the Company
   (ii) there are no material foreseeable losses on long term contracts including derivative contract where provision is required to be made by the Company under any law or accounting standards
   (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 25, 2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year March 31, 2019, we report that:

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

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

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

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

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

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

(v) The Company has not accepted deposits from public and therefore, reporting under paragraph 3 (v) of the Order is not applicable.

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

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues as applicable in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

(xiv) To the best of our knowledge and according to the information and explanations give to us of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

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

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 25, 2019

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of India International Clearing Corporation (IFSC) Limited (Formerly known as BSE International Clearing Corporation (IFSC) Limited) ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 25, 2019

India International Clearing Corporation (IFSC) Limited
(Formerly known as BSE International Clearing Corporation (IFSC) Limited)
Balance Sheet as at March 31, 2019

	Particulars	Note No.	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)	As at March 31, 2018 (Rs)	As at March 31, 2018 (USD)
			Audited	Audited	Audited	Audited
	ASSETS					
1	**Non-current assets**					
	a. Property, plant and equipment	3	4,61,50,123	6,67,186	4,98,98,061	7,67,142
	b. Other Intangible Assets	4	57,07,255	82,509	46,53,710	71,547
	c. Financial assets					
	(i) Other Financial Assets	6	1,01,060	1,461	8,76,98,700	13,48,296
	d. Non-current tax assets (net)		49,734	719	3,252	50
	Total		**5,20,08,172**	**7,51,875**	**14,22,53,723**	**21,87,035**
2	**Current assets**					
	a. Financial assets					
	(i) Cash and cash equivalents	5 (a)	6,56,24,957	9,48,731	16,65,78,396	25,61,007
	(ii) Bank balances other than (i) above	5 (b)	72,27,79,353	1,04,49,122	54,89,85,147	84,40,199
	(iii) Other financial assets	6	8,04,392	11,629	8,23,458	12,660
	b. Other assets	7	6,97,524	10,084	23,04,057	35,423
	Total		**78,99,06,226**	**1,14,19,566**	**71,86,91,058**	**1,10,49,289**
	Total Assets		**84,19,14,398**	**1,21,71,441**	**86,09,44,781**	**1,32,36,324**
	EQUITY AND LIABILITIES					
1	**Equity**					
	a. Equity share capital	8	80,00,00,000	1,18,79,908	80,00,00,000	1,18,79,908
	b. Other equity	9	(5,19,46,700)	(10,65,404)	(7,49,93,550)	(7,33,525)
	Total		**74,80,53,300**	**1,08,14,504**	**72,50,06,450**	**1,11,46,383**
	LIABILITIES					
2	**Non-current liabilities**					
	a. Financial liabilities					
	(i) Other financial liabilities	11	46,967	679	47,027	723
	b. Provisions	12	-	-	18,65,140	28,675
	c. Other liabilities	13	26,28,579	38,001	-	-
	Total		**26,75,546**	**38,680**	**19,12,167**	**29,398**
3	**Current liabilities**					
	a. Financial liabilities					
	(i) Trade payables					
	a. Total outstanding dues of micro enterprises and small enterprises	10	-	-	12,423	191
	b Total outstanding dues of creditor other than micro enterprises and small enterprises	10	17,16,556	24,816	56,46,283	86,807
	(ii) Other financial liabilities	11	8,66,63,270	12,52,879	12,64,16,071	19,43,544
	b. Provisions	12	16,24,557	23,486	15,92,604	24,485
	c. Other liabilities	13	11,81,169	17,076	3,58,783	5,516
	Total		**9,11,85,552**	**13,18,257**	**13,40,26,164**	**20,60,543**
	Total Equity and Liabilities		**84,19,14,398**	**1,21,71,441**	**86,09,44,781**	**1,32,36,324**
	See accompanying notes forming part of the financial statements	**1-2**				

In terms of our report attached
For S. Panse & Co.
Chartered Accountants
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

Supriya Panse
Partner
Membership No.: 46607

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 25, 2019
Place: Mumbai

Deepak Khemani
Chief Financial Officer

Riddhi Khatri
Company Secretary

India International Clearing Corporation (IFSC) Limited
(Formerly known as BSE International Clearing Corporation (IFSC) Limited)
Statement of Profit and Loss for the Year ended March 31, 2019

	Particulars	Note No.	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
			(Rs)	(USD)	(Rs)	(USD)
			Audited	Audited	Audited	Audited
1	Revenue from operations	14	1,42,154	2,034	-	-
2	Investment Income		1,73,32,797	2,48,005	74,47,348	1,15,557
3	Other income	15	28,90,046	41,352	5,414	84
4	**Total revenue (1+2+3)**		**2,03,64,997**	**2,91,391**	**74,52,762**	**1,15,641**
5	**Expenses**					
	Employee benefits expense	16	1,90,24,248	2,72,207	1,60,59,840	2,49,193
	Administration and other expenses	17	1,68,38,822	2,40,937	1,44,00,642	2,23,448
	Finance costs		140	2	64	1
	Depreciation and amortisation expenses		94,31,018	1,34,943	67,97,718	1,05,477
	Total expenses		**4,52,94,228**	**6,48,089**	**3,72,58,264**	**5,78,119**
6	**Profit / (loss) before tax (4 - 5)**		(2,49,29,231)	(3,56,698)	(2,98,05,502)	(4,62,478)
7	**Tax expense:**					
	Current tax and Deferred tax		-	-	-	-
			-	-	-	-
8	**Profit / (loss) for the period/year from continuing operations (6 - 7)**		**(2,49,29,231)**	**(3,56,698)**	**(2,98,05,502)**	**(4,62,478)**
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)**		**(2,49,29,231)**	**(3,56,698)**	**(2,98,05,502)**	**(4,62,478)**
13	**Other comprehensive income**					
	A Items that will not be reclassified to profit or loss					
	(i) Remeasurement of defined benefit plan		1,65,916	2,374	1,20,452	1,869
	B Items that will be reclassified to profit or loss					
	(i) Foreign Currency translation reserve		4,62,57,615	-	44,41,743	-
	Total other comprehensive income for the year		**4,64,23,531**	**2,374**	**45,62,195**	**1,869**
	Total comprehensive income for the year (12+13)		**2,14,94,300**	**(3,54,324)**	**(2,52,43,307)**	**(4,60,609)**
14	**Earning per equity share :**	19				
	Basic and Diluted before exceptional items		(0.031)	(0.0004)	(0.042)	(0.0007)
	Basic and Diluted after exceptional item		(0.031)	(0.0004)	(0.042)	(0.0007)
	Per value of share Rs		1	NA	1	NA
	Weighted average number of shares (Nos.)		80,00,00,000	80,00,00,000	70,52,05,477	70,52,05,477
	See accompanying notes forming part of the financial statements	1-2				

