

5<sup>th</sup> Annual Report of  
India International  
Exchange (IFSC)  
Limited

**2020-21**



## **Company Information**

### **Board of Directors:**

Shri Ashishkumar Chauhan, Chairman & Director  
Dr. Sudip Kumar Nanda, Independent Director  
Dr. Ajit Ranade, Independent Director  
Shri Sameer Patil, Director  
Shri Balasubramaniam V., Managing Director & CEO

### **Management Team:**

Shri Balasubramaniam V., Managing Director & CEO  
Shri Sameer Patil, Director  
Shri Ajit Phanse, Chief Regulatory Officer  
Shri Arunkumar Ganesan, Head of Business Operations and Technology  
Shri Mayank Jain, Chief Financial Officer

**Company Secretary:** Shri Nikhil Mehta

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

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

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

**Registered Office:** 1<sup>st</sup> Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY, Gandhinagar, Gujarat – 382355.

**Registrar & Share Transfer Agent:** TSR Darashaw Consultants Private Limited

**Website:** [www.indiainx.com](http://www.indiainx.com)

**Corporate Identity Number-** U67190GJ2016PLC093684

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## Directors' Report

**To the Members,  
India International Exchange (IFSC) Limited**

Your Directors have great pleasure in presenting the Fifth Annual Report of India International Exchange (IFSC) Ltd ('the Company'), together with the audited financials for the financial year (F.Y.) ended March 31, 2021.

### **FINANCIAL SUMMARY / HIGHLIGHTS**

The Company's standalone financial performance, for the year ended March 31, 2021:

Particulars	2020-21		2019-20	
	Rs. Lakhs	USD '000	Rs. Lakhs	USD '000
Total Revenue	252.18	339.84	240.15	338.81
Total Expenses	3,356.06	4,522.64	3,351.86	4,728.99
<b>Profit / (Loss) before tax</b>	<b>(3,103.88)</b>	<b>(4,182.80)</b>	<b>(3,111.72)</b>	<b>(4,390.17)</b>
Provision for tax	-	-	-	-
<b>Net Profit / (Loss) for the year</b>	<b>(3,103.88)</b>	<b>(4,182.80)</b>	<b>(3,111.72)</b>	<b>(4,390.17)</b>
<b>Other comprehensive income (net of tax)</b>	<b>(105.33)</b>	<b>14.04</b>	<b>448.41</b>	<b>(14.32)</b>
<b>Total comprehensive income for the year</b>	<b>(3,209.21)</b>	<b>(4,168.76)</b>	<b>(2,663.31)</b>	<b>(4,404.50)</b>
<b>Net Profit / (Loss) attributable to the shareholders of the Company</b>	<b>(3,103.88)</b>	<b>(4,182.80)</b>	<b>(3,111.72)</b>	<b>(4,390.17)</b>

### **Financial Results**

The total standalone income of the Company during the F.Y. 2020-21 was INR 252.18 Lakhs mainly on account of revenue from operations INR 158.92 Lakhs and investment income INR 42.26 Lakhs. The total standalone expenses for the year were INR 3,356.06 Lakhs mainly on account of INR 1,455.20 Lakhs – LES expenditure, INR 751.34 Lakhs employee cost, INR 348.24 Lakhs computer technology related expenses and INR 300.37 Lakhs depreciation.

The Company's Consolidated financial performance, for the year ended March 31, 2021:

Particulars	2020-21		2019-20	
	Rs. Lakhs	USD '000	Rs. Lakhs	USD '000
Total Revenue	285.74	385.07	283.68	400.23
Total Expenses	3,470.64	4,677.05	3,423.84	4,830.53
<b>Profit / (Loss) before tax</b>	<b>(3,184.90)</b>	<b>(4,291.98)</b>	<b>(3,140.16)</b>	<b>(4,430.30)</b>
Provision for tax	-	-	-	-
<b>Net Profit / (Loss) for the year</b>	<b>(3,184.90)</b>	<b>(4,291.98)</b>	<b>(3,140.16)</b>	<b>(4,430.30)</b>
<b>Other comprehensive income (net of tax)</b>	<b>(102.13)</b>	<b>14.04</b>	<b>441.08</b>	<b>(14.32)</b>
<b>Total comprehensive income for the year</b>	<b>(3,287.03)</b>	<b>(4,277.94)</b>	<b>(2,699.08)</b>	<b>(4,444.62)</b>
<b>Net Profit / (Loss) attributable to the shareholders of the Company</b>	<b>(3,184.90)</b>	<b>(4,291.98)</b>	<b>(3,140.16)</b>	<b>(4,430.30)</b>

### Financial Results

The total Consolidated income of the Company during the F.Y. 2020-21 was INR 285.74 Lakhs mainly on account of revenue from operations INR 182.41 Lakhs and investment income INR 52.17 Lakhs. The total Consolidated expenses for the year were INR 3,470.64 Lakhs mainly on account of INR 1,455.20 Lakhs – LES expenditure, INR 762.99 Lakhs employee cost, INR 348.24 Lakhs computer technology related expenses and INR 356.74 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 F.Y. 2020-21.

### Transfer to Reserves

In view of the loss incurred by the company during the year under review, your Board of Directors do not recommend appropriating any amount to be transferred to General Reserves for the F.Y. 2020-21.

## 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. 2020-21:

### MARKETS BUSINESS PERFORMANCE

#### 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 2020-21, India INX was the largest exchange at GIFT IFSC with an overall market share <sup>[1]</sup> of **88.21%** based on the notional Trading Turnover for Derivatives. India INX's market share at GIFT IFSC increased to **97%** in March 2021
- INDIA INX is the leading Exchange at GIFT IFSC for Equity Index Futures and Options with market share of **88.48%** during FY 2020-21. INDIA INX's market share increased to **97.85%** in March 2021.
- India INX's Gold Futures market share<sup>[2]</sup> as compared to equivalent Gold Futures traded in Dubai was **82.93%** during FY 2020-21.
- India INX's INDIA50 Index Futures and Options market share<sup>[3]</sup> as compared to similar India-based equity index derivatives traded in Singapore was **74.20%** during FY 2020-21.
- INDIA INX's highest daily trading turnover was **USD 30.30 billion** achieved on March 10, 2021

#### Secondary Markets – India INX's Derivatives Business Performance

India INX delivered an exponentially increasing growth in trading volume and trading turnover during FY 2020-21 as compared to the previous financial year. The notional trading turnover on INDIA INX's derivatives increased by 205.56% from USD 587.48 billion in the previous financial year FY 2019-20 to USD 1795.14 billion in FY 2020-21. During the same period, trading volume increased from 452.88 lakh contracts (FY 2019-20) to 1264.19 lakh contracts (FY 2020-21).

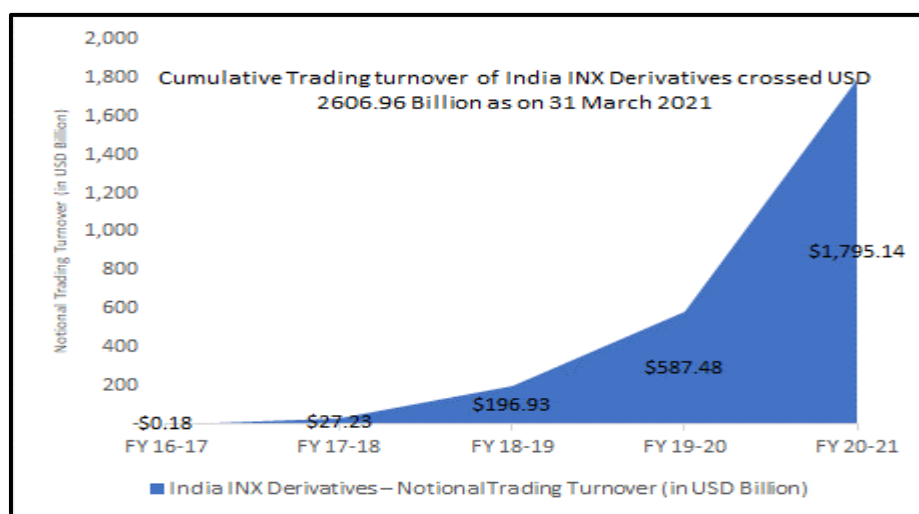
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<sup>[1]</sup> Market share calculated based on the notional trading turnover of the Futures and Options

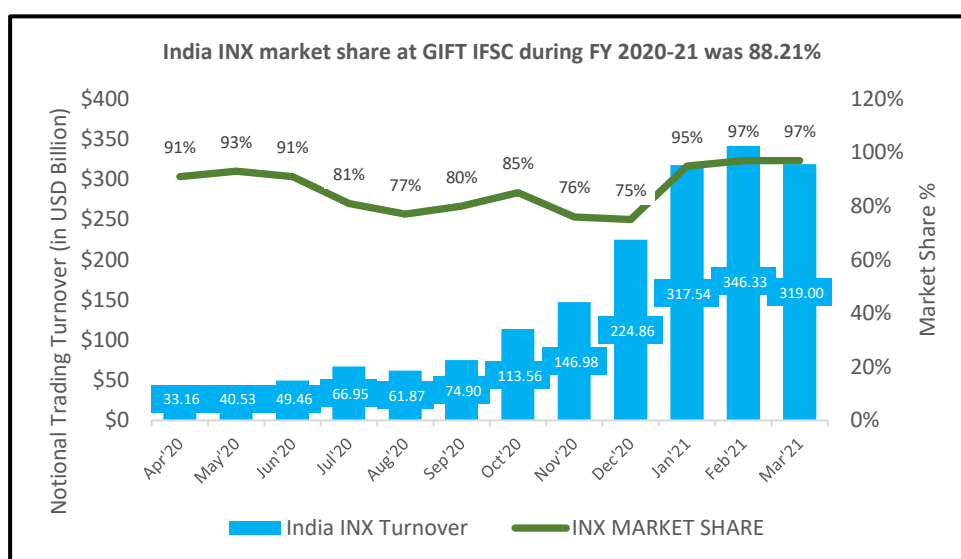
<sup>[2]</sup> Market share for Gold Futures is based on the estimated notional trading turnover of similar contracts in Dubai-based Exchanges

<sup>[3]</sup> 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 6958 million per day in during the FY 2020-21. The highest daily trading turnover of USD 30.30 billion was achieved on March 10, 2021 when 19,06,949 contracts (lots) were traded. Cumulative Trading Turnover of India INX Derivatives has crossed USD 2606.96 billion (Rupees 1,91,62,381 Crores) as on March 31, 2021 with the cumulative Trading Volume at 18,72,84,808 contracts (lots).

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

Description	FY 2020-21	FY 2019-20	% change
India INX Futures	1,47,088	92,031	59.82%

Description	FY 2020-21	FY 2019-20	% change
India INX Options	16,48,052	4,95,452	<b>232.64%</b>
<b>TOTAL</b>	<b>17,95,140</b>	<b>5,87,483</b>	<b>205.56%</b>

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

Description	FY 2020-21	FY 2019-20	% change
India INX Futures	91,54,522	49,79,970	<b>83.83%</b>
India INX Options	11,72,64,788	4,03,08,849	<b>190.92%</b>
<b>TOTAL</b>	<b>12,64,19,310</b>	<b>4,52,88,819</b>	<b>179.14%</b>

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

Asset class	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
Equity Index Futures	93,199	5.19%	49,216	8.38%	<b>89.37%</b>
Equity Index Options	16,48,052	91.81%	4,95,452	84.33%	<b>232.64%</b>
Commodities & Energy Futures	41,776	2.33%	42,815	7.29%	<b>-2.43%</b>
Currency Futures	10,551	0.59%	-	-	<b>100.00%</b>
Currency Options	1,562	0.09%	-	-	<b>100.00%</b>
<b>TOTAL</b>	<b>17,95,140</b>	<b>100%</b>	<b>5,87,483</b>	<b>100%</b>	<b>205.56%</b>

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

Segment	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
Equity Index Futures	72,48,004	5.73%	40,59,987	8.96%	<b>78.52%</b>
Equity Index Options	11,72,64,788	92.76%	4,03,08,849	89.00%	<b>190.92%</b>
Commodities & Energy Futures	7,14,171	0.56%	9,19,983	2.04%	<b>-22.37%</b>
Currency Futures	9,85,762	0.78%	-	-	<b>100.00%</b>
Currency Options	2,06,585	0.16%	-	-	<b>100.00%</b>
<b>TOTAL</b>	<b>12,64,19,310</b>	<b>100%</b>	<b>4,52,88,819</b>	<b>100%</b>	<b>179.14%</b>

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

Product	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
INDIA50 Index Futures	93,199	5.19%	49,216	8.38%	<b>89.37%</b>
INDIA50 Index Options	16,48,052	91.81%	4,95,452	84.33%	<b>232.64%</b>
Gold Futures (32 tr oz)	41,776	2.33%	42,815	7.29%	<b>-2.43%</b>
USDINR Futures	3,385	0.19%	-	-	<b>100.00%</b>
INRUSD Futures	7,166	0.40%	-	-	<b>100.00%</b>
USDINR Options	1,562	0.09%	-	-	<b>100.00%</b>
<b>TOTAL</b>	<b>17,95,140</b>	<b>100%</b>	<b>5,87,483</b>	<b>100.00%</b>	<b>205.56</b>



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

Product	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
INDIA50 Index Futures	72,48,004	5.73%	40,59,987	8.96%	<b>78.52%</b>
INDIA50 Index Options	11,72,64,788	92.76%	4,03,08,849	89.00%	<b>190.92%</b>
Gold Futures (32 tr oz)	7,14,171	0.56%	9,19,983	2.03%	<b>-22.37%</b>
USDINR Futures	4,48,667	0.35%	-	-	<b>100.00%</b>
INRUSD Futures	5,37,095	0.42%			<b>100.00%</b>
USDINR Options	2,06,585	0.16%			<b>100.00%</b>
<b>TOTAL</b>	<b>12,64,19,310</b>	<b>100%</b>	<b>4,52,88,819</b>	<b>100%</b>	<b>179.14%</b>

**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, 2021: India INX's Global Securities Market has cumulatively established USD 50.57 billion of Medium Term Notes ("MTN") and listed USD 26.83 billion of debt securities including masala bonds and green bonds.

During FY 2020-21, approx. 53% of the funds raised by Indian issuers was listed on India INX's Global Securities Market and 48% of Indian issuers listed their instruments on India INX. 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

- Adani International Container Terminal Private Limited
- Adani Ports and SEZ Limited
- Asian Development Bank
- Export-Import Bank of India (EXIM)
- Indian Railway Finance Corporation (IRFC)
- National Thermal Power Corporation (NTPC)
- Power Finance Corporation (PFC)
- Rural Electrification Corporation (REC)
- State Bank of India

## 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 2020-21, the cumulative MTN established on Global Securities Market increased by 4% to USD 50.57 billion as compared to USD 48.57 billion till financial year FY 2019-20. Similarly, during FY 2020-21, cumulative listing of debt securities increased by 26% to USD 26.83 billion as compared to USD 21.29 billion till financial year FY 2019-20 with the number of issuances increasing by 31% from 51 ISINs to 67 ISINs.

Listings Business Performance (USD million)			
Description	Till 31 March 2021	Till March 31 2020	% Change
Medium Term Notes established on GSM	50,574	48,574	4%
Debt Securities (Drawdowns and Standalone) Listed on GSM	26,829	21,288	26%
No. of issuers	17	15	13%
No. of issues listed ( ISIN's)	67	51	31%

For the period April 1, 2020 to March 31, 2021 total value of bond listed on GSM Platform is USD 5,541 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	Adani International Container Terminal Private Limited	-	300	2
2	Adani Ports and SEZ Limited	-	1,250	4
3	Asian Development Bank	-	INR 300 Mn (USD 41 Mn)	-
4	Export-Import Bank of India (EXIM)	10,000	1,000	2
5	Indian Railway Finance Corporation (IRFC)	4,000	750	2
6	National Thermal Power Corporation (NTPC)	6,000	0	-
7	Power Finance Corporation (PFC)	5,000	500	1

Sr. No	Name of Issuer	MTN / Standalone Programme established / updated (USD Million)	Debt Securities	No. of ISINs
			(Bonds) Listed (USD Million)	
8	Rural Electrification Corporation (REC)	7,000	1,000	3
9	State Bank of India	10,000	700	2
	Total		5,541	16

### **MoU with Luxembourg Stock Exchange to facilitate fund raising and listing of green and ESG finance projects**

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. On November 19, 2020, BSE's international arm, India International Exchange (India INX), announced its memorandum of understanding with Luxembourg Stock Exchange for development and promotion of ESG and green finance in the local market.

