

Annual Report

2019-2020



INDIA INX 
INDIA INTERNATIONAL EXCHANGE

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Directors' Report

To the Members, India International Exchange (IFSC) Limited

Your Directors have great pleasure in presenting the Fourth Annual Report of India International Exchange (IFSC) Ltd ('the Company'), together with the audited financials for the financial year (FY) ended March 31, 2020.

FINANCIAL SUMMARY / HIGHLIGHTS

Particulars	2019-20		2018-19	
	Rs. Lakhs	USD '000	Rs. Lakhs	USD '000
Total Revenue	240.15	338.81	225.18	322.20
Total Expenses	3,351.86	4,728.99	3,321.33	4,752.31
Profit / (Loss) before exceptional items & tax	(3,111.72)	(4,390.17)	(3,096.15)	(4,430.11)
Exceptional items	-	-	-	-
Profit / (Loss) before tax	(3,111.72)	(4,390.17)	(3,096.15)	(4,430.11)
Provision for tax	-	-	-	-
Net Loss for the year/period	(3,111.72)	(4,390.17)	(3,096.15)	(4,430.11)
Other comprehensive income (net of tax)	448.41	(14.32)	321.22	3.70
Total comprehensive income for the year	(2,663.31)	(4,404.50)	(2,774.93)	(4,426.41)
Net Profit attributable to the shareholders of the Company	(3,111.72)	(4,390.17)	(3,096.15)	(4,430.11)

Financial Results

The total income of the Company during the F.Y. 2019-20 was INR 240.15 Lakhs mainly on account of revenue from operations INR 130.27 Lakhs and investment income INR 69.15 Lakhs. The total expenses for the year were INR 3,351.86 Lakhs mainly on account of INR 1,562.21 Lakhs – LES expenditure, INR 790.34 Lakhs employee cost, INR 280.35 Lakhs computer technology related expenses and INR 359.73 Lakhs depreciation.

Dividend

In view of the loss incurred by the company during the year under review, your board of Directors do not recommend any dividend for the financial year 2019-20.

Transfer to Reserves

In view of the loss incurred by the company during the year under review, your Board of Directors do not recommend appropriating any amount to be transferred to General Reserves for the financial year 2019-20.

Key Strategies

India International Exchange (IFSC) Limited (INDIA INX)

Following is a summary of key milestones achieved, major events along with an analysis of the growth strategy during F.Y. 2019-20:

Growth in the core business segment – India INX Derivatives

India INX's core business of Derivatives has achieved remarkable growth since its launch in January 2017.

- During the Financial Year 2019-20, India INX was the largest exchange at GIFT IFSC with an overall market share ^[1] of **81.79%** based on the notional Trading Turnover for Derivatives. India INX's market share at GIFT IFSC increased to **90%** in March 2020
- INDIA INX is the leading Exchange at GIFT IFSC for Equity Index Futures and Options with market share of **80.64%** during FY 2019-20. INDIA INX's market share increased to **89.18%** in March 2020.
- India INX's Gold Futures market share^[2] as compared to equivalent Gold Futures traded in Dubai was **55.74%** during FY 2019-20.
- India INX's INDIA50 Index Futures and Options market share^[3] as compared to similar India-based equity index derivatives traded in Singapore was **50.48%** during FY 2019-20.
- INDIA INX's highest daily trading turnover was **USD 4.91 billion** achieved on July 25, 2019

MARKETS BUSINESS PERFORMANCE

(A) SECONDARY MARKETS – INDIA INX's DERIVATIVES

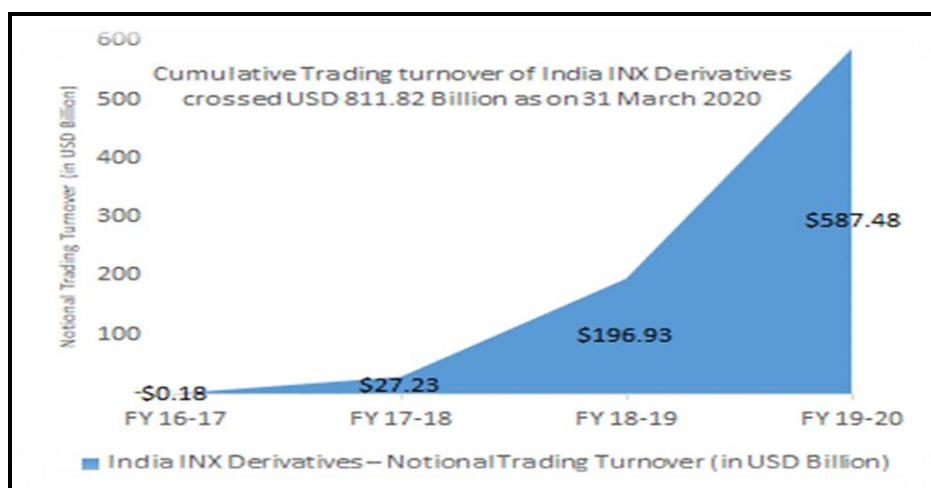
India INX delivered an exponentially increasing growth in trading volume and trading turnover during FY 2019-20 as compared to the previous financial year. The notional trading turnover on INDIA INX's derivatives increased by 198.31% from USD 196.93 billion in the previous financial year FY 2018-19 to USD 587.48 billion in FY 2019-20. During the same period, trading volume increased from 138.81 lakh contracts (FY 2018-19) to 452.88 lakh contracts (FY 2019-20).

^[1] Market share calculated based on the notional trading turnover of the Futures and Options

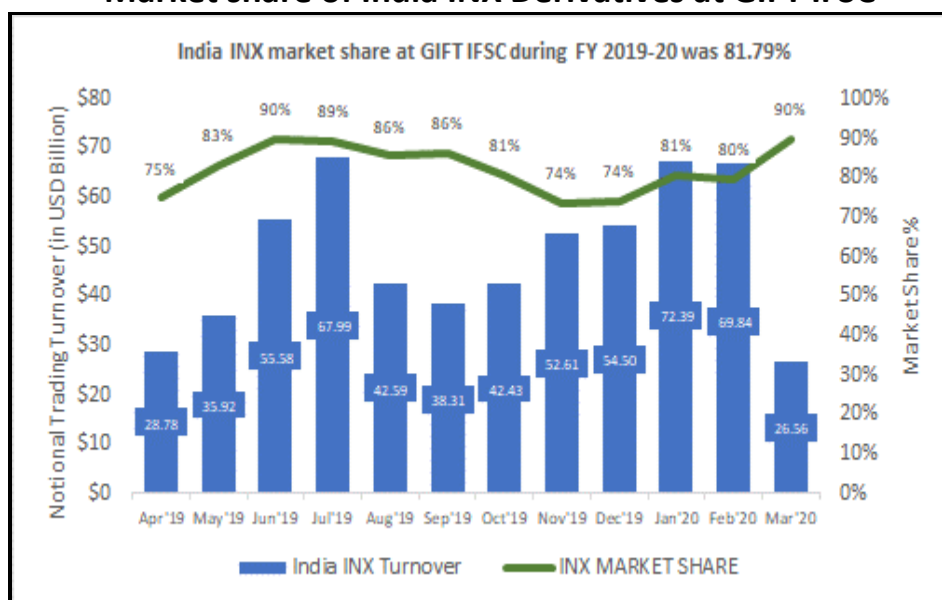
^[2] Market share for Gold Futures is based on the estimated notional trading turnover of similar contracts in Dubai-based Exchanges

^[3] Market share for Index Futures and Options is based on the estimated notional trading turnover of similar contracts in Singapore-based Exchanges

Growth in India INX Derivatives Trading Turnover



Market share of India INX Derivatives at GIFT IFSC



The Average Daily Trading Value (ADTV) of India INX's Derivatives peaked at USD 2259 million per day in during the FY 2019-20. The highest daily trading turnover of USD 4.91 billion was achieved on July 25, 2019 when 4,05,544 contracts (lots) were traded. Cumulative Trading Turnover of India INX Derivatives has crossed USD 811.82 billion (Rupees 61,19,982 Crores) as on March 31, 2020 with the cumulative Trading Volume at 6,08,65,498 contracts (lots).

India INX Derivatives – Notional Trading Turnover (in USD million)

Description	FY 2019-20	FY 2018-19	% change
India INX Futures	92,031	96,667	-4.80%
India INX Options	4,95,452	100,267	394.13%
TOTAL	5,87,483	196,934	198.31%

India INX Derivatives – Trading Volume (no. of contracts or lots)

Description	FY 2019-20	FY 2018-19	% change
India INX Futures	49,79,970	51,82,200	-3.90%
India INX Options	4,03,08,849	86,98,771	363.39%
TOTAL	4,52,88,819	1,38,80,971	226.27%

India INX Derivatives by asset class –Notional Trading Turnover (USD million)

Asset class	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
Equity Index Futures	49,216	8.38%	43,319	22.00%	13.61%
Equity Index Options	4,95,452	84.33%	100,267	50.91%	394.13%
Commodities & Energy Futures	42,815	7.29%	53,343	27.09%	-19.74%
Other Segments	-	-	5	0.00%	-100.00%
TOTAL	5,87,483	100%	196,934	100%	198.31%

Key Statistics of India INX Derivatives by asset class – Trading Volume (No. of contracts or lots)

Segment	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
Equity Index Futures	40,59,987	8.96%	37,96,366	27.35%	6.94%
Equity Index Options	403,08,849	89.00%	86,98,771	62.67%	363.39%
Commodities & Energy Futures	9,19,983	2.03%	13,85,380	9.98%	-33.59%
Other Segments	-	-	454	0.00%	-100.00%
TOTAL	4,52,88,819	100%	1,38,80,971	100%	226.27%

Key statistics for India INX Derivatives by product – Notional Trading Turnover (USD million)

Product	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
INDIA50 Index Futures	49,216	8.38%	43,319	22.00%	13.61%
INDIA50 Index Options	4,95,452	84.33%	100,267	50.91%	394.13%
Gold Futures (32 tr oz)	42,815	7.29%	52,409	26.61%	-18.31%
Other Products	-	-	939	0.48%	-100.00%
TOTAL	5,87,483	100%	196,934	100.00%	198.31%

Key statistics for India INX Derivatives by product – Trading Volume (no. of contracts or lots)

Product	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
INDIA50 Index Futures	40,59,987	8.96%	37,96,366	27.35%	6.94%
INDIA50 Index Options	4,03,08,849	89.00%	86,98,771	62.67%	363.39%
Gold Futures (32 tr oz)	9,19,983	2.03%	13,05,591	9.41%	-29.54%
Other Products	-	-	80,243	0.58%	-100%
TOTAL	4,52,88,819	100%	1,38,80,971	100%	226.27%

Growth in Listings Business – India INX Global Securities Market

India INX set up India's first international primary markets platform, the Global Securities Market to cater to the needs of Indian and foreign issuers to raise funds from global investors. The maiden listing of debt securities on Global Securities Market was on December 22, 2017. Ever since, has emerged as the leading primary markets platform at GIFT IFSC for raising capital through issuance with 100% market share in MTN establishment and 99% market share in listed bonds in GIFT IFSC.

As on March 31, 2020: India INX's Global Securities Market has cumulatively established USD 48.57 billion of Medium Term Notes ("MTN") and listed USD 21.28 billion of debt securities including masala bonds and green bonds.

During FY 2019-20, approx. 41% of Indian issuers of Debt Securities in the international markets have established their MTN programme on India INX and 36% of the funds raised by Indian issuers was listed on India INX's Global Securities Market. Marquee Foreign Bank Asian Development Bank and several large Indian corporate entities, Public Sector Units (PSU), banks and financial institutions have established / updated MTNs and/or listed debt securities on the Global Securities Market viz

- Asian Development Bank
- Adani Green Energy Limited
- Export-Import Bank of India (EXIM)
- Indian Railway Finance Corporation (IRFC)
- IndusInd Bank
- National Thermal Power Corporation (NTPC)
- ONGC Limited
- Power Finance Corporation (PFC)
- Rural Electrification Corporation (REC)

In pursuance to the commitment to sustainable development the Exchange launched, in August 2019, an exclusive Global Securities Market **Green platform** for listing of green, social and sustainable financing bonds, aligned to ICMA's principles.

INDIA INX's PRIMARY MARKET PLATFORM - GLOBAL SECURITIES MARKETS

India INX's Global Securities Market has emerged as the leading primary markets platform at GIFT IFSC for raising capital from global investors through debt securities.

During FY 2019-20, the cumulative MTN established on Global Securities Market increased by 14% to USD 48.57 billion as compared to USD 42.57 billion till financial year FY 2018-19. Similarly, during FY 2019-20, cumulative listing of debt securities increased by 53% to USD 21.28 billion as compared to USD 13.87 billion till financial year FY 2018-19 with the number of issuances increasing by 65% from 31 ISINs to 51 ISINs.

Listings Business Performance (USD million)			
Description	Till March 2020	Till March 31 2019	% Change
Medium Term Notes established on GSM	48,574	42,574	14%
Debt Securities (Drawdowns and Standalone) Listed on GSM	21,288	13,870	53%
No. of issuers	15	10	50%
No. of issues listed (ISIN's)	51	31	65%

For the period April 1, 2019 to March 31, 2020 total value of bond listed on GSM Platform is USD 7,418 against the relevant Established or Updated MTN / Standalone Programme is given below:

Sr. No	Name of Issuer	MTN / Standalone Programme established / updated (USD Million)	Debt Securities	No. of ISINs
			(Bonds) Listed (USD Million)	
1	ASIAN DEVELOPMENT BANK	-	INR 850 Mn (USD 118 Mn)	1
2	ADANI GREEN LIMITED	500	500	2
3	EXIM BANK LIMITED	10000	1000	2
4	INDIAN RAILWAY FINANCE CORPORATION	2000	1000	4
5	INDUSIND BANK	1000	400	1
6	NTPC LIMITED	6000	450	1
7	ONGC LIMITED	2000	300	1
8	POWER FINANCE CORPORATION LIMITED	5000	2500	6
9	RURAL ELECTRIFICATION CORPORATION(REC)	7000	1150	2
	Total		7418	20

KEY REGULATORY DEVELOPMENTS

1. IFSC Authority Act, 2019:

The IFSC Authority Act, 2019, which was notified vide notification no. 50 on December 20, 2019, was a pre-cursor to the setting up of a unified authority for regulating all financial activities in the International Financial Services Centers (IFSCs) in the country. The IFSC Authority will act as a single window for regulating various financial activities in the IFSC and play a pivotal role in inter-regulatory coordination leading to improvement in the ease of doing business for foreign investors.

Some of the key functions of the Authority pertain to:

- Regulating financial products, financial services and financial institutions at the IFSC that have been approved by any regulator (such as SEBI, RBI, IRDAI, PFRDAI) before the enactment of the IFSC Authority Act, 2019.
- Regulating any other financial products, services or institutions at IFSC that may be notified by the Central Government and,
- Recommending to the Central Government, any other financial services, products or institutions which may be permitted in IFSC.

All powers relating to regulation of financial products, services and institutions in IFSC that were previously exercised by respective regulators shall be exercised by the IFSC Authority. All processes and procedures to be followed by the IFSC Authority for such

regulation shall be similar to the provisions for these processes under the respective laws of the respective regulators.

It is expected that the IFSC Authority will become operational in the next few quarters.

2. Introduction of Rupee Derivatives with settlement in foreign currency on the Exchange.

RBI's Task Force on Offshore Rupee Markets had recommended introduction of non-deliverable Rupee Derivatives in IFSCs in a phased manner, starting with exchange traded currency derivatives (ETCD) to be followed by Over the Counter (OTC) derivatives at a later stage. RBI had accepted the above recommendation and announced the same in its 'Statement on Developmental and Regulatory policies' issued on October 04, 2019.

In pursuance to the same, the Reserve Bank of India (RBI) has allowed IBUs to participate in exchange traded currency derivatives on Rupee (with settlement in foreign currency) listed on stock exchanges set up at IFSCs vide RBI notifications dated January 20, 2020¹ on "Introduction of Rupee derivatives of International Financial Services Centre" and (2) dated January 21, 2020² on "Setting up of IFSC Banking Units (IBU's) – Permissible activities." RBI has also issued notification dated April 01, 2015 (updated as on January 21, 2020)³ on "Setting up of IFSC Banking Units (IBUs)". Accordingly, Banks are required to also ensure that their IBUs have necessary expertise to price, value and compute the capital charge and manage the risks associated with the products / transactions intended to be offered and have directed them to obtain their Board's approval for undertaking such transactions. IBUs are also required to follow all prudential risk mitigation measures as applicable while participating in these products.

The Honourable Finance Minister had made an announcement in her Budget speech while presenting the Finance Bill 2020 of permitting Rupee derivatives to be traded in the IFSC. Later, SEBI vide its Circular dated February 03, 2020⁴, prescribed the positions limits for eligible market participants for Currency Future and Options Contracts (involving Indian Rupee) on Exchanges in IFSCs.

Further to the above, INDIA INX, had submitted contract specifications for four contracts with SEBI on February 4, 2020 for its approval so as to commence trading in the same. Upon receipt of SEBI's approval on February 24, 2020, the Exchange, along with India International Clearing Corporation (IFSC) Limited, its clearing arm, had applied to the RBI for grant of authorisation under section 10(1) of FEMA Act 1999 to conduct trading in rupee derivatives. Post its due process, the RBI has granted authorization on March 18, 2020 to both the organisations to undertake activities related to currency futures and options.

Yet another favourable development has been that the RBI on March 27, 2020⁵, has permitted the IBUs to offer offshore non-deliverable Rupee derivative contracts to persons not resident in India. Given the above developments, it is expected that the IBUs will actively participate in the Rupee derivatives and contribute to the broader goal of onshoring the NDF market for the Rupee which has hitherto been expanding in the offshore global financial centres. Considering the same, and based on inquiries received, the Exchange has been engaging actively with the IBUs and extending relevant assistance to get their registrations initiated faster.

The Exchange is hoping for the current Covid-19 pandemic to subside soon and the Lockdown to be withdrawn. In the meantime, the Exchange has maintained its readiness to commence operations in these products at the earliest possible.

(Notification ref nos: (1) RBI/2019-20/145, (2) RBI/2019-20/147, (3) RBI/2014-15/533, (4) SEBI/HO/ MRD2/DCAP/CIR/P/2020/17, (5) RBI/2019-20/193, AP (DIR Series) Circular No. 23)

3. Clarification on status of taxation for EFIs

The Central Board of Direct Taxes, vide its notification dated March 13, 2020, has specified that a non-resident Indian (NRI) being an Eligible Foreign Investor (EFI) which operates as per SEBI circular dated January 4, 2017 shall be deemed as a Foreign Institutional Investor (FII) for the purposes of transactions in securities on the stock exchanges in the IFSC where the consideration is paid in a foreign currency. This clarifies the issues about the tax treatment for EFIs and can potentially lead to increased interest from the NRI investors in the securities market at the IFSC.