In terms of our report attached
For S. Panse & Co.
Chartered Accountants
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

Supriya Panse
Partner
Membership No.: 46607

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 25, 2019
Place: Mumbai

Deepak Khemani
Chief Financial Officer

Riddhi Khatri
Company Secretary

India International Clearing Corporation (IFSC) Limited
(Formerly known as BSE International Clearing Corporation (IFSC) Limited)
Cash Flow Statement for the year ended March 31, 2019

	Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
A.	**Cash flow from operating activities**				
	Profit / (loss) for the year	(2,49,29,231)	(3,56,698)	(2,98,05,502)	(4,62,478)
	Depreciation and Amortisation Expenses	94,31,018	1,34,943	67,97,718	1,05,477
	Remeasurement of Defined benefit Plan	1,65,916	2,374	1,20,452	1,869
	Interest Income on fixed deposits	(1,73,32,797)	(2,48,005)	(74,47,348)	(1,15,557)
	Foreign Currency translation reserve	4,62,57,615	-	44,41,743	-
	Adjustments for Changes in operating Liability and Assets				
	Trade payable	(39,42,150)	(62,182)	(58,71,996)	(90,839)
	Provisions	(18,33,127)	(29,674)	17,77,433	27,174
	Other Liabilities	34,50,965	49,561	1,52,596	2,336
	Other Financial Liabilities	(3,50,80,409)	(6,18,725)	4,60,62,612	7,04,493
	Other Financial Assets	(26,511)	423	8,60,808	13,319
	Other Assets	16,06,533	25,339	(19,81,874)	(30,454)
		(2,22,32,178)	**(11,02,644)**	**1,51,06,642**	**1,55,340**
	Taxes paid	(46,482)	(669)	(3,252)	(50)
	Net cash generated from operating activities	**(2,22,78,660)**	**(11,03,313)**	**1,51,03,390**	**1,55,290**
B.	**Cash flow from investing activities**				
	Purchase of Property, Plant & Equipment and Intangible Assets	(1,14,09,137)	(1,17,933)	(3,40,81,364)	(5,23,777)
	Increase in Fixed deposits with banks	(6,72,65,642)	(3,91,030)	(57,40,65,399)	(88,22,114)
	Net cash generated (Used in) investment activities	**(7,86,74,779)**	**(5,08,963)**	**(60,81,46,763)**	**(93,45,891)**
C.	**Cash flow from financing activities**				
	Proceeds from allotment of equity share	-	-	20,00,00,006	31,20,611
	Net cash generated from financing activities	**-**	**-**	**20,00,00,006**	**31,20,611**
D.	**Net increase / (decrease) in cash and cash equivalents**	**(10,09,53,439)**	**(16,12,276)**	**(39,30,43,367)**	**(60,69,990)**
	Cash and cash equivalents at the end of the period/year				
	In current account - Owned	2,04,30,850	2,95,366	12,50,26,013	19,22,173
	In current account - Member Fund	4,50,99,688	6,52,000	4,13,03,004	6,35,000
	In current account - Earmarked	94,419	1,365	2,49,379	3,834
		6,56,24,957	**9,48,731**	**16,65,78,396**	**25,61,007**
	Cash and cash equivalents at the beginning of the year	**16,65,78,396**	**25,61,007**	**55,96,21,763**	**86,30,997**
	Changes In cash and cash equivalents	**(10,09,53,439)**	**(16,12,276)**	**(39,30,43,367)**	**(60,69,990)**
	Cash and cash equivalents at the end of the year	**6,56,24,957**	**9,48,731**	**16,65,78,396**	**25,61,007**
	Cash and bank balance (Refer note 5 (a))	**6,56,24,957**	**9,48,731**	**16,65,78,396**	**25,61,007**
	See accompanying notes forming part of the financial statements				

Note :

1. Cash and cash equivalents comprise balances in current account with banks.
2. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".

In terms of our report attached

For S. Panse & Co.
Chartered Accountants
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

Supriya Panse
Partner
Membership No.: 46607

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Date: April 25, 2019
Place: Mumbai

Deepak Khemani
Chief Financial Officer

Riddhi Khatri
Company Secretary

India International Clearing Corporation (IFSC) Limited
(Formerly known as BSE International Clearing Corporation (IFSC) Limited)
Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

Particulars	(Rs)	(USD)
Balance as at March 31, 2017	59,99,99,994	87,59,297
Changes in Equity Share Capital during the year	20,00,00,006	31,20,611
Balance as at March 31, 2018	**80,00,00,000**	**1,18,79,908**
Changes in Equity Share Capital during the year	-	-
Balance as at March 31, 2019	**80,00,00,000**	**1,18,79,908**

