

Annual Report

2016-2017



INDIA IN 
INDIA INTERNATIONAL EXCHANGE

Where India means Business

Contents of Annual Report 2016-2017

- **Directors' Report**
 - **Secretarial Audit Report**
 - **Auditor's Report**
 - **Financial Statements**
-

Directors' Report

To
The Members,
India International Exchange (IFSC) Limited

Your Directors have great pleasure in presenting the First Directors' Report on the operations of your Company, together with the Company's Audited financials for the period ended on March 31, 2017.

FINANCIAL RESULTS

	For period starting from September 12, 2016 to March 31, 2017		For the year ended March 31, 2016 (Rs.)
	In Rs.	In USD	
Profit/(Loss) before Taxation	(9,42,25,383)	(14,02,441)	NA
Provision for Tax	-	-	
Net Profit/ (Loss) After Tax	(9,42,25,383)	(14,02,441)	
Balance Brought Forward From Previous Year	-	-	
Total Comprehensive income/(Loss)	(2,60,77,537)	251	
Balance of Profit/(Loss) carried forward to Balance Sheet	(12,03,02,920)	(14,02,190)	

NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR

During the financial period starting from September 12, 2016 to March 31, 2017, Six Board Meetings were held on following dates:

Sr. No.	Dates
1	September 15, 2016
2	October 25, 2016
3	November 2, 2016
4	November 16, 2016
5	January 9, 2017
6	February 8, 2017

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, if any;
- ii) they have selected such accounting policies and applied them consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year March 31, 2017 and of the loss of Rs.12,03,02,920/- (USD 14,02,190) of the Company for the said year;
- 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.

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.

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 are not applicable to IFSC Public Company vide exemption notification no. G.S.R. 08(E) issued by Ministry of Corporate Affairs on January 4, 2017.

ISSUE OF SHARES, ETC.

The Company has issued 54,90,00,000 (Fifty Four Crores Ninety Lakhs) Equity Shares of Rs. 1 each at par to BSE Limited on Preferential Basis on November 30, 2016.

AUDITORS & AUDITOR'S REPORT

Statutory Auditors

The Statutory Auditors M/s. S. Panse & Co. Chartered Accountants (Firm Registration No. 113470W), were appointed as the First Statutory Auditors of the Company at the First Board Meeting held on September 15, 2016, to hold office till the conclusion of the First Annual General Meeting (AGM).

The Board hereby recommends appointment of M/s. S. Panse & Co. as Statutory Auditors of the Company for the period of five years from the conclusion of this Annual General Meeting till the conclusion of the Sixth Annual General Meeting to be held in the year 2022, subject to ratification by shareholders at every Annual General Meeting.

The Auditors have confirmed that, their appointment, if made, would be in accordance with the Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act.

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

Secretarial Auditor

Pursuant to provision of section 204 of the Companies Act, 2013 and rule framed thereunder, M/s. Parikh Dave & Associates, Practicing Company Secretaries firm were appointed to undertake Secretarial audit of the Company.

The Secretarial audit report is given as **Annexure I** to the Directors' Report.

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

There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor and Secretarial Auditor in their report. No instance of fraud has

been reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

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.

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.

STATE OF COMPANY AFFAIRS & FUTURE OUTLOOK

During the year under review, your Company has incurred total loss of Rs.12,03,02,920/- (USD 14,02,190) for the period starting from September 12, 2016 to March 31, 2017.

The Company intends to aggressively pursue the bright prospects and enormous opportunities towards the objects of the Company.

TRANSFER TO RESERVES

Your Company has not transferred any sum to reserves during the period starting from September 12, 2016 to March 31, 2017.

DIVIDEND

Your Directors do not recommend any dividend on the Share Capital of the Company for the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments that took place and had affected the financial position of the Company after the end of the financial period ended March 31, 2017.

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

(A) Conservation of Energy

The Company has taken appropriate steps for the conservation of Energy.

(B) Technology Absorption

The Company uses latest technologies for its operations. The company has not imported any technology during the year.

(C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings and Outgo during the period are as referred in the Financial Statement of the Company.

EXTRACT OF ANNUAL RETURN

The provisions of Section 92(3) of the Companies Act, 2017 regarding providing an extract of Annual Return in Board Report is specifically exempted by Ministry of Corporate Affairs through exemption notification dated January 4, 2017.

RISK MANAGEMENT MECHANISM

The Company is in process of developing the Risk Management policy and implementation of the same.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

➤ Appointments

- **Chairman**

Mr. Ashishkumar Chauhan was appointed as Chairman of the Company w.e.f. February 8, 2017.

- **Managing Director**

Mr. Balasubramaniam Venkataramani was appointed as the Managing Director and Chief Executive Officer of Company w.e.f. February 8, 2017.

- **Directors**

The Board of Directors of the Company comprises of Mr. Anand Sinha (DIN: 00682433), Dr. Ajit Ranade (DIN: 00918651), Mr. Ashishkumar Chauhan (DIN: 00898469) and Mr. Nehal Vora (DIN: 02769054).