This pact is a non-binding agreement with Luxembourg Stock Exchange and can provide the issuers and investors with an opportunity to list and trade green bonds on India INXs platform, GSM Green with opportunity to dual list with Luxembourg Stock Exchange which is the largest green bond listing platform with exceptional governance standards. It is envisaged that this pact may be benefitting not only issuers listing on India INX and Luxembourg Stock Exchange but strengthening ties between the two countries also. It is one of the few initiatives the two Exchanges have deliberated on to encourage more green funding, which is in line with the Government of India initiative of sustainable development.

## **KEY REGULATORY DEVELOPMENTS**

### **1. IFSC Authority operationalized:**

The IFSC Authority Act, 2019, which was notified vide notification no. 50 on December 20, 2019 paved the way to set up the unified authority for regulating all financial activities in the International Financial Services Centers (IFSCs) in the country. The IFSC Authority (IFSCA) is expected to play a pivotal role in inter-regulatory coordination leading to improvement in the ease of doing business for foreign investors and develop the IFSC as a leading financial services hub at par with the leading global financial centres.

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

The Department of Economic Affairs (DEA), Ministry of Finance on April 27, 2020 notified 27<sup>th</sup> of April, 2020\* as the date of the establishment of the International Financial Services Centres Authority and that the head office of the Authority shall be at Gandhinagar, Gujarat. On the same day it also notified that sections 1 to 11, 14 to 16, 27, 29, 30 and 34 of the IFSC Authority Act, 2019 to come into force. Subsequently, the DEA further notified on August 21, 2020 that sections 12, 17 to 26, 28, 31 and 32 the IFSC Authority Act, 2019 to come into force.

Later, the DEA finally notified\* on September 29, 2020 the commencement of sections 13 and 33 of the Act. The same effectively bestowed the IFSCA with all provisions of the IFSC Authority Act, 2019. Since then, the IFSC has commenced operations from October 01, 2020 and has set up its office at the GIFT IFSC and appointed various officials across the financial services domains.

Over the course of the year, the IFSC Authority has initiated various regulatory measures across the capital markets, banking and insurance to place the IFSC at par with the leading global financial centres. It has issued regulations and circulars catering to both policy making and operational matters. It is expected that with its various interventions, the IFSC will be able to establish itself as a leading financial and FinTech hub in the near future.

[\*<https://ifsc.gov.in/Viewer/Index/61>; <https://ifsc.gov.in/Viewer/Index/6>; <https://ifsc.gov.in/Viewer/Index/93>]

## **2. Union Budget FY2021-22 – Key Policy Announcement for the IFSC**

- i. Government of India to support the development of world-class FinTech hub at GIFT-IFSC
- ii. Re-domiciliation of Offshore funds:
  - a. Transfer of capital asset by an Offshore Fund to a Resultant Fund upon re-domiciliation to the IFSC, before March 31, 2023 – not to be regarded as transfer.
  - b. For non-residents, capital gains exemption on account of treaty benefits for investments – to be continued under domestic tax laws.

- c. Cost and holding period protected
- iii. IFSC Banking Units:
  - a. Exemption on income earned on transfer of NCDs by NRIs where the IBUs have commenced their operations before March 31, 2024
  - b. Special tax regime for IBUs making public market investments in India – at par with Cat III AIFs in IFSC.
- iv. Aircraft Leasing and Financing:
  - a. Any income by way of royalty on account of lease rental paid to a foreign enterprise has been exempted
  - b. Gains on disposal / sale of aircraft exempted under section 80LA
- v. Other Announcements:
  - a. Section 80 LA (1)A to be amended to cover units permitted or registered under IFSC Authority Act, 2019
  - b. Powers assumed by Central Government to issue / modify harbour regime conditions for IFSC units.

### **3. Key regulations issued by IFSC Authority:**

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

#### **i. IFSC Authority (Global In-House Centres) Regulations, 2020:**

The IFSC Authority notified the Global IN-house centres regulations on November 12, 2020\*. The same covers, among other things, the eligibility criteria, grant of registration, permissible services and activities, currency and conduct of business, reporting requirements and maintenance of records by a financial services group or an entity which is regulated by a financial services regulator or any other competent body regulating financial services activities in its home jurisdiction and include its holding, subsidiary or associate companies, branch, or subsidiary of a holding company to which it is also a subsidiary. It thus pertains to entities that cater to its financial services group wherein the entities served must be located in Financial Action Task Force compliant jurisdictions. This intervention of the IFSCA is expected to give a boost to employment generation at the IFSC, attract qualified professional to it while also establishing the IFSC as a back-office processing hub of leading global financial services providers.

Further to the above regulations, the IFSCA has also issued requirements for registration as a Global In-House Centre and the reporting requirements of the registered entity vide circular F. No. 29/IFSCA/GIC/2020-21 dated November 18, 2020\*\*.

[\* <https://ifsc.gov.in/Viewer/Index/111>; \*\*<https://ifsc.gov.in/Viewer/Index/112>]

**ii. International Financial Services Centres Authority (Banking) Regulations, 2020:**

The IFSC Authority notified the Banking regulations on November 18, 2020\*. The same covers the requirements for setting up a banking unit in the IFSC, prudential regulatory requirements covering maintenance of leverage ratio, reserve requirements and exposure ceiling, permissible activities of the banking units which covers, among other things, participation in derivatives transactions, transact in currency and interest rate derivatives on a stock exchange, offer non deliverable currency contracts involving INR, function as a trading member for trading in interest rate or currency derivatives or professional clearing member for clearing and settlements in any derivative segment, KYC and anti-money laundering norms and other operational requirements. The portfolio management services and investment management services have been included in the permitted activities for the IFSC Banking Units (IBUs). This expands the type of intermediaries and the scope for market access in the capital markets.

[\* <https://ifsc.gov.in/Viewer/Index/116>]

**iii. International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020:**

The Dept. Of Economic Affairs, Ministry of Finance notification no.2957E dated August 31, 2020 notified bullion spot delivery contracts and bullion depository receipts with underlying bullion as Financial Products and trading in bullion depository receipts with underlying bullion in relation to bullion spot delivery contracts and bullion financing, bullion based loans, bullion loans against collateral, bullion vaulting, clearing and settlement services in relation to bullion spot delivery contracts and bullion depository receipts as Financial Services.

In pursuance of the same, the IFSC Authority notified its Bullion regulations on December 04, 2020\*. The same covers, inter alia, requirements for recognition of international bullion exchange (IBE) and bullion clearing corporation (IBCC) and bullion depository, recognitions of IBE/IBCC/IBD, function of IBE, general obligations of IBE/IBCC, ownership and shareholding of IBE/IBCC, governance, code of conduct for directors and KMPs, membership requirements, rights and obligations of bullion depositories, participants and beneficial owners, registration, liabilities and record keeping by vault managers, issuance, maintenance and withdrawal of bullion depository receipts, registration of intermediaries and other persons, reporting requirements etc.

Further to the same, the IFSCA has formed working groups and sub-groups comprising of representatives from the MIIs, including India INX, which have come together to form a consortium to set up the IBE/IBCC and the IBD which are in the process of ascertaining the ways and means of setting up and operationalizing these entities in the IFSC in the near future. India INX has already received an approval from the IFSCA to participate as a promoter shareholder in the capitalisation of the holding company which will set up the three entities at the IFSC.

IFSCA, vide circulars F. No. 236/IFSCA/Unallocated Account/2020-21/1 dated March 03, 2021\*\* has enabled dealings by IFSC-Banking Units (IBUs) in Bullion Unallocated Accounts for the purpose of trading, hedging and swapping with Physical Gold / Silver(Allocated). The IBUs are permitted to open Unallocated Accounts for undertaking Trading activities may open accounts by their customers and the IBUs can also participate in derivative transactions through Unallocated Accounts. The regulations prescribe, inter alia, the eligibility norms, risk management framework, position gaps, inter-bank transactions and other guidelines with regard to reporting of Asset-Liability Internal Audit Committee of the bank, bullion exposure limits computation, approvals and reporting.

[\* <https://ifsc.gov.in/Viewer/Index/127>; <https://ifsc.gov.in/Viewer/Index/156>]

**iv. International Financial Services Centres Authority (Finance Company) Regulations, 2021:**

The IFSC Authority notified the IFSCA (Finance Company) Regulations, 2021 on March 31, 2021\*. The same covers, inter alia, requirements for setting up of a finance company, prudential regulatory requirements covering capital ratio, liquidity coverage ratio, exposure ceiling, the permissible activities, KYC, AML, corporate governance and reporting. These regulations seek to enable Indian and foreign non-banking entities to set up subsidiaries in the IFSC and offer diverse services including aircraft and ship leasing and other services related to the securities markets too.

[\* <https://ifsc.gov.in/Viewer/Index/161>]

**v. IFSC Authority constituted committee on the non deliverable forwards market:**

A key factor for developing IFSC as a preferred global hub for International Financial Services is to develop it as a hub for offshore trading in INR.

In order to assess the required regulatory and infrastructural facilities necessary for on shoring the above markets and devise a strategy to create the same at the IFSC, IFSCA has set up a committee on positioning of IFSC as a hub for offshore trading in INR.

Shri V. Balasubramaniam, Managing Director & CEO of the company has been nominated as a committee member by IFSCA. The Committee has since met three times and has made considerable headway in identifying various initiatives to be taken across infrastructure, regulations, legal and tax issues and various associated aspects. Further to the deliberations in the meetings, India INX has also submitted various suggestions on the subject. The committee is expected to submit its final report and recommendations shortly.

#### **4. Key Circulars issued by IFSC Authority relevant for the securities markets:**

##### **i. Liquidity Enhancement Scheme:**

The liquidity enhancement schemes (LES), aimed to enhance liquidity in illiquid securities, permitted by Securities and Exchange Board of India (SEBI) has vide circulars CIR / MRD / DP / 14 / 2014 dated April 23, 2014, SEBI / HO / MRD / DSA / CIR / P / 2017 / 95 dated August 10, 2017 and SEBI / HO / MRD / DSA / CIR / P / 2017 / 103 dated September 21, 2017 provided that stock exchanges shall introduce the LES on any security for a maximum period of three years. The same has been amended vide IFSCA circular F. No. 60/IFSCA/LES/IFSC/2020-21 dated October 07, 2020\* and the stock exchanges in the IFSC are now permitted to introduce LES in illiquid securities up to a maximum period of five years. This is likely to encourage order flow in the markets. Further to the same, India INX has also offered the LES on the exchange to the market participants.

[\* <https://ifsc.gov.in/Viewer/Index/94>]

##### **ii. Market Access through Authorized Persons:**

IFSCA, vide circular F. No. 68/IFSCA/MRD-AP/2020-21 dated October 14, 2020\* has permitted stock brokers/trading members (registered with either IFSCA or SEBI or both) of the stock exchanges to provide market access to investors through Authorized Persons based in foreign jurisdictions. The regulatory framework governing the market access through such authorized persons has also been issued. This has been done with a view to expand the depth and reach of the market for exchange traded securities in IFSC. Further to the same, India INX has also prescribed detailed requirements for market access through authorized persons.

[\* <https://ifsc.gov.in/Viewer/Index/95>]



### **iii. Framework for Regulatory Sandbox:**

The International Financial Services Centres Authority (IFSC Authority) released the Framework for Regulatory Sandbox on October 19, 2020. The framework aims to develop a world class FinTech hub at the IFSC at GIFT City, Gandhinagar (IFSC). It grants certain facilities to entities operating in the securities market, banking, insurance and financial services to experiment with FinTech solutions in a live environment with limited set of real customers for a limited timeframe with due regard to appropriate risk mitigation and investor protection measures.

Additionally, to promote innovation by FinTech firms and to allow them to access market data which otherwise is not accessible by them, the IFSC Authority intends to operationalize an “Innovation Sandbox” to be made available by the Market Infrastructure Institutions (MIIs) in the IFSC.

In line with the above vision of the IFSCA, India INX had been in discussion with the IFSC Authority for enabling and hosting the Innovation Sandbox platform at the Exchange for the IFSC for which the Authority has acceded. Subsequent to the same, India INX has been working on various aspects and is seeking to operationalize the same soon.

[\* <https://ifsc.gov.in/Viewer/Index/99>]

### **iv. Framework for listing and trading of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs):**

IFSCA, vide circulars F. No. 41/IFSCA/SEBI/REITs-InvITs/2020-21 and F. No. 41/IFSCA/SEBI/REITs-InvITs/2020-21 both dated October 21, 2020\* has prescribe the regulatory framework for REITs and InvITs in IFSCs. Further to the same, India INX has also prescribed detailed requirements for listing and trading of REITs and InvITs in the exchange pursuant to the approvals received from the IFSCA.

[\* <https://ifsc.gov.in/Viewer/Index/102>; <https://ifsc.gov.in/Viewer/Index/101>]

### **v. Framework for listing and trading of Depository Receipts in the International Financial Services Centre:**

IFSCA, vide circular F. No. 87/IFSCA/DRs/2020-21 dated October 28, 2020\* has prescribe the regulatory framework for depository receipts in IFSCs. Further to the same, India INX has also prescribed detailed requirements for listing and trading of depository receipts on the exchange.

[\* <https://ifsc.gov.in/Viewer/Index/105>]

#### **vi. OTC Derivatives - participation by Banking units:**

The IFSCA had notified the IFSCA (Banking) Regulations, 2020 (the Regulations) (vide Gazette I dCG-GJ-E-20112020-223204 dated November 18, 2020) for banking and investment activities in the IFSC.

IFSCA, while adopting the Comprehensive Guidelines on Derivatives (Circular DBOD No.BP.BC.86/21.04.157/2006-07 dated April 20, 2007(as amended from time to time))("CGD") issued by the Reserve Bank of India, has issued directions vide circular F.No.110/IFSCA/Banking Regulation/2020-21/2 dated December 04, 2020\* applicable for all Over-the-counter (OTC) derivatives transactions in the IFSC.

Further to the same, the international banking units (IBUs) may act as market makers for products, undertake derivative transactions only with other BUs, Financial Institutions of the IFSC and persons resident outside India, offer FCY-FCY derivatives (to be settled in FCY) and FCY interest rate derivatives (to be settled in FCY) to persons resident in India, subject to the provisions of FEMA, 1999. The IBU may also undertake FCY-INR Non-deliverable derivative contracts (NDDCs) with an AD Cat-1 bank in India having a BU, offer Forward Rate Agreement (FRA) on INR interest rates to persons resident outside India only for the purpose of hedging their interest rate risk, post or receive "margin" on their own account and on behalf of their customers on OTC derivative transactions with persons resident in India and persons resident outside India and receive or pay interest on such margin. These directions are likely to increase the participation of the IBUs in the currency derivatives markets in the IFSC.

Further, IFSCA, vide circular F.No.110/IFSCA/Banking Regulation/2020-21/4 dated has issued directions on business in foreign currency at the IFSCs. Among other things, these allow IBUs to maintain separate nostro accounts with correspondent banks which would be distinct from nostro accounts maintained by other branches of the same bank, derivatives involving Indian Rupee (INR) or INR interest rates in Non-deliverable derivative contracts (NDDCs), Interest Rate Swap (IRS) (including Overnight Indexed Swaps (OIS)) and Forward Rate Agreement (FRA), to be settled in any freely convertible foreign currency, by Financial Institutions, subject to terms and conditions issued by the Authority. Further, an IBU may accept deposits from a person resident in India or a person resident outside India or any other financial institution, in any freely convertible foreign currency, subject to the directions issued by IFSCA.

[\* <https://ifsca.gov.in/Viewer/Index/119>; <https://ifsca.gov.in/Viewer/Index/121>]

## **vii. Alternate Investment Funds:**

Guidelines for setting up an Alternative Investment Fund (AIF) in IFSC had been issued by SEBI vide SEBI (International Financial Services Centres) Guidelines, 2015 (“IFSC Guidelines”) along with the operating guidelines dated November 26, 2018. IFSCA, vide circular F. No. 81/IFSCA/AIFs/2020-21 dated December 09, 2020\* has amended the norms to allow AIF in IFSC to borrow funds or engage in leveraging activities and co-invest in a portfolio company through a segregated portfolio subject to conditions and appropriate disclosures.