(Notification ref. No: S.O. 157 (E) Ministry of Finance (Dept of Revenue) CBDT)

4. Capital Gains tax exemption on securities traded at IFSC

The Ministry of Finance (MoF), vide its notification dated March 5, 2020¹, exempted Foreign Currency denominated Bonds, Units of a Mutual Funds / AIFs / Business Trust and Foreign Currency denominated Equity shares listed and traded on IFSC based stock exchanges from capital gains. While this has been a much-awaited announcement, the Exchange has also sought similar exemption for Global Depository receipts, derivatives and Rupee denominated bonds of Indian companies, all of which are already notified in Finance Act, 2018.

This is expected to level the playing field for IFSC stock exchanges vis-a-vis the global financial centres and make IFSC an attractive jurisdiction for bulge bracket investors and long-term investing funds. This in turn is expected to shore up the liquidity and open interest in the products available for trading in the IFSC. With its leadership position in both the turnover and liquidity amongst the stock exchanges at the IFSC, INDIA INX is likely to benefit from this likely increase in number and the varied participants.

(Notification ref no: (1). MoF Notification No. 16/220 dated March 05, 2020)

5. Stamp Duty on transactions done on stock exchanges based at the IFSC

Ministry of Finance (Department of Revenue) (MoF-DoR) had vide notification dated 10th December 2019 issued the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories (Rules), 2019 which implied levy of stamp duty on transactions executed on stock exchanges in the IFSC. The Exchange had taken up the matter with relevant authorities while requesting attention to the proviso to Section 3 (c) of the Indian Stamp Act, 1899 which exempted such a levy of the duty in connection with the carrying out of purposes of the Special Economic Zone. Further to the same, its implementation was postponed to April 1, 2020 vide a MoF-DoR notification dated January 8, 2020, instead of the previously announced date of January 9, 2020.

Subsequently, the Finance Act 2020, notified on March 27, 2020, has amended the same by insertion of a provision in sub-section (2) of section 9A of the Indian Stamp Act, 1899 which provided that no duty shall be chargeable in respect of the instruments of transaction in stock exchanges and depositories established in any IFSC set up under section 18 of the Special Economic Zones Act, 2005.

Thus, the earlier situation wherein no stamp duty was applicable on the transactions executed on the IFSC Exchanges has been reinstated.

6. Withholding tax on debt securities reduced from 5% to 4% - Finance Act 2020.

The withholding tax on interest payment on debt securities listed on IFSC stock exchanges has been reduced from 5% to 4%. This was part of the budget announcements of the Hon'ble Finance Minister and, with the notification of the Finance Act, 2020 on March 27, 2020 it has become effective. This decision by the Government offers an immense boost to all issuers and will help them in attracting more international investors and list their debt securities in the IFSC stock exchanges.

India INX has already listed medium-term note (debt) programs worth \$ 47 billion dollars (about Rs 3.33 lakh crores) with drawdown of \$ 21 billion dollars. This announcement should greatly incentivise issuers to choose INDIA INX as the preferred platform for listing their international bonds and masala bonds.

7. IFSC Working Group formation

SEBI, had advised to form an IFSC Working Group comprising of senior officials of the stock exchanges and GIFT IFSC. The working group has been tasked to consider, deliberate and recommend, along with the indicative operational guidelines, various initiatives and matters that require SEBI's interventions. Accordingly, the working group met internally at GIFT City and subsequently with the SEBI officials and discussed various initiatives across intermediaries, products and issuers with an aim to increase the participation in the IFSC Securities Market. Further to the same, SEBI has enabled, vide their circulars dated February 27 and 28, 2020^{1 & 2}, a couple of measures with regard to offering ease of doing business to intermediaries and issuers while a few others are under consideration. The Exchange has been actively contributing in formulating operational guidelines/framework across various products and suitable carve outs from extant statutes while benchmarking with the best practices in global financial centres.

(Circular ref no. (1) SEBI/HO/MRD1/DSAP/CIR/P/2020/30 February 27, 2020 and (2) SEBI/HO/IMD/DF1/CIR/P/2020/31)

8. Other developments:

Some of the other relevant developments are:

- a) SEBI registered intermediaries (non trading or clearing members) or their international associates can now provide financial services in IFSC without forming a separate company subject to prior approval of SEBI.
(SEBI Circular SEBI/HO/MRD1/DSAP/CIR/P/2020/30 dated February 27, 2020)
- b) SEBI registered intermediaries are now exempted from seeking prior approval of SEBI in case of services offered by them exclusively to institutional investors.

The requirement for prior approval from SEBI is also exempted for non-SEBI registered intermediaries offering the services exclusively to institutional investors, provided the intermediary is recognized in the foreign jurisdictions as defined in the IFSC guidelines.

(SEBI Circular SEBI/HO/MRD1/DSAP/CIR/P/2020/30 dated February 27, 2020)

- c) Issuers listing their debt securities on IFSC stock exchanges are now allowed to prepare their statement of accounts as per IFRS / US GAAP / IND-AS or accounting standards as per their place of incorporation. A quantitative summary of significant differences needs to be separately filed in case the above standards are not followed.

(SEBI Circular SEBI/HO/MRD1/DSAP/CIR/P/2020/30 dated February 27, 2020)

- d) The operating guidelines for Investment Advisers (IA) in IFSC have been relaxed. The existing recognized entities in the IFSC can now also register as IA without forming a separate company or LLP.

(SEBI Circular SEBI/HO/MRD1/DSAP/CIR/P/2020/30 dated February 27, 2020)

9. Seamless conduct of trading and settlements during the Lockdown due to Covid-19 pandemic

Further to the announcement of the WHO of Covid-19 as a global pandemic, the Ministry of Home Affairs has issued an order (no. 40-3/2020-D) dated March 24, 2020 in which various guidelines have been issued laying down the measures to be taken by departments of the Government of India and the State Governments for containment of pandemic. While the Order, inter alia, provided that most commercial establishments should be closed down, the capital market services, being part of 'essential services', as notified by SEBI were exempted from such closures. Accordingly, INDIA INX, being a SEBI recognized stock exchange, continues to offer seamless trading and settlement services even in the current Lockdown.

The management of INDIA INX is seized of the evolving situation pertaining to the pandemic and continues to closely monitor it to ensure safety of all its staff members, the normal conduct of the market operations and prompt identification and resolution of issues, if any. As part of its BCP measures, it continues its systems operations from the "Primary Site" at GIFT IFSC, an isolated and quarantined location similar to a DR site, which has a resilient IT Infrastructure backbone and continues to be on high alert, with minimal required staff strength. Additionally, readiness is maintained to utilize, if required, its BCP site located at Ahmedabad and maintain "Hot Site" state of the "Emergency Operations Centre" at Ahmedabad and its DR Site at Hyderabad, notwithstanding the yet to be resolved matter of regarding trades executed at the DR site to be deemed to have been effected at GIFT SEZ and the resultant lenient tax treatment thereof.

India INX has activated its BCP framework and has already enabled almost 90% of its staff to work from home. Most employees have been given remote access to their computers using a framework called Virtual Private Network (VPN) keeping in mind the information security needs along with flexibility required in new circumstances. This allows them to work from their homes without affecting the information security protocol. All employees and associates also get secured email and other services at their home PCs.

The Exchange has deployed bare minimum skeletal staff on shift basis for Mission Critical Activities while adopting “Work From Home procedures” towards support to Mission Critical and conduct of Business Critical Activities. Each department has been rotating the staff. Sanitizer bottles have been placed near all doors in all offices. All incoming persons are requested to first sanitize their hands and then enter the office. Thermal scanners have been placed at the building entrance to check down the temperature of the people entering our office building. Adequate stocking of the vending machines in the pantry for dispensing packaged food for the staff in office has ensured continuous availability of food stuff in office. Additionally, coordination with the Police is done through Gift City to ensure that the Exchange staff does not face any difficulty to come to office for doing critical operations. Details of nearby Hospitals is kept ready in case of any emergency.

Communication lines with all stakeholders, SEBI, banks, clearing corporations, other exchanges and market participants have been kept active and constant vigil and monitoring is done of current situation to decide on next course of action to ensure working of the exchange.

Given all of the above, INDIA INX continues to operate normally and seamlessly for 22 hours a day and compete with other international exchanges. All our systems continue to work fine and independently at the GIFT IFSC location. The Exchange’s clearing corporation, India ICC also continues to operate normally conducting 2 settlements daily.

ISSUE OF SHARES, ETC.

The Company has issued and allotted 10,43,84,018 Equity Shares of Rs. 1 each to ICICI Bank Limited.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

India INX Global Access (IFSC) Limited (“India INX GA” or “Global Access”)

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

India INX launched a 100% wholly-owned subsidiary **India INX Global Access IFSC Limited (“India INX GA”)** on September 18, 2018 to facilitate access to global exchange markets through a single centralized platform. India INX GA is a pioneering venture of India INX, the first of its kind from India and GIFT IFSC. It offers India INX’s members easy access to a diverse range of multi-asset class products traded on international exchanges without having the need to set up abroad.

India INX GA's vision is to become the leading provider of financial services by offering centralized access to international financial markets for the benefit of India INX's members from GIFT IFSC. India INX GA effectively and efficiently complements India INX's business offerings through connectivity to global markets, thereby decreasing the time to market.

As on March 31, 2020, India INX GA has regulatory approval to offer access to the following international exchanges:

- *CME Group of Exchanges*
- *London Metal Exchange (LME)*
- *Intercontinental Exchange (ICE) Futures US*
- *ICE Futures Europe*
- *Eurex*
- *Euronext N.V.*

India INX GA facilitates access to international exchanges through Marex Spectron group, which is a Futures Commission Merchant (Clearing Member) of CME Group of Exchanges. India INX GA's clients can open separate sub-accounts for trading on global exchanges. In this structure, India INX GA is classified as a Foreign Broker as per *CFTC Regulation 3(10)(c)(2)* with an Omnibus account with Marex. This would facilitate India INX GA's clients to access cash and derivatives products available on international exchanges.

Key benefits for India INX GA's clients

Some of the major benefits of trading on India INX GA are as follows:

- Single-window interface to multiple global exchanges from GIFT IFSC
- Access to multi-asset class products
- State-of-the-art technology using Marex Spectron's Neon Trader and other approved Independent Software Vendors (ISVs) such as CQG, TT, Stellar, Vela, etc.
- Server co-location facility available from ISVs
- Members can also immensely benefit from hedging and arbitrage opportunities between India INX and other international exchanges

A centralised single-window interface for trading on international exchanges decreases overall costs of accessing global markets from GIFT IFSC. Technology is a key enabler in the vastly competitive exchange marketplace and India INX GA's clients can access multiple exchange markets.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

➤ Appointments

During the Financial Year under review following appointment of Director were made:

- Shri Sameer Patil was appointed as Director of the company w.e.f. November 22, 2019.

- Dr. Ajit Ranade has been reappointed as an Independent Director of the company for a further period of three years commencing from January 6, 2020 to January 5, 2023.

The Composition of Director and KMPs of the company is as under:

- **Directors**

The Board of Directors of the Company comprises of Shri Ashishkumar Chauhan – Chairman, Dr. Ajit Ranade- Independent Director, Dr. Sudip Kumar Nanda- Independent Director, Shri Sameer Patil- Director and Shri Balasubramaniam Venkataramani- Managing Director & CEO).

- **Key Managerial Personnel**

Shri Balasubramaniam Venkataramani, Managing Director & CEO, Shri Mayank Jain, Chief Financial Officer and Shri Nikhil Mehta, Company Secretary are the Key Managerial Personnel of the Company pursuant to the Companies Act, 2013.

➤ **Cessation**

During the Financial Year under review following Directors ceased to hold the office:

- Shri Nehal Vora had resigned from the Directorship of the company w.e.f. September 19, 2019 due to joining of him as Managing Director & CEO of Central Depository Services (India) Limited.
- The Term of Shri Anand Sinha as an Independent Director of the company had expired on January 4, 2020.

DECLARATION OF INDEPENDENCE

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

NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR

During the financial period starting from 1st April 2019 to 31st March 2020, four Board Meetings were held on following dates:

1.) April 25, 2019	2.) July 9, 2019
3.) October 10, 2019	4.) January 24, 2020

BOARD EVALUATION

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

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

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

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

The Board of Directors are of opinion and Declare that the Independent Director reappointed during the year have requisite knowledge and expertise to eligible himself to act as an Independent Director of the company. Brief Profile of the Independent Director of the company is attached as **Annexure-1**.

AUDITORS & AUDITOR'S REPORT

Statutory Auditors

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

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

Secretarial Auditor

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

The Secretarial audit report is given as **Annexure- 2** 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.

POLICY MATTERS

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

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

Corporate Social Responsibility

The provisions of section 135 of the Companies Act, 2013 in 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.

Vigil Mechanism Policy

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

During the year ended March 31, 2020, no complaints pertaining to sexual harassment have been received.

RISK MANAGEMENT MECHANISM

Risk Management is an enterprise wide function at the Company which covers major business and functional areas including strategy, operations, technology and compliance.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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

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

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

During the period, in order to improve adherence to compliances of the various regulatory bodies governing us, Legatrix system was also rolled out. Legatrix system can keep an automatic tracking of adherence to the various compliance and trigger automatic escalations in case of delay/noncompliance. This system is a comprehensive, robust, highly customizable legal support solution for tracking, managing and reporting on legal, regulatory and internal

compliances. Each compliance can be added to a risk vector and, based on the periodicity defined of each compliance, the adherence report can be auto generated by the system. A work flow is defined in the system where each department head receives the MIS on the compliance related to their departments.

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

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

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

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

The Risk Assessment & Treatment Plan is reviewed at least once every year or in the event of any major changes brought about within the organization or any of its internal/external functional processes and also in the event a security incident takes place which could have an impact on the Risk Profile.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

These includes policies and procedures –

- a. Pertaining to the maintenance of records that is reasonably detailed, accurately and fairly reflects the transactions and dispositions of the assets of the Company,
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards (“IAS”) notified under the Companies (IAS) Rules 2015 as amended from time to time, and that receipts and expenditures of the Exchange are being made only in accordance with authorization of management and directors of the Company, and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of March 31, 2020.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

(A) Conservation of Energy

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

(B) Technology Absorption

At the outset, the Company is happy to mention that the uptime of Trading system was 100% and there were no outages. With continuous and sustain efforts, the Company maintained the uptime of the Trading system. The company has not imported any technology during the year.

PARTICULARS OF EMPLOYEES

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

DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, 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 31st March, 2020 and of the losses of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURES

Extract of Annual Return

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

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

There were no material changes and commitments that took place and had affected the financial position of the Company after the end of the financial period ended 31st March 2020.

Change in the Nature of Business

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

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

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board of Directors

Ashishkumar Chauhan
DIN: 00898469
Chairman

Place: Mumbai
Date: April 17, 2020

Note:

In this report:

- a) “Company” has been used to denote India International Exchange (IFSC) Limited

Annexure-1

Profile of Dr. Ajit Ranade

- Dr. Ajit Ranade is an engineer and MBA and received a PhD in Economics from Brown University, USA. He received the Distinguished Alumnus Award from IIT Bombay in 2009, Scholar of the Year Award from Wadia Trust in 2010, and Dr. Ramchandra Parnerkar Economics Award in 2012. Dr. Ajit Ranade is Senior President and Chief Economist with the Aditya Birla Group. Ranade was earlier with ABN Amro Bank.
- He was a member of the Capital Account Convertibility Committee and the FEMA Review committee of the Reserve Bank of India and was also a member of the Governing Council of the Banking Codes and supervisory Board of India.
- He is a Member of the National Executive Committee of the Federation of Indian Chambers of Commerce and Industry and a Member of the Economic Policy Council of the Confederation of Indian Industry. He is Chair of the Research Advisory Panel of the Indian Institute of Banking and Finance.
- He served as a member on the Board of MCX. He is a board member of the Gokhale Institute of Politics and Economics and chairs the Academic Council of Meghnad Desai Academy of Economics.



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✉ -yash.ymassociates@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED
CIN: U67190GJ2016PLC093684
1st Floor, Unit No. 101, The Signature Building No.13B,
Road 1C, Zone 1, GIFT SEZ, GIFT CITY,
Gandhinagar – 382355, Gujarat, India.

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

The Company is an IFSC (International Financial Service Centre) Company which has obtained necessary approval from Central Government for setting up its centre in SEZ. The Company mainly deals with 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, 2020** complied with the statutory provisions listed hereunder and 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, 2020** according to the provisions of:

- 1) *The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 3) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Regulatory Fees on Stock Exchanges) Regulations, 2006
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
 - (d) Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015.

The Company has to maintain Networth as per the Clause 5.1 of SEBI (IFSC) Guidelines, 2015, which is reiterated as follows;

"Every permitted stock exchange shall have a minimum networth equivalent of twenty five crore rupees initially and it shall enhance its networth to a minimum equivalent of one hundred crore rupees over the period of three years from the date of approval."

While the period of 3 years from the date of approval was until December 28, 2019, SEBI had granted relaxation until December 28, 2020 as below, vide its letter ref no. MRD/DSA/OW/14569/1/2019 dated June 11, 2019, further to a specific request made for the same by the company. The Company has maintained the Net worth as per the relaxation granted at all times.

"The net worth requirement of Rs. 100 Crore for the Company has been relaxed for 1 year subject to maintenance of the minimum net worth of Rs. 25 Crore at all times as mandated under clause 5.1 of SEBI (IFSC) Guidelines, 2015."

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



- 4) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 5) Foreign Exchange Management Act, 1999 and the Rules and Regulations framed thereunder and to the extent it is applicable to IFSC Company;
- 6) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **NOT APPLICABLE** to the Company as the Company's Securities are not listed on any Stock Exchange except those which are specifically applicable to IFSC Company and Stock Exchanges registered with SEBI:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
 - (h) The Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (Came into force w.e.f. 01.01.2019)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

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

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

Auditor's Responsibility

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

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

We further report that:

During the year under review, the Company has **COMPLIED** with all the material aspects of the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above. The Board of Directors of the Company is duly constituted. 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 the Directors to schedule the Board Meetings in advance in due compliances of law. Agenda and detailed notes on agenda were also sent in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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



We further report that:

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

We further report that:

During the audit period, there were following instances of:

- a) Allotment of 10,43,84,018 (Ten Crore Forty Three Lakh Eighty Four Thousand and Eighteen) Equity Shares at Rs. 1.00 (Rupee One Only) per equity share amounting to Rs. 10,43,84,018.00 (Rupees Ten Crore Forty Three Lakh Eighty Four Thousand and Eighteen Only) on 06.08.2019 to ICICI Bank Limited on Preferential Basis in compliance of provisions of Section 42 and 62 of the Companies Act, 2013 including the Rules framed thereunder.
- b) Mr. Nehal Vora resigned as Independent Director of the Company w.e.f 19th September, 2019 due to joining of him as Managing Director & CEO of Central Depository Services (India) Limited.
- c) Shri Sameer Patil was appointed as Non Executive Additional Director of the company w.e.f. November 22, 2019.
- d) Dr. Ajit Ranade was reappointed as an Independent Director of the company for a further period of three years (2nd Consecutive Term) commencing from January 6, 2020 to January 5, 2023.
- e) The Term of Shri Anand Sinha as an Independent Director of the company had expired on January 4, 2020.
- f) Reappointment of Shri Balasubramaniam Venkataramani as Managing Director & CEO of the company for a further period of 5 years commencing from February 8, 2020 to February 7, 2025 (2nd Consecutive Term).
- g) The Appointment of M/s. Dalal Doctor and Associates as statutory auditor of the Company to fill the casual vacancy caused by the Resignation of M/s. S. Panse & Co. and further appointment of 5 years i.e. 2019-20 to 2023-24 by the members of the Company in the AGM held on 25.04.2019.
- h) Appointment of Dr. Sudip Kumar Nanada as an Independent Director of the Company for a term of 3 year from the date of initial appointment as an Additional Independent Director of the Company i.e. November 22, 2018



There were no other instances of:

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

FOR YASH MEHTA & ASSOCIATES
COMPANY SECRETARIES

Date : 17.04.2020
Place : Ahmedabad

YASH MEHTA
PROPRIETOR
ACS : 45267
COP :16535
UDIN: A045267B000162307

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

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



“ANNEXURE - A”

To,
The Members,
INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

CIN: U67190GJ2016PLC093684

1st Floor, Unit No. 101, The Signature Building No. 13B,
Road 1C, Zone 1, GIFT SEZ, GIFT CITY,
Gandhinagar – 382355, Gujarat, India.