- **Key Managerial Personnel**

Mr. Balasubramaniam Venkataramani, Managing Director & CEO, Mr. Arunkumar Ganesan, Chief Financial Officer and Ms. Mansi Mehta, Company Secretary are the Key Managerial Personnel of the Company pursuant to the Companies Act, 2013.

➤ **Cessation**

Mr. Neeraj Kulshrestha (DIN: 02994647), and Mr. Nayan Mehta (DIN: 03320139) Directors of the Company resigned w.e.f. January 9, 2017 due to pre occupancy. Ms. Neena Jindal, Company Secretary of the Company resigned w.e.f. December 12, 2016. The Board places on record their appreciation for the invaluable contribution and guidance provided by them.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no subsidiaries, associates and joint ventures.

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.

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.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The management believes that the various processes relating to internal financial control with reference to financial statement are adequate.

PARTICULARS OF EMPLOYEES OF THE COMPANY DRAWING REMUNERATION IN EXCESS OF SPECIFIED LIMITS

The provisions of Section 197(12) of the Companies Act, 2013 and sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 in relations 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 of Ministry of Corporate Affairs.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance and the Directors individually.

VIGIL MECHANISM POLICY

The provisions of Section 177(9) of the Companies Act, 2013, in relation to the Vigil Mechanism Policy are not applicable to the Company.

CORPORATE GOVERNANCE

The provisions related to Corporate Governance disclosure requirement are not applicable to the Company.

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

The Company is in process to frame and implement the policy for Anti Sexual Harassment against women employees.

ACKNOWLEDGMENTS

We take the opportunity to express gratitude to the regulators, 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

Sd-

Ashishkumar Chauhan
DIN: 00898469
Chairman

Place: New Delhi
Date: April 21, 2017

Note:

In this report:

(a) "Company" has been used to denote India International Exchange (IFSC) Ltd.

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

(Formerly known as BSE International Exchange (IFSC) Limited)

CIN: U67190GJ2016PLC093684

1stFloor, Unit No. 101,

The Signature Building No.13B,

Road 1C, Zone 1, GIFT SEZ,

GIFT CITY, Gandhinagar – 382355

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED (Formerly known as BSE International Exchange (IFSC) Limited)**, a WOS 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 is first of its kind in India and it mainly deals with the flows of finance, 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, 2017 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, 2017 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 thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) 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;

- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company as the Company's Securities are not listed on any Stock Exchange:
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- (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. (Applicable till January 3, 2017.)
- (ii) The Listing Agreements and Uniform Listing Agreement entered into by the Company with Stock Exchange(s), if any. (Not Applicable as the Securities of the Company are not listed with any Stock Exchanges.)

During the period under review, the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above *and the Company is in process of obtaining necessary approval from the Reserve Bank of India under FEMA, 1999 with regard to receipt of subscription money from six nominee shareholders.*

We further report that:

During the audit period under review with reference to the industry Specific Acts / laws and Regulations, the Company being an IFSC Company, we have relied upon management representation issued to us.

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advanced and a system exists for seeking and obtaining further information and clarifications 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 unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, 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 general laws, rules, regulations and guidelines such as Special Economic Zone Act, 2005.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, as may be applicable to the Company has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

We further report that:

During the Audit period under review, the events having major bearing on the Company's Affairs in pursuance of the above referred laws, Rules, Regulations, guidelines, Standards etc are as mentioned below:

- The Company has issued and allotted 54,90,00,000 Equity Shares of Re. 1/- each for cash at par to BSE Limited on preferential basis in compliance of provisions of Section 42 and 62 of the Companies Act, 2013 including the Rules framed thereunder.
- The name of Company has been changed from BSE International Exchange (IFSC) Limited to India International Exchange (IFSC) Limited after getting necessary approval from the members of the Company at the Extra-Ordinary General Meeting held on November 2, 2016 and of Central Government. The fresh certificate of incorporation has been issued by Registrar of Companies, Gujarat on November 21, 2016.

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

* 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.

**FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES**

**Place: Ahmedabad
Date : April 19, 2017**

**UDAY DAVE
PARTNER
PRACTICING COMPANY SECRETARY
FCS No. 6545 C. P. No.: 7158**

Note: 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 EXCHANGE (IFSC) LIMITED
(Formerly known as BSE International Exchange (IFSC) Limited)
CIN: U67190GJ2016PLC093684

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

1. Maintenance of Secretarial record 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES**

Place: Ahmedabad
Date : April 19, 2017

UDAY DAVE
PARTNER
PRACTICING COMPANY SECRETARY
FCS No. 6545 C. P. No.: 7158

Independent Auditor's Report

To the Members of India International Exchange (IFSC) Limited (Formerly known as BSE International Exchange (IFSC) Limited)

Report on the Financial Statements

to then ended We have audited the accompanying financial statements of India International Exchange (IFSC) Limited (Formerly known as BSE International Exchange (IFSC) Limited) (hereinafter referred to as 'the Company'), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the period from September 12, 2016 to March 31, 2017 and a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the period from September 12, 2016 to March 31, 2017.