[\* <https://ifsc.gov.in/Viewer/Index/122>]

## **viii. Membership of stock exchanges and clearing corporations in IFSC by foreign entities:**

IFSCA, vide circular F. No. 113/IFSCA/CMD-TMCM/2020-21 dated December 11, 2020\* has permitted eligible foreign entities to set up a branch office in IFSC and operate as stock brokers and clearing members subject to approval by the Authority. Hitherto, all stock brokers and clearing members were required to set up a separate entity to become members of a stock exchange or a clearing corporation in the IFSC.

Any entity from a foreign jurisdiction may set up a branch office in IFSC to provide stock broking services and register with the IFSCA, subject to the conditions that the entity is from a FATF compliant jurisdiction and the entity is a stock broker regulated by a securities market regulator in its home jurisdiction and the entity has adequately ring fenced the operational, technology and financial aspects of its branch in IFSC from its overseas operations. It is also required that the trading servers of the entity are located within the IFSC and a Designated Director / Compliance Officer is appointed for ensuring compliance and reporting. The branch of the entity is required to comply at all times, with the net worth and capital requirement and the periodic reporting requirements as prescribed.

The above is expected to offer ease of doing business to foreign broking entities for participating in the markets by setting up a branch at the IFSC.

[\* <https://ifsc.gov.in/Viewer/Index/124>]

## **ix. Framework for recognition of a Custodian of Assets / Securities:**

IFSCA, vide circular F. No. 224/IFSCA/CMD-DMIIT/CUST/2021/1 dated February 24, 2021\* has enacted a mechanism for recognition of a custodian of assets/securities to facilitate a vibrant ecosystem for custodial services in IFSC.

The framework lists the requirements for registration as a custodian in the IFSC for entities registered and regulated in India as a custodian, entities registered and regulated in overseas jurisdictions and entities not falling under any of the above categories. Various other requirements pertaining to ring fencing the operational, technological and financial aspects of the branch in GIFT-IFSC from its domestic or overseas operations, periodic compliances and reporting have also been prescribed. Presence of custodians in the IFSC should enable institutional investors to participate in the securities markets and other financial services within the IFSC.

[\* <https://ifsc.gov.in/Viewer/Index/153>]

**x. Framework for enabling Ancillary services at International Financial Services Centre:**

IFSCA, vide circular F. No. 206/IFSCA/Anc.Aux/2020-21 dated February 10, 2021\* has issued the framework for enabling Ancillary services at the IFSC across permissible service that of Legal, Compliance and Secretarial, Auditing, Accounting, Book-keeping and Taxation Services, Professional & Management Consulting Services, Administration, Assets Management Support Services and Trusteeship Services or any other services as approved by IFSCA. The regulations list, among other things, the eligibility conditions, service recipients, maintenance of books of accounts, report submissions and other compliance requirements and the detailed activities of permissible ancillary services. The issue of this framework enables availability of various ancillary and support services to not only the participants in the capital markets but across all financial services in the IFSC.

[\* <https://ifsc.gov.in/Viewer/Index/143>]

**xi. Framework for Aircraft Operating Lease:**

IFSCA, vide circular F. No. 28/IFSCA/ALF/2020-21 dated February 19, 2021\* has issued the framework for Aircraft operating lease covering operating and financial lease and any hybrid of operating and financial lease of aircraft or helicopter and engines of aircraft or helicopter or any other part thereof. It covers, across other things, requirements and details of permissible activities, eligibility criteria for applicants, lessor registrations, maintenance of books of records and periodic reporting and compliances. Considering that Indian air operators are amongst the largest markets for aircraft leases, it is expected that aircraft leasing and allied services will establish the IFSC as a major financing centre and also give a fillip to the other non banking financial services in the IFSC.

[\* <https://ifsc.gov.in/Viewer/Index/148>]

## **5. Introduction of Rupee Derivatives with settlement in foreign currency on the Exchange:**

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, 2020<sup>1</sup> on “Introduction of Rupee derivatives of International Financial Services Centre” and (2) dated January 21, 2020<sup>2</sup> 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)<sup>3</sup> 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, 2020<sup>4</sup>, 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 with SEBI and RBI and further to their approvals launched the trading in Rupee derivatives on May 08, 2020 at the august hands of Honourable Finance Minister. The exchange has clocked a daily average turnover in Rupee derivatives of USD 52.21 million since launch of trading.

Yet another favourable development has been that the RBI on March 27, 2020, 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 on-shoring the NDF market for the Rupee which has hitherto been expanding in the offshore global financial centres.

*(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 (6) <https://www.indiainx.com/circulars/20200506-1/20200506-1.pdf> )*

## **6. Key developments / circulars pertaining to capital markets in the IFSC**

Some of the other key developments during the financial year basis circulars and press released issued by SEBI and IFSCA are as follows:

- a) Regulatory measures introduced vide SEBI Press Release dated March 20, 2020 and its periodic reviews by SEBI during the FY2020-21:

SEBI vide Press Release dated March 20, 2020 had introduced certain regulatory measures in view of the then ongoing market volatility and keeping in view the objective of ensuring orderly trading and settlement, effective risk management, price discovery and maintenance of market integrity. The same were reviewed and periodically extended as required and were in force until November 26, 2020. Subsequently, based on market feedback and the market environment, the above regulatory measures had been finally reviewed and the same were revised subject to certain modifications till further directions. These measures covered stocks in derivatives segment, Index Derivatives and flexing of dynamic price bands for F&O stocks.

[\* <https://www.indiainx.com/circulars/20201127-1/20201127-1.pdf>]

- b) Relaxation in timelines for compliance with regulatory requirements:

In view of the situation arising due to COVID-19 pandemic, lockdown imposed by the Government and representations received from Stock Exchanges, SEBI had earlier provided relaxations in timelines for compliance with various regulatory requirements as of March 2020 by the trading members / clearing members / depository participants, vide circular nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/61-62-68-72 dated 16<sup>th</sup>, 20<sup>th</sup> and 24<sup>th</sup> April, 2020,

Later, timelines / period of exclusion were further extended for certain compliance requirements. In view of the prevailing situation due to Covid-19 pandemic and representation received, the timelines for various compliance with the regulatory requirements by the trading members / clearing members were extended until September 30, 2020, December 31, 2020 and January 31, 2021. The Exchange had been keeping its members informed and has been monitoring the progress on the various member compliances.

[\* [https://www.indiainx.com/Circulars/20201201-2/Annexure%201\\$4664b66d-0cd9-40a6-b1d5-e3813448368c.pdf](https://www.indiainx.com/Circulars/20201201-2/Annexure%201$4664b66d-0cd9-40a6-b1d5-e3813448368c.pdf)]

- c) Operating Guidelines for Investment Advisers in International Financial Services Centre (IFSC) – Amendments:

SEBI, vide its circular SEBI/HO/IMD/DF1/CIR/P/2020/185 dated September 28, 2020\* amended the provisions of the aforesaid operating guidelines issued earlier in January 2020.

Accordingly now any entity, being a company or a limited liability partnership (LLP) or any other similar structure recognised under the laws of its parent jurisdiction, desirous of operating in IFSC as an Investment Adviser (IAs), may form a company or LLP, excluding those where the applicant is already a company or LLP in IFSC, to provide investment advisory services. IAs to comply with the applicable guidelines issued by the relevant overseas regulator/ authority, while dealing with persons resident outside India and non-resident Indians and also conduct annual audits. Investment advisors, being an important participant in a financial centre, can benefit from the ease of doing business offered by the above amendment.

[\* <https://www.indiainx.com/circulars/20200928-1/20200928-1.pdf>]

d) Operating Guidelines for Portfolio Managers in International Financial Services Centre (IFSC):

SEBI, vide its circular SEBI/HO/IMD/DF1/CIR/P/2020/169 dated September 09, 2020\* put in place the operating guidelines for portfolio managers (PMs) in IFSC. The same details, inter alia, the applicability, conditions for registration, operational compliances, net worth requirements, client eligibility, segregation of funds, minimum investment amount etc.

[\* <https://www.indiainx.com/Circulars/20200909-1/Annexure%20-%2015f52a167f-d3cb-46e4-bcfb-2efacdf272e2.pdf>]

e) Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 – Amendments (on Accounting standards):

SEBI, vide its circular SEBI/HO/MRD1/DSAP/CIR/P/2020/154 dated August 21, 2020\* amended provisions of the SEBI IFSC Guidelines, 2015 to

The entities issuing and/or listing their debt securities in IFSC may now prepare their statement of accounts in accordance with IFRS/ US GAAP/ IND AS or accounting standards as applicable to them in their place of incorporation. In case an entity does not prepare its statement of accounts in accordance with IFRS/ US GAAP/ IND-AS, a quantitative summary of significant differences between national accounting standards and IFRS shall be prepared by such entity and incorporated in the relevant disclosure documents to be filed with the exchange. However, the quantitative summary of significant differences will not be required and a statement of differences between local accounting standards and IFRS/ US GAAP/ IND AS would suffice, if the issue is targeted to institutional investors, along with a disclaimer that issuer has not quantified the effect of applying IFRS/ US GAAP / IND AS to its financial information and investor may make their own judgment in accessing the financial information. This amendment offers ease of doing business for issuers considering listing their issue on the stock exchanges at the IFSC.

[\* [https://www.indiainx.com/Circulars/20200825-1/Annexure-1\\$9807848f-5a59-49f3-bd0a-15e30447bb17.pdf](https://www.indiainx.com/Circulars/20200825-1/Annexure-1$9807848f-5a59-49f3-bd0a-15e30447bb17.pdf)]

- f) Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 – Amendments (on intermediaries):

SEBI, vide its circular SEBI/HO/MRD1/DSAP/CIR/P/2020/155 dated August 21, 2020\* amended provisions of the SEBI IFSC Guidelines, 2015 and enabled entities, based in India or in a foreign jurisdiction, to provide financial services in IFSC, subject to compliance with the applicable regulatory framework/ guidelines as specified by the Board.

[\* [https://www.indiainx.com/Circulars/20200825-1/Annexure-2\\$9807848f-5a59-49f3-bd0a-15e30447bb17.pdf](https://www.indiainx.com/Circulars/20200825-1/Annexure-2$9807848f-5a59-49f3-bd0a-15e30447bb17.pdf)]

- g) Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 – Amendments (on shareholding of stock exchanges):

On the eligibility and shareholding limit for stock exchange desirous of operating in IFSC, SEBI vide its circular no. SEBI/HO/IFSC/CIR/P/2020/117 dated July 09, 2020, amended SEBI (IFSC) Guidelines, 2015 to allow, inter alia, the paid up share capital, which is over and above the minimum of fifty one per cent to be held by any stock exchange from Indian or foreign jurisdiction, to be held by any other person, whether of Indian or foreign jurisdiction subject to a maximum of five per cent, including with persons acting in concert or directly or indirectly, of the paid up equity share capital in a recognised stock exchange in IFSC.

[\* [https://www.sebi.gov.in/legal/circulars/jul-2020/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments\\_47034.html](https://www.sebi.gov.in/legal/circulars/jul-2020/securities-and-exchange-board-of-india-international-financial-services-centres-guidelines-2015-amendments_47034.html)]

- h) Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015-Amendment (on shareholding of clearing corporations):

In line with the amendment at (3) above, in the case of eligibility and shareholding limit for clearing corporations desirous of operating in IFSC, SEBI vide its circular no. SEBI/HO/MRD2/DCAP/CIR/P/2020/149 dated August 09, 2020, amended SEBI (IFSC) Guidelines, 2015 to allow, inter alia, the paid up share capital, which is over and above the minimum of fifty one per cent to be held by any clearing corporation from Indian or foreign jurisdiction, to be held by any other person, whether of Indian or foreign jurisdiction subject to a maximum of five per cent, including with persons acting in concert or directly or indirectly, of the paid up equity share capital in a recognised clearing corporation in IFSC.



[\* [https://www.sebi.gov.in/legal/circulars/aug-2020/sebi-international-financial-services-centres-guidelines-2015-amendment\\_47281.html](https://www.sebi.gov.in/legal/circulars/aug-2020/sebi-international-financial-services-centres-guidelines-2015-amendment_47281.html)]

i) Clarification on Know Your Client (KYC) Process and Use of Technology for KYC:

Know Your Customer (KYC) and Customer Due Diligence (CDD) policies as part of KYC are the foundation of an effective Anti-Money Laundering process. The KYC process requires every SEBI registered intermediary (hereinafter referred to as 'RI') to collect and verify the Proof of Identity (PoI) and Proof of Address (PoA) from the investor.

The provisions as laid down under the Prevention of Money-Laundering Act, 2002, Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, SEBI Master Circular on Anti Money Laundering (AML) dated October 15, 2019 and relevant KYC / AML circulars issued from time to time shall continue to remain applicable.

SEBI vide its circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 has laid out detailed process for carrying out the KYC and using technology for the same. In order to enable the Online KYC process for establishing account based relationship with the RI, Investor's KYC can be completed through online / App based KYC, in-person verification through video, online submission of Officially Valid Document (OVD) / other documents under eSign. Validations for mobile, emails, Aadhaar, PAN, Bank accounts of investors can now be facilitated through One Time Password and verifications from the UIDAI, Income Tax database and by penny drop mechanism respectively. To enable ease of completing IPV of an investor, intermediaries may also use the Video based In Person Verification of an individual investor through their Apps.

These measures offer ease of doing business for on-boarding clients by the market intermediaries.

[\* [https://www.indiainx.com/Circulars/20200424-1/Annexure%201\\$808b21ab-e022-40fa-b833-3a5b118e86f6.pdf](https://www.indiainx.com/Circulars/20200424-1/Annexure%201$808b21ab-e022-40fa-b833-3a5b118e86f6.pdf)]

**7. Key Notifications issued by various authorities in FY20-21:**

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

- a. Notification no.GSR1383E dated April 27, 2020 about date of establishment of IFSC and the head office shall be at Gandhinagar
- b. Notification no. GSR269E dated April 29, 2020 about IFSCA (Rules), 2020
- c. Notification no. SO223 dated July 07, 2020 about appointment of Chairperson, IFSCA
- d. Notification no. S2436E & SO2527E dated July 24, 2020 & July 30, 2020 about appointment of Members of the, IFSCA
- e. Notification no. SO2844E dated August 21, 2020 about certain provisions of the IFSC Act, 2019 to come into force

- f. Notification no.2957E dated August 31, 2020 notification by Dept. Of Economic Affairs, MoF about notification of bullion spot delivery contracts and bullion depository receipts with underlying bullion as Financial products and trading in bullion depository receipts with underlying bullion in relation to bullion spot delivery contracts and bullion financing, bullion based loans, bullion loans against collateral, bullion vaulting, clearing and settlement services in relation to bullion spot delivery contracts and bullion depository receipts as Financial services.
  - g. Notification no. RBI/2020-21/99 dated February 16, 2021 on Remittances to International Financial Services Centres (IFSCs) in India under the Liberalised Remittance Scheme (LRS).
  - h. The Central Government notified Aircraft Lease and Global in-House Centres in IFSCA Act, 2019 on October 16, 2020\*. The same notified aircraft lease which includes operating and financial lease and any hybrid of operating and financial lease of aircraft or helicopter and engines of aircraft or helicopter or any other part thereof, as financial product. It also notified Global in-House Centres (GIC), as financial service to provide services relating to financial products and financial services to be prescribed by the Authority in regulations.  
[\* <https://ifsca.gov.in/Viewer/Index/98>]
- ii. Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2020:

SEBI vide its notification No. SEBI/LAD-NRO/GN/2020/011 dated May 08, 2020 notified, among other things, that stock brokers in cash, equity derivatives, currency derivatives, interest rate derivatives and commodity derivatives (other than agri-commodity derivative) liable to pay fees as a percentage of their turnover shall, for the period June 01, 2020 to March 31, 2021, pay only 50% (fifty percent) of fees as calculated therein, including for off-market transactions undertaken by them. This amendment thus, halved the fees payable by brokers in the current pandemic situation.