B. Other Equity

Particulars	Reserve & Surplus				Items of Other Comprehensive income	Total Other equity	Total Other equity
	Retained earning	Retained earning	Default Fund	Default Fund	Foreign Currency transaltion reserve		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance as at March 31,2017	(2,00,14,045)	(2,97,887)	1,40,116	2,161	(3,13,59,970)	(5,12,33,899)	(2,95,726)
Profit / (Loss) for the Year ended March 2018	(2,98,05,502)	(4,62,478)	14,83,656	22,810	-	(2,83,21,846)	(4,39,668)
Other Comprehensive Income for the Year ended March 31, 2018	1,20,452	1,869			44,41,743	45,62,195	1,869
Balance as at March 31,2018	**(4,96,99,095)**	**(7,58,496)**	**16,23,772**	**24,971**	**(2,69,18,227)**	**(7,49,93,550)**	**(7,33,525)**
Profit / (Loss) for the Year ended March 31, 2019	(2,49,29,231)	(3,56,698)	15,52,550	22,445		(2,33,76,681)	(3,34,253)
Other Comprehensive Income for the Year ended March 31, 2019	1,65,916	2,374			**4,62,57,615**	4,64,23,531	2,374
Balance as at March 31, 2019	**(7,44,62,410)**	**(11,12,820)**	**31,76,322**	**47,416**	**1,93,39,388**	**(5,19,46,700)**	**(10,65,404)**

In terms of our report attached

For and on behalf of the Board of Directors

For S. Panse & Co.
Chartered Accountants
Firm Reg. No.: 113470W

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Supriya Panse
Partner
Membership No.: 46607

Date: April 25, 2019
Place: Mumbai

Deepak Khemani
Chief Financial Officer

Riddhi Khatri
Company Secretary

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. General Information

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

The financial statements were authorized for issuance by the Company's Board of Directors on April 25, 2019.

2. Significant Accounting Policies

2.1 *Basis of preparation of financial statements*

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

2.2 *Functional and presentation currency*

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.3 *Foreign Exchange Translation Reserve*

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

2.4 *Use of Estimates and judgment*

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

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

a. *Income taxes:* The Company’s tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Company income is not taxable under income tax for initial period of five years, 50% of income taxable for subsequent five years.

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

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

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.5 *Financial instruments*

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

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

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

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

Financial assets

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

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

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

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

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

b. Equity instruments at FVTOCI and FVTPL:

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

c. Financial assets at FVTPL :

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

Financial liabilities

(a) Financial liabilities at amortised cost:

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

(b) Financial liabilities at FVTPL:

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

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

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

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

Category	Useful lives
Leasehold premises	30 years

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Plant and Equipments	15 years
Electrical installations	10 years
Networking Equipments – Owned	6 years
Computers Hardware – Owned	3 years
Furniture, fixtures	10 years
Office equipment	5 years
Motor vehicles	8 years

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

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

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

2.7 ***Other 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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.8 *Leases*

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

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

2.9 *Impairment*

a. *Financial assets carried at amortised cost and FVTOCI*

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

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

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

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

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

b. Non-financial assets

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

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.10 ***Employee benefit***

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

Defined Contribution Plan

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

Defined benefit Plan

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

The Company has the following employee benefit plans:

a. Gratuity

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

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

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

b. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.11 *Provisions and Contingent liabilities*

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

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

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

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

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

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

2.12 *Revenue Recognition:*

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

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

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

2.13 *Dividend Income*

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

2.14 *Finance income and expense*

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

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

2.15 *Taxation*

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

a. Current income tax

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

b. Deferred income tax

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

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

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

2.16 ***Earnings per share***

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

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

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

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Operating Cycle

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

2.18 ***Government grants***

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

2.19 ***Earmarked Funds***

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

2.20 ***Settlement Obligation***

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

2.21 ***Cash Flow Statement***

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

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

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

3. Property, plant and equipment

Amount in USD

Particulars	Leasehold Premises and Improvements	Plant and equipments	Electrical installations	Computers -Hardware and networking equipments - owned	Furniture & fixtures	Office equipments	Total
Gross block							
Balance as at April 01, 2018	2,28,219	5,55,663	42,392	27,241	11,604	5,301	8,70,420
Additions during the year		16,445		367	425	-	17,237
Deductions / adjustments							-
Balance as at March 31, 2019	**2,28,219**	**5,72,108**	**42,392**	**27,608**	**12,029**	**5,301**	**8,87,657**
Accumulated depreciation and impairment							
Balance as at April 01, 2018	10,012	76,622	4,595	9,551	1,424	1,074	1,03,278
Depreciation for the year	7,600	94,011	4,239	9,105	1,177	1,061	1,17,193
Deductions / Adjustments							-
Balance as at March 31, 2019	**17,612**	**1,70,633**	**8,834**	**18,656**	**2,601**	**2,135**	**2,20,471**
Net book value							
Balance as at March 31, 2019	**2,10,607**	**4,01,475**	**33,558**	**8,952**	**9,428**	**3,166**	**6,67,186**
Balance as at March 31, 2018	**2,18,207**	**4,79,041**	**37,797**	**17,690**	**10,180**	**4,227**	**7,67,142**