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

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

FOR YASH MEHTA & ASSOCIATES
COMPANY SECRETARIES

YASH MEHTA
PROPRIETOR
ACS : 45267
COP :16535
UDIN: A045267B000162307

Date : 17.04.2020
Place : Ahmedabad



INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

Audited Consolidated
Financial Statement
for the year ended
March 2020

Independent Auditor's Report

To the Members of India International Exchange (IFSC) Limited

Report on the audit of Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **India International Exchange (IFSC) Limited** ("the Company") and its subsidiary **India Inx Global Access Limited (IFSC) Limited** (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

Basis for Opinion

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

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

The holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities included in the consolidated Ind AS financial statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act, the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the Company and its subsidiary. Hence reporting under section 197(16) of the Act is not applicable to the Company.
 - g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. There are no pending litigations against the Company and its subsidiary company
 - ii. There are no material foreseeable losses on long term contracts including derivative contract where provision is required to be made by the Company and its subsidiary 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 and its subsidiary company.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
April 17, 2020
UDIN : 20116765AAAABZ5076

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of India International Exchange (IFSC) Limited (hereinafter referred to as “Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
April 17, 2020
UDIN : 20116765AAAABZ5076

India International Exchange (IFSC) Limited						
Consolidated Balance Sheet as at March 31, 2020						
Particulars	Note No.	As at March 31, 2020		As at March 31, 2019		
		(Rs)	(USD)	(Rs)	(USD)	
		Audited	Audited	Audited	Audited	
ASSETS						
1 Non-current assets						
a. Property, Plant and Equipment	3	19,86,23,302	26,34,754	20,16,52,670	29,15,265	
b. Intangible Assets	4	1,21,51,755	1,61,194	1,36,92,182	1,97,946	
c. Financial Assets						
(i) Other Financial Assets	8	20,22,528	26,829	21,62,087	31,257	
d. Non-current tax assets (net)		3,22,802	4,282	1,67,118	2,416	
Total		21,31,20,387	28,27,059	21,76,74,057	31,46,884	
2 Current assets						
a. Financial assets						
(i) Cash and Cash Equivalents	5	16,45,31,536	21,82,524	47,28,82,329	68,36,395	
(ii) Bank Balance other than Above (i)	6	26,81,57,974	35,57,137	10,59,21,943	15,31,299	
(iii) Trade Receivables	7	16,97,691	22,520	20,77,837	30,039	
(iv) Other Financial Assets	8	7,38,45,692	9,79,569	1,37,65,088	1,99,000	
b. Other Assets	9	61,69,582	81,840	84,70,302	1,22,454	
Total		51,44,02,475	68,23,590	60,31,17,499	87,19,187	
Total Assets		72,75,22,862	96,50,649	82,07,91,556	1,18,66,071	
EQUITY AND LIABILITIES						
1 Equity						
a. Equity Share Capital	10	1,35,43,84,018	1,98,63,151	1,25,00,00,000	1,83,92,539	
b. Other Equity	11	(86,68,37,468)	(1,33,95,807)	(59,69,29,132)	(89,51,183)	
Total		48,75,46,550	64,67,344	65,30,70,868	94,41,356	
LIABILITIES						
2 Non-current liabilities						
a. Financial Liabilities						
(i) Other Financial Liabilities	13	2,66,565	3,536	2,94,601	4,259	
b. Provisions	14	41,00,163	54,389	21,60,012	31,227	
c. Other Liabilities	15	26,90,598	35,691	35,69,654	51,606	
Total		70,57,326	93,616	60,24,267	87,092	
3 Current Liabilities						
a. Financial liabilities						
(i) Trade Payables	12					
a. Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	
b. Total outstanding dues of creditor other than micro enterprises and small enterprises		1,82,09,917	2,41,556	2,21,27,136	3,19,889	
(ii) Other Financial Liabilities	13	19,09,46,378	25,32,919	11,49,00,310	16,61,098	
b. Provisions	14	66,59,590	88,340	74,79,700	1,08,133	
c. Other Liabilities	15	1,71,03,101	2,26,874	1,71,89,275	2,48,503	
Total		23,29,18,986	30,89,689	16,16,96,421	23,37,623	
Total Equity and Liabilities		72,75,22,862	96,50,649	82,07,91,556	1,18,66,071	
See accompanying notes forming part of the consolidated financial statements		1-2				
<div> <div> In terms of our report attached For Dalal Doctor & Associates Chartered Accountants Firm Reg. No.: 120833W Amol Khanolkar Partner Membership No.: 116765 Date : April 17, 2020 Place: Mumbai </div> <div> For and on behalf of the Board of Directors Ashishkumar Chauhan Chairman Mayank Jain Chief Financial Officer Place: Gandhinagar </div> <div> Balasubramaniam Venkataramani Managing Director & CEO Nikhil Mehta Company Secretary </div> </div>						

India International Exchange (IFSC) Limited						
Consolidated Statement of Profit and Loss for the Year ended March 31, 2020						
Particulars		Note No.	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
			(Rs)	(USD)	(Rs)	(USD)
			Audited	Audited	Audited	Audited
1	Revenue From Operations	16	1,60,86,508	2,26,957	1,12,14,932	1,60,468
2	Investment Income		79,47,815	1,12,132	25,11,528	35,936
3	Other Income	17	43,33,903	61,145	1,10,58,311	1,58,227
4	Total revenue (1+2+3)		2,83,68,226	4,00,234	2,47,84,771	3,54,631
5	Expenses					
	Employee Benefits Expense	18	7,95,61,010	11,22,489	8,20,52,224	11,74,038
	Administration and Other Expenses	19	6,82,55,579	9,62,986	9,17,42,041	13,12,684
	LES Expenditure		15,62,20,513	22,04,042	12,98,04,584	18,57,299
	Finance Costs		992	14	629	9
	Depreciation and Amortisation Expenses	3&4	3,83,45,806	5,41,003	3,70,13,371	5,29,603
	Total Expenses		34,23,83,900	48,30,534	34,06,12,849	48,73,633
6	Profit / (loss) before tax (4 - 5)		(31,40,15,674)	(44,30,300)	(31,58,28,078)	(45,19,002)
7	Tax Expense:					
	Current tax and Deferred tax		-	-	-	-
8	Profit / (loss) for the year From Continuing Operations (6 - 7)		(31,40,15,674)	(44,30,300)	(31,58,28,078)	(45,19,002)
9	Profit from discontinuing operations		-	-	-	-
10	Tax expenses of discontinuing operations		-	-	-	-
11	Profit from Discontinuing Operations (after tax) (9+10)		-	-	-	-
12	Profit / (loss) for the Year (8+11)		(31,40,15,674)	(44,30,300)	(31,58,28,078)	(45,19,002)
13	Other Comprehensive Income					
	A Items that will not be reclassified to profit or loss					
	(I) Remeasurement of defined benefit plan		(10,15,272)	(14,324)	2,58,309	3,696
	B Items that will be reclassified to profit or loss					
	(I) Foreign Currency translation reserve		4,51,22,610	-	3,19,27,784	-
	Total Other Comprehensive Income for the Year		4,41,07,338	(14,324)	3,21,86,093	3,696
14	Total Comprehensive Income for the Year (12+13)		(26,99,08,336)	(44,44,624)	(28,36,41,985)	(45,15,306)
15	Earning per equity share :	21				
	Basic and Diluted before and after exceptional item		(0.238)	(0.003)	(0.340)	(0.005)
	Per value of share Re		1	NA	1	NA
	Weighted average number of shares (Nos.)		1,31,81,63,334	1,31,81,63,334	92,80,82,192	92,80,82,192
	See accompanying notes forming part of the consolidated financial statements	1-2				
In terms of our report attached For Dalal Doctor & Associates Chartered Accountants Firm Reg. No.: 120833W			For and on behalf of the Board of Directors			
Amol Khanolkar Partner Membership No.: 116765			Ashishkumar Chauhan Chairman		Balasubramaniam Venkataramani Managing Director & CEO	
Date : April 17, 2020 Place: Mumbai			Mayank Jain Chief Financial Officer Place: Gandhinagar		Nikhil Mehta Company Secretary	

India International Exchange (IFSC) Limited Consolidated Cash Flow Statement for the Year ended March 31, 2020				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
A. Cash Flow from Operating Activities				
Profit / (loss) for the year	(31,40,15,674)	(44,30,300)	(31,58,28,078)	(45,19,002)
Depreciation and Amortisation Expenses	3,83,45,806	5,41,003	3,70,13,371	5,29,603
Foreign Currency Translation Reserve	4,51,22,610	-	3,19,27,784	-
Remeasurement of Defined Benefit Plan	(10,15,272)	(14,324)	2,58,309	3,696
Interest income on Fixed deposits	(79,47,815)	(1,12,132)	(25,11,528)	(35,936)
<u>Adjustments for Changes in operating Liability and Assets</u>				
Trade Payable	(39,17,219)	(78,333)	90,07,744	1,18,189
Trade Receivables	3,80,146	7,519	(7,45,364)	(9,720)
Provisions	11,20,041	3,369	(34,57,373)	(61,997)
Other Liabilities	(9,65,230)	(37,544)	1,15,04,354	1,57,831
Other Financial Liabilities	7,60,18,032	8,71,098	1,07,39,650	59,439
Other Financial Assets	(5,99,41,045)	(7,76,141)	(8,52,599)	1,669
Other Assets	23,00,720	40,614	(33,84,439)	(44,263)
	(22,45,14,900)	(39,85,171)	(22,63,28,169)	(38,00,491)
Taxes Paid	(1,55,684)	(1,866)	(19,728)	(150)
Net Cash Generated (Used in) Operating Activities	(22,46,70,584)	(39,87,037)	(22,63,47,897)	(38,00,641)
B. Cash Flow From Investing Activities				
Purchase of Property, Plant & Equipment and Intangible Assets	(3,37,76,011)	(2,23,740)	(3,45,95,976)	(2,94,897)
Investment in Fixed deposit	(27,29,77,266)	(34,91,856)	(11,61,25,014)	(15,15,709)
Proceeds From Maturity of Fixed Deposits	11,42,66,335	15,15,752	18,60,70,797	26,90,000
Interest Income Received	44,22,715	62,398	41,69,315	59,656
Net Cash Generated (Used in) / from Investment Activities	(18,80,64,227)	(21,37,446)	3,95,19,122	9,39,050
C. Cash Flow From Financing Activities				
Proceeds From Allotment of Equity Share	10,43,84,018	14,70,612	50,00,00,000	72,42,558
Net Cash Generated From Financing Activities	10,43,84,018	14,70,612	50,00,00,000	72,42,558
D. Net increase / (decrease) in Cash and Cash Equivalents	(30,83,50,793)	(46,53,871)	31,31,71,225	43,80,967
Cash and Cash Equivalents at the end of the year				
In Current Account - Owned	3,37,71,752	4,47,985	43,47,77,935	62,85,525
In Current Account - Member fund	-	-	3,80,44,215	5,50,000
In Current Account - Earmarked	82,246	1,091	60,179	870
In Deposit Account - Owned	10,93,43,328	14,50,448	-	-
In Deposit Account - Member fund	2,13,34,210	2,83,000	-	-
	16,45,31,536	21,82,524	47,28,82,329	68,36,395
Cash and Cash Equivalents at the beginning of the Year	47,28,82,329	68,36,395	15,97,11,104	24,55,428
Changes In Cash and Cash Equivalents	(30,83,50,793)	(46,53,871)	31,31,71,225	43,80,967
Cash and Cash Equivalents at the end of the Year	16,45,31,536	21,82,524	47,28,82,329	68,36,395
Cash and Bank Balance (Refer note 5)	16,45,31,536	21,82,524	47,28,82,329	68,36,395
See accompanying notes forming part of the consolidated financial statements				
Notes: 1 Cash and Cash Equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 90 days. 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".				
In terms of our report attached For Dalal Doctor & Associates Chartered Accountants Firm Reg. No.: 120833W		For and on behalf of the Board of Directors		
Amol Khanolkar Partner Membership No.: 116765		Ashishkumar Chauhan Chairman Balasubramaniam Venkataramani Managing Director & CEO		
Date : April 17, 2020 Place: Mumbai		Mayank Jain Chief Financial Officer Place: Gandhinagar Nikhil Mehta Company Secretary		

India International Exchange (IFSC) Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

Particulars	(Rs)	(USD)
Balance at March 31, 2018	75,00,00,000	1,11,49,981
Changes in Equity Share Capital During the Year	50,00,00,000	72,42,558
Balance as at March 31, 2019	1,25,00,00,000	1,83,92,539
Changes in Equity Share Capital During the Year	10,43,84,018	14,70,612
Balance as at March 31, 2020	1,35,43,84,018	1,98,63,151

B. Other Equity

Particulars	Reserve & Surplus				Items of Other Comprehensive income	Total Other equity	Total Other equity
	Retained earning	Retained earning	Liquidity Enhancement Scheme (LES) Reserve	Liquidity Enhancement Scheme (LES) Reserve	Foreign Currency translation reserve		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance at March 31, 2018	(31,35,69,744)	(48,11,615)	2,38,47,986	3,75,738	(2,35,65,389)	(31,32,87,147)	(44,35,877)
Profit / (Loss) for the Year ended March 31, 2019	(31,58,28,078)	(45,19,002)			-	(31,58,28,078)	(45,19,002)
Other Comprehensive Income for the Year ended March 31, 2019	2,58,309	3,696			3,19,27,784	3,21,86,093	3,696
Add/(less) : Liquidity Enhancement Scheme (LES) Reserve	(10,67,32,609)	(15,19,732)	10,67,32,609	15,19,732	-	-	-
Add/(less) : LES expenditure incurred during the Year ended March 31, 2019	12,98,04,584	18,57,299	(12,98,04,584)	(18,57,299)	-	-	-
Balance as at March 31, 2019	(60,60,67,538)	(89,89,354)	7,76,011	38,171	83,62,395	(59,69,29,132)	(89,51,183)
Profit / (Loss) for the Year ended March 31, 2020	(31,40,15,674)	(44,30,300)			-	(31,40,15,674)	(44,30,300)
Other Comprehensive Income for the Year ended March 31, 2020	(10,15,272)	(14,324)			4,51,22,610	4,41,07,338	(14,324)
Add/(less) : Liquidity Enhancement Scheme (LES) Reserve	(15,92,82,420)	(22,47,241)	15,92,82,420	22,47,241	-	-	-
Add/(less) : LES expenditure incurred during the Year ended March 31, 2020	15,62,20,513	22,04,042	(15,62,20,513)	(22,04,042)	-	-	-
Balance as at March 31, 2020	(92,41,60,391)	(1,34,77,177)	38,37,918	81,370	5,34,85,005	(86,68,37,468)	(1,33,95,807)

In terms of our report attached
For Dalal Doctor & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Balasubramaniam Venkataramani
Managing Director & CEO

Date : April 17, 2020
Place: Mumbai

Mayank Jain
Chief Financial Officer
Place: Gandhinagar

Nikhil Mehta
Company Secretary

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

1. General Information

India International Exchange (IFSC) Limited 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 debt securities, currency derivatives, Equity and 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 Centers, set up under Special Economic Zones Act, 2005, and to provide specialized, advanced, automated and modern facilities and mechanism for trading and settlement 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 consolidated financial statements were authorized for issuance by the Parent Company's Board of Directors on April 17, 2020.

2. Significant Accounting Policies

2.1 *Basis of preparation of financial statement*

2.1.1 *Statement of compliance*

The consolidated financial statements as at and for the year ended March 31, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.1.2 *Basis of Consolidation*

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiary ("the Group"). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Particulars of subsidiaries and associate:

Name of the Company	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2020
India INX Global Access IFSC Limited (w.e.f. April 5, 2018)	Intermediary for trading in overseas Exchanges	India	100%

2.2 *Functional and presentation currency*

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

2.3 *Foreign exchange Translation Reserve*

For the Purpose of Preparation of consolidated 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 consolidated 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 Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Company is eligible to claim deduction of income, an amount equal to one hundred per cent of the income for any ten consecutive assessment years, out of fifteen years as per section 80LA of Income tax Act, 1961.
- b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly,

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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 Group.

- c. Defined employee benefit obligation determined based on the present value of future obligations using assumptions determined by the Group 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 Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.5 Financial instruments

Financial assets and financial liabilities are recognised when Group 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 Group 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

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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

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

b. Equity instruments at FVTOCI and FVTPL:

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

If the Group 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 Group 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 Group has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

Financial liabilities

(a) Financial liabilities at amortised cost:

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

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(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 Group 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 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 Group 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.

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2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a "Straight Line method", from the date that they are available for use. The estimated useful 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

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 Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group 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 Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

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The application of simplified approach does not require the Group 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 Group 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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

The Group 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 Group does not reduce impairment allowance from the gross carrying amount.

b. Non-financial assets

The Group 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 Group 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 Group 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

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objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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

2.10 Employee benefit

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

The Group has the following employee benefit plans:

a. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Group 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 Group. The Group'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.

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b. Compensated absences

The employees of the Group 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 Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Group recognizes actuarial gains and losses immediately in the Other Comprehensive Income.

2.11 *Provisions and Contingent liabilities*

Provisions are recognized when the Group 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 Group 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 Group 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.

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2.12 *Revenue Recognition:*

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

a. Time and service contracts

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

b. Annual / monthly Fee contracts

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

c. Execution and clearing commissions, which are recognized on a trade date basis.

d. Desk facilities, license and software fees, and market data fees which are recognized on an accruals basis; and

The Group 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.

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

2.13 *Dividend Income*

Dividend income is recognized in the statement of profit and loss on the date that the Group'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.

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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 Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b. Deferred income tax

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

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

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

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

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

2.16 *Earnings per share*

The Group 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.

2.17 *Current and Non-current classification*

The Group 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 Group 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.

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Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group 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 over the periods and in the proportions in which depreciation expense on those assets is recognised.

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 Group 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 Group's cash management system.