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 March 31, 2017 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (g) 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) according to the information and explanations given to us, there are no pending litigation against the Company
 - (ii) according to the information and explanations given to us, there 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.
 - (iv) the Company has provided requisite disclosures in Note 27 to its financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company

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

Supriya Panse
Partner
Membership No.: 46607
April 21, 2017

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 period from September 12, 2016 to March 31, 2017, 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 regular programme of physical verification of its fixed assets by which fixed assets are verified once every year. The fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company acquired leasehold premises (carrying values as on March 31, 2017- USD 13,24,398 equivalent INR 9,04,06,276/-) being its registered office during the period. The Company has entered into expression of interest with developer for acquiring the leasehold premises; however, execution of formal agreement is under progress.
- (ii) The Company is a service company, primarily in the business of stock exchange. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or security and has not made any investment in terms of the provisions of section 185 and 186 of the Act during the period.
- (v) The Company has not accepted any deposits from the public.
- (vi) According to the information and explanations given to us the Company is not required to maintain cost records as prescribed by the Central Government under section 148(1) of the Act for the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service

tax, cess and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of customs and excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that were not deposited by the Company on account of disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the period. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by 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.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, 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 Ministry of Corporate Affairs under section 462 of the Act, the provisions of section 177 and section 188(1) of the Act are not applicable to the Company. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the relevant provisions of section

188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) The Company made preferential allotment of shares during the period as mentioned in Note 9 to the financial statements in accordance with the provisions of section 42 of the Act and the amount raised was used for the purpose for which they were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, 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 21, 2017

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 Exchange (IFSC) Limited (Formerly known as BSE International Exchange (IFSC) Limited) ("the Company") as of March 31, 2017 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 March 31, 2017, 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 21, 2017

India International Exchange (IFSC) Limited
(Formerly known as BSE International Exchange (IFSC) Limited)
Balance sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017	
		(Amount in Rs.)	(Amount in USD)
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	20,71,36,765	31,94,652
b. Other Intangible assets	4	85,92,930	1,32,528
c. Intangible assets under development		55,04,732	84,899
d. Financial assets			
(i) Other Financial Assets	7	4,32,733	6,674
e. Non current tax assets (net)		27,751	428
Total		22,16,94,911	34,19,181
2 Current assets			
a. Financial assets			
(i) Cash and cash equivalents	5	37,23,03,825	57,42,009
(ii) Trade Receivables	6	28,594	441
(iii) Other financial assets	7	35,95,949	55,460
b. Other assets	8	32,84,788	50,661
Total		37,92,13,156	58,48,571
Total Assets		60,09,08,067	92,67,752
EQUITY AND LIABILITIES			
1 Equity			
a. Equity share capital	9	54,99,99,994	80,29,370
b. Other equity	10	(12,03,02,920)	(14,02,190)
Total		42,96,97,074	66,27,180
LIABILITIES			
2 Non-current liabilities			
a. Financial liabilities			
(i) Other financial liabilities	12	3,23,091	4,983
b. Provisions	13	49,40,312	76,194
Total		52,63,403	81,177
3 Current liabilities			
a. Financial liabilities			
(i) Trade payables	11		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		2,67,34,836	4,12,329
(ii) Other financial liabilities	12	13,26,82,599	20,46,352
b. Provisions	13	42,39,472	65,385
c. Other liabilities	14	22,90,683	35,329
Total		16,59,47,590	25,59,395
Total Equity and Liabilities		60,09,08,067	92,67,752
See accompanying notes forming part of the financial statements			

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

Balasubramaniam
Venkataramani
Managing Director & CEO

Date: April 21, 2017
Place: New Delhi

Arunkumar Ganesan
Chief Financial Officer

Mansi Mehta
Company Secretary

India International Exchange (IFSC) Limited
(Formerly known as BSE International Exchange (IFSC) Limited)
Statement of profit and loss from September 12, 2016 to period ended March 31, 2017

Particulars	Note No.	From September 12, 2016 to period ended March 31, 2017	
		(Amount in Rs)	(Amount in USD)
1 Revenue from operations:		-	-
2 Other income	15	3,225	48
3 Total revenue (1 + 2)		3,225	48
4 Expenses			
Employee benefits expense	16	2,87,55,035	4,27,987
Administration and other expenses	17	5,81,84,018	8,66,005
Finance costs		134	2
Depreciation and amortisation expenses	3&4	72,89,421	1,08,495
Total expenses		9,42,28,608	14,02,489
5 Profit / (loss) before tax (3 - 4)		(9,42,25,383)	(14,02,441)
6 Tax expense:			
Current tax		-	-
Deferred tax		-	-
7 Profit / (loss) for the period from continuing operations (5 - 6)		(9,42,25,383)	(14,02,441)
8 Profit from discontinuing operations		-	-
9 Tax expenses of discontinuing operations		-	-
10 Profit from discontinuing operations (after tax)		-	-
11 Profit / (loss) for the period (7 + 10)		(9,42,25,383)	(14,02,441)
12 Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plan		16,864	251
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B Items that will be reclassified to profit or loss			
(i) Foreign Currency translation reserve		(2,60,94,401)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the period		(2,60,77,537)	251
Total comprehensive income for the period (11+12)		(12,03,02,920)	(14,02,190)
13 Earning per equity share :	19		
Basic and Diluted before exceptional items (not annualised)		(0.282)	(0.004)
Basic and Diluted after exceptional item (not annualised)		(0.282)	(0.004)
Per value of share Rs		1	NA
Weighted average number of shares (Nos.)		33,42,23,875	33,42,23,875
See accompanying notes forming part of the financial statements			