Amount in Rs

Particulars	Leasehold Premises and Improvements	Plant and equipments	Electrical installations	Computers -Hardware and networking equipments - owned	Furniture & fixtures	Office equipments	Total
Gross block							
Balance as at April 01, 2018	1,48,44,299	3,61,42,600	27,57,349	17,71,866	7,54,772	3,44,799	5,66,15,685
Additions during the year	-	11,37,522	-	25,386	29,398	-	11,92,306
Deductions / adjustments	-	-	-	-	-	-	-
Currency Fluctuation	9,41,906	22,93,332	1,74,961	1,12,429	47,892	21,878	35,92,398
Balance as at March 31, 2019	**1,57,86,205**	**3,95,73,454**	**29,32,310**	**19,09,681**	**8,32,062**	**3,66,677**	**6,14,00,389**
Accumulated depreciation and impairment							
Balance as at April 01, 2018	6,51,222	49,83,808	2,98,878	6,21,236	92,623	69,857	67,17,624
Depreciation for the year	5,31,156	65,70,325	2,96,259	6,36,338	82,259	74,152	81,90,489
Deductions / Adjustments	-	-	-	-	-	-	-
Currency Fluctuation	35,867	2,48,773	15,922	32,886	5,033	3,672	3,42,153
Balance as at March 31, 2019	**12,18,245**	**1,18,02,906**	**6,11,059**	**12,90,460**	**1,79,915**	**1,47,681**	**1,52,50,266**
Net book value							
Balance as at March 31, 2019	**1,45,67,960**	**2,77,70,548**	**23,21,251**	**6,19,221**	**6,52,147**	**2,18,996**	**4,61,50,123**
Balance as at March 31, 2018	**1,41,93,077**	**3,11,58,792**	**24,58,471**	**11,50,630**	**6,62,149**	**2,74,942**	**4,98,98,061**

4. Other intangible assets

Amount in USD

Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	84,553	84,553
Additions during the year	28,713	28,713
Deductions / adjustments	-	-
Balance as at March 31, 2019	**1,13,266**	**1,13,266**
Accumulated depreciation and impairment		
Balance as at April 01, 2018	13,006	13,006
Amortisation for the year	17,751	17,751
Deductions / Adjustments	-	-
Balance as at March 31, 2019	**30,757**	**30,757**
Net book value		
Balance as at March 31, 2019	**82,509**	**82,509**
Balance as at March 31, 2018	**71,547**	**71,547**

Amount in Rs

Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	54,99,674	54,99,674
Additions during the year	19,86,116	19,86,116
Deductions / adjustments	-	-
Currency Fluctuation	3,48,966	3,48,966
Balance as at March 31, 2019	**78,34,756**	**78,34,756**
Accumulated depreciation and impairment		
Balance as at April 01, 2018	8,45,964	8,45,964
Amortisation for the year	12,40,598	12,40,598
Deductions / Adjustments	-	-
Currency Fluctuation	40,939	40,939
Balance as at March 31, 2019	**21,27,501**	**21,27,501**
Net book value		
Balance as at March 31, 2019	**57,07,255**	**57,07,255**
Balance as at March 31, 2018	**46,53,710**	**46,53,710**

5. Cash and cash equivalents and Bank balances

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
5 (a) Cash and cash equivalents				
Balance with Banks				
Own				
In Current Accounts	2,04,30,850	2,95,366	12,50,26,013	19,22,173
Member Fund				
In Current Accounts	4,50,99,688	6,52,000	4,13,03,004	6,35,000
Earmarked Fund - Default Fund				
In Current Accounts	94,419	1,365	2,49,379	3,834
Total	**6,56,24,957**	**9,48,731**	**16,65,78,396**	**25,61,007**
5 (b) Bank Balance other than above				
Own				
In Deposit Accounts	62,35,51,117	90,14,593	42,55,90,961	65,43,114
Member Funds				
In Deposit Accounts	2,49,01,668	3,60,000	6,50,44,100	10,00,000
Earmarked Fund - Default Fund				
In Deposit Accounts	7,43,26,568	10,74,529	5,83,50,086	8,97,085
Total	**72,27,79,353**	**1,04,49,122**	**54,89,85,147**	**84,40,199**

6. Other financial assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Advance to staff	34,586	500	55,483	853
Gratuity	66,474	961	-	-
	1,01,060	**1,461**		
Own				
Deposit with Banks (remaining maturity more than 12 months)	-	-	8,76,43,217	13,47,443
Total (A)	**1,01,060**	**1,461**	**8,76,98,700**	**13,48,296**
Current				
Deposits with public bodies and other parties	1,10,328	1,595	1,09,599	1,685
Advances to Staff and vendor	21,512	311	21,530	331
Receivable from Group Company	50,149	725	6,92,329	10,644
Receivable towards incentive scheme	6,22,403	8,998	-	-
Total (B)	**8,04,392**	**11,629**	**8,23,458**	**12,660**
Total (A+B)	**9,05,452**	**13,090**	**8,85,22,158**	**13,60,956**

7. Other assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Prepaid Expenses	4,86,897	7,039	18,50,960	28,457
Cenvat receivable	-	-	2,86,844	4,410
GST receivable	2,10,627	3,045	1,66,253	2,556
Total	**6,97,524**	**10,084**	**23,04,057**	**35,423**

8. Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Equity Share Capital				
Authorised share capital:				
115,00,00,000 Equity Shares (Previous year - 80,00,00,000 Equity Shares) of Rs. 1/- each with voting rights	1,15,00,00,000	Not Applicable	80,00,00,000	Not Applicable
Issued share capital:				
91,38,50,000 Equity Shares (Previous year - 80,00,00,000 Equity Shares) of Rs. 1/- each with voting rights (Refer note below)	91,38,50,000	Not Applicable	80,00,00,000	Not Applicable
Subscribed and fully Paid - up				
80,00,00,000 Equity Shares (Previous year - 80,00,00,000 Equity Shares) of Rs. 1/- each with voting rights	**80,00,00,000**	**1,18,79,908**	**80,00,00,000**	**1,18,79,908**

Note : Special resolution by Members has been passed on November 19, 2018 for preferential issue of 11,38,50,000 equity shares of Rs. 1/- each and presently, the Company has issued offer letter dated April 2, 2019, to prospective investor for 8,79,02,331 equity shares of Re. 1/- each. However subscription and allotment has not been made till date.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
No. of shares at the beginning of the year	80,00,00,000	-	59,99,99,994	-
Preferential allotment and subscription money	-	-	20,00,00,006	-
No. of shares at the end of the period	**80,00,00,000**	**-**	**80,00,00,000**	**-**