[\* [https://www.indiainx.com/Circulars/20200602-1/Gazette%20Notification\\$d8777f3f-cf71-4346-b6f1-24bb23f7ebae.pdf](https://www.indiainx.com/Circulars/20200602-1/Gazette%20Notification$d8777f3f-cf71-4346-b6f1-24bb23f7ebae.pdf)]

## **8. Seamless trading and settlement operations during a year of pandemic:**

Pursuant to the WHO's announcement of Covid-19 as a global pandemic, the Ministry of Home Affairs had issued an order (no. 40-3/2020-D) dated March 24, 2020 in which various guidelines had 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/IFSCA recognized stock exchange, continued to offer seamless trading and

settlement services even during the current Lockdown. It continues to note and follow any directions issued by the government and various authorities while striving to seamlessly conduct its operations.

The management of INDIA INX, with an aim to conduct the normal market operations and prompt identification and resolution of issues, if any, has been closely tracking the evolving situation. India INX has activated its BCP framework and, 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 with minimal required staff strength.

Additionally, readiness is maintained to utilize, if required, 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. Employees have been given remote access to their computer systems using a framework called Virtual Private Network (VPN) keeping in mind the information security needs along with flexibility required in current situation which enables them to work remotely from their homes without affecting the information security protocol.

The Exchange has deployed minimum staff on shift basis for Mission Critical Activities while adopting “Work From Home procedures” towards support for mission critical tasks and conduct of business critical activities. All necessary precautions and requirements with respect to frequent sanitisation, social distancing and wearing of masks is observed in the office. Communication lines with all stakeholders, IFSCA, banks, clearing corporations, other exchanges and market participants have been kept active and constant monitoring is done of daily situation.

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.**

During the year under review, the authorized capital of the company has been increased from Rs. 250 Crores to Rs. 308 Crores vide resolution passed by members at its meeting held on November 9, 2020.

Further, the company has made allotment of equity shares of Re. 1/- each on right basis as follows: -

<b>Date of Allotment</b>	<b>Name of Shareholder</b>	<b>No. of Shares allotted</b>
August 13, 2020	BSE Limited	10,54,50,000
August 24, 2020	ICICI Bank Limited	4,45,50,000
February 19, 2021	BSE Limited	10,00,00,000

## **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, 2021, 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**

No Director or KMP has been appointed during the year under review.

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**

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

## **DECLARATION FROM INDEPENDENT DIRECTORS**

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. Further, In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline and they have also passed online self assessment proficiency test as applicable to them.

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 April 1, 2020 to March 31, 2021, five Board Meetings were held on following dates:

1.) April 17, 2020	2.) July 17, 2020
3.) October 16, 2020	4.) January 20, 2021
5.) March 18, 2021	

## **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: -

<b>S. No.</b>	<b>Evaluation done by</b>	<b>Evaluation done for</b>
1.	Independent Directors	Non-Independent Directors

<b>S. No.</b>	<b>Evaluation done by</b>	<b>Evaluation done for</b>
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**

No appointment or reappointment of independent director made during the year under review.

#### **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- 1** 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.

**Internal Auditor**

Internal Audit for the year ended March 31, 2021 was done by M/s. S. Panse & Co., LLP and internal audit report at relevant intervals were placed before the Board.

**POLICY MATTERS**

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

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

**Corporate Social Responsibility**

The provisions of 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 as per requirement of the Act. This committee is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2021, 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 finance, 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 Recertification of ISO 27001:2013 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.

Usage of Legatrix system helps in keeping 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 (“Ind AS”) notified under the Companies (Ind AS) 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, 2021.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year 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. In current year FY20-21 company has expanded its colocation facility by adding additional 39 member quarters. The company has not imported any technology during the year.

### **(C) Foreign Exchange Earnings and Outgo**

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

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange Earnings – Nil

Foreign Exchange Outgo – USD 18,34,000 (P.Y.: USD 21,38,299)

During the year under review, Company received earning from outside India is USD 1,800 (P.Y. USD 3,170) and payment towards expenses made outside India is USD 11,135 (P.Y. USD 10,908).

## **HUMAN RESOURCE**

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

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

## **DEPOSITS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii) they have selected such accounting policies and applied them consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year March 31, 2021 and of the losses of the Company for that year;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **OTHER DISCLOSURES**

### **Extract of Annual Return**

The provisions of Section 92(3) of the Companies Act, 2013 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 year ended March 31, 2021.

### **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**

**Date:** April 20, 2021

**Place:** Mumbai

**Registered Office:** 1<sup>st</sup> Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY, Gandhinagar, Gujarat – 382355.

**Note:**

**In this report:**

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[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**  
1<sup>st</sup> 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** 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, 2021** 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, 2021** 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 Fee 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 and until December 14 2021, 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.”*

Further on November 10, 2020, the Company sought relaxation in the requirement of Networth of Rs. 100 Crore and it has been relaxed 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 by IFSCA\*(International Financial Services Centres Authority)for the period of 1 year vide its letter ref no. 126/IFSCA/India INX/2020-21 dated December 14, 2020.

- (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;

- a) Shri Sameer Patil was regularized as Non Executive Director of the company w.e.f. 17<sup>th</sup> April, 2020.
- b) Reappointment of Dr. Ajit Ranade as an Independent Director of the Company for a further period of three years commencing from January 6, 2020 to January 5, 2023 in the AGM held on 17.04.2020.
- c) Increase in Authorized Share Capital of the Company from Rs. 250,00,00,000.00/- divided into 250,00,00,000 equity shares of Rs. 1/- each to Rs. 308,00,00,000.00/- divided into 308,00,00,000 equity shares of Rs. 1/- each and alteration in Clause V of Memorandum of Association of the Company, by the members of the Company at their Extraordinary General Meeting held on 09.11.2020.
- d) Allotment of 10,54,50,000 (Ten Crore Fifty Four Lakh Fifty Thousand) Equity Shares at Rs. 1.00 (Rupee One Only) per equity share amounting to Rs. 10,54,50,000.00 (Rupees Ten Crore Fifty Four Lakh Fifty Thousand Only) on 13.08.2020 to BSE Limited on Right issue basis in compliance of provisions of Section 62(1)(a) of the Companies Act, 2013 including the Rules framed thereunder.
- e) Allotment of 4,45,50,000 (Four Crore Forty Five Lakh Fifty Thousand) Equity Shares at Rs. 1.00 (Rupee One Only) per equity share amounting to Rs. 4,45,50,000.00 (Rupees Four Crore Forty Five Lakh Fifty Thousand Only) on 24.08.2020 to ICICI Bank Limited on Right issue basis in compliance of provisions of Section 62(1)(a) of the Companies Act, 2013 including the Rules framed thereunder.
- f) Allotment of 10,00,00,000 (Ten Crore) Equity Shares at Rs. 1.00 (Rupee One Only) per equity share amounting to Rs. 10,00,00,000.00 (Rupees Ten Crore Only) on 19.02.2021 to BSE Limited on Right issue basis in compliance of provisions of Section 62(1)(a) of the Companies Act, 2013 including the Rules framed thereunder.

- g) Issuance of 32,48,33,256 (Thirty Two Crore Forty Eight Lakh Thirty Three Thousand Two Hundred and Fifty Six) Equity shares on preferential basis to Institutional Investors in terms of the special resolution passed by the Company in the EGM held on 22.12.2020 which was not subscribed and allotted.
- h) Issuance of 19,16,25,000 (Nineteen Crore Sixteen Lakh Twenty Five Thousand) Equity shares on preferential basis to Institutional Investors and Individual Investors in terms of the special resolution passed by the Company in the EGM held on 29.03.2021

There were no other instances of:

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

**FOR YASH MEHTA& ASSOCIATES  
COMPANY SECRETARIES**

**YASH MEHTA  
PROPRIETOR**

**Date : 20.04.2021**  
**Place : Ahmedabad**

**ACS : 45267**  
**COP :16535**  
**UDIN: A045267C000171008**

\*Note 1:The Company being an IFSC Company is exempted from complying with certain provisions of Companies Act, 2013 pursuant to the Notification issued by MCA dated January 4, 2017.

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

Note 3: We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19, for the purpose of issuing this report.

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**  
1<sup>st</sup>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 followed provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR YASH MEHTA& ASSOCIATES**  
**COMPANY SECRETARIES**

**YASH MEHTA**  
**PROPRIETOR**  
**ACS : 45267**  
**COP :16535**  
**UDIN: A045267C000171008**

**Date : 20.04.2021**  
**Place : Ahmedabad**



# INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

Audited Consolidated  
Financial Statement for the  
Year ended March 2021

## **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, 2021, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.



- e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditor’s reports of the 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.
- g) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act, and in pursuance of sub-section (2) of the said section of Companies Act 2013(18 of 2013), the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the Company and its subsidiary. Hence reporting under section 197(16) of the Act is not applicable to the Company.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - 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 20, 2021**  
**UDIN : 21116765AAAADC4428**

## **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, 2021, 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.

### **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, 2021, 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 20, 2021**  
**UDIN : 21116765AAAADC4428**

India International Exchange (IFSC) Limited					
Consolidated Balance Sheet as at March 31, 2021					
Particulars	Note No.	As at March 31, 2021		As at March 31, 2020	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
<b>ASSETS</b>					
<b>1 Non-current assets</b>					
a. Property, Plant and Equipment	3	18,05,49,815	24,56,303	19,86,23,302	26,34,754
b. Intangible Assets	4	82,05,256	1,11,629	1,21,51,755	1,61,194
c. Financial Assets					
(i) Other Financial Assets	7	9,20,00,027	12,51,621	20,22,528	26,829
d. Non-current tax assets (net)		4,30,591	5,858	3,22,802	4,282
<b>Total</b>		<b>28,11,85,689</b>	<b>38,25,411</b>	<b>21,31,20,387</b>	<b>28,27,059</b>
<b>2 Current assets</b>					
a. Financial assets					
(i) Cash and Cash Equivalents	5	15,63,01,056	21,26,409	16,45,31,536	21,82,524
(ii) Bank Balance other than Above (i)		-	-	-	-
(iii) Trade Receivables	6	7,65,331	10,412	16,97,691	22,520
(iv) Other Financial Assets	7	30,23,74,666	41,13,678	34,20,52,064	45,37,348
b. Other Assets	8	41,25,672	56,128	61,69,582	81,840
<b>Total</b>		<b>46,35,66,725</b>	<b>63,06,627</b>	<b>51,44,50,873</b>	<b>68,24,232</b>
<b>Total Assets</b>		<b>74,47,52,414</b>	<b>1,01,32,038</b>	<b>72,75,71,260</b>	<b>96,51,291</b>
<b>EQUITY AND LIABILITIES</b>					
<b>1 Equity</b>					
a. Equity Share Capital	9	1,60,43,84,018	2,32,35,885	1,35,43,84,018	1,98,63,151
b. Other Equity	10	(1,12,51,31,542)	(1,67,15,860)	(86,68,37,468)	(1,33,95,807)
<b>Total</b>		<b>47,92,52,476</b>	<b>65,20,025</b>	<b>48,75,46,550</b>	<b>64,67,344</b>
<b>LIABILITIES</b>					
<b>2 Non-current liabilities</b>					
a. Financial Liabilities					
(i) Other Financial Liabilities	12	2,53,150	3,444	2,66,565	3,536
b. Provisions	13	32,05,540	43,610	41,00,163	54,389
c. Other Liabilities	14	13,57,779	18,472	26,90,598	35,691
<b>Total</b>		<b>48,16,469</b>	<b>65,526</b>	<b>70,57,326</b>	<b>93,616</b>
<b>3 Current Liabilities</b>					
a. Financial liabilities					
(i) Trade Payables	11				
a. Total outstanding dues of micro enterprises and small enterprises		6,101	83	-	-
b. Total outstanding dues of creditor other than micro enterprises and small enterprises		2,27,93,520	3,10,096	1,82,58,315	2,42,198
(ii) Other Financial Liabilities	12	21,59,27,186	29,37,597	19,09,46,378	25,32,919
b. Provisions	13	61,45,213	83,603	66,59,590	88,340
c. Other Liabilities	14	1,58,11,449	2,15,108	1,71,03,101	2,26,874
<b>Total</b>		<b>26,06,83,469</b>	<b>35,46,487</b>	<b>23,29,67,384</b>	<b>30,90,331</b>
<b>Total Equity and Liabilities</b>		<b>74,47,52,414</b>	<b>1,01,32,038</b>	<b>72,75,71,260</b>	<b>96,51,291</b>
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 20, 2021 Place: Mumbai		Mayank Jain Chief Financial Officer Place: Gandhinagar		Nikhil Mehta Company Secretary	

<p align="center"><b>India International Exchange (IFSC) Limited</b>  <b>Consolidated Statement of Profit and Loss for the Year ended March 31, 2021</b></p>	
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Particulars		Note No.	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
			(Rs)	(USD)	(Rs)	(USD)
			Audited	Audited	Audited	Audited
1	Revenue From Operations	15	1,82,40,676	2,45,812	1,60,86,508	2,26,957
2	Investment Income		52,17,039	70,305	79,47,815	1,12,132
3	Other Income	16	51,16,564	68,951	43,33,903	61,145
4	<b>Total Revenue (1+2+3)</b>		<b>2,85,74,279</b>	<b>3,85,068</b>	<b>2,83,68,226</b>	<b>4,00,234</b>
5	<b>Expenses</b>					
	Employee Benefits Expense	17	7,62,99,221	10,28,211	7,95,61,010	11,22,489
	Administration and Other Expenses	18	8,95,69,216	12,07,038	6,82,55,579	9,62,986
	LES Expenditure		14,55,20,394	19,61,038	15,62,20,513	22,04,042
	Finance Costs		1,261	17	992	14
	Depreciation and Amortisation Expenses	3&4	3,56,73,845	4,80,742	3,83,45,806	5,41,003
	<b>Total Expenses</b>		<b>34,70,63,937</b>	<b>46,77,046</b>	<b>34,23,83,900</b>	<b>48,30,534</b>
6	<b>Profit / (loss) before tax (4 - 5)</b>		(31,84,89,658)	(42,91,978)	(31,40,15,674)	(44,30,300)
7	<b>Tax Expense:</b>					
	Current tax and Deferred tax		-	-	-	-
8	<b>Profit / (loss) for the Year From Continuing Operations (6 - 7)</b>		<b>(31,84,89,658)</b>	<b>(42,91,978)</b>	<b>(31,40,15,674)</b>	<b>(44,30,300)</b>
9	Profit From Discontinuing Operations		-	-	-	-
10	Tax Expenses of Discontinuing Operations		-	-	-	-
11	<b>Profit From Discontinuing Operations (after tax) (9+10)</b>		-	-	-	-
12	<b>Profit / (loss) for the Year (8+11)</b>		<b>(31,84,89,658)</b>	<b>(42,91,978)</b>	<b>(31,40,15,674)</b>	<b>(44,30,300)</b>
13	<b>Other Comprehensive Income</b>					
	A Items that will not be reclassified to profit or loss					
	(I) Remeasurement of defined benefit plan		10,41,775	14,039	(10,15,272)	(14,324)
	B Items that will be reclassified to profit or loss					
	(I) Foreign Currency translation reserve		(1,12,55,314)	-	4,51,22,610	-
	<b>Total Other Comprehensive Income for the Year</b>		<b>(1,02,13,539)</b>	<b>14,039</b>	<b>4,41,07,338</b>	<b>(14,324)</b>
14	<b>Total Comprehensive Income for the Year (12+13)</b>		<b>(32,87,03,197)</b>	<b>(42,77,939)</b>	<b>(26,99,08,336)</b>	<b>(44,44,624)</b>
15	<b>Earning per equity share :</b>	20				
	Basic and Diluted EPS		(0.218)	(0.003)	(0.238)	(0.003)
	Par value of share Rs		1	NA	1	NA
	Weighted average number of shares (Nos.)		1,45,92,05,799	1,45,92,05,799	1,31,81,63,334	1,31,81,63,334
	<b>See accompanying notes forming part of the consolidated financial statements</b>	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 20, 2021**  
**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, 2021**