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

Balasubramaniam
Venkataramani
Managing Director & CEO

Date: April 21, 2017
Place: New Delhi

Arunkumar Ganesan
Chief Financial Officer

Mansi Mehta
Company Secretary

India International Exchange (IFSC) Limited
(Formerly known as BSE International Exchange (IFSC) Limited)
Cash flow statement from September 12, 2016 to period ended March 31, 2017

Particulars	From September 12, 2016 to period ended March 31, 2017	
	(Amount in Rs)	(Amount in USD)
A. Cash flow from operating activities		
Profit / (loss) for the period	(9,42,25,383)	(14,02,441)
Depreciation and Amortisation Expenses	70,34,663	1,08,495
Foreign Currency translation reserve	(2,60,94,401)	-
<u>Adjustments for Changes in operating Liability and Assets</u>		
Trade payable	2,67,34,836	4,12,329
Trade Receivables	(28,594)	(441)
Remeasurement of Defined benefit Plan	16,864	251
Provisions	91,79,784	1,41,579
Other Liabilities	9,36,66,685	14,44,613
Other Financial Assets	(40,28,682)	(62,134)
Other Assets	(32,84,788)	(50,661)
	89,70,984	5,91,590
Taxes paid	(27,751)	(428)
Net cash generated from operating activities	89,43,233	5,91,162
B. Cash flow from investing activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(18,66,39,402)	(28,78,523)
Net cash generated/(Used in) from investment activities	(18,66,39,402)	(28,78,523)
C. Cash flow from financing activities		
Proceeds from allotment of equity share	54,99,99,994	80,29,370
Net cash generated from financing activities	54,99,99,994	80,29,370
D. Net increase in cash and cash equivalents	37,23,03,825	57,42,009
Cash and cash equivalents at the end of the period		
In current account - Owned	37,13,33,191	57,27,039
In current account - Earmarked	9,70,634	14,970
	37,23,03,825	57,42,009
Cash and cash equivalents at the beginning of the period	-	-
Changes In cash and cash equivalents	37,23,03,825	57,42,009
Cash and cash equivalents at the end of the period	37,23,03,825	57,42,009
Cash and bank balance	37,23,03,825	57,42,009

Note : Cash and cash equivalents comprise balances in current account with banks.

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

Balasubramaniam
Venkataramani
Managing Director & CEO

Date: April 21, 2017
Place: New Delhi

Arunkumar Ganesan
Chief Financial Officer

Mansi Mehta
Company Secretary

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements
From September 12, 2016 to period ended March 31, 2017

1. General Information

India International Exchange (IFSC) Limited (Formerly known as BSE International Exchange (IFSC) Limited ("Exchange")) was incorporated in September 2016, to carry on business as a stock exchange and to assist, regulate, control and/or otherwise associate with the business of buying, selling and dealing in equity shares, depository receipt(s), debt securities, currency and interest rate derivatives, index based derivatives, commodities derivatives, products in the equity shares, depository receipt(s), debt securities, currency and interest rate 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 in primary as well as secondary market, to facilitate investment, hedging, trading and other related requirements to the community at large as may be permitted under the applicable Law, to facilitate and regulate financial services relating to securities and capital market in International Financial Services Centres, set up under Special Economic Zones Act, 2005, and to provide specialized, advanced, automated and modern facilities and mechanism for trading of securities/ derivatives/products/instruments to ensure trading and to facilitate, promote, assist, regulate and manage dealings in securities, derivatives, products and instruments in accordance with the framework/business manual.

The financial statements were authorized for issuance by the Company's Board of Directors on April 21, 2017.

2. Significant Accounting Policies

2.1 *Basis of preparation of financial statement*

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), 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 EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements
From September 12, 2016 to period ended March 31, 2017

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 fully exempt from income tax for initial period of five years ,50% exempt for subsequent five years and 50% exempt of Profit ploughed back for another 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 obligation 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 EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

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.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

b. Equity instruments at FVTOCI and FVTPL:

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

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

c. Financial assets at FVTPL :

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

Financial liabilities

(a) Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognised 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 life 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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

of estimated useful life or lease term. The estimated useful lives of assets of significant items of property, plant and equipment are as follows:

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

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

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

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 life 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 life
Computer software	6 years

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

Derecognition of intangible assets

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

2.8 Leases

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

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

2.9 Impairment

a. Financial assets carried at amortised cost and FVTOCI

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising

impairment loss allowance based on 12 month ECL Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

b. Non-financial assets

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

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

2.10 Employee benefit

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

Defined Contribution Plan

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

Defined benefit Plan

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

The Company has the following employee benefit plans:

a. Gratuity

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

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

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

b. Compensated absences

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the Other Comprehensive Income.