3. Property, Plant and Equipment

(USD)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2018	15,01,684	4,09,301	12,19,728	81,466	4,20,321	25,508	36,58,008
Additions during the year	40,156	2,808	2,68,689	1,791	6,382	9,509	3,29,335
Deductions / adjustments	(40,156)	-	-	-	-	-	(40,156)
Balance as at March 31, 2019	15,01,684	4,12,109	14,88,417	83,257	4,26,703	35,017	39,47,187
Accumulated Depreciation and Impairment							
Balance as at April 01, 2018	65,668	48,079	3,22,868	10,025	1,01,944	97	5,48,681
Depreciation for the year	50,006	40,982	2,94,873	8,249	84,718	4,413	4,83,241
Deductions / Adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2019	1,15,674	89,061	6,17,741	18,274	1,86,662	4,510	10,31,922
Net Book Value							
Balance as at March 31, 2019	13,86,010	3,23,048	8,70,676	64,983	2,40,041	30,507	29,15,265

(Rs)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2018	9,76,75,684	2,66,22,615	7,93,36,110	52,98,883	2,73,39,401	16,59,148	23,79,31,841
Additions during the year	28,06,459	1,96,248	1,87,78,378	1,25,171	4,46,031	6,64,574	2,30,16,861
Deductions / adjustments	(28,06,459)	-	-	-	-	-	(28,06,459)
Currency Fluctuation	61,97,750	16,87,252	48,41,251	3,34,941	17,30,169	98,451	1,48,89,814
Balance as at March 31, 2019	10,38,73,434	2,85,06,115	10,29,55,739	57,58,995	2,95,15,601	24,22,173	27,30,32,057
Accumulated Depreciation and Impairment							
Balance as at April 01, 2018	42,71,316	31,27,255	2,10,00,661	6,52,068	66,30,856	6,309	3,56,88,465
Depreciation for the year	34,94,864	28,64,187	2,06,08,350	5,76,514	59,20,848	3,08,420	3,37,73,183
Deductions / Adjustments	-	-	-	-	-	-	-
Currency Fluctuation	2,35,141	1,69,023	11,20,940	35,454	3,59,949	(2,768)	19,17,739
Balance as at March 31, 2019	80,01,321	61,60,465	4,27,29,951	12,64,036	1,29,11,653	3,11,961	7,13,79,387
Net Book Value							
Balance as at March 31, 2019	9,58,72,113	2,23,45,650	6,02,25,788	44,94,959	1,66,03,948	21,10,212	20,16,52,670

(USD)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2019	15,01,684	4,12,109	14,88,417	83,257	4,26,703	35,017	39,47,187
Additions during the year	-	2,600	2,06,474	1,862	382	-	2,11,318
Deductions / adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2020	15,01,684	4,14,709	16,94,891	85,119	4,27,085	35,017	41,58,505
Accumulated Depreciation and Impairment							
Balance as at April 01, 2019	1,15,674	89,061	6,17,741	18,274	1,86,662	4,510	10,31,922
Depreciation for the year	50,143	41,387	3,01,883	8,415	85,610	4,391	4,91,829
Deductions / Adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2020	1,65,817	1,30,448	9,19,624	26,689	2,72,272	8,901	15,23,751
Net Book Value							
Balance as at March 31, 2020	13,35,867	2,84,261	7,75,267	58,430	1,54,813	26,116	26,34,754

(Rs)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2019	10,38,73,434	2,85,06,115	10,29,55,739	57,58,995	2,95,15,601	24,22,173	27,30,32,057
Additions during the year	-	1,84,286	1,46,34,691	1,31,977	27,076	-	1,49,78,030
Deductions / adjustments	-	-	-	-	-	-	-
Currency Fluctuation	93,32,366	25,72,810	1,01,80,453	5,25,800	26,53,510	2,17,619	2,54,82,558
Balance as at March 31, 2020	11,32,05,800	3,12,63,211	12,77,70,883	64,16,772	3,21,96,187	26,39,792	31,34,92,645
Accumulated Depreciation and Impairment							
Balance as at April 01, 2019	80,01,321	61,60,465	4,27,29,951	12,64,036	1,29,11,653	3,11,961	7,13,79,387
Depreciation for the year	35,54,091	29,33,473	2,13,97,195	5,96,448	60,67,960	3,11,230	3,48,60,397
Deductions / Adjustments	-	-	-	-	-	-	-
Currency Fluctuation	9,44,851	7,40,002	51,99,540	1,51,490	15,45,857	47,819	86,29,559
Balance as at March 31, 2020	1,25,00,263	98,33,940	6,93,26,686	20,11,974	2,05,25,470	6,71,010	11,48,69,343
Net Book Value							
Balance as at March 31, 2020	10,07,05,537	2,14,29,271	5,84,44,197	44,04,798	1,16,70,717	19,68,782	19,86,23,302

4. Intangible Assets

(USD)

Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	2,41,242	2,41,242
Additions during the year	43,663	43,663
Deductions / adjustments	-	-
Balance as at March 31, 2019	2,84,905	2,84,905
Accumulated depreciation and impairment		
Balance as at April 01, 2018	40,597	40,597
Amortisation for the year	46,362	46,362
Deductions / Adjustments	-	-
Balance as at March 31, 2019	86,959	86,959
Net book value		
Balance as at March 31, 2019	1,97,946	1,97,946

(Rs)

Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	1,56,91,369	1,56,91,369
Additions during the year	30,51,559	30,51,559
Deductions / adjustments	-	-
Currency Fluctuation	9,64,321	9,64,321
Balance as at March 31, 2019	1,97,07,249	1,97,07,249
Accumulated depreciation and impairment		
Balance as at April 01, 2018	26,40,596	26,40,596
Amortisation for the year	32,40,189	32,40,189
Deductions / Adjustments	-	-
Currency Fluctuation	1,34,282	1,34,282
Balance as at March 31, 2019	60,15,067	60,15,067
Net book value		
Balance as at March 31, 2019	1,36,92,182	1,36,92,182

(USD)

Particulars	Software	Total
Gross block		
Balance as at April 01, 2019	2,84,905	2,84,905
Additions during the year	12,422	12,422
Deductions / adjustments	-	-
Balance as at March 31, 2020	2,97,327	2,97,327
Accumulated depreciation and impairment		
Balance as at April 01, 2019	86,959	86,959
Amortisation for the year	49,174	49,174
Deductions / Adjustments	-	-
Balance as at March 31, 2020	1,36,133	1,36,133
Net book value		
Balance as at March 31, 2020	1,61,194	1,61,194

(Rs)

Particulars	Software	Total
Gross block		
Balance as at April 01, 2019	1,97,07,249	1,97,07,249
Additions during the year	8,80,460	8,80,460
Deductions / adjustments	-	-
Currency Fluctuation	18,26,554	18,26,554
Balance as at March 31, 2020	2,24,14,263	2,24,14,263
Accumulated depreciation and impairment		
Balance as at April 01, 2019	60,15,067	60,15,067
Amortisation for the year	34,85,409	34,85,409
Deductions / Adjustments	-	-
Currency Fluctuation	7,62,032	7,62,032
Balance as at March 31, 2020	1,02,62,508	1,02,62,508
Net book value		
Balance as at March 31, 2020	1,21,51,755	1,21,51,755

5. Cash and Cash Equivalents				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Balance with Banks				
Own Fund				
In Current Accounts	3,37,71,752	4,47,985	43,47,77,935	62,85,525
In Deposit Accounts - Original maturity less than 90 days	10,93,43,328	14,50,448	-	-
Member Fund				
In Current Accounts	-	-	3,80,44,215	5,50,000
In Deposit Accounts - Original maturity less than 90 days	2,13,34,210	2,83,000	-	-
Earmarked Fund - Investor Protection Fund				
In Current Accounts	82,246	1,091	60,179	870
Cash and Cash Equivalents	16,45,31,536	21,82,524	47,28,82,329	68,36,395
6. Bank Balances Other than Above				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Balance with Banks				
Own Fund				
In Deposit Accounts	17,83,01,449	23,65,183	4,94,98,291	7,15,590
Member Fund				
In Deposit Accounts	8,83,52,275	11,72,000	5,53,37,040	8,00,000
Earmarked Fund - Investor protection fund				
In Deposit Accounts	15,04,250	19,954	10,86,612	15,709
Bank Balances Other than Above	26,81,57,974	35,57,137	10,59,21,943	15,31,299
7. Trade Receivables				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Trade Receivables				
- Secured, considered good	6,88,575	9,134	12,45,153	18,001
- Unsecured, considered good	3,64,717	4,838	6,50,971	9,411
Receivable from Group Companies - Unsecured, Considered Good	6,44,399	8,548	1,81,713	2,627
Total Trade receivables	16,97,691	22,520	20,77,837	30,039
8. Other Financial Assets				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Loan to Employees	3,96,379	5,258	5,33,034	7,706
Deposits with Public Bodies and Other Parties	16,26,149	21,571	16,29,053	23,551
Total (A)	20,22,528	26,829	21,62,087	31,257
Current				
Deposits with Public Bodies and Other Parties	2,09,573	2,780	93,105	1,346
Margin & Deposit with Foreign Broker	6,71,84,593	8,91,209	72,80,902	1,05,259
Balance with Foreign Broker	26,84,643	35,612	54,21,577	78,379
Loan to Employees	1,09,988	1,459	1,09,982	1,590
Unbilled Revenue	8,00,372	10,617	78,371	1,133
Receivable from Government Authorities towards Incentive	28,56,523	37,892	7,81,151	11,293
Total (B)	7,38,45,692	9,79,569	1,37,65,088	1,99,000
Total (A+B)	7,58,68,220	10,06,398	1,59,27,175	2,30,257
9. Other assets				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Advance to Vendors	4,98,301	6,610	24,210	350
Prepaid Expenses	52,45,049	69,576	68,87,801	99,576
Cenvat Receivable	13,11,564	17,398	13,11,557	18,961
Less : Provision for Cenvat receivable	(13,11,564)	(17,398)	(13,11,557)	(18,961)
Net Cenvat receivable	-	-	-	-
Good & Service Tax Receivable	4,26,232	5,654	15,58,291	22,528
Total	61,69,582	81,840	84,70,302	1,22,454

10. Equity Share Capital				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Equity Share Capital				
Authorised Share Capital: 2,50,00,00,000 (Previous year - 2,50,00,00,000) Equity Shares of Re 1/- each with voting rights	2,50,00,00,000	Not Applicable	2,50,00,00,000	Not Applicable
Issued Share Capital: 135,43,84,018 (Previous year - 1,38,73,47,392) Equity Shares of Rs. 1/- each with voting rights (Refer note below)	1,35,43,84,018	Not Applicable	1,38,73,47,392	Not Applicable
Subscribed and Fully Paid - up 125,00,00,000 (Previous Year - 75,00,00,000 Equity Shares of Rs 1/- each with voting rights Add: Addition during the Year	1,25,00,00,000 10,43,84,018	1,83,92,539 14,70,612	75,00,00,000 50,00,00,000	1,11,49,981 72,42,558
135,43,84,018 (Previous year - 125,00,00,000) Equity Shares of Re 1/- each with voting rights	1,35,43,84,018	1,98,63,151	1,25,00,00,000	1,83,92,539
Note : The Company had passed Special Resolution on March 6, 2019 for preferential issue of 43,73,47,392 equity shares of Rs. 1/- each for a period of 1 year from the date of passing the resolution out of which 30,00,00,000 equity shares of Rs. 1/- each allotted on March 20, 2019 and 10,43,84,018 equity shares of Rs. 1/- each allotted on August 06, 2019. The Validity of Issued Capital expired on March 6, 2020.				
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting Year				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
No. of shares at the beginning of the year	1,25,00,00,000	-	75,00,00,000	-
Preferential allotment	10,43,84,018	-	50,00,00,000	-
No. of shares at the end of the year	1,35,43,84,018	-	1,25,00,00,000	-
Shareholders holding more than 5% of the shares in the company				
Equity Shares				
Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	1,25,00,00,000	92.29%	1,25,00,00,000	100%
ICICI Bank Limited	10,43,84,018	7.71%	-	0%
Total	1,35,43,84,018	100.00%	1,25,00,00,000	100%
11. Other Equity				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Retained Earnings				
Balance at the Beginning of The Year	(59,77,05,143)	(89,89,354)	(33,71,35,133)	(48,11,615)
Total Comprehensive Income During the Year Other Than FCTR	(31,50,30,946)	(44,44,624)	(31,55,69,769)	(45,15,306)
Foreign Currency Translation Reserve During the Year (FCTR)	4,51,22,610	-	3,19,27,784	-
Less : Transfer to Liquidity Enhancement Scheme (LES) Reserve	(15,92,82,420)	(22,47,241)	(10,67,32,609)	(15,19,732)
Add: LES Expenditure Incurred During the Year	15,62,20,513	22,04,042	12,98,04,584	18,57,299
Closing Balance	(87,06,75,386)	(1,34,77,177)	(59,77,05,143)	(89,89,354)
Liquidity Enhancement Scheme (LES) Reserve (Refer note below)				
Opening Balance	7,76,011	38,171	2,38,47,986	3,75,738
Add: Transfer from Retained Earning	15,92,82,420	22,47,241	10,67,32,609	15,19,732
Less: LES Expenditure Incurred During the Year	(15,62,20,513)	(22,04,042)	(12,98,04,584)	(18,57,299)
Closing Balance	38,37,918	81,370	7,76,011	38,171
Total	(86,68,37,468)	(1,33,95,807)	(59,69,29,132)	(89,51,183)
Liquidity Enhancement Scheme (LES) Reserve				
Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), the Company had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's derivatives contracts traded in the Exchange. LES was launched on November 01, 2017 and which was further extended and amended from time to time. An expense of Rs 1562.20 Lakhs (USD 2204.04 thousand) (Previous period: Rs 1298.05 Lakhs (USD 1857.30 thousand)) has been incurred towards the Scheme for the year ended March 31, 2020.				
Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2020, The Company has created additional LES reserve of Rs 1592.82 lakhs (USD 2247.24 thousand) and incurred an expense of Rs 1562.20 Lakhs (USD 2204.04 thousand) during the year ended March 31, 2020 , accordingly LES reserve balance as on March 31, 2020 is Rs 38.38 Lakhs (USD 81.37 thousand) (Previous year: Rs 7.76 Lakhs (USD 38.17 thousand)). The LES reserve as on March 31, 2020 will not form part of net worth of the Exchange.				

12. Trade Payables				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Total outstanding dues of micro, small and medium enterprises (A)	-	-	-	-
Payable to Service Providers	1,74,88,247	2,31,983	2,21,27,136	3,19,889
Payable to Holding Company	6,94,078	9,207	-	-
Payable to Group Companies	27,592	366	-	-
Total outstanding dues of creditor other than micro, small and medium enterprises (B)	1,82,09,917	2,41,556	2,21,27,136	3,19,889
Total	1,82,09,917	2,41,556	2,21,27,136	3,19,889
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	-	-	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-	-	-
13. Other Financial Liabilities				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Finance Lease Obligations	2,66,565	3,536	2,94,601	4,259
Total (A)	2,66,565	3,536	2,94,601	4,259
Current				
Payable for Capital Creditors	1,00,037	1,327	5,43,756	7,861
Accrued Employee Benefits	1,09,03,590	1,44,637	1,19,50,864	1,72,772
Deposits from Members	10,96,86,485	14,55,000	9,33,81,255	13,50,000
Deposits from Clients	28,26,971	37,500	17,29,283	25,000
Margin from Clients	6,72,27,110	8,91,773	72,80,902	1,05,259
Current Maturities of Finance Lease Obligations	13,720	182	14,042	203
Accrued Interest on Finance Lease Obligations	-	-	208	3
Deposits - Others	1,88,465	2,500	-	-
Total (B)	19,09,46,378	25,32,919	11,49,00,310	16,61,098
Total (A+B)	19,12,12,943	25,36,455	11,51,94,911	16,65,357
14. Provisions				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Gratuity Liability (Refer note 22.1)	9,95,395	13,204	21,60,012	31,227
Compensated Absences (Refer note 22.2)	31,04,768	41,185	-	-
Total (A)	41,00,163	54,389	21,60,012	31,227
Current				
Gratuity Liability (Refer note 22.1)	16,12,881	21,395	-	-
Compensated Absences (Refer note 22.2)	50,46,709	66,945	74,79,700	1,08,133
Total (B)	66,59,590	88,340	74,79,700	1,08,133
Total (A+B)	1,07,59,753	1,42,729	96,39,712	1,39,360
15. Other Liabilities				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non-Current				
Unamortised Portion of Capital Subsidy	26,90,598	35,691	35,69,654	51,606
Total (A)	26,90,598	35,691	35,69,654	51,606
Current				
Own				
Statutory Liabilities	1,34,48,769	1,78,399	1,39,64,163	2,01,878
Advance Revenue	8,68,144	11,516	1,76,733	2,555
Unamortised Portion of Capital Subsidy	11,99,767	15,915	19,01,657	27,492
Total (B)	1,55,16,680	2,05,830	1,60,42,553	2,31,925
Earmarked				
Contribution Payable to Investor Protection Fund	15,86,421	21,044	11,46,722	16,578
Total (C)	15,86,421	21,044	11,46,722	16,578
Total D = (B+C)	1,71,03,101	2,26,874	1,71,89,275	2,48,503
Total (A+D)	1,97,93,699	2,62,565	2,07,58,929	3,00,109

16. Income from Operations				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Annual Subscription Fees from Members	78,85,300	1,11,250	69,53,946	99,500
Listing Fees	20,32,458	28,675	17,21,084	24,626
Charges Recovered	28,61,531	40,372	3,09,957	4,435
Processing Fees	2,50,558	3,535	2,13,860	3,060
Commission Charges	23,39,010	33,000	11,18,222	16,000
Account on Boarding Charges	70,879	1,000	1,39,778	2,000
Trading Operation related Charges	6,46,772	9,125	7,58,085	10,847
Total	1,60,86,508	2,26,957	1,12,14,932	1,60,468
17. Other Income				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Incentives from Government authorities	40,00,416	56,440	1,02,65,981	1,46,890
Miscellaneous Income	3,33,487	4,705	7,92,330	11,337
Total	43,33,903	61,145	1,10,58,311	1,58,227
18. Employee benefits expense				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	6,89,87,762	9,73,316	7,13,30,079	10,20,621
Contribution to Provident and Other Funds	49,43,675	69,748	49,53,306	70,874
Staff Welfare Expenses	77,613	1,095	1,89,748	2,715
Compensated Absences	55,51,960	78,330	55,79,091	79,828
TOTAL	7,95,61,010	11,22,489	8,20,52,224	11,74,038
19. Administration and other expenses				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Advertising and Marketing Expenses	40,04,811	56,502	39,48,653	56,499
Travelling Expenses	33,07,786	46,668	83,62,906	1,19,660
Computer Technology Related Expenses	2,80,35,448	3,95,539	2,65,30,316	3,79,607
Data Feed Expenses	30,90,329	43,600	30,36,603	43,449
Meeting, Seminar and Event Expenses	57,625	813	3,61,605	5,174
SEBI Regulatory Fees	96,11,560	1,35,605	1,02,15,032	1,46,161
Contribution to Investors Protection Fund	34,447	486	-	-
Director Fees	2,42,477	3,421	2,56,702	3,673
Bank Charges	85,409	1,205	47,385	678
Rent	5,51,369	7,779	1,90,797	2,730
Professional Fee	39,33,436	55,495	58,23,912	83,331
Legal Fees	3,31,431	4,676	12,46,259	17,832
Audit Fees	1,93,004	2,723	1,69,550	2,426
Insurance	1,49,201	2,105	58,008	830
Commission Charges	34,02,197	48,000	29,30,302	41,928
Trading Operation related Expenses	6,31,249	8,906	5,43,386	7,775
Loss on Trading Transaction	-	-	1,398	20
Building Repair and Maintenance	40,74,343	57,483	55,92,090	80,014
Rates & Taxes	1,29,709	1,830	1,38,81,263	1,98,619
Preliminary Expenses	-	-	14,50,334	20,752
Electricity expenses	33,26,356	46,930	28,08,835	40,190
Printing and Stationery Expenses	4,02,664	5,681	6,75,197	9,661
Manpower Support Cost	-	-	50,669	725
Postage and Telephone Expenses	3,29,517	4,649	2,99,614	4,287
Sponsorship Charges	1,41,758	2,000	2,51,320	3,596
Provision for Cenvat Receivable and Service Tax Expense	-	-	12,90,708	18,468
Miscellaneous Expenses	14,91,365	21,041	15,63,485	22,371
Foreign Exchange Loss	6,98,088	9,849	1,55,712	2,228
Total	6,82,55,579	9,62,986	9,17,42,041	13,12,684
Note : Professional Fees includes payment to auditor Rs Nil (Previous year Rs 36,482 (USD 522) towards Other services and Other reimbursement of expenses.				
20. Exchange Rate :-				
Amounts of Balance Sheet other than shareholder funds, opening LES reserve in these consolidated financial statements have been translated into Indian rupees at the closing rate as at March 31, 2020 which is 1 USD = Rs 75.3859 , amount of Statement of Profit and Loss at the average rate from April 01, 2019 to March 31, 2020 which is 1 USD = Rs 70.8791.				