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>A. Cash Flow From Operating Activities</b>				
Profit / (loss) for the Year	(31,84,89,658)	(42,91,978)	(31,40,15,674)	(44,30,300)
Depreciation and Amortisation Expenses	3,56,73,845	4,80,742	3,83,45,806	5,41,003
Foreign Currency Translation Reserve	(1,12,55,314)	-	4,51,22,610	-
Remeasurement of Defined Benefit Plan	10,41,775	14,039	(10,15,272)	(14,324)
Interest Income on Fixed Deposits	(52,17,039)	(70,305)	(79,47,815)	(1,12,132)
<u>Adjustments for Changes in operating Liability and Assets</u>				
Trade Payable	45,41,306	67,981	(38,84,039)	(77,911)
Trade Receivables	9,32,360	12,108	3,80,146	7,519
Provisions	(14,09,000)	(15,516)	11,20,041	3,369
Other Liabilities	(31,75,052)	(37,014)	(14,04,929)	(42,010)
Other Financial Liabilities	2,49,67,393	4,04,586	7,60,18,032	8,71,098
Other Financial Assets	(2,16,94,757)	(3,20,921)	(5,99,74,225)	(7,76,563)
Other Assets	20,43,910	25,712	23,00,720	40,614
	<b>(29,20,40,231)</b>	<b>(37,30,566)</b>	<b>(22,49,54,599)</b>	<b>(39,89,637)</b>
Taxes Paid	(1,07,789)	(1,576)	(1,55,684)	(1,866)
<b>Net Cash Generated (Used in) / from Operating Activities</b>	<b>(29,21,48,020)</b>	<b>(37,32,142)</b>	<b>(22,51,10,283)</b>	<b>(39,91,503)</b>
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Property, Plant & Equipment and Intangible Assets	(1,36,53,785)	(2,52,725)	(3,37,76,017)	(2,23,740)
Investment in Fixed Deposit	(72,76,87,493)	(99,90,044)	(27,13,75,224)	(34,71,900)
Proceeds From Maturity of Fixed Deposits	69,66,04,042	94,77,000	11,30,82,135	15,00,044
Interest Income Received	80,17,121	1,08,039	44,22,511	62,395
<b>Net Cash Generated (Used in) / from Investment Activities</b>	<b>(3,67,20,115)</b>	<b>(6,57,730)</b>	<b>(18,76,46,595)</b>	<b>(21,33,201)</b>
<b>C. Cash Flow From Financing Activities</b>				
Proceeds From Allotment of Equity Share	25,00,00,000	33,72,734	10,43,84,018	14,70,612
Receipt of share Application Money	7,04,09,123	9,57,886		
<b>Net Cash Generated From Financing Activities</b>	<b>32,04,09,123</b>	<b>43,30,620</b>	<b>10,43,84,018</b>	<b>14,70,612</b>
<b>D. Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(84,59,012)</b>	<b>(59,252)</b>	<b>(30,83,72,860)</b>	<b>(46,54,092)</b>
<b>Cash and Cash Equivalents at the end of the Year</b>				
In Current Account - Owned	8,54,97,874	11,63,162	3,37,71,752	4,47,985
In Current Account - Member fund	2,75,643	3,750	-	-
In Deposit Account - Owned	7,02,16,761	9,55,269	10,93,43,328	14,50,448
In Deposit Account - Member fund	-	-	2,13,34,210	2,83,000
	<b>15,59,90,278</b>	<b>21,22,181</b>	<b>16,44,49,290</b>	<b>21,81,433</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>16,44,49,290</b>	<b>21,81,433</b>	<b>47,28,22,150</b>	<b>68,35,525</b>
<b>Changes In Cash and Cash Equivalents</b>	<b>(84,59,012)</b>	<b>(59,252)</b>	<b>(30,83,72,860)</b>	<b>(46,54,092)</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>15,59,90,278</b>	<b>21,22,181</b>	<b>16,44,49,290</b>	<b>21,81,433</b>
<b>Cash and Bank Balance (Refer note 5) (Other than Earmarked Fund)</b>	<b>15,59,90,278</b>	<b>21,22,181</b>	<b>16,44,49,290</b>	<b>21,81,433</b>

**See accompanying notes forming part of the consolidated financial statements**

**Notes:**

- Cash and Cash Equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 3 months.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
- Movement in earmarked asset and liability is not considered.

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

**For and on behalf of the Board of Directors**

**Amol Khanolkar**  
**Partner**  
**Membership No.: 116765**

**Ashishkumar Chauhan**  
**Chairman**

**Balasubramaniam Venkataramani**  
**Managing Director & CEO**

**Date : April 20, 2021**  
**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, 2021**

**A. Equity Share Capital**

Particulars	(Rs)	(USD)
Balance at April 01, 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
Balance at April 01, 2020	1,35,43,84,018	1,98,63,151
Changes in Equity Share Capital during the Year	25,00,00,000	33,72,734
Balance as at March 31, 2021	1,60,43,84,018	2,32,35,885

**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	Share Application Money pending allotment	Share Application Money pending allotment	Foreign Currency Translation Reserve		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance at April 1, 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)
Balance at April 1, 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)
Profit / (Loss) for the Year ended March 31, 2021	(31,84,89,658)	(42,91,978)					-	(31,84,89,658)	(42,91,978)
Other Comprehensive Income for the Year ended March 31, 2021	10,41,775	14,039					(1,12,55,314)	(1,02,13,539)	14,039
Add/(less) : Liquidity Enhancement Scheme (LES) Reserve	(14,37,85,298)	(19,08,276)	14,37,85,298	19,08,276			-	-	-
Add/(less) : LES Expenditure incurred during the Year ended March 31, 2021	14,55,20,394	19,61,038	(14,55,20,394)	(19,61,038)			-	-	-
Share Application Money pending allotment	-	-	-	-	7,04,09,123	9,57,886	-	7,04,09,123	9,57,886
Balance as at March 31, 2021	(1,23,98,73,178)	(1,77,02,354)	21,02,822	28,608	7,04,09,123	9,57,886	4,22,29,691	(1,12,51,31,542)	(1,67,15,860)

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 20, 2021  
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, 2021

### 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 the IFSC Authority or any other relevant 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.

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

The consolidated financial statements were authorized for issuance by the Parent Company's Board of Directors on April 20, 2021.

### 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.



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

Particulars of subsidiaries and associate:

Name of the Company	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2021
India INX Global Access IFSC Limited (w.e.f. April 5, 2018)	Intermediary for trading in overseas Exchanges	India	100%

### 2.2 Foreign currency translation and transactions

#### a) 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.

#### b) Transactions and balances

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

#### c) At the end of each reporting period

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

#### d) Translation to presentation currency (Foreign Currency Translation Reserve)

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 2.3 *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. The Group 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, 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. *Property plant and equipment:* The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- d. Defined employee benefit obligation determined based on the present value of future obligations using assumptions determined by the company with advice from an independent qualified actuary.
- e. *Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the 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.

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 2.4 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
  - 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 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.

### **Earmarked Funds**

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

### ***Financial liabilities***

#### (a) Financial liabilities at amortised cost:

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### (b) Financial liabilities at FVTPL:

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

### 2.5 *Property, plant and equipment*

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 2.6 *Intangible assets*

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

### 2.7 *Leases*

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

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

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

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

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

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

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

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

### **As a Lessor:**

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

## **2.8 Impairment**

### *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.

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 objectively to an event



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

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

### 2.9 *Employee benefit*

The 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 Company. The Company’s obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

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

### b. Compensated absences

The employees of the 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 statement of profit and loss Account.

### c. Provident Fund and pension Fund

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

## 2.10 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.

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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.

### **2.11 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.

### **2.12 Investment income and interest expense**

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

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

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

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

### 2.13 *Taxation*

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

#### *a. Current income tax*

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The 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

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

### 2.14 *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.

### 2.15 *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;

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

### ***Operating Cycle***

Based on the nature of products / activities of the 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.

### **2.16 Government grants**

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

### **2.17 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.

### **2.18 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, 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	
(USD)								
Particulars	Leasehold Premises and Improvements	Plant and Equipment's	Electrical Installations	Computers -Hardware and Networking Equipment's - Owned	Furniture & Fixtures	Office Equipment's	Motor Vehicle	Total
Gross Block								
Balance as at April 01, 2020	15,01,684	-	4,14,709	16,94,891	85,119	4,27,085	35,017	41,58,505
Additions During the Year	21,707	56,591	14,154	1,50,927	3,786	5,561	-	2,52,726
Deductions / Adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	15,23,391	56,591	4,28,863	18,45,818	88,905	4,32,646	35,017	44,11,231
Accumulated Depreciation and Impairment								
Balance as at April 01, 2020	1,65,817	-	1,30,448	9,19,624	26,689	2,72,272	8,901	15,23,751
Depreciation For the Year	50,297	1,520	42,054	2,38,392	8,664	85,873	4,377	4,31,177
Deductions / Adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	2,16,114	1,520	1,72,502	11,58,016	35,353	3,58,145	13,278	19,54,928
Net Book Value								
Balance as at March 31, 2021	13,07,277	55,071	2,56,361	6,87,802	53,552	74,501	21,739	24,56,303
(Rs)								
Particulars	Leasehold Premises and Improvements	Plant and Equipment's	Electrical Installations	Computers -Hardware and Networking Equipment's - Owned	Furniture & Fixtures	Office Equipment's	Motor Vehicle	Total
Gross Block								
Balance as at April 01, 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
Additions During the Year	16,10,785	41,99,380	10,50,309	1,11,99,659	2,80,943	4,12,658	-	1,87,53,734
Deductions / Adjustments	-	-	-	-	-	-	-	-
Currency Fluctuation	(28,40,187)	(39,676)	(7,90,074)	(32,94,244)	(1,62,780)	(8,07,331)	(65,877)	(80,00,169)
Balance as at March 31, 2021	11,19,76,398	41,59,704	3,15,23,446	13,56,76,298	65,34,935	3,18,01,514	25,73,915	32,42,46,210
Accumulated Depreciation and Impairment								
Balance as at April 01, 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
Depreciation For the Year	37,32,329	1,12,793	31,20,651	1,76,90,069	6,42,919	63,72,275	3,24,799	3,19,95,835
Deductions / Adjustments	-	-	-	-	-	-	-	-
Currency Fluctuation	(3,47,198)	(1,066)	(2,74,883)	(18,97,137)	(56,281)	(5,72,404)	(19,814)	(31,68,783)
Balance as at March 31, 2021	1,58,85,394	1,11,727	1,26,79,708	8,51,19,618	25,98,612	2,63,25,341	9,75,995	14,36,96,395
Net Book Value								
Balance as at March 31, 2021	9,60,91,004	40,47,977	1,88,43,738	5,05,56,680	39,36,323	54,76,173	15,97,920	18,05,49,815

4. Intangible Assets		
(USD)		
Particulars	Software	Total
<b>Gross Block</b>		
Balance as at April 01, 2019	2,84,905	2,84,905
Additions During the Year	12,422	12,422
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2020</b>	<b>2,97,327</b>	<b>2,97,327</b>
<b>Accumulated Depreciation and Impairment</b>		
Balance as at April 01, 2019	86,959	86,959
Amortisation For the Year	49,174	49,174
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2020</b>	<b>1,36,133</b>	<b>1,36,133</b>
<b>Net Book value</b>		
Balance as at March 31, 2020	1,61,194	1,61,194
(Rs)		
Particulars	Software	Total
<b>Gross Block</b>		
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
<b>Balance as at March 31, 2020</b>	<b>2,24,14,263</b>	<b>2,24,14,263</b>
<b>Accumulated Depreciation and Impairment</b>		
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
<b>Balance as at March 31, 2020</b>	<b>1,02,62,508</b>	<b>1,02,62,508</b>
<b>Net Book Value</b>		
Balance as at March 31, 2020	1,21,51,755	1,21,51,755
USD		
Particulars	Software	Total
<b>Gross Block</b>		
Balance as at April 01, 2020	2,97,327	2,97,327
Additions During the Year	-	-
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2021</b>	<b>2,97,327</b>	<b>2,97,327</b>
<b>Accumulated Depreciation and Impairment</b>		
Balance as at April 01, 2020	1,36,133	1,36,133
Amortisation For the Year	49,565	49,565
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2021</b>	<b>1,85,698</b>	<b>1,85,698</b>
<b>Net Book Value</b>		
Balance as at March 31, 2021	1,11,629	1,11,629
(Rs)		
Particulars	Software	Total
<b>Gross Block</b>		
Balance as at April 01, 2020	2,24,14,263	2,24,14,263
Additions During the Year	-	-
Deductions / Adjustments	-	-
Currency Fluctuation	(5,59,331)	(5,59,331)
<b>Balance as at March 31, 2021</b>	<b>2,18,54,932</b>	<b>2,18,54,932</b>
<b>Accumulated Depreciation and Impairment</b>		
Balance as at April 01, 2019	1,02,62,508	1,02,62,508
Amortisation For the Year	36,78,010	36,78,010
Deductions / Adjustments	-	-
Currency Fluctuation	(2,90,842)	(2,90,842)
<b>Balance as at March 31, 2021</b>	<b>1,36,49,676</b>	<b>1,36,49,676</b>
<b>Net Book Value</b>		
Balance as at March 31, 2021	82,05,256	82,05,256



5. Cash and Cash Equivalents				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Balance with Banks</b>				
<b>Own Fund</b>				
In Current Accounts	8,54,97,874	11,63,162	3,37,71,752	4,47,985
In Deposit Accounts - Original maturity less than 3 months	7,02,16,761	9,55,269	10,93,43,328	14,50,448
<b>Member Fund</b>				
In Current Accounts	2,75,643	3,750	-	-
In Deposit Accounts - Original maturity less than 3 months	-	-	2,13,34,210	2,83,000
<b>Earmarked Fund - Investor Protection Fund</b>				
In Current Accounts	3,10,778	4,228	82,246	1,091
<b>Cash and Cash Equivalents</b>	<b>15,63,01,056</b>	<b>21,26,409</b>	<b>16,45,31,536</b>	<b>21,82,524</b>
6. Trade Receivables				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Current</b>				
<b>Trade Receivables</b>				
- Secured, Considered good	99,966	1,360	6,88,575	9,134
- Unsecured, Considered good	6,65,365	9,052	3,64,717	4,838
<b>Receivable from Group Companies - Unsecured, Considered Good</b>	-	-	6,44,399	8,548
<b>Total Trade Receivables</b>	<b>7,65,331</b>	<b>10,412</b>	<b>16,97,691</b>	<b>22,520</b>
7. Other Financial Assets				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current</b>				
<b>Own Fund</b>				
Deposit with Banks (Remaining maturity more than 12 months)	3,54,440	4,822		
<b>Member Fund</b>				
Deposit with Banks (Remaining maturity more than 12 months)	8,79,85,126	11,97,000		
<b>Earmarked Fund - Investor Protection Fund</b>				
Deposit with Banks (Remaining maturity more than 12 months)	18,26,224	24,845		
Loan to Employees	2,05,005	2,789	3,96,379	5,258
Deposits with Public Bodies and Other Parties	16,29,232	22,165	16,26,149	21,571
<b>Total (A)</b>	<b>9,20,00,027</b>	<b>12,51,621</b>	<b>20,22,528</b>	<b>26,829</b>
<b>Current</b>				
<b>Own Fund</b>				
Deposit with Banks (Original maturity more than 12 months and Remaining maturity less than 12 months)	18,32,23,034	24,92,671	17,83,01,449	23,65,183
<b>Member Fund</b>				
Deposit with Banks (Original maturity more than 12 months and Remaining maturity less than 12 months)	2,33,74,494	3,18,000	8,83,52,275	11,72,000
<b>Earmarked Fund - Investor Protection Fund</b>				
Deposit with Banks (Original maturity more than 12 months and Remaining maturity less than 12 months)	-	-	15,04,250	19,954
Deposits with Public Bodies and Other Parties	1,78,616	2,430	2,09,573	2,780
Margin with Foreign Broker	9,23,32,782	12,56,148	6,71,84,593	8,91,209
Balance with Foreign Broker	1,83,615	2,498	26,84,643	35,612
Receivable from Foreign Broker	52,115	709	48,398	642
Loan to Employees	72,549	987	1,09,988	1,459
Unbilled Revenue	1,81,777	2,473	8,00,372	10,617
Receivable from Government Authorities towards Incentive	27,75,684	37,762	28,56,523	37,892
<b>Total (B)</b>	<b>30,23,74,666</b>	<b>41,13,678</b>	<b>34,20,52,064</b>	<b>45,37,348</b>
<b>Total (A+B)</b>	<b>39,43,74,693</b>	<b>53,65,299</b>	<b>34,40,74,592</b>	<b>45,64,177</b>
8. Other Assets				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Current</b>				
Advance to Vendors	4,68,151	6,369	4,98,452	6,612
Prepaid Expenses	27,48,047	37,386	52,45,049	69,576
Gratuity Asset (Net) (Refer Note - 21.1)	4,99,391	6,794	-	-
Cenvat Receivable	-	-	13,11,564	17,398
Less : Provision for Cenvat Receivable	-	-	(13,11,564)	(17,398)
<b>Net Cenvat Receivable</b>	-	-	-	-
Goods & Service Tax Receivable	4,10,083	5,579	4,26,081	5,652
<b>Total</b>	<b>41,25,672</b>	<b>56,128</b>	<b>61,69,582</b>	<b>81,840</b>