9. Other equity

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Default Fund				
Opening Balance	16,23,772	24,971	1,40,116	2,161
Add: Income earned during the period	15,52,550	22,445	14,83,656	22,810
Closing Balance (A)	**31,76,322**	**47,416**	**16,23,772**	**24,971**
Retained earnings				
Balance at the beginning of the period	(7,66,17,322)	(7,58,496)	(5,13,74,015)	(2,97,887)
Total Comprehensive Income during the period	2,14,94,300	(3,54,324)	(2,52,43,307)	(4,60,609)
Closing Balance (B)	**(5,51,23,022)**	**(11,12,820)**	**(7,66,17,322)**	**(7,58,496)**
Total (A+B)	**(5,19,46,700)**	**(10,65,404)**	**(7,49,93,550)**	**(7,33,525)**

10. Trade payables

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Total outstanding dues of micro, small and medium enterprises (A)	**-**	**-**	**12,423**	**191**
Payable to service providers	14,84,694	21,464	20,75,622	31,911
Payable to Holding Company	-	-	8,92,665	13,724
Payable to Group Company	2,31,862	3,352	26,77,996	41,172
Total outstanding dues of creditor other than micro, small and medium enterprises (B)	**17,16,556**	**24,816**	**56,46,283**	**86,807**
Total (A+B)	**17,16,556**	**24,816**	**56,58,706**	**86,998**

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006				
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	-	-	12,423	191
(b) Interest due and payable for delay during the year / period	-	-	-	-
(c) Amount of interest accrued and unpaid as at year end / period end	-	-	-	-
(d) The amount of further interest due and payable even in the succeeding year / period	-	-	-	-

11. Other financial liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Finance lease obligations	46,967	679	47,027	723
Total (A)	**46,967**	**679**	**47,027**	**723**
Current				
Payable for fixed assets (Refer note below)	1,59,993	2,313	48,30,110	74,259
Accrued employee benefits	26,65,378	38,533	22,25,419	34,214
Deposits from Members	7,00,01,356	10,12,000	10,63,47,104	16,35,000
Deposits from Clearing Bank	1,38,34,260	2,00,000	1,30,08,820	2,00,000
Current maturities of finance lease obligations	2,283	33	4,618	71
Accrued Interest on finance lease obiligations	-	-	-	-
Total (B)	**8,66,63,270**	**12,52,879**	**12,64,16,071**	**19,43,544**
Total (A+B)	**8,67,10,237**	**12,53,558**	**12,64,63,098**	**19,44,267**

Note : Payable for fixed assets includes payable to MSME creditor of USD 2,313 (Rs 1,59,993).

12. Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Gratuity liability	-	-	18,65,140	28,675
Total (A)	**-**	**-**	**18,65,140**	**28,675**
Current				
Compensated Absences	16,24,557	23,486	15,59,497	23,976
Gratuity liability	-	-	33,107	509
Total (B)	**16,24,557**	**23,486**	**15,92,604**	**24,485**
Total (A+B)	**16,24,557**	**23,486**	**34,57,744**	**53,160**

13. Other liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Unamortised portion of Capital Subsidy	26,28,579	38,001	-	-
	26,28,579	**38,001**		
Current				
Statutory remittances	2,70,460	3,910	3,58,783	5,516
Unamortised portion of Capital Subsidy	9,10,709	13,166	-	-
Total	**11,81,169**	**17,076**	**3,58,783**	**5,516**

14. Revenue from operations

Particulars	For the year ended ended March 31,2019		For the Year ended March 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Processing Fees	34,944	500	-	-
Charges Recovered	1,07,210	1,534	-	-
TOTAL	**1,42,154**	**2,034**	**-**	**-**

15. Other Income

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Miscellaneous income	1,96,528	2,812	5,414	84
Incentives from Government authorities	26,93,518	38,540	-	-
TOTAL	**28,90,046**	**41,352**	**5,414**	**84**

16. Employee benefits expense

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, allowances and bonus	1,68,36,236	2,40,900	1,41,63,476	2,19,768
Contribution to provident and other Funds	8,08,894	11,574	7,05,248	10,943
Staff welfare expenses	30,821	441	9,860	153
Compensated absences	13,48,297	19,292	11,81,256	18,329
TOTAL	**1,90,24,248**	**2,72,207**	**1,60,59,840**	**2,49,193**

17. Administration and other expenses

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Travelling expenses	7,49,628	10,726	5,82,024	9,031
Computer technology related expenses	61,91,108	88,585	64,92,431	1,00,740
Bank charges	27,257	390	37,895	588
Rent	6,40,462	9,164	4,09,177	6,349
Professional Fee	27,90,594	39,929	12,64,522	19,621
Stamp duty & registration fee	28,70,267	41,069	17,40,531	27,007
Postage & Telephone Expenses	4,123	59	5,478	85
Electricity expenses	4,42,117	6,326	13,91,548	21,592
Audit Fees	1,44,181	2,063	1,05,049	1,630
Directors Fees	2,83,120	4,051	3,00,325	4,660
Insurance expenses	24,811	355	10,892	169
Building repair and Maintenance	16,77,543	24,003	11,40,848	17,702
Miscellaneous Expenses	10,94,251	15,657	6,18,759	9,601
Foreign Exchange (Gain) / Loss	(1,00,640)	(1,440)	3,01,163	4,673
TOTAL	**1,68,38,822**	**2,40,937**	**1,44,00,642**	**2,23,448**

Note : Professional Fees includes payment to auditor Rs 32,810 (USD 469) (Previous year Rs 85,881 (USD 1,333) towards other services and other reimbursement of expenses.