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:

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

a. Time and service contracts

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

b. Annual / monthly Fee contracts

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

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

2.13 *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.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

b. Deferred income tax

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

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

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

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

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

2.16 Earnings per share

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

Diluted EPS is computed by dividing the net profit 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.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements
From September 12, 2016 to period ended March 31, 2017

2.17 Current and Non-current classification

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

2.18 Government grants

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

2.19 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.

2.20 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 September 12, 2016	-	-	-	-	-	-	-
Additions during the period	14,09,214	6,58,076	3,55,620	3,79,821	79,579	4,14,787	32,97,097
Deductions / adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2017	14,09,214	6,58,076	3,55,620	3,79,821	79,579	4,14,787	32,97,097
Accumulated depreciation and impairment							
Balance as at September 12, 2016	-	-	-	-	-	-	-
Depreciation for the period	14,886	28,911	7,983	31,031	1,953	17,681	1,02,445
Deductions / Adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2017	14,886	28,911	7,983	31,031	1,953	17,681	1,02,445
Net book value							
As at March 31, 2017	13,94,328	6,29,165	3,47,637	3,48,790	77,626	3,97,106	31,94,652

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 September 12, 2016	-	-	-	-	-	-	-
Additions during the period	9,46,80,438	4,42,13,955	2,38,92,934	2,55,18,920	53,46,650	2,78,68,170	22,15,21,067
Deductions / adjustments	-	-	-	-	-	-	-
Currency Fluctuation	-33,08,975	-15,45,228	-8,35,031	-8,91,858	-1,86,859	-9,73,962	-77,41,913
Balance as at March 31, 2017	9,13,71,463	4,26,68,727	2,30,57,903	2,46,27,062	51,59,791	2,68,94,208	21,37,79,154
Accumulated depreciation and impairment							
Balance as at September 12, 2016	-	-	-	-	-	-	-
Depreciation for the period	10,00,141	19,42,435	5,36,351	20,84,870	1,31,216	11,87,928	68,82,941
Deductions / Adjustments	-	-	-	-	-	-	-
Currency Fluctuation	-34,954	-67,886	-18,745	-72,864	-4,586	-41,517	-2,40,552
Balance as at March 31, 2017	9,65,187	18,74,549	5,17,606	20,12,006	1,26,630	11,46,411	66,42,389
Net book value							
As at March 31, 2017	9,04,06,276	4,07,94,178	2,25,40,297	2,26,15,056	50,33,161	2,57,47,797	20,71,36,765

4. Other intangible assets

Amount in USD

Particulars	Software	Total
Gross block		
Balance as at September 12, 2016	-	-
Additions during the period	1,38,578	1,38,578
Deductions / adjustments	-	-
Balance as at March 31, 2017	1,38,578	1,38,578
Accumulated depreciation and impairment		
Balance as at September 12, 2016	-	-
Amortisation for the period	6,050	6,050
Deductions / Adjustments	-	-
Balance as at March 31, 2017	6,050	6,050
Net book value		
As at March 31, 2017	1,32,528	1,32,528

Amount in Rs

Particulars	Software	Total
Gross block		
Balance as at September 12, 2016	-	-
Additions during the period	93,10,599	93,10,599
Deductions / adjustments	-	-
Currency Fluctuation	-3,25,395	-3,25,395
Balance as at March 31, 2017	89,85,204	89,85,204
Accumulated depreciation and impairment		
Balance as at September 12, 2016	-	-
Amortisation for the period	4,06,480	4,06,480
Deductions / Adjustments	-	-
Currency Fluctuation	-14,206	-14,206
Balance as at March 31, 2017	3,92,274	3,92,274
Net book value		
As at March 31, 2017	85,92,930	85,92,930

5. Cash and cash equivalents		
Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Balance with Banks Owned		
In Current Accounts	37,13,33,191	57,27,039
Earmarked Fund - Investor protection fund		
In Current Accounts	9,70,634	14,970
Cash and cash equivalents	37,23,03,825	57,42,009
* Refer Note No. 27 for Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016		
6. Trade Receivables		
Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Current		
Trade Receivables		
- Secured, considered good	28,594	441
- Unsecured, considered good	-	-
- Doubtful	-	-
- Allowance for doubtful debts (expected credit loss allowance)	-	-
Total Trade receivables	28,594	441
7. Other financial assets		
Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Non Current		
Advance to staff	4,32,733	6,674
Total (A)	4,32,733	6,674
Current		
Deposits with public bodies and other parties	22,68,184	34,982
Advances to Staff	59,976	925
Receivable from Group Company	12,67,789	19,553
Total (B)	35,95,949	55,460
Total (A+B)	40,28,682	62,134
8. Other assets		
Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Current		
Prepaid Expenses	18,34,608	28,295
Cenvat receivable	14,50,180	22,366
Total	32,84,788	50,661

9. Equity Share Capital

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Equity Share Capital		
Authorised share capital:		
55,00,00,000 Equity Shares of Rs 1/- each with voting rights	55,00,00,000	Not Applicable
Issued, Subscribed and fully Paid - up		
54,99,99,994 Equity Shares of Rs 1/- each with voting rights	54,99,99,994	80,29,370
Total	54,99,99,994	80,29,370