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

21. Earnings Per Share

Particulars	For the year ended March 2020		For the year ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(31,40,15,674)	(44,30,300)	(31,58,28,078)	(45,19,002)
Weighted average number of equity shares (Nos)	1,31,81,63,334	1,31,81,63,334	92,80,82,192	92,80,82,192
Earnings per share basic and diluted before and after exceptional item	(0.238)	(0.003)	(0.340)	(0.005)
Face value per equity share	1	NA	1	NA

22. Disclosure as required on “Employee Benefits” is as under:

22.1 Defined Benefit Plan – Gratuity

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

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

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

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

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

Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	Funded	Funded	Funded	Funded
	(Rs)	(USD)	(Rs)	(USD)
Change in benefit obligations				
Benefit obligations at the beginning	77,85,089	1,18,123	63,41,280	97,492
Current Service Cost	13,73,120	19,373	12,74,357	18,234
Interest on defined benefit obligation	5,58,736	7,883	4,86,776	6,965
Actuarial loss / (gain)	10,99,111	15,507	(1,43,933)	(2,060)
Benefit Paid	(11,51,184)	(15,271)	(43,080)	(623)
Net Liability assumed on transfer within Group companies	(27,515)	(403)	(1,30,369)	(1,909)
Translation/ Forex impact	(12)	-	58	24
Closing Defined Benefit Obligation (A)	96,37,345	1,45,212	77,85,089	1,18,123
Change in Plan assets				
Fair value of plan assets at the beginning	56,25,077	81,286	-	-
Employer Contribution	21,60,013	28,653	57,01,248	82,422
Interest income	3,96,851	5,599		
Return on plan assets excluding amounts included in interest income	83,839	1,183	1,14,376	1,637
Assets assumed / settled	17,098	227	(1,47,467)	(2,150)
Benefits paid	(11,51,184)	(15,271)	(43,080)	(623)
Fair value of plan assets at the end	71,31,694	1,01,677	56,25,077	81,286
Funded status (B)	71,31,694	1,01,677	56,25,077	81,286
Translation/ Forex impact (c)	(25)	10,297	-	5,610
payable gratuity benefit (A-B-C)(Funded)	25,05,676	33,238	21,60,012	31,227
Payable gratuity benefit (unfunded)	1,02,600	1,361		
Total payable gratuity benefit	26,08,276	34,599	21,60,012	31,227

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

Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	Funded	Funded	Funded	Funded
	(Rs)	(USD)	(Rs)	(USD)
Current Provision (Refer note 14)	16,12,881	21,395	-	-
Non-Current Provision (Refer note 14)	9,95,395	13,204	21,60,012	31,227

ii. Amount recognised in the Statement of Profit and Loss

Particulars	For the Year Ended March 2020		For the Year Ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	13,73,120	19,373	12,74,357	18,234
Interest on net defined benefit obligations	1,61,885	2,284	4,86,776	6,965
Total Included in "Employee Benefit Expense" on Funded Gratuity (A)	15,35,005	21,657	17,61,133	25,199
Total Included in "Employee Benefit Expense" on Unfunded Gratuity (B)	21,146	298	-	-
Total Included in "Employee Benefit Expense" (A+B)	15,56,151	21,955	17,61,133	25,199

iii. Amount recognised in the Other Comprehensive Income

Particulars	For the Year Ended March 2020	For the Year Ended March 2020	For the Year Ended March 2019	For the Year Ended March 2019
	(Rs)	(USD)	(Rs)	(USD)
Actuarial loss / (gain) arising from change in financial assumptions	14,70,945	20,753	-	-
Actual return on plan assets less interest on plan asset	(83,839)	(1,183)	(1,14,376)	(1,637)
Actuarial loss / (gain) arising on account of demographic assumptions	-	-	(1,643)	(24)
Actuarial loss / (gain) arising on account of experience changes	(3,71,834)	(5,246)	(1,42,290)	(2,036)

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

Particulars	For the Year Ended March 2020	For the Year Ended March 2020	For the Year Ended March 2019	For the Year Ended March 2019
	(Rs)	(USD)	(Rs)	(USD)
Amount recognised in the Other Comprehensive Income	10,15,272	14,324	(2,58,309)	(3,696)

iv. Principle actuarial assumption

Assumptions	March 31, 2020	March 31, 2019
Discount Rate	6.85%	7.75%
Salary escalation	7.50%	7.00%

- Discount Rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- The Company has considered past service on account of benefit amendment.

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

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(6.37)%	5.57%	(5.47%)	5.89%
Impact of decrease in 50 bps on defined benefit obligation	5.64%	(6.37%)	5.88%	(5.53%)

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.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

vi. Composition of Plan Assets

Particulars	March 31, 2020	March 31, 2019
Policy of insurance	99.97%	99.64%
Other investment	0.029%	0.356%
Total	100%	100%

Actual return on the assets for the period ended March 31, 2020 ₹ 4,80,690 (2019: ₹ 1,14,376)

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

The plan assets in respect of gratuity represent funds managed by the India International Exchange (IFSC) Limited Employee's Group Gratuity Fund. The Employer's best estimate of the contributions expected to be paid to the plan during the next year is ₹ 15,10,277

vii. Maturity profile of defined benefit obligations

Maturity Profile	March 31, 2020	March 31, 2019
Expected benefits for year 1	1,49,275	1,48,879
Expected benefits for year 2	1,60,118	1,57,872
Expected benefits for year 3	1,73,610	1,65,608
Expected benefits for year 4	1,87,720	1,78,883
Expected benefits for year 5	1,99,189	1,93,189
Expected benefits for year 6 to year 10	13,49,995	23,18,639
Above 10 year	2,20,46,735	1,83,48,615

The weighted average duration to the payment of these cash flows is 12.15 years (previous period 11.34 years).

22.2 Defined Benefit Plan – Compensated absence

The liability for compensated absences as at the year ended March 31, 2020 is March 31, 2020 is Rs 50,46,709 (USD-66,945) (2019 : Rs 74,79,700 (USD-1,08,133)) as shown under current other financial liabilities and Rs. 31,04,768 (USD-41,185) shown under non current other financial liabilities. During the current year, provision for compensated absence amounting to Rs 55,51,960 (USD- 78,330) (2019: Rs 55,79,091 (USD-79,828)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 18 "Employee benefits expense".

For Principle actuarial assumption refer above iv table of assumption.

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

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

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

During the current year, provident fund contributions amounting to Rs 21,73,295 (USD- 30,662) (2019: Rs 21,12,839 (USD-30,231) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

During the current year, National pension scheme contributions amounting to Rs 12,14,301(USD17,132) (2019: Rs 10,79,334 (USD- 15,444) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

23 Segment Reporting

The Chief Executive Officer & Managing Director of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group'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 "Group" 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.

24 Financial Instruments

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

Fair value hierarchy:

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

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

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

The carrying value of financial instruments by categories as at balance sheet date is as follows and the directors consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars_	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	(Rs)	(USD)	(Rs)	(USD)
Financial Assets carried at amortised cost				
Other non-current financial assets	20,22,528	26,829	21,62,087	31,257
Cash and cash equivalents	16,45,31,536	21,82,524	47,28,82,329	68,36,395
Bank Balances	26,81,57,974	35,57,137	10,59,21,943	15,31,299
Trade Receivables	16,97,691	22,520	20,77,837	30,039
Other current financial assets	7,38,45,692	9,79,569	1,37,65,088	1,99,000
Total	51,02,55,421	67,68,579	59,68,09,284	86,27,990
Financial Liabilities carried at amortised cost				
Other non-current financial liabilities	2,66,565	3,536	2,94,601	4,259
Trade payables	1,82,09,917	2,41,556	2,21,27,136	319,889
Other current financial liabilities	19,09,46,378	25,32,919	11,49,00,310	16,61,098
Total	20,94,22,860	27,78,011	13,73,22,047	19,85,246

25 Related Party Transactions

1. Names of related parties and nature of relationship

Category of related parties	Name
Holding Company	BSE Limited
Fellow Subsidiaries:	India International Clearing Corporation (IFSC) Limited
	Indian Clearing Corporation Limited
	Marketplace Technologies Private Limited
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited

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

Category of related parties	Name
Subsidiary of Fellow Subsidiaries	Marketplace Tech Infra Services Private Limited
	BSE Skills Limited (up to June 28, 2018)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	Pranurja Solutions Limited (w.e.f April 24, 2018 and upto May 6, 2019)
	BSE Institute of Research Development & Innovation (w.e.f December 5, 2019)
Direct Associate of Holding	Central Depository Services (India) Limited (w.e.f June 30, 2017)
	Asia Index Private Limited
Indirect Associate of Holding	CDSL Ventures Limited (w.e.f June 30, 2017)
	CDSL Insurance Repository Limited (w.e.f June 30, 2017)
	CDSL Commodity Repository Limited (w.e.f June 30, 2017)
	Pranurja Solutions Limited (w.e.f May 7, 2019)
	BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018)
	Marketplace EBIX Technology Services Private Limited (w.e.f April 03, 2018)
Trust Set up by Holding Company	BSE Investors Protection Fund
Trust Set up by Company	India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund)
Key Management Personnel	Mr. Ashishkumar Chauhan – Non Executive Chairman
	Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer
	Dr. Ajit Ranade – Independent Director
	Dr. SK Nanda (IAS) – Independent Director
	Mr. Anand Sinha – Independent Director (till January 04, 2020)
	Mr. Nehal Vora – Director (till September 18, 2019)
	Mr. Sameer Patil – Director (w.e.f November 22, 2019)

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2. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenditure				
Computer Technology related Expenses	34,78,518	49,077	34,77,786	49,762
Reimbursement of Expenses				
Travelling expenses	2,44,371	3,448	2,51,653	3,601
Salaries, allowances and bonus	-	-	1,25,792	1,800
Recovery of insurance policy	4,20,679	5,935	3,30,398	4,727
Other transaction				
Transfer of Gratuity liabilities	-	-	1,47,467	2,150
Transfer of Compensated absence liabilities	-	-	1,43,271	2,089
Equity Share Capital	-	-	50,00,00,000	72,42,558

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Liability				
Payable	6,94,078	9,207	-	-

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Recovery of Expenses				
Recovery Computer Technology Related Expenses	32,67,218	46,096	36,43,918	52,139

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Recovery of Expenses				
Postage and Telephone Expenses	22,897	323	-	-
Staff Welfare Expenses	-	-	30,799	441
Building repair and maintenance	7,35,764	10,381	7,14,453	10,223
Reimbursement of Expenses/ Transactions				
Recovery of insurance policy	19,421	274	10,571	151
Salaries, allowances and bonus	1,05,575	1,490	2,44,299	3,496
Transfer of Electricity Incentives received from authorities	-	-	(2,45,127)	(3,508)
Expenditure				
Computer technology related Expense	2,77,451	3,914	-	-
Other Expenses				
Manpower support charges			50,699	725
Other transaction				
Gratuity liability on account of employee transfer (net) in / (Out) Obligation	47,851	660	(17,098)	(241)
Compensated absence (net) in / (Out) Obligation	1,22,330	1,666	(1,65,458)	(2,331)

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Assets				
Receivable (net)*	6,44,399	8,548	1,80,245	2,627

* The above receivable does not include recovery provision amounting to Rs Nil as at March 31, 2020 (2019: Rs. 4,74,202 (USD 6855)).

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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(c) Marketplace Tech Infra Services Private Limited (Subsidiary of Fellow Subsidiary):

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenditure				
Professional Fees	2,34,747	3,312	-	-
Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Liability				
Payable	27,592	366	-	-

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenditure				
Travelling Expenses	11,453	162	33,581	480

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenses				
Rent	3,80,361	5,366	1,90,828	2,730

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
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INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Expenses				
Professional Fees	1,00,381	1,416	1,01,569	1,453

(g) CDSL Ventures Limited (Indirect Associate of Ultimate Holding Company):

Particulars	For the year ended March 31, 2020 (Rs)	For the year ended March 31, 2020 (USD)	For the period ended March 31, 2019 (Rs)	For the period ended March 31, 2019 (USD)
Professional Fees	5,104	72	7,321	105

(h) Key Managerial remuneration:

Particular	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Salaries, allowances & bonus and contribution to Funds				
Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer*	2,80,02,784	3,95,078	2,58,76,367	3,70,250

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

26 Contingent liabilities

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

27 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to Rs 1,85,02,880 (USD – 2,45,442) (2019 : Rs Nil (USD – Nil)).

28 Lease

28.1 Operating Lease:

The Group has taken residential facilities and official facilities under cancellable operating lease. During the year ended March 31, 2020 rental expenses under

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

cancellable operating lease is recorded Rs 5,21,528 (USD-7,358) (2019: Rs 1,90,797 (USD-2,730)).

28.2 Finance Lease

Group has taken leasehold premises and improvements on lease term of 30 years. The minimum lease rentals along with their leased premium and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

<i>Amount in Rs</i>				
Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2020	15,191	75,955	3,03,999	3,95,145
March 31, 2019	15,955	60,764	348,857	4,25,576
Finance Charge				
March 31, 2020	1,462	11,336	1,02,062	1,14,860
March 31, 2019	948	6,442	1,09,543	1,16,933
Present value of Minimum Lease Payments				
March 31, 2020	13,729	64,619	2,01,937	2,80,285
March 31, 2019	15,007	54,322	2,39,314	3,08,643

<i>Amount in USD</i>				
Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2020	201	1,008	4,034	5,243
March 31, 2019	231	878	5,043	6,152
Finance Charge				
March 31, 2020	20	151	1,354	1,525
March 31, 2019	14	93	1,583	1,690
Present value of Minimum Lease Payments				
March 31, 2020	181	857	2,680	3,718
March 31, 2019	217	785	3,460	4,462

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29 Financial Risk Management:

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

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

Regulatory risk:

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

Interest rate risk

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

Liquidity risk

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

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31, 2020

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

<i>Amount in Rs</i>					
Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2020	-	15,191	75,955	3,03,999	3,95,145
March 31, 2019	-	15,955	60,764	348,857	4,25,576
Deposits from Members					
March 31, 2020	10,96,86,485	-	-	-	10,96,86,485
March 31, 2019	9,33,81,255	-	-	-	9,33,81,255
Deposits from Clients					
March 31, 2020	28,26,971	-	-	-	28,26,971
March 31, 2019	17,29,823	-	-	-	17,29,823
Margin from Clients					
March 31, 2020	6,72,27,110	-	-	-	6,72,27,110
March 31, 2019	72,80,902	-	-	-	72,80,902
Trade Payables					
March 31, 2020	-	1,82,09,917	-	-	1,82,09,917
March 31, 2019	-	2,21,27,136	-	-	2,21,27,136
Other Financial liabilities					
March 31, 2020	1,88,465	1,10,03,627	-	-	1,11,92,092
March 31, 2019	-	1,24,94,620	-	-	1,24,94,620

<i>Amount in USD</i>					
Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2020		201	1,008	4,034	5,243
March 31, 2019		231	878	5,043	6,152
Deposits from Members					
March 31, 2020	14,55,000	-	-	-	14,55,000
March 31, 2019	13,50,000	-	-	-	13,50,000
Deposits from Clients					
March 31, 2020	37,500	-	-	-	37,500
March 31, 2019	25,000	-	-	-	25,000
Margin from Clients					
March 31, 2020	8,91,773	-	-	-	8,91,773
March 31, 2019	1,05,259	-	-	-	1,05,259

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Trade Payables					
March 31, 2020		2,41,556			2,41,556
March 31, 2019		3,19,889			3,19,889
Other Financial liabilities					
March 31, 2020	2,500	1,45,964	-	-	1,48,464
March 31, 2019	-	1,80,633	-	-	1,80,633

30 Capital management:

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

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

Compliance with externally imposed capital requirements:

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 i.e. December 28, 2019. Further SEBI has relaxed the net-worth requirement of Rs 100 crores for India International Exchange (IFSC) Limited for 1 year i.e. December 28, 2020 subject to maintenance of minimum net-worth of Rs 25 crores at all times as mandated under SEBI (International Financial Services Centre) Guidelines, 2015. The Company has maintained the Net worth at all times as per the relaxation granted by SEBI.