18. Exchange Rate :-
Amounts of Balance Sheet other than shareholder funds in these financial statements have been translated into Indian rupees at the closing rate as at 31 March 2019 which is 1 USD = Rs 69.1713 , amount of Statement Profit and Loss at the average rate from 01 April 2018 to 31 March 2019 which is 1 USD = Rs 69.8889.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

19. Earnings Per Share

Particulars	For the year ended March 31, 2019		For the year ended March, 2018	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year/ period	(2,49,29,231)	(3,56,698)	(2,98,05,502)	(4,62,478)
Weighted average number of equity shares (Nos)	80,00,00,000	80,00,00,000	70,52,05,477	70,52,05,477
Earnings per share basic and diluted	(0.031)	(0.0004)	(0.042)	(0.0007)
Face value per equity share	1	NA	1	NA

20. Segment Reporting

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

21. Financial Instruments

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

Fair value hierarchy:

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

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

The carrying value of financial instruments by categories as of March 31, 2019 is as follows and the Company consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	(Rs)	(USD)	(Rs)	(USD)
Financial Assets carried at amortised cost				
Other non-current financial assets	1,01,060	1,461	8,76,98,700	13,48,296
Cash and cash equivalents	6,56,24,957	9,48,731	16,65,78,396	25,61,007
Bank balance other than above cash and cash equivalents	72,27,27,128	1,04,48,367	54,89,85,147	84,40,199
Other current financial assets	8,04,392	11,629	8,23,458	12,660
Total	**78,92,57,537**	**1,14,10,188**	**80,40,85,701**	**1,23,62,162**
Financial Liabilities carried at amortised cost				
Other non-current financial liabilities	46,967	679	47,027	723
Trade payables	17,16,624	24,817	56,58,706	86,998
Other current financial liabilities	8,66,63,270	12,52,879	12,64,16,071	19,43,544
Total	**8,84,26,861**	**12,78,375**	**13,21,21,804**	**20,31,265**

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

22.1.1 Defined Benefit Plan – Gratuity

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

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

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

i. The following tables set out the funded and unfunded status of the gratuity plans and the amounts recognized in the financial statements as at March 31, 2019.

Particulars	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	Funded	Funded	Unfunded	Unfunded
	(Rs)	(USD)	(Rs)	(USD)
Change in benefit obligations				
Benefit obligations at the beginning	**18,98,247**	**29,183**	**7,92,263**	**12,219**
Current Service Cost	1,39,325	1,994	1,37,917	2,140
Past Service Cost	-	-	72,497	1,125
Interest on defined benefit obligation	1,45,833	2,087	55,360	859
Actuarial loss / (gain)	(1,39,397)	(1,995)	(1,20,453)	(1,869)
Translation/ Forex impact	-	-	1,308	(39)
Liability assumed on transfer from group company	(9,47,031)	(13,692)	9,59,353	14,749
Closing Defined Benefit Obligation (A)	**10,96,977**	**17,577**	**18,98,247**	**29,184**
Change in Plan assets				
Fair value of plan assets at the beginning	-	-	-	-
Employer Contribution	20,66,908	29,881	-	-
Interest income	26,529	380	-	-
Remeasurements – Actuarial (gains)/ losses	-	-	-	-
Assets assumed / settled	(9,29,962)	(13,444)	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end	**11,63,475**	**16,816**	-	-
Funded status (B)	**11,63,475**	**16,816**	-	-
Translation/ Forex impact (c)		**1,722**	-	-
Payable / (Prepaid) gratuity benefit (a-b-c)	**(66,498)**	**(961)**	**18,98,247**	**29,184**
Non Current Assets (Refer note 6)	**(66,498)**	**(961)**	-	-
Current Provision (Refer note 12)	-	-	**33,107**	**509**
Non-Current Provision (Refer note 12)	-	-	**18,65,140**	**28,675**

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ii. Amount recognised in the Statement of Profit and Loss

Particulars	For the Year Ended March 2019		For the Year Ended March 2018	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	1,39,325	1,994	1,37,917	2,140
Past Service cost	-	-	72,497	1,125
Interest on net defined benefit obligations	1,45,833	2,087	55,360	859
Total Included in "Employee Benefit Expense"	**2,85,158**	**4,080**	**2,65,775**	**4,124**

iii. Amount recognised in the Other Comprehensive Income

Particulars	For the Year Ended March 2019		For the Year Ended March 2018	
	(Rs)	(USD)	(Rs)	(USD)
Actuarial loss / (gain) arising from change in financial assumptions	(5,478)	(78)	(1,10,721)	(1,718)
Changes in demographic assumptions	(171)	(2)	-	-
Actuarial loss / (gain) arising on account of experience changes	(1,33,748)	(1,914)	(9,732)	(151)
Actual return on plan assets less interest on plan assets	(26,529)	(380)	-	-
Amount recognised in the Other Comprehensive Income	**(1,65,926)**	**(2,374)**	**(1,20,452)**	**(1,869)**

iv. Principle actuarial assumption

Assumptions	March 31, 2019	March 31, 2018
Discount Rate	7.80%	7.75%
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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(4.80)%	5.18%	(4.25)%	4.50%
Impact of decrease in 50 bps on defined benefit obligation	5.16%	(4.86)%	4.49%	(4.30)%

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, 2019	March 31, 2018
Insurer Managed Assets	100%	-
Others*	-	-

Actual return on the assets for the period ended March 31, 2019 ₹ 26,529.