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

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
No. of shares at the beginning of the period	-	-
Allotment (Subscription Money)	9,99,994	-
Preferential allotment	54,90,00,000	-
No. of shares at the end of the period	54,99,99,994	-

10. Other equity

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Retained earnings		
Balance at the beginning of the period	-	-
Total Comprehensive Income during the period	(12,03,02,920)	(14,02,190)
Closing Balance	(12,03,02,920)	(14,02,190)
Total	(12,03,02,920)	(14,02,190)

11. Trade payables

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Current		
Payable to service providers (Net of Advances)	2,21,72,208	3,41,960
Payable to holding company	42,79,737	66,006
Payable to Group Company	2,82,891	4,363
Total	2,67,34,836	4,12,329

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

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

12. Other financial liabilities

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Non Current		
Finance lease obligations	3,23,091	4,983
Total (A)	3,23,091	4,983
Current		
Payable for fixed assets	4,16,29,688	6,42,051
Accrued employee benefits	1,55,98,741	2,40,578
Deposits from Members	5,21,97,018	8,05,030
Current maturities of finance lease obligations	2,32,57,022	3,58,691
Accrued Interest on finance lease obligations	130	2
Total (B)	13,26,82,599	20,46,352
Total (A+B)	13,30,05,690	20,51,335

13. Provisions

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Non Current		
Gratuity liability (* Refer note no. 20.1.1)	49,40,312	76,194
Total (A)	49,40,312	76,194
Current		
Compensated Absences (* Refer note no. 20.1.2)	41,60,434	64,166
Gratuity liability (* Refer note no. 20.1.1)	79,038	1,219
Total (B)	42,39,472	65,385
Total (A+B)	91,79,784	1,41,579

14. Other liabilities

Particulars	As at March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Current Owned		
Statutory remittances	13,20,049	20,359
Earmarked		
Contribution payable to Investor Protection Fund	9,70,634	14,970
Total	22,90,683	35,329

15. Other Income

Particulars	From September 12, 2016 to period ended March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Miscellaneous income	3,225	48
TOTAL	3,225	48

16. Employee benefits expense

Particulars	From September 12, 2016 to period ended March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Salaries, allowances and bonus	2,70,02,066	4,01,896
Contribution to provident and other Funds	10,40,050	15,480
Staff welfare expenses	2,21,515	3,297
Compensated absences	4,91,404	7,314
TOTAL	2,87,55,035	4,27,987

17. Administration and other expenses

Particulars	From September 12, 2016 to period ended March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Advertising and marketing expenses	11,56,955	17,220
Travelling expenses	1,15,03,841	1,71,222
Computer technology related expenses	1,12,60,625	1,67,602
Meeting and seminar expenses	1,78,31,753	2,65,406
SEBI Regulatory Fees	1,03,602	1,542
Contribution to Investors Protection Fund	10,05,785	14,970
Director Fees	1,21,070	1,802
Bank charges	86,335	1,285
Rent	3,00,123	4,467
Professional Fee	29,53,326	43,957
Legal Fees	83,446	1,242
Audit Fees	12,967	193
Building repair and maintenance	23,94,467	35,639
Stamp duty & registration fee	59,84,521	89,073
Electricity expenses	9,33,022	13,887
Printing and stationery expenses	79,482	1,183
Postage and telephone expenses	6,33,839	9,434
Miscellaneous Expenses	17,38,859	25,881
TOTAL	5,81,84,018	8,66,005

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 on 31 March 2017 which is 1 USD = Rs 64.8386 , amount of Statement Profit and Loss at the average rate (from starting date of preparation of these financials statement) till 31 March 2017 which is 1 USD = Rs 67.1867.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements
From September 12, 2016 to period ended March 31, 2017

19. Earnings Per Share

Particulars	From September 12, 2016 to period ended March 31, 2017	
	(Amount in Rs)	(Amount in USD)
Profit / (Loss) for the period	(9,42,25,383)	(14,02,441)
Weighted average number of equity shares (Nos)	33,42,23,875	33,42,23,875
Earnings per share basic and diluted	(0.282)	(0.004)
Face value per equity share	1	NA

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

20.1.1 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.

In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

i. The following tables set out the unfunded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2017.

Particulars	As at March 31, 2017 (Rs)	As at March 31, 2017 (USD)
Change in benefit obligations		
Benefit obligations at the beginning	-	
Current Service Cost	2,84,334	4,232
Interest on defined benefit obligation	71,151	1,059
Actuarial loss / (gain) arising from change in financial assumptions	(1,83,151)	(2,726)
Actuarial loss / (gain) arising on account of experience changes	1,66,287	2,475
Translation impact	(11,846)	-
Liability assumed on transfer from holding companies*	46,92,575	72,373
Closing Defined Benefit Obligation	50,19,350	77,413
Current Provision (Refer note 13)	79,038	1219
Non-Current Provision (Refer note 13)	49,40,312	76,194

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

ii. Amount recognised in the Statement of Profit and Loss From September 12, 2016 to period ended March 31, 2017