9. Equity Share Capital				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Equity Share Capital</b>				
<b>Authorised Share Capital:</b> 3,08,00,00,000 (Previous Year - 2,50,00,00,000) Equity Shares of Re 1/- each with voting rights	3,08,00,00,000	Not Applicable	2,50,00,00,000	Not Applicable
<b>Issued Share Capital: (Refer Below Note)</b> 1,79,60,09,018 (Previous Year - 1,35,43,84,018) Equity Shares of Rs. 1/- each with voting rights	1,79,60,09,018	Not Applicable	1,35,43,84,018	Not Applicable
<b>Subscribed and Fully Paid - up</b> 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
Add: Addition During the Year	25,00,00,000	33,72,734	10,43,84,018	14,70,612
1,60,43,84,018 (Previous Year - 1,35,43,84,018) Equity Shares of Re 1/- each with voting rights	<b>1,60,43,84,018</b>	<b>2,32,35,885</b>	<b>1,35,43,84,018</b>	<b>1,98,63,151</b>
Note : Special Resolution by Members has been passed on March 29, 2021 for preferential issue of 19,16,25,000 equity shares of Rs. 1/- each and presently, the Company has issued offer letter on March 30, 2021, to prospective institutional and individual investors for 19,16,25,000 equity shares of Rs. 1/- each. As on March 31, 2021, Company has received the share application money of USD 9,57,886 against issuance of offer letter by the Company. Share application money received as on March 31, 2021 is shown under Other Equity as Share application money pending allotment.				
<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
No. of shares at the beginning of the Year	1,35,43,84,018	-	1,25,00,00,000	-
Allotment through rights issue	25,00,00,000	-	10,43,84,018	-
<b>No. of shares at the end of the Year</b>	<b>1,60,43,84,018</b>	<b>-</b>	<b>1,35,43,84,018</b>	<b>-</b>
<b>Shareholders holding more than 5% of the shares in the company</b>				
<b>Equity Shares</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
Name of Shareholder	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	1,45,54,50,000	90.72%	1,25,00,00,000	92.29%
ICICI Bank Limited	14,89,34,018	9.28%	10,43,84,018	7.71%
<b>Total</b>	<b>1,60,43,84,018</b>	<b>100.00%</b>	<b>1,35,43,84,018</b>	<b>100.00%</b>
<b>10. Other Equity</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Share Application Money Pending Allotment (Refer Issued Capital Note Under Note 9)	7,04,09,123	9,57,886	-	-
<b>Retained Earnings</b>				
Balance at the Beginning of The Year	(87,06,75,386)	(1,34,77,177)	(59,77,05,143)	(89,89,354)
Total Comprehensive Income During the Year Other Than FCTR	(31,74,47,883)	(42,77,939)	(31,50,30,946)	(44,44,624)
Foreign Currency Translation Reserve During the Year (FCTR)	(1,12,55,314)	-	4,51,22,610	-
Less : Transfer to Liquidity Enhancement Scheme (LES) Reserve	(14,37,85,298)	(19,08,276)	(15,92,82,420)	(22,47,241)
Add: LES Expenditure Incurred During the Year	14,55,20,394	19,61,038	15,62,20,513	22,04,042
<b>Closing Balance</b>	<b>(1,19,76,43,487)</b>	<b>(1,77,02,354)</b>	<b>(87,06,75,386)</b>	<b>(1,34,77,177)</b>
<b>Liquidity Enhancement Scheme (LES) Reserve (Refer Note Below)</b>				
<b>Opening Balance</b>	38,37,918	81,370	7,76,011	38,171
Add: Transfer from Retained Earning	14,37,85,298	19,08,276	15,92,82,420	22,47,241
Less: LES Expenditure Incurred During the Year	(14,55,20,394)	(19,61,038)	(15,62,20,513)	(22,04,042)
<b>Closing Balance</b>	<b>21,02,822</b>	<b>28,608</b>	<b>38,37,918</b>	<b>81,370</b>
<b>Total</b>	<b>(1,12,51,31,542)</b>	<b>(1,67,15,860)</b>	<b>(86,68,37,468)</b>	<b>(1,33,95,807)</b>
<b>Liquidity Enhancement Scheme (LES) Reserve</b>				
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 1,455.20 Lakhs (USD 1,961.04 thousand) (Previous Year: Rs 1,562.20 Lakhs (USD 2,204.04 thousand) ) has been incurred towards the Scheme for the year ended March 31, 2021.				
Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2021, The Company has created additional LES reserve of Rs 1,437.85 Lakhs (USD 1,908.28 thousand) and incurred an expense of Rs 1,455.20 Lakhs (USD 1,961.04 thousand) during the year ended March 31, 2021, accordingly LES reserve balance as on March 31, 2021 is Rs 21.03 Lakhs (USD 28.61 thousand) (Previous Year: Rs 38.38 Lakhs (USD 81.37 thousand)). The LES reserve as on March 31, 2021 will not form part of net worth of the Exchange.				

<b>11. Trade Payables</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Current</b>				
<b>Total outstanding dues of micro, small and medium enterprises (A)</b>	<b>6,101</b>	<b>83</b>	<b>-</b>	<b>-</b>
Payable to Service Providers	2,21,49,325	3,01,332	1,75,36,645	2,32,625
Payable to Holding Company	3,20,260	4,357	6,94,078	9,207
Payable to Group Companies	3,23,935	4,407	27,592	366
<b>Total outstanding dues of creditor other than micro, small and medium enterprises (B)</b>	<b>2,27,93,520</b>	<b>3,10,096</b>	<b>1,82,58,315</b>	<b>2,42,198</b>
<b>Total (A+B)</b>	<b>2,27,99,621</b>	<b>3,10,179</b>	<b>1,82,58,315</b>	<b>2,42,198</b>
<b>Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>				
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	6,101	83	-	-
(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	-	-	-	-
<b>12. Other Financial Liabilities</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current</b>				
Finance Lease Obligations	2,53,150	3,444	2,66,565	3,536
<b>Total (A)</b>	<b>2,53,150</b>	<b>3,444</b>	<b>2,66,565</b>	<b>3,536</b>
<b>Current</b>				
Payable for Capital Creditors	-	-	1,00,037	1,327
Accrued Employee Benefits	1,06,91,038	1,45,447	1,09,03,590	1,44,637
Deposits from Members	11,16,35,263	15,18,750	10,96,86,485	14,55,000
Deposits from Clients	9,18,809	12,500	28,26,971	37,500
Margin from Clients	9,23,84,897	12,56,857	6,72,27,110	8,91,773
Current Maturities of Finance Lease Obligations	13,451	183	13,720	182
Deposits - Others	1,83,762	2,500	1,88,465	2,500
Other Liabilities	99,966	1,360	-	-
<b>Total (B)</b>	<b>21,59,27,186</b>	<b>29,37,597</b>	<b>19,09,46,378</b>	<b>25,32,919</b>
<b>Total (A+B)</b>	<b>21,61,80,336</b>	<b>29,41,041</b>	<b>19,12,12,943</b>	<b>25,36,455</b>
<b>13. Provisions</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current</b>				
Gratuity Liability (Refer Note - 21.1)	-	-	9,95,395	13,204
Compensated Absences (Refer Note 21.3)	32,05,540	43,610	31,04,768	41,185
<b>Total (A)</b>	<b>32,05,540</b>	<b>43,610</b>	<b>41,00,163</b>	<b>54,389</b>
<b>Current</b>				
Gratuity Liability (Refer Note - 21.1)	1,58,182	2,152	16,12,881	21,395
Compensated Absences (Refer Note 21.3)	59,87,031	81,451	50,46,709	66,945
<b>Total (B)</b>	<b>61,45,213</b>	<b>83,603</b>	<b>66,59,590</b>	<b>88,340</b>
<b>Total (A+B)</b>	<b>93,50,753</b>	<b>1,27,213</b>	<b>1,07,59,753</b>	<b>1,42,729</b>
<b>14. Other Liabilities</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non-Current</b>				
Unamortised Portion of Capital Subsidy	13,57,779	18,472	26,90,598	35,691
<b>Total (A)</b>	<b>13,57,779</b>	<b>18,472</b>	<b>26,90,598</b>	<b>35,691</b>
<b>Current</b>				
<b>Own</b>				
Statutory Liabilities	1,23,17,624	1,67,576	1,34,48,769	1,78,399
Advance Revenue	91,146	1,240	8,68,144	11,516
Unamortised Portion of Capital Subsidy	12,65,677	17,219	11,99,767	15,915
<b>Total (B)</b>	<b>1,36,74,447</b>	<b>1,86,035</b>	<b>1,55,16,680</b>	<b>2,05,830</b>
<b>Earmarked</b>				
Contribution Payable to Investor Protection Fund	21,37,002	29,073	15,86,421	21,044
<b>Total (C)</b>	<b>21,37,002</b>	<b>29,073</b>	<b>15,86,421</b>	<b>21,044</b>
<b>Total D = (B+C)</b>	<b>1,58,11,449</b>	<b>2,15,108</b>	<b>1,71,03,101</b>	<b>2,26,874</b>
<b>Total (A+D)</b>	<b>1,71,69,228</b>	<b>2,33,580</b>	<b>1,97,93,699</b>	<b>2,62,565</b>

15. Revenue From Operations				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Annual Subscription Fees from Members	92,75,725	1,25,000	78,85,300	1,11,250
Listing Fees	24,24,675	32,675	20,32,458	28,675
Charges Recovered	40,80,651	54,991	28,61,531	40,372
Processing Fees	1,18,729	1,600	2,50,558	3,535
Commission Charges	14,84,116	20,000	23,39,010	33,000
Account on Boarding Charges	-	-	70,879	1,000
Trading Operation Related Charges	8,56,780	11,546	6,46,772	9,125
<b>Total</b>	<b>1,82,40,676</b>	<b>2,45,812</b>	<b>1,60,86,508</b>	<b>2,26,957</b>
16. Other Income				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Incentives from Government Authorities	31,87,139	42,950	40,00,416	56,440
Miscellaneous Income	19,29,425	26,001	3,33,487	4,705
<b>Total</b>	<b>51,16,564</b>	<b>68,951</b>	<b>43,33,903</b>	<b>61,145</b>
17. Employee Benefits Expense				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	6,59,85,356	8,89,221	6,89,87,762	9,73,316
Contribution to Provident and Other Funds	42,37,671	57,107	49,43,675	69,748
Staff Welfare Expenses	38,884	524	77,613	1,095
Compensated Absences	60,37,310	81,359	55,51,960	78,330
<b>TOTAL</b>	<b>7,62,99,221</b>	<b>10,28,211</b>	<b>7,95,61,010</b>	<b>11,22,489</b>
18. Administration and Other Expenses				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Advertising and Marketing Expenses	39,60,141	53,367	32,96,020	46,502
Travelling Expenses	11,52,045	15,525	33,07,786	46,668
Computer Technology Related Expenses	3,48,23,669	4,69,285	2,80,35,448	3,95,539
Data Feed Expenses	1,54,55,287	2,08,276	37,99,120	53,600
Meeting, Seminar and Event Expenses	1,18,284	1,594	57,625	813
Regulatory Fees	1,04,25,989	1,40,501	96,11,560	1,35,605
Contribution to Investors Protection Fund	17,513	236	34,447	486
Director Fees	3,30,067	4,448	2,42,477	3,421
Bank Charges	80,513	1,085	85,409	1,205
Rent	4,90,871	6,615	5,51,369	7,779
Professional Fees (Refer Note 1 below)	43,31,393	58,370	39,33,436	55,495
Legal Fees	6,01,290	8,103	3,31,431	4,676
Auditor's Remuneration (Refer Note 2 below)	2,09,260	2,820	1,93,004	2,723
Insurance	2,19,278	2,955	1,49,201	2,105
Commission Charges	35,61,878	48,000	34,02,197	48,000
Trading Operation Related Expenses	8,56,780	11,546	6,31,249	8,906
Building Repair and Maintenance	34,79,584	46,891	40,74,343	57,483
Rates & Taxes	44,40,252	59,837	1,29,709	1,830
Electricity Expenses	36,99,159	49,850	33,26,356	46,930
Printing and Stationery Expenses	2,38,572	3,215	4,02,664	5,681
Postage and Telephone Expenses	2,62,392	3,536	3,29,517	4,649
Sponsorship Charges	-	-	1,41,758	2,000
Miscellaneous Expenses	8,14,999	10,983	14,91,365	21,041
Foreign Exchange Loss	-	-	6,98,088	9,849
<b>Total</b>	<b>8,95,69,216</b>	<b>12,07,038</b>	<b>6,82,55,579</b>	<b>9,62,986</b>
Note 1 : Professional Fees includes payment to auditor Rs. 1,28,005 (USD 1,725) (Previous Year - Nil) towards other services and other reimbursement of expenses.				
Note 2: Auditor's Remuneration includes:				
	(Rs)	(USD)	(Rs)	(USD)
Audit Fees	1,70,525	2,298	1,68,622	2,379
Out of Pocket Expenses	21,074	284	24,382	344
Other services	17,661	238	-	-
<b>Total</b>	<b>2,09,260</b>	<b>2,820</b>	<b>1,93,004</b>	<b>2,723</b>
19. Exchange Rate :-				
Amounts of Balance Sheet other than shareholder funds and opening LES reserve in these consolidated financial statements have been translated into Indian rupees at the closing rate as at March 31, 2021 which is 1 USD = Rs 73.5047 amount of Statements of Profit and Loss at the average rate from April 01, 2020 to March 31, 2021 which is 1 USD = Rs. 74.2058.				