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

The plan assets in respect of gratuity represent funds managed by the India International Clearing Corporation (IFSC) Limited employee’s Group Gratuity Fund. The Employer’s best estimate of the contributions expected to be paid to the plan during the next year is ₹ 2,00,000.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

vii. Maturity profile of defined benefit obligations

Maturity Profile	March 31, 2019	March 31, 2018
Expected benefits for year 1	20,863	33,126
Expected benefits for year 2	23,371	36,494
Expected benefits for year 3	25,237	39,728
Expected benefits for year 4	27,272	43,242
Expected benefits for year 5	29,476	47,046
Expected benefits for year 6	1,12,352	51,160
Expected benefits for year 7	2,28,981	1,19,011
Expected benefits for year 8	30,115	2,23,987
Expected benefits for year 9	32,479	16,44,040
Expected benefits for year 10 and above	23,59,460	17,88,216

The weighted average duration to the payment of these cash flows is 9.95 years.

21.1.2 Defined Benefit Plan – Compensated absence

The liability for compensated absences as at the year ended March 31, 2019 is Rs 16,24,557 (USD-23,486) (2018: Rs 15,59,528 (USD-23,976)) as shown under current provisions. Provision for compensated absence amounting to Rs 13,48,297 (USD-19,292) (2018: Rs 11,81,256 (USD-18,329)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 18 “Employee benefits expense”.

For Principle actuarial assumption refer above iv table of assumption.

22.2 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 3,68,964 (USD – 5,279) (2018 : Rs 3,33,311 (USD – 5,172)) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 15 “Employee benefits expense”.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

During the current year, National pension scheme contributions amounting to Rs 1,54,779 (USD- 2,215) (2018: Rs 1,06,162 (USD-1,647) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 16 “Employee benefits expense”.

23. Related Party Transactions

1. Names of related parties and nature of relationship

Category of related parties	**Name**
Holding Company	BSE Limited
Fellow Subsidiaries:	India International Exchange (IFSC) Limited
	Indian Clearing Corporation Limited
	Marketplace Technologies Private Limited
	Marketplace Tech Infra Services Private Limited
	BSE Investments Limited
	BSE Ebix Insurance Broking Private Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
	BSE Skills Limited (up to June 28, 2018)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	Pranurja Solutions Limited (w.e.f April 24, 2018)
Subsidiary of Fellow Subsidiary	India INX Global Access IFSC Limited
Associate of Holding	Central Depository Services (India) Limited (w.e.f June 30, 2017)
	CDSL Ventures Limited (w.e.f June 30, 2017)
	CDSL Insurance Repository Limited (w.e.f June 30, 2017)
	CDSL Commodity Repository Limited (w.e.f June 30, 2017)
	Asia Index Private Limited
	BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018)
	Marketplace EBIX Technology Services Private Limited (w.e.f April 03, 2018)
Trust set up by the holding company	BSE Investors Protection Fund

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Category of related parties	Name
Trust set up by the company	India International Clearing Corporation (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme
Key Management Personnel	Mr. Ashishkumar Chauhan – Non Executive Chairman
	Mr. Arup Mukherjee - Managing Director and Chief Executive Officer
	Mr. Arun Mehta – Independent Director
	Mr. Alok Sherry– Independent Director
	Mr. Balasubramaniam Venkataramani - Director
	Mr. Nehal Vora – Director

2. **Transactions with Related Parties**

(a) BSE Ltd (Holding Company):

Particulars	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)	For the Year ended March 31, 2018 (Rs)	For the Year ended March 31, 2018 (USD)
Reimbursement/ (Recovery) of Expenses/ Transactions				
Stamp duty & registration fee	-	-	-	-
Professional Fee	-	-	2,028	31.46
Advertising and marketing expenses	-	-	-	-
Salaries, allowances and bonus	-	-	(31,859)	(494)
Travelling Expenses	-	-	-	-
Miscellaneous Expenses	-	-	-	-
Computer Technology Related Expenses	15,70,924	22,477	11,81,620	18,335
Payable of gratuity liabilities on account of employee transfer out	9,29,962	13,561	-	-
Payable towards compensated absence liabilities on account of employee transfer out	92,744	1,352	-	-

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)	For the Year ended March 31, 2018 (Rs)	For the Year ended March 31, 2018 (USD)
Reimbursement of Parents Insurance policy of Employees	1,59,509	2,289	-	-
Equity Share Capital	-	-	20,00,00,006	31,20,611

Particulars	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)	As at March 31, 2018 (Rs)	As at March 31, 2018 (USD)
Liability-				
Payable (net)	-	-	8,92,655	13,724

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

Particulars	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)	For the Year ended March 31, 2018 (Rs)	For the Year ended March 31, 2018 (USD)
Reimbursement of Expenses/Transactions				
Computer Technology Related Expenses	36,43,918	52,139	21,12,326	32,776
Electricity Expenses	4,67,132	6,684	12,90,564	20,025
Staff Welfare Expenses	30,799	441	-	-
Travelling Expenses	-	-	5,41,775	8,406
Property, Plant and Equipments	-	-	4,447	68.38
Recovery of insurance policy	10,571	151	-	-
Salaries, allowances and bonus	2,44,299	3,496	5,80,913	9,014
Professional Fees	-	-	1,18,899	1,845
Incentives from Government authorities	2,45,127	3,508	-	-
Building repair and maintenance	2,47,321	3,539	-	-

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Recovery of Compensated absence liabilities (net)	1,65,458	2,331	-	-
Gratuity liability on account of employee transfer (net)	17,098	241	9,59,335	14,749

Particulars	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)	As at March 31, 2018 (Rs)	As at March 31, 2018 (USD)
Liability				
Payable (net)*	2,31,862	3,352	26,77,996	41,172

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

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

Particulars	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)	For the Year ended March 31, 2018 (Rs)	For the Year ended March 31, 2018 (USD)
Reimbursement/ (Recovery)Transactions				
Recovery of gratuity liabilities	-	-	-	-
Recovery of Compensated absence liabilities	-	-	-	-
Advance to Staff	-	-	-	-
Mobile phone & data card expenses	-	-	23,588	366
Hotel Expenses	-	-	3,59,036	5,571
Travelling expenses	-	-	3,14,697	4,883
Miscellaneous expenses			1,04,598	1,623

Particulars	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)	As at March 31, 2018 (Rs)	As at March 31, 2018 (USD)
Assets				
Receivable (net)	-	-	6,92,329	10,644

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

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Income		
Other Income (Recovery of Manpower Cost)	50,653	725
Particulars	**As at March 31, 2019 (Rs)**	**As at March 31, 2019 (USD)**
Receivable	50,149	725

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

Particulars	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenses		
Rent	1,90,828	2,730

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

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

(g) Key Managerial remuneration:

Particular	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)	For the Year ended March 31, 2018 (Rs)	For the Year ended March 31, 2018 (USD)
Salaries, allowances and bonus				
Mr. Arup Mukherjee - Managing Director and Chief Executive Officer*	46,14,256	66,023	39,56,193	61,386

* 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.