Particulars	Amount in Rs	Amount in USD
Current Service Cost	2,84,334	4,232
Interest on net defined benefit obligations	71,151	1,059
Total Included in "Employee Benefit Expense"	3,55,485	5,291

iii. Amount recognised in the Other Comprehensive Income From September 12, 2016 to period ended March 31, 2017

Particulars	Amount in Rs	Amount in USD
Actuarial loss / (gain) arising from change in financial assumptions	(1,83,151)	(2,726)
Actuarial loss / (gain) arising on account of experience changes	1,66,287	2,475
Amount recognised in the Other Comprehensive Income	(16,864)	(251)

iv. Principle actuarial assumption

Assumptions	March 31, 2017
Discount Rate	7.40%
Salary escalation	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 average past service on account of employee transfer from holding company.
- 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:-

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

Particulars	March 31, 2017	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(5.72)%	6.15%
Impact of decrease in 50 bps on defined benefit obligation	6.15%	(5.76)%

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. Maturity profile of defined benefit obligations

Maturity Profile	March 31, 2017
Expected benefits for year 1	79,068
Expected benefits for year 2	86,089
Expected benefits for year 3	96,159
Expected benefits for year 4	1,06,398
Expected benefits for year 5	1,16,209
Expected benefits for year 6	1,25,866
Expected benefits for year 7	1,36,360
Expected benefits for year 8	1,44,204
Expected benefits for year 9	1,56,242
Expected benefits for year 10 and above	12,395,293

The weighted average duration to the payment of these cash flows is 11.86 years.

20.1.2 Defined Benefit Plan – Compensated absence

The liability for compensated absences as at the period ended March 31, 2017 is Rs 41,60,434 (USD-64,166) as shown under current provisions. Provision for compensated absence amounting to Rs 4,91,404 (USD-7,314) have been charged to the Statement of Profit and Loss, under Compensated absence in note 16 "Employee benefits expense".

For Principle actuarial assumption refer above iv table of assumption.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

20.2 Defined Contribution Plan – Provident 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 pension scheme. Provident fund and pension scheme cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund and National Pension Scheme. The contributions are based on a certain proportion of the employee's salary.

The Company has an obligation to fund any shortfall on the yield of the trust's investment over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years.

Provident fund contributions amounting to Rs 4,88,278 (USD-7,267) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 16 "Employee benefits expense".

National pension scheme contributions amounting to Rs 1,96,324 (USD- 2,922) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 16 "Employee benefits expense".

21. Segment Reporting

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

22. Financial Instruments

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements
From September 12, 2016 to period ended March 31, 2017

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, 2017 is as follows and the directors consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars	Amount in Rs	Amount in USD
Financial Assets carried at amortised cost		
Other non-current financial assets	4,32,733	6,674
Cash and cash equivalents	37,23,03,825	57,42,009
Trade Receivables	28,594	441
Other current financial assets	35,95,949	55,460
Total	37,63,61,101	58,04,584
Financial Liabilities carried at amortised cost		
Other non-current financial liabilities	3,23,091	4,983
Trade payables	2,67,34,836	4,12,329
Other current financial liabilities	13,26,82,599	20,46,352
Total	15,97,40,526	24,63,664

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 Clearing Corporation (IFSC) Limited
	Indian Clearing Corporation Limited
	Marketplace Technologies Private Limited
	Central Depository Services (India) Limited
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

	BSE Sammaan CSR Limited
	Marketplace Tech Infra Services Private Limited
	CDSL Ventures Limited
	CDSL Insurance Repository Limited
	BSE Skills Limited
Joint Venture of Holding Company	Asia Index Private Limited
Key Management Personnel	Mr. Ashishkumar Chauhan – Non Executive Chairman
	Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer
	Mr. Ajit Ranade – Independent Director
	Mr. Anand Sinha – Independent Director
	Mr. Nehal Vora – Director

2. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

Particulars	From September 12, 2016 to period ended March 31, 2017 (Rs)	From September 12, 2016 to period ended March 31, 2017 (USD)
Reimbursement/(Recovery) of Expenses/ Transactions		
Stamp duty & registration fee	49,64,224	73,887
Travelling expenses	17,43,293	25,947
Professional Fee	14,13,170	21,033
Advertising and marketing expenses	11,56,955	17,220
Meeting and seminar expenses	9,61,374	14,309
Salaries, allowances and bonus	5,58,321	8,310
Miscellaneous Expenses	2,39,185	3,560
Legal Fees	83,446	1,242
Printing and stationery expenses	26,641	397
Staff welfare expenses	3,494	52
Reimbursement of Purchase of Property, plant and equipments	2,47,186	3,812
Purchase of Property, plant and equipments	12,34,205	19,035

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

Particulars	From September 12, 2016 to period ended March 31, 2017 (Rs)	From September 12, 2016 to period ended March 31, 2017 (USD)
Advance to Staff	505,028	7,789
Recovery of gratuity liabilities	(46,92,579)	(72,373)
Recovery of Compensated absence liabilities	(36,86,191)	(56,852)
Equity Share Capital	54,99,99,994	80,29,370

Particulars	As at March 31, 2017 (Rs)	As at March 31, 2017 (USD)
Liability		
Payable (net)	42,79,737	66,006