- 31** The Group has not created any deferred tax provision. Deferred tax provision will be recognised based on the reasonable certainty.
- 32** India INX Global Access IFSC Limited has received the in-principle approval vide letter dated March 11, 2020 from Director IT & e-Governance, Government of Gujarat for claiming assistance under IT/ITES policy 2016-21. Accordingly, Company is in process of claiming assistance under IT/ITES policy 2016-21.
- 33** The management of Company is seized of the evolving situation pertaining to the COVID 19 pandemic and continues to closely monitor it to ensure safety of all its staff members, the normal conduct of the market operations and prompt identification and resolution of issues, if any. Company continues to operate normally, Accordingly there is no significant impact considered in the financial statement.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

Name of the entity	March 31, 2020		March 31, 2020		March 31, 2019		March 31, 2019	
	Rs in Lakhs		USD (000)		Rs in Lakhs		USD (000)	
	%	Amount	%	Amount	%	Amount	%	Amount
As % of consolidated net assets Net assets, i.e., total assets minus total liabilities								
Parent Company	79%	3868.44	79%	5131.50	85%	5577.65	85%	8063.53
Subsidiary - India INX Global Access IFSC Limited	21%	1007.03	21%	1335.84	15%	953.06	15%	1377.83
As % of consolidated net Profit and Loss								
Parent Company	99%	(3,111.72)	99%	(4,390.17)	98%	(3,099.56)	98%	(4,434.92)
Subsidiary - India INX Global Access IFSC Limited	1%	(28.44)	1%	(40.13)	2%	(58.72)	2%	(84.08)
As % of consolidated net Other Comprehensive Income								
Parent Company	81%	357.36	100%	(14.32)	96%	307.82	100%	3.70
Subsidiary - India INX Global Access IFSC Limited	19%	83.71	-	-	4%	14.04	-	-
As % of consolidated net Total Comprehensive Income								
Parent Company	102%	(2,754.35)	99%	(4404.49)	98%	(2,791.74)	98%	(4,426.42)
Subsidiary - India INX Global Access IFSC Limited	(2%)	55.27	1%	(40.13)	2%	(44.68)	2%	(88.89)

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

In terms of our report of attached

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

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Balasubramaniam Venkataramani
Managing Director & CEO

Date: April 17, 2020
Place : Mumbai

Mayank Jain
Chief Financial Officer
Place: Gandhinagar

Nikhil Mehta
Company Secretary

Form AOC-I

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

Part "A": Subsidiaries - Statement containing salient features of the financial statement of subsidiary

	Name of the subsidiary	India INX Global Access IFSC Limited	
	The date since when subsidiary was acquired	05-Apr-18	
		INR	USD
1	Share capital	10,00,00,000	14,65,005
2	Reserves & surplus	7,14,357	(1,29,021)
3	Total assets	17,15,48,305	22,75,602
4	Total Liabilities	7,08,33,948	9,39,618
5	Investments	-	-
6	Turnover	43,53,395	61,420
7	Profit/(Loss) before taxation	(28,44,164)	(40,127)
8	Provision for taxation	-	-
9	Profit/(Loss) after taxation	(28,44,164)	(40,127)
10	Proposed Dividend	-	-
11	% of shareholding	100%	100%

For and on behalf of the Board of Directors
Ashishkumar Chauhan
Chairman
Balasubramaniam Venkataramani
Managing Director & CEO

Date : April 17, 2020
Place: Gandhinagar

Mayank Jain
Chief Financial Officer
Nikhil Mehta
Company Secretary



INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

Audited Standalone
Financial Statement for the
Year ended
March 2020

Independent Auditor's Report

To the Members of India International Exchange (IFSC) Limited

Report on the audit of the Ind AS financial statements

Opinion

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

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

Basis for Opinion

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

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

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

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss, the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act, the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the Company. Hence reporting under section 197(16) of the Act is not applicable to the Company
 - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial control over financial reporting.; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to the best of our information and according to the explanations given to us we state that:
 - (i) there is no pending litigation against the Company
 - (ii) there are no material foreseeable losses on long term contracts including derivative contract where provision is required to be made by the Company under any law or accounting standards
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
April 17, 2020
UDIN: 20116765AAAABV2624

Annexure - A to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a programme of physical verification of its fixed assets by which fixed assets are verified once every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its asset. Pursuant to the program, the fixed assets were verified during the year. In our opinion and according to information and explanation given to us no material discrepancies were noticed on such verification.
(c) According to the information and explanation given to us and based on the examination of registered lease deed provided to us in respect of immovable property of office premise that has been taken on lease and disclosed as fixed asset, the lease agreement is in the name of the Company.
- (ii) The Company is a service company, primarily in the business of stock exchange. Accordingly, it does not hold any physical inventories. Hence reporting under paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any investment or provided any guarantee or security in terms of provisions of section 185 and 186 of the Act. Hence reporting under paragraph 3 (iv) of the Order is not applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, reporting under paragraph 3 (v) of the Order is not applicable.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of rendered by the Company. Hence reporting under clause 3(vi) of the order is not applicable to the Company.

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

- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (b) There were no material dues of Income Tax, Goods and Service Tax, Duty of customs, Duty of Excise as applicable that were not deposited by the Company on account of dispute.

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

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

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

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

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

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

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

- (xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and thus provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Hence reporting under paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No.: 116765
April 17, 2020
UDIN: 20116765AAAABV2624

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 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Dalal Doctor & Associates

Chartered Accountants

FRN: 120833W

Amol Khanolkar

Partner

Membership No.: 116765

April 17, 2020

UDIN: 20116765AAAABV2624

India International Exchange (IFSC) Limited							
Balance Sheet as at March 31, 2020							
Particulars		Note No.	As at March 31, 2020		As at March 31, 2019		
			(Rs)	(USD)	(Rs)	(USD)	
			Audited	Audited	Audited	Audited	
1	ASSETS						
	Non-current Assets						
	a. Property, Plant and Equipment	3	17,44,53,979	23,14,146	19,26,51,824	27,85,141	
	b. Intangible Assets	4	1,21,41,125	1,61,053	1,36,92,182	1,97,946	
	c. Financial Assets						
	(i) Investment in Subsidiary	8	11,04,40,720	14,65,005	10,13,36,300	14,65,005	
	(ii) Other Financial Assets	9	20,22,528	26,829	21,62,087	31,257	
	d. Non-current Tax Assets (net)		1,87,862	2,492	1,67,118	2,416	
	Total		29,92,46,214	39,69,525	31,00,09,511	44,81,765	
	2	Current Assets					
		a. Financial assets					
(i) Cash and Cash Equivalents		5	12,61,66,069	16,73,603	39,26,55,173	56,76,562	
(ii) Bank Balance other than Above (i)		6	22,95,32,576	30,44,768	10,59,21,943	15,31,299	
(iii) Trade Receivables		7	16,97,691	22,520	22,46,753	32,481	
(iv) Other Financial Assets		9	36,57,498	48,517	9,40,037	13,590	
b. Other Assets		10	61,26,536	81,269	59,62,911	86,205	
Total			36,71,80,370	48,70,677	50,77,26,817	73,40,137	
Total Assets			66,64,26,584	88,40,202	81,77,36,328	1,18,21,902	
1		EQUITY AND LIABILITIES					
		Equity					
	a. Equity Share Capital	11	1,35,43,84,018	1,98,63,151	1,25,00,00,000	1,83,92,539	
	b. Other Equity	12	(85,71,11,107)	(1,32,66,786)	(59,07,80,218)	(88,62,289)	
	Total		49,72,72,911	65,96,365	65,92,19,782	95,30,250	
	LIABILITIES						
	2	Non-current Liabilities					
		a. Financial Liabilities					
		(i) Other Financial Liabilities	14	2,56,991	3,409	2,84,156	4,108
		b. Provisions	15	41,00,163	54,389	21,60,012	31,227
		c. Other Liabilities	16	26,90,598	35,691	35,69,654	51,606
Total		70,47,752	93,489	60,13,822	86,941		
3	Current Liabilities						
	a. Financial Liabilities						
	(i) Trade Payables	13					
	a. Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	
	b. Total outstanding dues of creditor other than micro enterprises and small enterprises		1,77,44,635	2,35,384	2,19,47,844	3,17,297	
	(ii) Other Financial Liabilities	14	12,08,47,443	16,03,051	10,58,89,433	15,30,829	
	b. Provisions	15	64,22,879	85,200	74,79,700	1,08,133	
	c. Other Liabilities	16	1,70,90,964	2,26,713	1,71,85,747	2,48,452	
	Total		16,21,05,921	21,50,348	15,25,02,724	22,04,711	
	Total Equity and Liabilities			66,64,26,584	88,40,202	81,77,36,328	1,18,21,902
See accompanying notes forming part of the financial statements		1-2					
In terms of our report attached For Dalal Doctor & Associates Chartered Accountants Firm Reg. No.: 120833W		For and on behalf of the Board of Directors					
Amol Khanolkar Partner Membership No.: 116765		Ashishkumar Chauhan Chairman		Balasubramaniam Venkataramani Managing Director & CEO			
Date : April 17, 2020 Place : Mumbai		Mayank Jain Chief Financial Officer Place : Gandhinagar		Nikhil Mehta Company Secretary			

India International Exchange (IFSC) Limited
Statement of Profit and Loss for the Year ended March 31, 2020

Particulars	Note No.	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
1 Revenue From Operations	17	1,30,27,366	1,83,797	91,94,654	1,31,561
2 Investment Income		69,15,178	97,563	25,11,528	35,936
3 Other Income	18	40,72,288	57,454	1,08,12,023	1,54,703
4 Total Revenue (1+2+3)		2,40,14,832	3,38,814	2,25,18,205	3,22,200
5 Expenses					
Employee Benefits Expense	19	7,90,34,024	11,15,054	8,20,52,224	11,74,038
Administration and Other Expenses	20	6,39,57,543	9,02,347	8,37,22,850	11,97,942
LES Expenditure		15,62,20,513	22,04,042	12,98,04,584	18,57,299
Finance Costs		921	13	629	9
Depreciation and Amortisation Expenses	3&4	3,59,73,341	5,07,531	3,65,53,292	5,23,020
Total Expenses		33,51,86,342	47,28,987	33,21,33,579	47,52,308
6 Profit / (loss) before tax (4 - 5)		(31,11,71,510)	(43,90,173)	(30,96,15,374)	(44,30,108)
7 Tax Expense:					
Current tax and Deferred tax		-	-	-	-
8 Profit / (loss) For The Year From Continuing Operations (6 - 7)		(31,11,71,510)	(43,90,173)	(30,96,15,374)	(44,30,108)
9 Profit from discontinuing operations		-	-	-	-
10 Tax expenses of discontinuing operations		-	-	-	-
11 Profit from Discontinuing Operations (after tax) (9+10)		-	-	-	-
12 Profit / (loss) For The Year (8+11)		(31,11,71,510)	(43,90,173)	(30,96,15,374)	(44,30,108)
13 Other Comprehensive Income					
A Items that will not be reclassified to profit or loss					
(i) Remeasurement of Defined Benefit Plan		(10,15,272)	(14,324)	2,58,309	3,696
B Items that will be reclassified to profit or loss					
(i) Foreign Currency Translation Reserve		4,58,55,893	-	3,18,63,994	-
Total Other Comprehensive Income For the Year		4,48,40,621	(14,324)	3,21,22,303	3,696
14 Total Comprehensive Income For the Year (12+13)		(26,63,30,889)	(44,04,497)	(27,74,93,071)	(44,26,412)
15 Earning per equity share :	22				
Basic and Diluted EPS before and after Exceptional items		(0.236)	(0.003)	(0.334)	(0.005)
Per value of share Re		1	NA	1	NA
Weighted average number of shares (Nos.)		1,31,81,63,334	1,31,81,63,334	92,80,82,192	92,80,82,192
See accompanying notes forming part of the financial statements	1-2				

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

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Balasubramaniam Venkataramani
Managing Director & CEO

Date : April 17, 2020
Place : Mumbai

Mayank Jain
Chief Financial Officer
Place : Gandhinagar

Nikhil Mehta
Company Secretary

India International Exchange (IFSC) Limited Cash Flow Statement for the Year ended March 31, 2020				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
A. Cash Flow from Operating Activities				
Profit / (loss) for the Year	(31,11,71,510)	(43,90,173)	(30,96,15,374)	(44,30,108)
Depreciation and Amortisation Expenses	3,59,73,341	5,07,531	3,65,53,292	5,23,020
Foreign Currency Translation Reserve	4,58,55,893	-	3,18,63,994	-
Remeasurement of Defined Benefit Plan	(10,15,272)	(14,324)	2,58,309	3,696
Interest Income on Fixed Deposits	(69,15,178)	(97,563)	(25,11,528)	(35,936)
<u>Adjustments for Changes in operating Liability and Assets</u>				
Trade Payable	(42,03,209)	(81,913)	88,28,452	1,15,597
Trade Receivables	5,49,062	9,961	(7,45,364)	(9,720)
Provisions	8,83,330	229	(34,57,373)	(61,997)
Other Liabilities	(9,73,839)	(37,654)	1,15,00,826	1,57,780
Other Financial Liabilities	1,49,30,845	71,523	17,18,328	(70,981)
Other Financial Assets	(25,77,902)	(30,499)	1,18,03,536	1,84,637
Other Assets	(1,63,625)	4,936	(8,77,048)	(8,014)
	(22,88,28,064)	(40,57,946)	(21,46,79,950)	(36,32,026)
Taxes Paid	(20,744)	(76)	(19,728)	(150)
Net Cash Generated (Used in) Operating Activities	(22,88,48,808)	(40,58,022)	(21,46,99,678)	(36,32,176)
B. Cash Flow From Investing Activities				
Purchase of Property, Plant & Equipment and Intangible Assets	(1,75,46,121)	(18,290)	(2,79,41,510)	(1,98,346)
Transfer of Property, Plant & Equipment's	13,21,682	18,647	28,06,459	40,156
Investment in Fixed Deposit	(23,52,28,572)	(29,91,856)	(11,61,25,014)	(15,15,709)
Proceeds of Maturity of Fixed Deposit	11,42,66,335	15,15,752	18,60,70,797	26,90,000
Interest Income Received	42,66,782	60,198	41,69,315	59,656
Investment in Subsidiary (Refer note 3 below)	(91,04,420)	-	(10,13,36,300)	(14,65,005)
Net Cash Generated (Used in) / from Investment Activities	(14,20,24,314)	(14,15,549)	(5,23,56,253)	(3,89,248)
C. Cash Flow From Financing Activities				
Proceeds From Allotment of Equity Share	10,43,84,018	14,70,612	50,00,00,000	72,42,558
Net Cash Generated From Financing Activities	10,43,84,018	14,70,612	50,00,00,000	72,42,558
D. Net increase / (decrease) in Cash and Cash Equivalents	(26,64,89,104)	(40,02,959)	23,29,44,069	32,21,134
Cash and Cash Equivalents at the end of the Year				
In Current Account - Owned	3,04,63,593	4,04,102	35,45,50,779	51,25,692
In Current Account - Member fund	-	-	3,80,44,215	5,50,000
In Current Account - Earmarked	82,246	1,091	60,179	870
In Deposit Account - Owned	7,42,86,020	9,85,410	-	-
In Deposit Account - Member fund	2,13,34,210	2,83,000	-	-
	12,61,66,069	16,73,603	39,26,55,173	56,76,562
Cash and Cash Equivalents at the beginning of the Year	39,26,55,173	56,76,562	15,97,11,104	24,55,428
Changes In Cash and Cash Equivalents	(26,64,89,104)	(40,02,959)	23,29,44,069	32,21,134
Cash and Cash Equivalents at the end of the Year	12,61,66,069	16,73,603	39,26,55,173	56,76,562
Cash and Bank Balance (Refer note 5)	12,61,66,069	16,73,603	39,26,55,173	56,76,562
See accompanying notes forming part of the financial statements				
Notes: 1 Cash and Cash Equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 90 days. 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement". 3 No new investment in subsidiary is made during the year ended March 31, 2020. The above Investment in subsidiary amount represents forex conversion impact.				
In terms of our report attached For Dalal Doctor & Associates Chartered Accountants Firm Reg. No.: 120833W		For and on behalf of the Board of Directors		
Amol Khanolkar Partner Membership No.: 116765		Ashishkumar Chauhan Chairman Mayank Jain Chief Financial Officer Place : Gandhinagar		
		Balasubramaniam Venkataramani Managing Director & CEO Nikhil Mehta Company Secretary		
Date : April 17, 2020 Place : Mumbai				

India International Exchange (IFSC) Limited
Statement of Changes in Equity for the Year ended March 31, 2020

A. Equity Share Capital

Particulars	(Rs)	(USD)
Balance at March 31, 2018	75,00,00,000	1,11,49,981
Changes in Equity Share Capital During the Year	50,00,00,000	72,42,558
Balance as at March 31, 2019	1,25,00,00,000	1,83,92,539
Changes in Equity Share Capital During the Year	10,43,84,018	14,70,612
Balance as at March 31, 2020	1,35,43,84,018	1,98,63,151

B. Other Equity

Particulars	Reserve & Surplus		Liquidity Enhancement Scheme (LES) Reserve	Liquidity Enhancement Scheme (LES) Reserve	Items of Other Comprehensive income	Total Other equity	Total Other equity
	Retained earning	Retained earning			Foreign Currency translation reserve		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance at March 31, 2018	(31,35,69,744)	(48,11,615)	2,38,47,986	3,75,738	(2,35,65,389)	(31,32,87,147)	(44,35,877)
Profit / (Loss) for the Year ended March 31, 2019	(30,96,15,374)	(44,30,108)			-	(30,96,15,374)	(44,30,108)
Other Comprehensive Income for the Year ended March 31, 2019	2,58,309	3,696			3,18,63,994	3,21,22,303	3,696
Add/(less) : Liquidity Enhancement Scheme (LES) Reserve	(10,67,32,609)	(15,19,732)	10,67,32,609	15,19,732	-	-	-
Add/(less) : LES Expenditure incurred during the Year ended March 31, 2019	12,98,04,584	18,57,299	(12,98,04,584)	(18,57,299)	-	-	-
Balance as at March 31, 2019	(59,98,54,834)	(89,00,460)	7,76,011	38,171	82,98,605	(59,07,80,218)	(88,62,289)
Profit / (Loss) for the Year ended March 31, 2020	(31,11,71,510)	(43,90,173)			-	(31,11,71,510)	(43,90,173)
Other Comprehensive Income for the Year ended March 31, 2020	(10,15,272)	(14,324)			4,58,55,893	4,48,40,621	(14,324)
Add/(less) : Liquidity Enhancement Scheme (LES) Reserve	(15,92,82,420)	(22,47,241)	15,92,82,420	22,47,241	-	-	-
Add/(less) : LES Expenditure incurred during the Year ended March 31, 2020	15,62,20,513	22,04,042	(15,62,20,513)	(22,04,042)	-	-	-
Balance as at March 31, 2020	(91,51,03,523)	(1,33,48,156)	38,37,918	81,370	5,41,54,498	(85,71,11,107)	(1,32,66,786)

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

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Balasubramaniam Venkataramani
Managing Director & CEO

Date : April 17, 2020
Place : Mumbai

Mayank Jain
Chief Financial Officer
Place : Gandhinagar

Nikhil Mehta
Company Secretary

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

1. General Information

India International Exchange (IFSC) Limited 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 debt securities, currency derivatives, Equity and 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 and settlement 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 17, 2020.

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

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

2.3 *Foreign exchange Translation Reserve*

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

2.4 *Use of Estimates and judgment*

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

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

- a. *Income taxes:* The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Company is eligible to claim deduction of income, an amount equal to one hundred per cent of the income for any ten consecutive assessment years, out of fifteen years as per section 80LA of Income tax Act, 1961.
- b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- c. Defined employee benefit 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

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

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

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

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. Equity investments in Subsidiary:

All equity investment in subsidiary is measured at cost.

d. Financial assets at FVTPL:

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

Financial liabilities

(a) Financial liabilities at amortised cost:

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

(b) Financial liabilities at FVTPL:

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

2.6 Property, plant and equipment

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

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

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

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

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

2.7 Intangible assets

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

The estimated useful lives of intangibles are as follows:

Category	Useful lives
Computer software	6 years

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Derecognition of intangible assets

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

2.8 Leases

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

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

2.9 Impairment

a. Financial assets carried at amortised cost and FVTOCI

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

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

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

- 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

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

2.10 Employee benefit

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

Defined Contribution Plan

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

Defined benefit Plan

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

The Company has the following employee benefit plans:

a. Gratuity

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

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

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

b. Compensated absences

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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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.