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

24. Contingent liabilities and Capital Commitments

There are no contingent liabilities and Capital commitments as at March 31, 2019 (2018: Nil).

25. Lease

25.1 Operating Lease: The Company has taken residential facilities and official facilities under cancellable operating lease. During the year ended March 31, 2019 rental expenses under cancellable operating lease is recorded Rs 6,40,462 (USD- 9,164) (2018: Rs 4,09,177 (USD- 6,349)).

25.2 Finance Lease –

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

Amount in Rs

Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2019	**2,427**	**9,708**	**55,860**	**67,995**
March 31, 2018	4,854	9,708	55,860	70,422
Finance Charge				
March 31, 2019	**143**	**1,023**	**17,154**	**18,680**
March 31, 2018	240	1,023	17,514	18,777
Present value of Minimum Lease Payments				
March 31, 2019	**2,284**	**8,685**	**38,346**	**49,315**
March 31, 2018	4,614	8,685	38,346	51,645

Amount in USD

Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2019	**35**	**140**	**808**	**983**
March 31, 2018	75	149	859	1,083
Finance Charge				
March 31, 2019	**2**	**15**	**253**	**270**
March 31, 2018	4	16	269	289
Present value of Minimum Lease Payments				

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

March 31, 2019	**33**	**126**	**554**	**713**
March 31, 2018	71	133	590	794

26. Capital management:

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

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

Compliance with externally imposed capital requirements:

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, The Company shall have a minimum net worth equivalent of fifty crore rupees initially and it shall enhance its net worth to a minimum equivalent of three hundred crore rupees over the period of three years from the date of approval.

27. SEBI vide its circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, had inter alia specified that Clearing Corporations in IFSC shall establish and maintain a Fund to guarantee the settlement of trades executed in the stock exchanges in IFSC. To begin with such fund shall have a corpus equivalent to at least 10% of the net-worth of the clearing corporation. Clearing corporations shall evolve a detailed framework for the Fund, subject to approval of SEBI. In view of the above, before commencement of operations, i.e. on January 10, 2017, a Core Settlement Guarantee Fund (Default Fund) of USD 8,75,926.05 (Rs 5,95,62,971.40) @ RBI reference rate i.e Rs 68/- has been created. Default Fund size as on March 31, 2019 is USD 1,075,894.21 (Rs 7,44,21,001.17).

28. Financial Risk Management

The company maintains an integrated and comprehensive view of risk and ensures that its risk management tools can manage and report on, all relevant risks. The Company's risk management policies, procedures, systems and controls form a part of a coherent and consistent governance framework which is reviewed and updated regularly. Participant Exposure and Settlement Default Risk, Credit Risk, Liquidity Risk, Legal Risk, Operational Risk, Custody and Investment Risk, Technology Risk, Clearing Bank Risk etc. are some of the risks that can be foreseen on a continuo us basis. The Company has a sound framework for the comprehensive management of all material risks and established documented policies, procedures, systems and controls to identify, measure, monitor and manage such risks. The risk management policy of the Company shall be in accordance with the Principles for Financial Market Infrastructures ("PFMI") published by the Committee on Payments and Market Infrastructures ("CPMI") and the Technical Committee of the International Organization of Securities Commissions ("IOSCO").

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 primarily arises from floating rate investment. The Company's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

Liquidity risk

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

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

Amount in Rs

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2019	**-**	**2,427**	**9,708**	**55,860**	**67,995**
March 31, 2018	-	4,854	9,708	55,795	70,357
Deposits from Members & Clearing Banks					
March 31, 2019	**8,38,35,616**	-	-	-	**8,38,35,616**
March 31, 2018	11,93,55,924	-	-	-	11,93,55,924
Trade payable					
March 31, 2019	-	**17,16,624**	-	-	**17,16,624**
March 31, 2018	-	56,58,706	-	-	56,58,706
Other financial liabilities					
March 31, 2019	**-**	**28,25,371**	**-**	**-**	**28,25,371**
March 31, 2018	-	70,55,529	-	-	70,55,529

INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) Limited

(Formerly known as BSE International Clearing Corporation (IFSC) Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Amount in USD

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2019	**-**	**35**	**140**	**808**	**983**
March 31, 2018	-	75	149	859	1,082
Deposits from Members & Clearing bank					
March 31, 2019	12,12,000	-	-	-	12,12,000
March 31, 2018	18,35,000	-	-	-	18,35,000
Trade payable					
March 31, 2019	-	24,817	-	-	24,817
March 31, 2018	-	86,998	-	-	86,998
Other financial liabilities					
March 31, 2019	-	**40,846**	-	-	**40,846**
March 31, 2018	-	1,08,473	-	-	1,08,473

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

For and on behalf of the Board of Directors

Ashishkumar Chauhan
Chairman

Arup Mukherjee
Managing Director & CEO

Deepak Khemani
Chief Financial Officer

Riddhi Khatri
Company Secretary

Date: April 25, 2019
Place: Mumbai