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 20. Earnings Per Share

Particulars	For the year ended March 2021		For the year ended March 2020	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(31,84,89,658)	(42,91,978)	(31,40,15,674)	(44,30,300)
Weighted average number of equity shares (Nos)	1,45,92,05,799	1,45,92,05,799	1,31,81,63,334	1,31,81,63,334
<b>Earnings per share basic and diluted before and after exceptional item</b>	<b>(0.218)</b>	<b>(0.003)</b>	<b>(0.238)</b>	<b>(0.003)</b>
Face value per equity share	1	NA	1	NA

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

### 21.1 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.

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	Funded	Funded	Funded	Funded
	(Rs)	(USD)	(Rs)	(USD)
<b>Change in Benefit Obligations</b>				
Benefit obligations at the beginning	96,37,345	1,45,212	77,85,089	1,18,123
Current Service Cost	15,10,277	20,352	13,73,120	19,373
Interest on defined benefit obligation	6,55,045	8,827	5,58,736	7,883
Actuarial loss / (gain)	(9,79,806)	(13,204)	10,99,111	15,507
Benefit Paid	(1,43,484)	(1,952)	(11,51,184)	(15,271)
Net Liability assumed on transfer within Group companies (Transfer in/(out) obligation)	-	-	(27,515)	(403)
Translation/ Forex impact	8	-	(12)	-
<b>Closing Defined Benefit Obligation (A)</b>	<b>1,06,79,385</b>	<b>1,59,235</b>	<b>96,37,345</b>	<b>1,45,212</b>
<b>Change in Plan assets</b>				
Fair value of plan assets at the beginning	<b>71,31,694</b>	<b>1,01,677</b>	<b>56,25,077</b>	<b>81,286</b>
Employer Contribution	35,93,460	48,887	21,60,013	28,653
Interest income	5,35,135	7,211	3,96,851	5,599
Return on plan assets excluding amounts included in interest income	61,969	835	83,839	1,183
Assets assumed / settled	-	-	17,098	227
Benefits paid	(1,43,484)	(1,952)	(11,51,184)	(15,271)
<b>Fair value of plan assets at the end</b>	<b>1,11,78,774</b>	<b>1,56,658</b>	<b>71,31,694</b>	<b>1,01,677</b>
<b>Funded status (B)</b>	<b>1,11,78,774</b>	<b>1,56,658</b>	<b>71,31,694</b>	<b>1,01,677</b>
Translation/ Forex impact (c)	2	4,217	(25)	10,297
<b>Payable Gratuity Benefit (A-B-c)</b>	<b>(4,99,391)</b>	<b>(6,794)</b>	<b>25,05,676</b>	<b>33,238</b>
<b>Other Asset (Refer Note 8)</b>	<b>(4,99,391)</b>	<b>(6,794)</b>	-	-
<b>Payable Gratuity benefit (Unfunded)</b>	<b>1,58,182</b>	<b>2,152</b>	<b>1,02,600</b>	<b>1,361</b>
<b>Current Provision (Refer note 13)</b>	<b>1,58,182</b>	<b>2,152</b>	<b>16,12,881</b>	<b>21,395</b>
<b>Non-Current Provision (Refer note 13)</b>	-	-	<b>9,95,395</b>	<b>13,204</b>

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

Particulars	For the Year Ended March 2021		For the Year Ended March 2020	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	15,10,277	20,352	13,73,120	19,373

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the Year Ended March 2021		For the Year Ended March 2020	
	(Rs)	(USD)	(Rs)	(USD)
Interest on net defined benefit obligations	1,19,910	1,616	1,61,885	2,284
<b>Total Included in "Employee Benefit Expense" (A)</b>	<b>16,30,187</b>	<b>21,968</b>	<b>15,35,005</b>	<b>21,657</b>
<b>Total Included in "Employee Benefit Expense" on Unfunded Gratuity (B)</b>	<b>58,623</b>	<b>790</b>	<b>21,146</b>	<b>298</b>
<b>Total Included in "Employee Benefit Expense" (A+B)</b>	<b>16,88,810</b>	<b>22,758</b>	<b>15,56,151</b>	<b>21,955</b>

## iii. Amount recognised in the Other Comprehensive Income

Particulars	For the Year Ended March 2021	For the Year Ended March 2021	For the Year Ended March 2020	For the Year Ended March 2020
	(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	(61,969)	(835)	(83,839)	(1,183)
Actuarial loss / (gain) arising on account of experience changes	(9,79,806)	(13,204)	(3,71,834)	(5,246)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(10,41,775)</b>	<b>(14,039)</b>	<b>10,15,272</b>	<b>14,324</b>

## iv. Principle actuarial assumption

Assumptions	March 31, 2021	March 31, 2020
Discount Rate/Rate of Return on plan asset	6.85%	6.85%
Salary escalation	7.50%	7.50%

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 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, 2021		For the Year ended March 31, 2020	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(5.50)%	5.88%	(6.37)%	5.57%
Impact of decrease in 50 bps on defined benefit obligation	5.94%	(5.49%)	5.64%	(6.37%)

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, 2021	March 31, 2020
Policy of insurance	99.997%	99.97%
Other investment	0.003%	0.029%
Total	100%	100%

Actual return on the assets for the year ended March 31, 2021 ₹ 5,97,104 (2020 : 4,80,690)

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 ₹ 14,95,415

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

Maturity Profile	March 31, 2021	March 31, 2020
Expected benefits for year 1	1,69,943	1,49,275
Expected benefits for year 2	1,86,265	1,60,118
Expected benefits for year 3	2,01,272	1,73,610
Expected benefits for year 4	2,13,482	1,87,720



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Expected benefits for year 5	2,90,060	1,99,189
Expected benefits for year 6 to year 10	20,42,894	13,49,995
10 year and above	2,28,15,049	2,20,46,735

The weighted average duration to the payment of these cash flows is 11.45 years (previous year 12.15 years).

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

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Group 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 Group 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 20,85,243 (USD- 28,101) (2020: Rs 21,73,295 (USD-30,662) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 17 "Employee benefits expense".

During the current year, National pension scheme contributions amounting to Rs 4,63,570 (USD 6,247) (2020: Rs 12,14,301 (USD- 17,132) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 17 "Employee benefits expense".

### 21.3 Compensated absence

The liability for compensated absences as at the year ended March 31, 2021 is Rs 59,87,031 (USD- 81,451) (2020: Rs 50,46,709 (USD-66,945)) as shown under current provision and Rs.32,05,540 (USD-43,610) (2020 : Rs. 31,04,768 (USD-41,185) shown under non current provision. During the current year, provision for compensated absence amounting to Rs 60,37,310 (USD- 81,359) (2020: Rs 55,51,960 (USD-78,330)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 17 "Employee benefits expense".

## 22. 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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

### 23. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.5 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, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	(Rs)	(USD)	(Rs)	(USD)
<b>Financial Assets carried at amortised cost</b>				
Other non-current financial assets	9,20,00,027	12,51,621	20,22,528	26,829
Cash and cash equivalents	15,63,01,056	21,26,409	16,45,31,536	21,82,524
Bank Balances	-	-	-	-
Trade Receivables	7,65,331	10,412	16,97,691	22,520
Other current financial assets	30,23,74,666	41,13,678	34,20,52,064	45,37,348
<b>Total</b>	<b>55,14,41,080</b>	<b>75,02,120</b>	<b>51,03,03,819</b>	<b>67,69,221</b>
<b>Financial Liabilities carried at amortised cost</b>				
Other non-current financial liabilities	2,53,150	3,444	2,66,565	3,536
Trade payables	2,27,99,622	3,10,179	1,82,58,315	2,42,198
Other current financial liabilities	21,59,27,186	29,37,597	19,09,46,378	25,32,919
<b>Total</b>	<b>23,89,79,958</b>	<b>32,51,220</b>	<b>20,94,71,258</b>	<b>27,78,653</b>

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 24. Related Party Transactions

### 1. Names of related parties and nature of relationship

Category of related parties	Name
<b>Holding Company</b>	BSE Limited
<b>Fellow Subsidiaries:</b>	India International Clearing Corporation (IFSC) Limited
	Indian Clearing Corporation Limited
	BSE Technologies Private Limited (Formerly known as Marketplace Technologies Private Limited)
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
	BSE E-Agricultural Markets Limited (w.e.f December 1, 2020)
	BSE Administration & Supervision Limited (w.e.f March 5, 2021)
<b>Subsidiary of Fellow Subsidiaries</b>	BSE Tech Infra Services Private Limited (Formerly known as Marketplace Tech Infra Services Private Limited)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	BSE Institute of Research Development & Innovation
<b>Direct Associate of Holding</b>	Central Depository Services (India) Limited
	Asia Index Private Limited
<b>Indirect Associate of Holding</b>	CDSL Ventures Limited
	CDSL Insurance Repository Limited
	CDSL Commodity Repository Limited
	Pranurja Solutions Limited
	BSE EBIX Insurance Broking Private Limited
	Marketplace EBIX Technology Services Private Limited
<b>Trust Set up by Holding Company</b>	BSE Investors Protection Fund
<b>Trust Set up by Company</b>	India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund)
<b>Key Management Personnel</b>	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. Sameer Patil – Director

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 2. Transactions with Related Parties

### (a) BSE Ltd (Holding Company):

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenditure</b>				
Computer Technology related Expenses	35,16,761	47,392	34,78,518	49,077
<b>Reimbursement of Expenses</b>				
Travelling expenses	-	-	2,44,371	3,448
Recovery of insurance policy	2,83,243	3,817	4,20,679	5,935
<b>Other transactions</b>				
Equity Share Capital	20,54,50,000	27,81,885		

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
<b>Liability</b>				
Payable	3,20,260	4,357	6,94,078	9,207

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Recovery of Expenses</b>				
Computer Technology related Expenses	28,92,913	38,985	32,67,218	46,096
Postage and Telephone Expenses	30,944	417	22,897	323
Building repair and maintenance	7,05,549	9,508	7,35,764	10,381
<b>Reimbursement of Expenses/ Transactions</b>				
Recovery of insurance policy	-	-	19,421	274
Salaries, allowances and bonus	1,90,189	2,563	1,05,575	1,490
<b>Expenditure</b>				

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Recovery of Expenses</b>				
Computer technology related Expense	11,61,914	15,658	2,77,451	3,914
<b>Other Transaction</b>				
Gratuity liability on account of employee transfer (net) in / (Out) Obligation			47,851	660
Compensated absence (net) in / (Out) Obligation			1,22,330	1,666

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
<b>Assets</b>				
Receivable (net)	-	-	6,44,399	8,548
Payable (Net)	2,91,299	3,963	-	-

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenditure</b>				
Professional Fees	3,81,195	5,137	2,34,747	3,312

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
<b>Liability</b>				
Payable	32,636	444	27,592	366

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenditure</b>				
Travelling Expenses	7,940	107	11,453	162

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenses</b>				
Rent	34,802	469	3,80,361	5,366

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenses</b>				
Professional Fees	99,955	1,347	1,00,381	1,416
Rates and taxes	12,689	171		

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

Particulars	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2021 (USD)	For the period ended March 31, 2020 (Rs)	For the period ended March 31, 2020 (USD)
Professional Fees	4,972	67	5,104	72

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(h) India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund) (Trust setup by the Company):

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>(Asset)/Liability</b>				
Net defined benefit	(4,99,391)	(6,794)	25,05,676	33,238

(I) Key Managerial remuneration:

Particular	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Salaries, allowances &amp; bonus and contribution to Funds</b>				
Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer*	2,95,57,664	3,99,945	2,80,02,784	3,95,078
<b>Director Fees</b>				
<b>Board Meeting Fees</b>				
Dr. Ajit Ranade – Independent Director	1,50,267	2,025	60,389	852
Dr. SK Nanda (IAS) – Independent Director	1,50,267	2,025	90,725	1,280
Mr. Anand Sinha – Independent Director	-	-	91,363	1,289
<b>Committee Meeting Fees</b>				
Dr. SK Nanda (IAS) – Independent Director	29,533	398	-	-

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 25. Contingent liabilities

There are no contingent liabilities as at March 31, 2021 (March 31, 2020: Nil).

## 26. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account, not provided for amounting to Rs 13,43,520 (USD – 18,278) (2020 : Rs 1,85,02,880 (USD –2,45,442)).

## 27. 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
<b>Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>15,191</b>	<b>75,417</b>	<b>2,89,391</b>	<b>3,79,999</b>
March 31, 2020	15,191	75,955	3,03,999	3,95,145
<b>Finance Charge</b>				
<b>March 31, 2021</b>	<b>1,740</b>	<b>12,530</b>	<b>99,128</b>	<b>1,13,324</b>
March 31, 2020	1,462	11,336	1,02,062	1,14,860
<b>Present value of Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>13,451</b>	<b>62,887</b>	<b>1,90,263</b>	<b>2,66,675</b>
March 31, 2020	13,729	64,619	2,01,937	2,80,285

<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
<b>Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>207</b>	<b>1,026</b>	<b>3,937</b>	<b>5,170</b>
March 31, 2020	201	1,008	4,034	5,243
<b>Finance Charge</b>				
<b>March 31, 2021</b>	<b>24</b>	<b>170</b>	<b>1,349</b>	<b>1,542</b>
March 31, 2020	20	151	1,354	1,525
<b>Present value of Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>183</b>	<b>856</b>	<b>2,588</b>	<b>3,628</b>
March 31, 2020	181	857	2,680	3,718



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 28. 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 Group have received specific permission from the IFSC Authority 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 Group's operations are subject to continued review and the governing regulations may change. The Group'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. Group 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 Group's control.

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

### **Liquidity risk**

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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
<b>Finance lease obligation</b>					
March 31, 2021	-	15,191	75,417	2,89,391	3,79,999
March 31, 2020	-	15,191	75,955	3,03,999	3,95,145
<b>Deposits from Members</b>					
March 31, 2021	11,16,35,263	-	-	-	11,16,35,263
March 31, 2020	10,96,86,485	-	-	-	10,96,86,485
<b>Deposits from Clients</b>					
March 31, 2021	9,18,809	-	-	-	9,18,809
March 31, 2020	28,26,971	-	-	-	28,26,971
<b>Margin from Clients</b>					
March 31, 2021	9,23,84,897	-	-	-	9,23,84,897
March 31, 2020	6,72,27,110	-	-	-	6,72,27,110
<b>Trade Payables</b>					
March 31, 2021	-	2,27,99,622	-	-	2,27,99,622
March 31, 2020	-	1,82,58,315	-	-	1,82,58,315
<b>Other Financial liabilities</b>					
March 31, 2021	1,83,762	1,07,91,004	-	-	1,09,74,766
March 31, 2020	1,88,465	1,10,03,627	-	-	1,11,92,092

<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
<b>Finance lease obligation</b>					
March 31, 2021		207	1,026	3,937	5,170
March 31, 2020		201	1,008	4,034	5,243
<b>Deposits from Members</b>					
March 31, 2021	15,18,750	-	-	-	15,18,750
March 31, 2020	14,55,000	-	-	-	14,55,000
<b>Deposits from Clients</b>					
March 31, 2021	12,500	-	-	-	12,500
March 31, 2020	37,500	-	-	-	37,500
<b>Margin from Clients</b>					
March 31, 2021	12,56,857	-	-	-	12,56,857
March 31, 2020	8,91,773	-	-	-	8,91,773

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
<b>Trade Payables</b>					
<b>March 31, 2021</b>		<b>3,09,597</b>			<b>3,09,597</b>
March 31, 2020		2,42,198			2,42,198
<b>Other Financial liabilities</b>					
<b>March 31, 2021</b>	<b>2,500</b>	<b>1,46,807</b>	-	-	<b>1,49,307</b>
March 31, 2020	2,500	1,45,964	-	-	1,48,464

## 29. 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 Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group 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. Further on 14th December, 2020 IFSCA has relaxed the net-worth requirement of Rs.100 crore for India INX for 1 year i.e., December 28, 2021 subject to maintenance of the minimum net-worth of Rs.25 Crores at all times as mandated under Clause 5 (1) of SEBI (IFSC) Guidelines 2015.

- In view of above, net worth requirement of Rs 100 crores need to achieve by December 28,2021 subject to maintenance of minimum net worth of Rs. 25 crores at all times. The Company has maintained the Net worth at all times as per the relaxation granted by SEBI.
- Further as per Notification No. IFSCA/2021-22/GN/REG011 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulation,2021 dated 12<sup>th</sup> April,2021, A recognized Exchange shall have net worth of at least USD 3 million at all times. The said notification will come into force on thirtieth day of its publication in the official Gazette.

## 30. Pursuant to MCA Notification dated January 04, 2017, Section 135 - Corporate Social Responsibility of Companies Act 2013, shall not apply for a period of five years from the commencement of

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH

### 31, 2021

business of a specified IFSC public company. Group is making losses in current and as well as incurred losses in the previous years. Accordingly, Section 135 is not applicable to the Group for the financial year 2020-21.