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

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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.

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

2.13 Dividend Income

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

2.14 Finance income and expense

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

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

2.15 Taxation

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

a. Current income tax

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

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b. *Deferred income tax*

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

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

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

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

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

2.16 *Earnings per share*

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

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

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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

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

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

(USD)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2018	15,01,684	4,09,301	12,19,728	81,466	4,20,321	25,508	36,58,008
Additions during the year	-	-	1,74,946	1,791	6,382	9,509	1,92,628
Deductions / adjustments	(40,156)	-	-	-	-	-	(40,156)
Balance as at March 31, 2019	14,61,528	4,09,301	13,94,674	83,257	4,26,703	35,017	38,10,480
Accumulated Depreciation and Impairment							
Balance as at April 01, 2018	65,668	48,079	3,22,868	10,025	1,01,944	97	5,48,681
Depreciation for the year	49,065	40,930	2,89,283	8,249	84,718	4,413	4,76,658
Deductions / Adjustments	-	-	-	-	-	-	-
Balance as at March 31, 2019	1,14,733	89,009	6,12,151	18,274	1,86,662	4,510	10,25,339
Net Book Value							
Balance as at March 31, 2019	13,46,795	3,20,292	7,82,523	64,983	2,40,041	30,507	27,85,141

(Rs)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2018	9,76,75,684	2,66,22,615	7,93,36,110	52,98,883	2,73,39,401	16,59,148	23,79,31,841
Additions during the year	-	-	1,22,26,783	1,25,171	4,46,031	6,64,574	1,34,62,559
Deductions / adjustments	(28,06,459)	-	-	-	-	-	(28,06,459)
Currency Fluctuation	62,26,567	16,89,267	49,08,520	3,34,941	17,30,169	98,453	1,49,87,917
Balance as at March 31, 2019	10,10,95,792	2,83,11,882	9,64,71,413	57,58,995	2,95,15,601	24,22,175	26,35,75,858
Accumulated Depreciation and Impairment							
Balance as at April 01, 2018	42,71,316	31,27,255	2,10,00,661	6,52,068	66,30,856	6,309	3,56,88,465
Depreciation for the year	34,29,099	28,60,553	2,02,17,671	5,76,514	59,20,848	3,08,420	3,33,13,105
Currency Fluctuation	2,35,816	1,69,060	11,24,952	35,454	3,59,949	(2,767)	19,22,464
Balance as at March 31, 2019	79,36,231	61,56,868	4,23,43,284	12,64,036	1,29,11,653	3,11,962	7,09,24,034
Net Book Value							
Balance as at March 31, 2019	9,31,59,561	2,21,55,014	5,41,28,129	44,94,959	1,66,03,948	21,10,213	19,26,51,824

(USD)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2019	14,61,528	4,09,301	13,94,674	83,257	4,26,703	35,017	38,10,480
Additions during the year	-	2,600	1,174	1,862	382	-	6,018
Deductions / adjustments	(8,676)	(5,748)	(181)	(3,492)	(550)	-	(18,647)
Balance as at March 31, 2020	14,52,852	4,06,153	13,95,667	81,627	4,26,535	35,017	37,97,851
Accumulated Depreciation and Impairment							
Balance as at April 01, 2019	1,14,733	89,009	6,12,151	18,274	1,86,662	4,510	10,25,339
Depreciation for the year	48,436	40,529	2,71,446	8,065	85,500	4,390	4,58,366
Balance as at March 31, 2020	1,63,169	1,29,538	8,83,597	26,339	2,72,162	8,900	14,83,705
Net Book Value							
Balance as at March 31, 2020	12,89,683	2,76,615	5,12,070	55,288	1,54,373	26,117	23,14,146

(Rs)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
Gross block							
Balance as at April 01, 2019	10,10,95,792	2,83,11,882	9,64,71,413	57,58,995	2,95,15,601	24,22,175	26,35,75,858
Additions during the year	-	1,84,286	83,212	1,31,977	27,076	-	4,26,551
Deductions / adjustments	(6,14,947)	(4,07,413)	(12,829)	(2,47,510)	(38,984)	-	(13,21,682)
Currency Fluctuation	90,43,711	25,29,454	86,71,817	5,10,063	26,51,032	2,17,617	2,36,23,694
Balance as at March 31, 2020	10,95,24,556	3,06,18,209	10,52,13,613	61,53,525	3,21,54,725	26,39,792	28,63,04,421
Accumulated Depreciation and Impairment							
Balance as at April 01, 2019	79,36,231	61,56,868	4,23,43,284	12,64,036	1,29,11,653	3,11,962	7,09,24,034
Depreciation for the year	34,33,100	28,72,659	1,92,39,849	5,71,640	60,60,163	3,11,159	3,24,88,570
Currency Fluctuation	9,31,311	7,35,812	50,27,625	1,49,913	15,45,361	47,816	84,37,838
Balance as at March 31, 2020	1,23,00,642	97,65,339	6,66,10,758	19,85,589	2,05,17,177	6,70,937	11,18,50,442
Net Book Value							
Balance as at March 31, 2020	9,72,23,914	2,08,52,870	3,86,02,855	41,67,936	1,16,37,548	19,68,855	17,44,53,979

4. Intangible Assets		
(USD)		
Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	2,41,242	2,41,242
Additions during the year	43,663	43,663
Deductions / adjustments	-	-
Balance as at March 31, 2019	2,84,905	2,84,905
Accumulated depreciation and impairment		
Balance as at April 01, 2018	40,597	40,597
Amortisation for the year	46,362	46,362
Deductions / Adjustments	-	-
Balance as at March 31, 2019	86,959	86,959
Net book value		
Balance as at March 31, 2019	1,97,946	1,97,946
(Rs)		
Particulars	Software	Total
Gross block		
Balance as at April 01, 2018	1,56,91,369	1,56,91,369
Additions during the year	30,51,559	30,51,559
Deductions / adjustments	-	-
Currency Fluctuation	9,64,321	9,64,321
Balance as at March 31, 2019	1,97,07,249	1,97,07,249
Accumulated depreciation and impairment		
Balance as at April 01, 2018	26,40,596	26,40,596
Amortisation for the year	32,40,189	32,40,189
Deductions / Adjustments	-	-
Currency Fluctuation	1,34,282	1,34,282
Balance as at March 31, 2019	60,15,067	60,15,067
Net book value		
Balance as at March 31, 2019	1,36,92,182	1,36,92,182
(USD)		
Particulars	Software	Total
Gross block		
Balance as at April 01, 2019	2,84,905	2,84,905
Additions during the year	12,272	12,272
Balance as at March 31, 2020	2,97,177	2,97,177
Accumulated Depreciation and Impairment		
Balance as at April 01, 2019	86,959	86,959
Amortisation for the year	49,165	49,165
Balance as at March 31, 2020	1,36,124	1,36,124
Net Book Value		
Balance as at March 31, 2020	1,61,053	1,61,053
(Rs)		
Particulars	Software	Total
Gross block		
Balance as at April 01, 2019	1,97,07,249	1,97,07,249
Additions during the year	8,69,828	8,69,828
Currency Fluctuation	18,25,879	18,25,879
Balance as at March 31, 2020	2,24,02,956	2,24,02,956
Accumulated Depreciation and Impairment		
Balance as at April 01, 2019	60,15,067	60,15,067
Amortisation for the year	34,84,771	34,84,771
Currency Fluctuation	7,61,993	7,61,993
Balance as at March 31, 2020	1,02,61,831	1,02,61,831
Net Book Value		
Balance as at March 31, 2020	1,21,41,125	1,21,41,125

5. Cash and Cash Equivalents				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Balance with Banks				
Own Fund				
In Current Accounts	3,04,63,593	4,04,102	35,45,50,779	51,25,692
In Deposit Accounts - Original maturity less than 90 days	7,42,86,020	9,85,410	-	-
Member Fund				
In Current Accounts	-	-	3,80,44,215	5,50,000
In Deposit Accounts - Original maturity less than 90 days	2,13,34,210	2,83,000	-	-
Earmarked Fund - Investor Protection Fund				
In Current Accounts	82,246	1,091	60,179	870
Cash and Cash Equivalents	12,61,66,069	16,73,603	39,26,55,173	56,76,562
6. Bank Balances Other than Above				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Balance with Banks				
Own Fund				
In Deposit Accounts	13,96,76,051	18,52,814	4,94,98,291	7,15,590
Member Fund				
In Deposit Accounts	8,83,52,275	11,72,000	5,53,37,040	8,00,000
Earmarked Fund - Investor protection fund				
In Deposit Accounts	15,04,250	19,954	10,86,612	15,709
Bank Balances Other than Above	22,95,32,576	30,44,768	10,59,21,943	15,31,299
7. Trade Receivables				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Trade Receivables				
- Secured, Considered Good	6,88,575	9,134	12,45,153	18,001
- Unsecured, Considered Good	3,64,717	4,838	6,50,971	9,411
Receivable from Group Companies - Unsecured, Considered Good	6,44,399	8,548	3,50,629	5,069
Total Trade Receivables	16,97,691	22,520	22,46,753	32,481
8. Investment in Subsidiary				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current Investment				
Investment in Equity Instrument (unquoted)				
India INX Global Access IFSC Limited (Fully paid equity share of Rs 1 each)	10,00,00,000	14,65,005	10,00,00,000	14,65,005
Add: Conversion Impact	1,04,40,720	-	13,36,300	-
Total Investment in Equity Instruments	11,04,40,720	14,65,005	10,13,36,300	14,65,005
Aggregate amount of unquoted investment	11,04,40,720	14,65,005	10,13,36,300	14,65,005
9. Other Financial Assets				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Loan to Employees	3,96,379	5,258	5,33,034	7,706
Deposits with Public Bodies and Other Parties	16,26,149	21,571	16,29,053	23,551
Total (A)	20,22,528	26,829	21,62,087	31,257
Current				
Deposits with Public Bodies and Other Parties	1,63,286	2,166	48,904	707
Advance to Vendor and Loan to Employees	1,09,988	1,459	1,09,982	1,590
Unbilled Revenue	5,27,701	7,000	-	-
Receivable from Government Authorities towards Incentive	28,56,523	37,892	7,81,151	11,293
Total (B)	36,57,498	48,517	9,40,037	13,590
Total (A+B)	56,80,026	75,346	31,02,124	44,847

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

10. Other assets				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Advance to Vendors	4,76,288	6,318	24,210	350
Prepaid Expenses	52,26,504	69,330	43,81,448	63,342
Cenvat Receivable	13,11,564	17,398	13,11,557	18,961
Less : Provision for Cenvat Receivable	(13,11,564)	(17,398)	(13,11,557)	(18,961)
Net Cenvat receivable	-	-	-	-
Good & Service Tax Receivable	4,23,744	5,621	15,57,253	22,513
Total	61,26,536	81,269	59,62,911	86,205
11. Equity Share Capital				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Equity Share Capital				
Authorised share capital: 2,50,00,00,000 (Previous year - 2,50,00,00,000) Equity Shares of Rs. 1/- each with voting rights	2,50,00,00,000	Not Applicable	2,50,00,00,000	Not Applicable
Issued Share Capital: 1,35,43,84,018 (Previous year - 1,38,73,47,392) Equity Shares of Rs. 1/- each with voting rights (Refer note below)	1,35,43,84,018	Not Applicable	1,38,73,47,392	Not Applicable
Subscribed and Fully Paid - up 125,00,00,000 (Previous year - 75,00,00,000) Equity Shares of Rs 1/- each with voting rights	1,25,00,00,000	1,83,92,539	75,00,00,000	1,11,49,981
Add: Addition during the year	10,43,84,018	14,70,612	50,00,00,000	72,42,558
1,35,43,84,018 (Previous year - 1,25,00,00,000) Equity Shares of Rs. 1/- each with voting rights	1,35,43,84,018	1,98,63,151	1,25,00,00,000	1,83,92,539
Note : The Company had passed Special Resolution on March 6, 2019 for preferential issue of 43,73,47,392 equity shares of Rs. 1/- each for a period of 1 year from the date of passing the resolution out of which 30,00,00,000 equity shares of Rs. 1/- each allotted on March 20, 2019 and 10,43,84,018 equity shares of Rs. 1/- each allotted on August 06, 2019. The Validity of Issued Capital expired on March 6, 2020.				
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
No. of shares at the beginning of the year	1,25,00,00,000	-	75,00,00,000	-
Preferential allotment	10,43,84,018	-	50,00,00,000	-
No. of shares at the end of the year	1,35,43,84,018	-	1,25,00,00,000	-
Shareholders holding more than 5% of the shares in the company				
Equity Shares				
Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	1,25,00,00,000	92.29%	1,25,00,00,000	100%
ICICI Bank Limited	10,43,84,018	7.71%	-	0%
Total	1,35,43,84,018	100.00%	1,25,00,00,000	100%
12. Other Equity				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Retained earnings				
Balance at the Beginning of The Year	(59,15,56,229)	(89,00,460)	(33,71,35,133)	(48,11,615)
Total Comprehensive Income During the Year Other Than FCTR	(31,21,86,782)	(44,04,497)	(30,93,57,065)	(44,26,412)
Foreign Currency Translation Reserve During the Year (FCTR)	4,58,55,893	-	3,18,63,994	-
Less : Transfer to Liquidity Enhancement Scheme (LES) Reserve	(15,92,82,420)	(22,47,241)	(10,67,32,609)	(15,19,732)
Add: LES Expenditure Incurred During the Year	15,62,20,513	22,04,042	12,98,04,584	18,57,299
Closing Balance (A)	(86,09,49,025)	(1,33,48,156)	(59,15,56,229)	(89,00,460)
Liquidity Enhancement Scheme (LES) Reserve (Refer note below)				
Opening Balance	7,76,011	38,171	2,38,47,986	3,75,738
Add: Transfer from Retained Earning	15,92,82,420	22,47,241	10,67,32,609	15,19,732
Less: LES Expenditure Incurred During the Year	(15,62,20,513)	(22,04,042)	(12,98,04,584)	(18,57,299)
Closing Balance (B)	38,37,918	81,370	7,76,011	38,171
Total (A+B)	(85,71,11,107)	(1,32,66,786)	(59,07,80,218)	(88,62,289)
Liquidity Enhancement Scheme (LES) Reserve				
Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), the Company had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's derivatives contracts traded in the Exchange. LES was launched on November 01, 2017 and which was further extended and amended from time to time. An expense of Rs 1562.20 Lakhs (USD 2204.04 thousand) (Previous period: Rs 1298.05 Lakhs (USD 1857.30 thousand)) has been incurred towards the Scheme for the year ended March 31, 2020.				
Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2020, The Company has created additional LES reserve of Rs 1592.82 lakhs (USD 2247.24 thousand) and incurred an expense of Rs 1562.20 Lakhs (USD 2204.04 thousand) during the year ended March 31, 2020 , accordingly LES reserve balance as on March 31, 2020 is Rs 38.38 Lakhs (USD 81.37 thousand) (Previous year: Rs 7.76 Lakhs (USD 38.17 thousand)). The LES reserve as on March 31, 2020 will not form part of net worth of the Exchange.				

India International Exchange (IFSC) Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

13. Trade Payables				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Current				
Total outstanding dues of micro, small and medium enterprises (A)	-	-	-	-
Payable to Service Providers	1,70,11,733	2,25,662	2,19,47,844	3,17,297
Payable to Holding Company	6,94,078	9,207	-	-
Payable to Group Companies	38,824	515	-	-
Total outstanding dues of creditor other than micro, small and medium enterprises (B)	1,77,44,635	2,35,384	2,19,47,844	3,17,297
Total	1,77,44,635	2,35,384	2,19,47,844	3,17,297
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	-	-	-	-
14. Other Financial Liabilities				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Finance Lease Obligations	2,56,991	3,409	2,84,156	4,108
Total (A)	2,56,991	3,409	2,84,156	4,108
Current				
Payable for Capital Creditors	1,00,037	1,327	5,43,756	7,861
Accrued Employee Benefits	1,08,59,188	1,44,048	1,19,50,864	1,72,772
Deposits from Members	10,96,86,485	14,55,000	9,33,81,255	13,50,000
Current Maturities of Finance Lease Obligations	13,268	176	13,350	193
Accrued Interest on Finance Lease Obligations	-	-	208	3
Deposits - Others	1,88,465	2,500	-	-
Total (B)	12,08,47,443	16,03,051	10,58,89,433	15,30,829
Total (A+B)	12,11,04,434	16,06,460	10,61,73,589	15,34,937
15. Provisions				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non Current				
Gratuity Liability (Refer note 23.1)	9,95,395	13,204	21,60,012	31,227
Compensated Absences (Refer note 23.2)	31,04,768	41,185	-	-
Total (A)	41,00,163	54,389	21,60,012	31,227
Current				
Gratuity Liability (Refer note 23.1)	15,10,281	20,034	-	-
Compensated Absences (Refer note 23.2)	49,12,598	65,166	74,79,700	1,08,133
Total (B)	64,22,879	85,200	74,79,700	1,08,133
Total (A+B)	1,05,23,042	1,39,589	96,39,712	1,39,360
16. Other Liabilities				
Particulars	As at March 31, 2020		As at March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Non-Current				
Unamortised Portion of Capital Subsidy	26,90,598	35,691	35,69,654	51,606
Total (A)	26,90,598	35,691	35,69,654	51,606
Current				
Own				
Statutory Liabilities	1,34,36,632	1,78,238	1,39,60,635	2,01,827
Advance Revenue	8,68,144	11,516	1,76,733	2,555
Unamortised Portion of Capital Subsidy	11,99,767	15,915	19,01,657	27,492
Total (B)	1,55,04,543	2,05,669	1,60,39,025	2,31,874
Earmarked				
Contribution Payable to Investor Protection Fund	15,86,421	21,044	11,46,722	16,578
Total (C)	15,86,421	21,044	11,46,722	16,578
Total D = (B+C)	1,70,90,964	2,26,713	1,71,85,747	2,48,452
Total (A+D)	1,97,81,562	2,62,404	2,07,55,401	3,00,058

17. Income From Operations				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Annual Subscription Fees from Members	78,85,300	1,11,250	69,53,946	99,500
Listing Fees	20,32,458	28,675	17,21,084	24,626
Charges Recovered	28,61,531	40,372	3,09,957	4,435
Processing Fees	2,48,077	3,500	2,09,667	3,000
Total	1,30,27,366	1,83,797	91,94,654	1,31,561
18. Other Income				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Incentives from Government Authorities	40,00,700	56,444	1,02,55,218	1,46,736
Miscellaneous Income	71,588	1,010	5,56,805	7,967
Total	40,72,288	57,454	1,08,12,023	1,54,703
19. Employee Benefits Expense				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	6,85,63,763	9,67,334	7,13,30,079	10,20,621
Contribution to Provident and Other Funds	48,88,035	68,963	49,53,306	70,874
Staff Welfare Expenses	77,613	1,095	1,89,748	2,715
Compensated Absences	55,04,613	77,662	55,79,091	79,828
Total	7,90,34,024	11,15,054	8,20,52,224	11,74,038
20. Administration and Other Expenses				
Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Advertising and Marketing Expenses	40,04,811	56,502	39,48,653	56,499
Travelling Expenses	32,67,101	46,094	83,45,853	1,19,416
Computer Technology Related Expenses	2,80,34,669	3,95,528	2,65,30,316	3,79,607
Data Feed Expenses	30,90,329	43,600	30,36,603	43,449
Meeting, Seminar and Event Expenses	57,625	813	3,61,605	5,174
SEBI Regulatory Fees	96,11,560	1,35,605	1,02,15,032	1,46,161
Contribution to Investors Protection Fund	34,447	486	-	-
Director Fees	2,42,477	3,421	2,56,702	3,673
Bank Charges	65,705	927	42,283	605
Rent	5,51,369	7,779	1,90,797	2,730
Professional Fees	38,42,852	54,217	32,09,438	45,922
Legal Fees	3,31,431	4,676	12,21,309	17,475
Audit Fees	1,64,014	2,314	1,44,321	2,065
Insurance	1,45,727	2,056	56,051	802
Building Repair and Maintenance	40,40,605	57,007	55,08,294	78,815
Rates & Taxes	1,22,266	1,725	1,37,00,181	1,96,028
Electricity Expenses	33,29,900	46,980	27,37,339	39,167
Printing and Stationery Expenses	4,00,113	5,645	6,71,842	9,613
Postage and Telephone Expenses	3,29,588	4,650	2,99,614	4,287
Sponsorship Charges	1,41,758	2,000	2,51,320	3,596
Provision for Cenvat Receivable and Service Tax Expense	-	-	12,90,708	18,468
Miscellaneous Expenses	14,78,751	20,863	15,48,597	22,158
Foreign Exchange Loss	6,70,445	9,459	1,55,992	2,232
Total	6,39,57,543	9,02,347	8,37,22,850	11,97,942
Note : Professional Fees includes payment to auditor Rs Nil (Previous year Rs 36,482 (USD 522) towards Other services and Other reimbursement of expenses.				
21. Exchange Rate :-				
Amounts of Balance Sheet other than shareholder funds, in these financial statements have been translated into Indian rupees at the closing rate as at March 31, 2020 which is 1 USD = Rs 75.3859 , amount of Statements of Profit and Loss at the average rate from April 01, 2019 to March 31, 2020 which is 1 USD = Rs 70.8791.				