(b) India International Clearing Corporations (IFSC) Limited (Fellow Subsidiary):

Particulars	From September 12, 2016 to period ended March 31, 2017 (Rs)	From September 12, 2016 to period ended March 31, 2017 (USD)
Recovery of Expenses/Transactions		
Electricity Expenses	91,508	1,362
Staff Welfare Expenses	38,968	580
Travelling Expenses	13,08,058	19,469
Property, Plant and Equipments	37,606	580
Others	(1,30,196)	(2,008)

Particulars	As at March 31, 2017 (Rs)	As at Mar 31, 2017 (USD)
Assets		
Receivable (net)	12,67,789	19,553

(C) Marketplace Technologies Private Ltd (Fellow Subsidiary):

Particulars	From September 12, 2016 to period ended March 31, 2017 (Rs)	From September 12, 2016 to period ended March 31, 2017 (USD)
Expenditure		
Computer technology related expenses	3,25,680	4,847

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

Particulars	As at March 31, 2017 (Rs)	As at Mar 31, 2017 (USD)
Liability		
Payable	2,82,891	4,363

(d) Key Managerial remuneration:

Particular	From September 12, 2016 to period ended March 31, 2017 (Rs)	From September 12, 2016 to period ended March 31, 2017 (USD)
Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer		
Salaries, allowances and bonus	40,00,515	59,543

24. Contingent liabilities and Capital Commitments

There are no contingent liabilities and Capital commitments as at March 31, 2017.

25. Lease

25.1 Operating Lease: The Company has taken residential facilities and official facilities under cancellable operating lease. The rental expenses under cancellable operating lease during the period ended March 31, 2017 is Rs 3,00,123 (USD-4,467).

25.2 Finance Lease –

During the current period, Company has taken leasehold premises and improvements on lease term of 30 years. The Minimum lease rentals along with their leased premium and the present value of minimum lease payments in respect of assets acquired under finance lease as at March 31, 2017 are as follows:

Particular	<i>Amount in Rs</i>			
	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	2,32,57,430	60,764	3,79,766	2,36,97,960
Finance Charge	305	4,151	1,13,391	1,17,847
Present value of Minimum Lease Payments	2,32,57,125	56,613	2,66,375	2,35,80,113

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements
From September 12, 2016 to period ended March 31, 2017

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	358,697	937	5,858	3,65,492
Finance Charge	4	64	1,750	1,818
Present value of Minimum Lease Payments	3,58,693	873	4,108	3,63,674

26. Financial Risk Management:

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

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

Regulatory risk:

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

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, (primarily in Rs and other than USD). Presently, Company is not much exposed to foreign currency risk.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

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 at March 31, 2017.

Particulars	<i>Amount in Rs</i>				
	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	-	2,32,57,430	60,764	3,79,775	2,36,97,969
Deposits from Members	5,21,97,018	-	-	-	5,21,97,018
Trade Payables	-	2,67,34,836	-	-	2,67,34,836
Other Financial liabilities	-	5,72,28,429	-	-	5,72,28,429

Particulars	<i>Amount in USD</i>				
	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	-	3,58,697	937	5,857	3,65,492
Deposits from Members	8,05,030	-	-	-	8,05,030
Trade Payables	-	4,12,329	-	-	4,12,329
Other Financial liabilities	-	8,82,629	-	-	8,82,629

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

27. The Company is not dealing in cash transaction. In pursuance of requirement of Companies (Audit and Auditors) Amendment rules, 2017, Disclosure of Specified bank notes (SBN) held and transact during the period from November 08, 2016 to December 30, 2016 is as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

28. Capital management:

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

Particulars	As at	As at
	March 31, 2017 (Rs)	March 31, 2017 (USD)
Net worth	42,96,97,074	66,27,180
As percentage of total capital		
Current borrowings	-	-
Non-current borrowings	-	-
Total borrowings	-	-
As percentage of total capital	-	-
Total Capital (borrowings and equity)	42,96,97,074	66,27,180

The Company is predominantly equity financed which is evident from the capital structure table. Further, the company has always been a net cash company with cash and bank balances.

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 twenty five crore rupees initially and it shall enhance its net worth to a minimum equivalent of one hundred crore rupees over the period of three years from the date of approval.

29. The Government of Gujarat introduced a "Scheme of assistance for IT/ITeS Industry" in form of specified incentives under 'IT/ITeS Policy (2016-21)', in pursuance of this policy, during the current period company has received in principal approval for assistance subject to certain condition and

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

(Formerly known as BSE International Exchange (IFSC) Limited)

Notes forming part of the financial statements

From September 12, 2016 to period ended March 31, 2017

approval, accordingly Company has not recognised any amount of assistance during the current period ended March 31 2017.

- 30.** During the Current period, Company has accrued and credited USD 14,970 (Rs 10,05,785) towards Contribution to Investors Protection Fund.

For and on behalf of the Board of Directors

Date: April 21, 2017

Place: New Delhi

Ashishkumar Chauhan

Chairman

Balasubramaniam Venkataramani

Managing Director & CEO

Arunkumar Ganesan

Chief Financial Officer

Mansi Mehta

Company Secretary