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

22. Earnings Per Share

Particulars	For the Year Ended March 2020		For the Year Ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(31,11,71,510)	(43,90,173)	(30,96,15,374)	(44,30,108)
Weighted average number of equity shares (Nos)	1,31,81,63,334	1,31,81,63,334	92,80,82,192	92,80,82,192
Earnings per share basic and diluted before and after exceptional item	(0.236)	(0.003)	(0.334)	(0.005)
Face value per equity share	1	NA	1	NA

23. Disclosure as required on “Employee Benefits” is as under:

23.1 Defined Benefit Plan – Gratuity

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

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

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

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

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

Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	Funded	Funded	Funded	Funded
	(Rs)	(USD)	(Rs)	(USD)
Change in benefit obligations				
Benefit obligations at the beginning	77,85,089	1,18,123	63,41,280	97,492
Current Service Cost	13,73,120	19,373	12,74,357	18,234
Interest on defined benefit obligation	5,58,736	7,883	4,86,776	6,965
Actuarial loss / (gain)	10,99,111	15,507	(1,43,933)	(2,060)
Benefit Paid	(11,51,184)	(15,271)	(43,080)	(623)
Net Liability assumed on transfer within Group companies(Transfer in/(out) obligation)	(27,515)	(403)	(1,30,369)	(1,909)
Translation/ Forex impact	(12)	-	58	24
Closing Defined Benefit Obligation (A)	96,37,345	1,45,212	77,85,089	1,18,123
Change in Plan assets				
Fair value of plan assets at the beginning	56,25,077	81,286	-	-
Employer Contribution	21,60,013	28,653	57,01,248	82,422
Interest income	3,96,851	5,599		
Return on plan assets excluding amounts included in interest income	83,839	1,183	1,14,376	1,637
Assets assumed / settled	17,098	227	(1,47,467)	(2,150)
Benefits paid	(11,51,184)	(15,271)	(43,080)	(623)
Fair value of plan assets at the end	71,31,694	1,01,677	56,25,077	81,286
Funded status (B)	71,31,694	1,01,677	56,25,077	81,286
Translation/ Forex impact (c)	(25)	10,297	-	5,610
payable gratuity benefit (A-B-c)	25,05,676	33,238	21,60,012	31,227
Current Provision (Refer note 15)	15,10,281	20,034	-	-
Non-Current Provision (Refer note 15)	9,95,395	13,204	21,60,012	31,227

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

Particulars	For the Year Ended March 2020		For the Year Ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	13,73,120	19,373	12,74,357	18,234

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Particulars	For the Year Ended March 2020		For the Year Ended March 2019	
	(Rs)	(USD)	(Rs)	(USD)
Interest on net defined benefit obligations	1,61,885	2,284	4,86,776	6,965
Total Included in "Employee Benefit Expense"	15,35,005	21,657	17,61,133	25,199

iii. Amount recognised in the Other Comprehensive Income

Particulars	For the Year Ended March 2020	For the Year Ended March 2020	For the Year Ended March 2019	For the Year Ended March 2019
	(Rs)	(USD)	(Rs)	(USD)
Actuarial loss / (gain) arising from change in financial assumptions	14,70,945	20,753	-	-
Actual return on plan assets less interest on plan asset	(83,839)	(1,183)	(1,14,376)	(1,637)
Actuarial loss / (gain) arising on account of demographic assumptions	-	-	(1,643)	(24)
Actuarial loss / (gain) arising on account of experience changes	(3,71,834)	(5,246)	(1,42,290)	(2,036)
Amount recognised in the Other Comprehensive Income	10,15,272	14,324	(2,58,309)	(3,696)

iv. Principle actuarial assumption

Assumptions	March 31, 2020	March 31, 2019
Discount Rate/Rate of Return on plan asset	6.85%	7.75%
Salary escalation	7.50%	7.00%

- Discount Rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
 - Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
 - The Company has considered past service on account of benefit amendment.
- v. **Sensitivity Analysis:** The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

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

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(6.37)%	5.57%	(5.47%)	5.89%
Impact of decrease in 50 bps on defined benefit obligation	5.64%	(6.37%)	5.88%	(5.53%)

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

vi. Composition of Plan Assets

Particulars	March 31, 2020	March 31, 2019
Policy of insurance	99.97%	99.64%
Other investment	0.029%	0.356%
Total	100%	100%

Actual return on the assets for the year ended March 31, 2020 ₹ 4,80,690 (2019 : 1,14,376)

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

The plan assets in respect of gratuity represent funds managed by the India International Exchange (IFSC) Limited Employee's Group Gratuity Fund. The Employer's best estimate of the contributions expected to be paid to the plan during the next year is ₹ 15,10,277

vii. Maturity profile of defined benefit obligations

Maturity Profile	March 31, 2020	March 31, 2019
Expected benefits for year 1	1,49,275	1,48,879
Expected benefits for year 2	1,60,118	1,57,872
Expected benefits for year 3	1,73,610	1,65,608
Expected benefits for year 4	1,87,720	1,78,883
Expected benefits for year 5	1,99,189	1,93,189
Expected benefits for year 6 to year 10	13,49,995	23,18,639
Above 10 year	2,20,46,735	1,83,48,615

The weighted average duration to the payment of these cash flows is 12.15 years (previous year 11.34 years)

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

23.2 Defined Benefit Plan – Compensated absence

The liability for compensated absences as at the year ended March 31, 2020 is Rs 49,12,598 (USD- 65,166) (2019 : Rs 74,79,700 (USD-1,08,133)) as shown under current other financial liabilities and Rs 31,04,768 (USD 41,185) as shown under non current other financial liabilities. During the current year, provision for compensated absence amounting to Rs 55,04,613(USD- 77,662) (2019: Rs 55,79,091 (USD-79,828)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 19 "Employee benefits expense".

For Principle actuarial assumption refer above iv table of assumption.

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

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

During the current year, provident fund contributions amounting to Rs 21,38,777 (USD- 30,175) (2019: Rs 21,12,839 (USD-30,231) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 19 "Employee benefits expense".

During the current year, National pension scheme contributions amounting to Rs 12,14,301 (USD17,132) (2019: Rs 10,79,334 (USD- 15,444) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 19 "Employee benefits expense".

24. 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.

25. 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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

class of financial asset, financial liability and equity instrument are disclosed in note 2.5 to the financial statements.

Fair value hierarchy:

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

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

The carrying value of financial instruments by categories as at balance sheet date is as follows and the directors consider that the carrying amounts of below mentioned financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Particulars	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019
	(Rs)	(USD)	(Rs)	(USD)
Financial Assets carried at amortised cost				
Other non-current financial assets	20,22,528	26,829	21,62,087	31,257
Cash and cash equivalents	12,61,66,069	16,73,603	39,26,55,173	56,76,562
Bank Balances	22,95,32,576	30,44,768	10,59,21,943	15,31,299
Trade Receivables	16,97,691	22,520	22,46,753	32,481
Other current financial assets	36,57,498	48,517	9,40,037	13,590
Total	36,30,76,362	48,16,237	50,39,25,993	72,85,189
Financial Liabilities carried at amortised cost				
Other non-current financial liabilities	2,56,991	3,409	2,84,156	4,108
Trade payables	1,77,44,635	2,35,384	2,19,47,844	3,17,297
Other current financial liabilities	12,08,47,443	16,03,051	10,58,89,433	15,30,829
Total	13,88,49,069	18,41,844	12,81,21,433	18,52,234

26. Related Party Transactions

1. Names of related parties and nature of relationship

Category of related parties	Name
Holding Company	BSE Limited
Subsidiary	Indian INX Global Access IFSC Limited (w.e.f April 05, 2018)

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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Category of related parties	Name
Fellow Subsidiaries:	India International Clearing Corporation (IFSC) Limited
	Indian Clearing Corporation Limited
	Marketplace Technologies Private Limited
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
Subsidiary of Fellow Subsidiaries	Marketplace Tech Infra Services Private Limited
	BSE Skills Limited (up to June 28, 2018)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	Pranurja Solutions Limited (w.e.f April 24, 2018 and upto May 6, 2019)
	BSE Institute of Research Development & Innovation (w.e.f December 5, 2019)
Direct Associate of Holding	Central Depository Services (India) Limited (w.e.f June 30, 2017)
	Asia Index Private Limited
Indirect Associate of Holding	CDSL Ventures Limited (w.e.f June 30, 2017)
	CDSL Insurance Repository Limited (w.e.f June 30, 2017)
	CDSL Commodity Repository Limited (w.e.f June 30, 2017)
	BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018)
	Marketplace EBIX Technology Services Private Limited (w.e.f April 03, 2018)
	Pranurja Solutions Limited (w.e.f May 7, 2019)
Trust Set up by Holding Company	BSE Investors Protection Fund
Trust Set up by Company	India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund)
Key Management Personnel	Mr. Ashishkumar Chauhan – Non Executive Chairman

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Category of related parties	Name
	Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer
	Dr. Ajit Ranade – Independent Director
	Dr. SK Nanda (IAS) – Independent Director
	Mr. Nehal Vora – Director (till September 18, 2019)
	Mr. Anand Sinha – Independent Director (till January 04, 2020)
	Mr. Sameer Patil – Director (w.e.f November 22, 2019)

2. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenditure				
Computer Technology related Expenses	34,78,518	49,077	34,77,786	49,762
Reimbursement of Expenses				
Travelling expenses	2,44,371	3,448	2,51,653	3,601
Salaries, allowances and bonus	-	-	1,25,792	1,800
Recovery of insurance policy	4,20,679	5,935	3,30,398	4,727
Other transactions				
Transfer of Gratuity liabilities	-	-	1,47,467	2,150
Transfer of Compensated absence liabilities	-	-	1,43,271	2,089
Equity Share Capital			50,00,00,000	72,42,558

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Liability				
Payable	6,94,078	9,207	-	-

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Recovery of Expenses				
Computer Technology related Expenses	32,67,218	46,096	36,43,918	52,139
Postage and Telephone Expenses	22,897	323	-	-
Staff Welfare Expenses	-	-	30,799	441
Building repair and maintenance	7,35,764	10,381	7,14,453	10,223
Reimbursement of Expenses/ Transactions				
Recovery of insurance policy	19,421	274	10,571	151
Salaries, allowances and bonus	1,05,575	1,490	2,44,299	3,496
Transfer of Electricity Incentives received from authorities	-	-	(2,45,127)	(3,508)
Expenditure				
Computer technology related Expense	2,77,451	3,914	-	-
Other transactions				
Gratuity liability on account of employee transfer (net) in / (Out) Obligation	14,955	196	(17,098)	(241)
Compensated absence (net) in / (Out) Obligation	97,531	1,316	(1,65,458)	(2,331)

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

* The above receivable does not include recovery provision amounting to Rs Nil as at March 31, 2020 (2019: Rs. 4,74,202 (USD 6855)).

(c) Marketplace Tech Infra Services Private Limited (Subsidiary of Fellow Subsidiary):

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenditure				
Professional Fees	2,34,747	3,312	-	-

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Liability				
Payable	27,592	366	-	-

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenditure				
Travelling Expenses	11,453	162	33,581	480

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

(e) India INX Global Access IFSC Limited (Subsidiary):

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Recovery of Expenses				
Recovery of Preliminary expenses	-	-	14,50,327	20,752
Recovery of other expenditure	-	-	31,167	446
Electricity Expenses	-	-	71,479	1,023
Building repair and maintenance	-	-	60,287	863
Rate & taxes	-	-	7,667	110
Travelling Expenses	-	-	17,053	244
Recovery of Insurance	-	-	505	7
Transfer of Electricity Incentives received from authorities	-	-	(10,712)	(153)
Other Income				
Recovery of Fit out charges and Manpower Cost	-	-	2,14,674	3,072
Other transactions				
Transfer of assets	12,88,840	18,646		
Transfer Out - Compensated absence Liability	(53,777)	(758)	-	-
Transfer Out - Gratuity Liability	(42,470)	(599)	-	-
Investment (Refer note 8)			10,13,36,300	14,65,005
Particulars	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)	As at March 31, 2019 (Rs)	As at March 31, 2019 (USD)
Receivable*	-	-	1,18,767	1,717
Payable	11,232	149	-	-

*The above receivable does not include recovery provision amounting to as at March 31, 2019: Rs. 21,512 (USD 311))

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenses				
Rent	3,80,361	5,366	1,90,828	2,730

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

Particulars	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Expenses				
Professional Fees	77,561	1,094	1,01,569	1,453

(h) Key Managerial remuneration:

Particular	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)	For the Year ended March 31, 2019 (Rs)	For the Year ended March 31, 2019 (USD)
Salaries, allowances & bonus and contribution to Funds				
Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer*	2,80,02,784	3,95,078	2,58,76,367	3,70,250

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

27. Contingent liabilities

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

28. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to Rs 28,80,723 (USD – 38,213) (2019: Nil).

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

29. Lease

29.1 Operating Lease: The Company has taken residential facilities and official facilities under cancellable operating lease. During the year ended March 31, 2020 rental expenses under cancellable operating lease is recorded Rs 5,21,528 (USD-7,358) (2019: Rs 1,90,797 (USD-2,730)).

29.2 Finance Lease –

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

<i>Amount in Rs</i>				
Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2020	14,653	73,265	2,93,116	3,81,034
March 31, 2019	14,653	58,612	3,37,023	4,10,288
Finance Charge				
March 31, 2020	1,414	10,953	98,408	1,10,775
March 31, 2019	865	6,176	1,05,741	1,12,782
Present value of Minimum Lease Payments				
March 31, 2020	13,239	62,312	1,94,708	2,70,259
March 31, 2019	13,788	52,436	2,31,282	2,97,506

<i>Amount in USD</i>				
Particular	Payable not later than 1 year	Payable later than 1 year and not later than 5 year	Payable later than 5 year	Total
Minimum Lease Payments				
March 31, 2020	194	972	3,888	5,054
March 31, 2019	212	847	4,872	5,931
Finance Charge				
March 31, 2020	19	145	1,305	1,469
March 31, 2019	13	89	1,528	1,630
Present value of Minimum Lease Payments				
March 31, 2020	175	827	2,583	3,585
March 31, 2019	199	758	3,344	4,301

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

30. Financial Risk Management:

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

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

Regulatory risk:

The Company 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. Currency other than USD is considered as foreign currency. Company is using Special Non-Resident Rupee account for discharging the liability of INR.

Interest rate risk

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

Liquidity risk

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

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

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

Amount in Rs

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2020	-	14,653	73,265	2,93,116	3,81,034
March 31, 2019	-	14,653	58,612	3,37,023	4,10,288
Deposits from Members					
March 31, 2020	10,96,86,485	-	-	-	10,96,86,485
March 31, 2019	9,33,81,255	-	-	-	9,33,81,255
Trade Payables					
March 31, 2020	-	1,77,44,635	-	-	1,77,44,635
March 31, 2019	-	2,19,47,844	-	-	2,19,47,844
Other Financial Liabilities					
March 31, 2020	1,88,465	1,09,59,225	-	-	1,11,47,690
March 31, 2019	-	1,24,94,620	-	-	1,24,94,620

Amount in USD

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
Finance lease obligation					
March 31, 2020		194	972	3,888	5,054
March 31, 2019		212	847	4,872	5,931
Deposits from Members					
March 31, 2020	14,55,000				14,55,000
March 31, 2019	13,50,000				13,50,000
Trade Payables					
March 31, 2020		2,35,384			2,35,384
March 31, 2019		3,17,297			3,17,297
Other Financial liabilities					
March 31, 2020	2,500	1,45,375	-	-	1,47,875
March 31, 2019	-	1,80,633	-	-	1,80,633

31. 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.

INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

Compliance with externally imposed capital requirements:

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 i.e. December 28, 2019. Further SEBI has relaxed the net-worth requirement of Rs 100 crores for India International Exchange (IFSC) Limited for 1 year i.e. December 28, 2020 subject to maintenance of minimum net-worth of Rs 25 crores at all times as mandated under SEBI (International Financial Services Centre) Guidelines, 2015. The Company has maintained the Net worth at all times as per the relaxation granted by SEBI.

32. The management of Company is seized of the evolving situation pertaining to the COVID 19 pandemic and continues to closely monitor it to ensure safety of all its staff members, the normal conduct of the market operations and prompt identification and resolution of issues, if any. Company continues to operate normally, Accordingly there is no significant impact considered in the financial statement.
33. The Company has not created any deferred tax provision. Deferred tax provision will be recognized based on the reasonable certainty.
34. Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of attached

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

For and on behalf of the Board of Directors

Amol Khanolkar
Partner
Membership No.: 116765

Ashishkumar Chauhan
Chairman

Balasubramaniam Venkataramani
Managing Director & CEO

Date: April 17, 2020
Place : Mumbai

Mayank Jain
Chief Financial Officer
Place: Gandhinagar

Nikhil Mehta
Company Secretary