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. Further, on 05 March, 2021, Company has filled application for claiming assistance under IT/ITES policy 2016-21 for amounting to Rs. 97,16,126/-.
33. The management of Group 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. Group continues to operate normally, accordingly there is no significant impact considered in the financial statement.
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, 2021		March 31, 2021		March 31, 2020		March 31, 2020	
	Rs in Lakhs		USD (000)		Rs in Lakhs		USD (000)	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>As % of consolidated net assets Net assets, i.e., total assets minus total liabilities</b>								
Parent Company	81%	3890.76	81%	5293.22	79%	3868.44	79%	5131.50
Subsidiary - India INX Global Access IFSC Limited	19%	901.76	19%	1226.81	21%	1007.03	21%	1335.84
<b>As % of consolidated net Profit and Loss</b>								
Parent Company	97%	(3,103.88)	97%	(4,182.80)	99%	(3,111.72)	99%	(4,390.17)
Subsidiary - India INX Global Access IFSC Limited	3%	(81.02)	3%	(109.18)	1%	(28.44)	1%	(40.13)
<b>As % of consolidated net Other Comprehensive Income</b>								
Parent Company	76%	(77.77)	100%	14.04	81%	357.36	100%	(14.32)
Subsidiary - India INX Global Access IFSC Limited	24%	(24.37)	-	-	19%	83.71	-	-
<b>As % of consolidated net Total Comprehensive Income</b>								
Parent Company	97%	(3,181.65)	97%	(4,168.76)	102%	(2,754.35)	99%	(4404.49)
Subsidiary - India INX Global Access IFSC Limited	3%	(105.39)	3%	(109.18)	(2%)	55.27	1%	(40.13)

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH  
31, 2021

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 20, 2021  
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**

	<b>Name of the subsidiary</b>	<b>India INX Global Access IFSC Limited</b>	
	<b>The date since when subsidiary was acquired</b>	<b>05-Apr-18</b>	
		<b>INR</b>	<b>USD</b>
1	Share capital	10,00,00,000	14,65,005
2	Reserves & surplus	(98,23,917)	(2,38,198)
3	Total assets	18,41,17,072	25,04,834
4	Total Liabilities	9,39,40,989	12,78,027
5	Investments	-	-
6	Turnover	33,55,438	45,218
7	Profit/(Loss) before taxation	(81,01,565)	(1,09,177)
8	Provision for taxation	-	-
9	Profit/(Loss) after taxation	(81,01,565)	(1,09,177)
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 20, 2021

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 2021

## **Independent Auditor's Report**

### **To the Members of India International Exchange (IFSC) Limited**

#### **Report on the Audit of the Standalone Ind AS financial statements**

##### **Opinion**

We have audited the accompanying Ind As Standalone financial statements of **India International Exchange (IFSC) Limited** (herein after referred to as 'the Company') which comprise the balance sheet as at 31<sup>st</sup> March 2021, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, 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 (SA's) specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act 2013 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 on the Ind As Financial Statements

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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, to the extent applicable
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 (including Other Comprehensive Income) the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial control over financial reporting.; and
  - (g) In terms of Notification No G.S.R. 08(E) dated January 4, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act and in pursuance of sub-section (2) of the said section of

Companies Act 2013(18 of 2013), the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the Company. Hence reporting under section 197(16) of the Act is not applicable to the Company;

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 20,2021**  
**UDIN: 21116765AAAACX7464**

## **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, 2021, 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.

- (b) 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, 2021 for a period of more than six months from the date on when they become payable.
- (c) 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 and in pursuance of sub-section (2) of the said section of Companies Act 2013(18 of 2013), the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the Company. Hence reporting under 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 20, 2021**  
**UDIN: 21116765AAAACX7464**



## **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 ("the Company") as of 31 March 2021 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 management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

### **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 2021, 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 20, 2021**

**UDIN: 21116765AAAACX7464**



India International Exchange (IFSC) Limited					
Balance Sheet as at March 31, 2021					
Particulars	Note No.	As at March 31, 2021		As at March 31, 2020	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
<b>ASSETS</b>					
1 <b>Non-current Assets</b>					
a. Property, Plant and Equipment	3	14,68,39,531	19,97,689	17,44,53,979	23,14,146
b. Intangible Assets	4	81,96,730	1,11,513	1,21,41,125	1,61,053
c. Financial Assets					
(i) Investment in Subsidiary	7	10,76,84,753	14,65,005	11,04,40,720	14,65,005
(ii) Other Financial Assets	8	9,20,00,027	12,51,621	20,22,528	26,829
d. Non-current Tax Assets (net)		3,80,754	5,180	1,87,862	2,492
<b>Total</b>		<b>35,51,01,795</b>	<b>48,31,008</b>	<b>29,92,46,214</b>	<b>39,69,525</b>
2 <b>Current Assets</b>					
a. Financial assets					
(i) Cash and Cash Equivalents	5	15,57,63,222	21,19,092	12,61,66,069	16,73,603
(ii) Bank Balance other than Above (i)		-	-	-	-
(iii) Trade Receivables	6	7,65,316	10,412	16,97,691	22,520
(iv) Other Financial Assets	8	15,28,30,088	20,79,188	23,31,90,074	30,93,285
b. Other Assets	9	38,67,670	52,618	61,26,536	81,269
<b>Total</b>		<b>31,32,26,296</b>	<b>42,61,310</b>	<b>36,71,80,370</b>	<b>48,70,677</b>
<b>Total Assets</b>		<b>66,83,28,091</b>	<b>90,92,318</b>	<b>66,64,26,584</b>	<b>88,40,202</b>
<b>EQUITY AND LIABILITIES</b>					
1 <b>Equity</b>					
a. Equity Share Capital	10	1,60,43,84,018	2,32,35,885	1,35,43,84,018	1,98,63,151
b. Other Equity	11	(1,10,76,22,880)	(1,64,77,662)	(85,71,11,107)	(1,32,66,786)
<b>Total</b>		<b>49,67,61,138</b>	<b>67,58,223</b>	<b>49,72,72,911</b>	<b>65,96,365</b>
<b>LIABILITIES</b>					
2 <b>Non-current Liabilities</b>					
a. Financial Liabilities					
(i) Other Financial Liabilities	13	2,43,962	3,319	2,56,991	3,409
b. Provisions	14	32,05,540	43,610	41,00,163	54,389
c. Other Liabilities	15	13,57,779	18,472	26,90,598	35,691
<b>Total</b>		<b>48,07,281</b>	<b>65,401</b>	<b>70,47,752</b>	<b>93,489</b>
3 <b>Current Liabilities</b>					
a. Financial Liabilities					
(i) Trade Payables	12				
a. Total outstanding dues of micro enterprises and small enterprises		6,101	83	-	-
b. Total outstanding dues of creditor other than micro enterprises and small enterprises		2,25,82,115	3,07,220	1,77,44,635	2,35,384
(ii) Other Financial Liabilities	13	12,25,47,917	16,67,212	12,08,47,443	16,03,051
b. Provisions	14	58,27,012	79,274	64,22,879	85,200
c. Other Liabilities	15	1,57,96,527	2,14,905	1,70,90,964	2,26,713
<b>Total</b>		<b>16,67,59,672</b>	<b>22,68,694</b>	<b>16,21,05,921</b>	<b>21,50,348</b>
<b>Total Equity and Liabilities</b>		<b>66,83,28,091</b>	<b>90,92,318</b>	<b>66,64,26,584</b>	<b>88,40,202</b>
See accompanying notes forming part of the financial statements		1-2			
In terms of our report attached		For and on behalf of the Board of Directors			
For Dalal Doctor & Associates					
Chartered Accountants					
Firm Reg. No.: 120833W					
Amol Khanolkar		Ashishkumar Chauhan		Balasubramaniam Venkataramani	
Partner		Chairman		Managing Director & CEO	
Membership No.: 116765					
Date : April 20, 2021		Mayank Jain		Nikhil Mehta	
Place : Mumbai		Chief Financial Officer		Company Secretary	
		Place : Gandhinagar			

India International Exchange (IFSC) Limited					
Statement of Profit and Loss for the Year ended March 31, 2021					
Particulars	Note No.	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
		(Rs)	(USD)	(Rs)	(USD)
		Audited	Audited	Audited	Audited
1 Revenue From Operations	16	1,58,92,360	2,14,166	1,30,27,366	1,83,797
2 Investment Income		42,26,317	56,954	69,15,178	97,563
3 Other Income	17	50,99,571	68,722	40,72,288	57,454
4 Total Revenue (1+2+3)		2,52,18,248	3,39,842	2,40,14,832	3,38,814
5 Expenses					
Employee Benefits Expense	18	7,51,34,486	10,12,515	7,90,34,024	11,15,054
Administration and Other Expenses	19	8,49,13,326	11,44,295	6,39,57,543	9,02,347
LES Expenditure		14,55,20,394	19,61,038	15,62,20,513	22,04,042
Finance Costs		1,261	17	921	13
Depreciation and Amortisation Expenses	3&4	3,00,36,875	4,04,778	3,59,73,341	5,07,531
Total Expenses		33,56,06,342	45,22,643	33,51,86,342	47,28,987
6 Profit / (loss) before tax (4 - 5)		(31,03,88,094)	(41,82,801)	(31,11,71,510)	(43,90,173)
7 Tax Expense: Current tax and Deferred tax		-	-	-	-
8 Profit / (loss) For The Year From Continuing Operations (6 - 7)		(31,03,88,094)	(41,82,801)	(31,11,71,510)	(43,90,173)
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)		(31,03,88,094)	(41,82,801)	(31,11,71,510)	(43,90,173)
13 Other Comprehensive Income					
A Items that will not be reclassified to profit or loss					
(i) Remeasurement of Defined Benefit Plan		10,41,775	14,039	(10,15,272)	(14,324)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
B Items that will be reclassified to profit or loss					
(i) Foreign Currency Translation Reserve		(1,15,74,577)	-	4,58,55,893	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Total Other Comprehensive Income For the Year		(1,05,32,802)	14,039	4,48,40,621	(14,324)
14 Total Comprehensive Income For the Year (12+13)		(32,09,20,896)	(41,68,762)	(26,63,30,889)	(44,04,497)
15 Earning per equity share :	21				
Basic and Diluted EPS		(0.213)	(0.003)	(0.236)	(0.003)
Par value of share Rs		1	NA	1	NA
Weighted average number of shares (Nos.)		1,45,92,05,799	1,45,92,05,799	1,31,81,63,334	1,31,81,63,334
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 20, 2021 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, 2021**

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>A. Cash Flow from Operating Activities</b>				
Profit / (loss) for the year	(31,03,88,094)	(41,82,801)	(31,11,71,510)	(43,90,173)
Depreciation and Amortisation Expenses	3,00,36,875	4,04,778	3,59,73,341	5,07,531
Foreign Currency Translation Reserve	(1,15,74,577)	-	4,58,55,893	-
Remeasurement of Defined Benefit Plan	10,41,775	14,039	(10,15,272)	(14,324)
Interest Income on Fixed Deposits	(42,26,317)	(56,954)	(69,15,178)	(97,563)
<u>Adjustments for Changes in operating Liability and Assets</u>				
Trade Payable	48,43,581	71,919	(42,03,209)	(81,913)
Trade Receivables	9,32,375	12,108	5,49,062	9,961
Provisions	(14,90,490)	(16,705)	8,83,330	229
Other Liabilities	(31,77,837)	(37,056)	(14,13,538)	(42,120)
Other Financial Liabilities	16,87,445	64,071	1,49,30,845	71,523
Other Financial Assets	10,61,235	8,129	(25,77,902)	(30,499)
Other Assets	22,58,866	28,651	(1,63,625)	4,936
	<b>(28,89,95,163)</b>	<b>(36,89,821)</b>	<b>(22,92,67,763)</b>	<b>(40,62,412)</b>
Taxes Paid	(1,92,892)	(2,688)	(20,744)	(76)
<b>Net Cash Generated (Used in) Operating Activities</b>	<b>(28,91,88,055)</b>	<b>(36,92,509)</b>	<b>(22,92,88,507)</b>	<b>(40,62,488)</b>
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Property, Plant & Equipment and Intangible Assets (Refer Note 4)	15,22,043	(38,780)	(1,75,46,127)	(18,290)
Transfer of Property, Plant & Equipment's	-	-	13,21,682	18,647
Investment in Fixed Deposit	(57,43,39,341)	(78,15,044)	(23,36,26,530)	(29,71,900)
Proceeds of Maturity of Fixed Deposit	56,15,15,289	75,67,000	11,30,82,135	15,00,044
Interest Income Received	66,93,595	91,065	42,66,578	60,195
Investment in Subsidiary (Refer note 3 below)	27,55,967	-	(91,04,420)	-
<b>Net Cash Generated (Used in) / from Investment Activities</b>	<b>(18,52,447)</b>	<b>(1,95,759)</b>	<b>(14,16,06,682)</b>	<b>(14,11,304)</b>
<b>C. Cash Flow From Financing Activities</b>				
Proceeds From Allotment of Equity Share	25,00,00,000	33,72,734	10,43,84,018	14,70,612
Receipt of share Application money	7,04,09,123	9,57,886	-	-
<b>Net Cash Generated From Financing Activities</b>	<b>32,04,09,123</b>	<b>43,30,620</b>	<b>10,43,84,018</b>	<b>14,70,612</b>
<b>D. Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>2,93,68,621</b>	<b>4,42,352</b>	<b>(26,65,11,171)</b>	<b>(40,03,180)</b>
<b>Cash and Cash Equivalents at the end of the year</b>				
In Current Account - Owned	8,49,60,040	11,55,845	3,04,63,593	4,04,102
In Current Account - Member fund	2,75,643	3,750	-	-
In Deposit Account - Owned	7,02,16,761	9,55,269	7,42,86,020	9,85,410
In Deposit Account - Member fund	-	-	2,13,34,210	2,83,000
	<b>15,54,52,444</b>	<b>21,14,864</b>	<b>12,60,83,823</b>	<b>16,72,512</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>12,60,83,823</b>	<b>16,72,512</b>	<b>39,25,94,994</b>	<b>56,75,692</b>
<b>Changes In Cash and Cash Equivalents</b>	<b>2,93,68,621</b>	<b>4,42,352</b>	<b>(26,65,11,171)</b>	<b>(40,03,180)</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>15,54,52,444</b>	<b>21,14,864</b>	<b>12,60,83,823</b>	<b>16,72,512</b>
<b>Cash and Bank Balance Other than Earmarked fund (Refer note 5)</b>	<b>15,54,52,444</b>	<b>21,14,864</b>	<b>12,60,83,823</b>	<b>16,72,512</b>

See accompanying notes forming part of the financial statements

**Notes:**

- Cash and Cash Equivalents comprise balances in current account with banks and fixed deposit having original maturity less than 3 months.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
- There is no movement in investment in subsidiary during the year ended March 31, 2021 and March 31, 2020. The above Investment in subsidiary amount represents forex conversion impact.
- Purchase of Property, Plant & Equipment and Intangible Assets is netted off after forex conversion impact.
- Movement in earmarked asset and liability is not considered

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

For and on behalf of the Board of Directors

Amol Khanolkar  
Partner  
Membership No.: 116765

Ashishkumar Chauhan  
Chairman

Balasubramaniam Venkataramani  
Managing Director & CEO

Date : April 20, 2021  
Place : Mumbai

Mayank Jain  
Chief Financial Officer  
Place : Gandhinagar

Nikhil Mehta  
Company Secretary

India International Exchange (IFSC) Limited  
Statement of Changes in Equity for the Year ended March 31, 2021

**A. Equity Share Capital**

Particulars	(Rs)	(USD)
Balance at April 01, 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
Balance at April 01, 2020	1,35,43,84,018	1,98,63,151
Changes in Equity Share Capital during the year	25,00,00,000	33,72,734
Balance as at March 31, 2021	1,60,43,84,018	2,32,35,885

**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	Share Application Money pending allotment	Share Application Money pending allotment	Foreign Currency translation reserve		
	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(USD)	(Rs)	(Rs)	(USD)
Balance at April 1, 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)
Balance at April 1, 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)
Profit / (Loss) for the Year ended March 31, 2021	(31,03,88,094)	(41,82,801)	-	-	-	-	-	(31,03,88,094)	(41,82,801)
Other Comprehensive Income for the year ended March 31, 2021	10,41,775	14,039	-	-	-	-	(1,15,74,577)	(1,05,32,802)	14,039
Add/(less) : Liquidity Enhancement Scheme (LES) Reserve	(14,37,85,298)	(19,08,276)	14,37,85,298	19,08,276	-	-	-	-	-
Add/(less) : LES Expenditure incurred during the year ended March 31, 2021	14,55,20,394	19,61,038	(14,55,20,394)	(19,61,038)	-	-	-	-	-
Share Application Money pending allotment	-	-	-	-	7,04,09,123	9,57,886	-	7,04,09,123	9,57,886
Balance as at March 31, 2021	(1,22,27,14,746)	(1,74,64,156)	21,02,822	28,608	7,04,09,123	9,57,886	4,25,79,921	(1,10,76,22,880)	(1,64,77,662)

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 20, 2021  
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, 2021

### 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 the IFSC Authority or any other relevant 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.

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

The financial statements were authorized for issuance by the Company's Board of Directors on April 20, 2021.

### 2. Significant Accounting Policies

#### 2.1 *Basis of preparation of financial statement*

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 2.2 *Foreign currency translation and transactions*

#### *a) Functional and presentation currency*

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

#### *b) Transactions and balances*

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

#### *At the end of each reporting period*

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

#### *c) Translation to presentation currency (Foreign Currency Translation Reserve)*

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

### 2.3 *Use of Estimates and judgment*

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

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

recovered in connection with uncertain tax positions. Company is eligible to claim deduction of income, an amount equal to one hundred per cent of the income for any ten consecutive assessment years, out of fifteen years as per section 80LA of Income tax Act, 1961.

- b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- c. *Property plant and equipment:* The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- d. Defined employee benefit obligation determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- e. *Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

### 2.4 Financial instruments

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

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

FVTOCI and fair value through Profit and Loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

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

### **Financial assets**

- a. Financial assets at amortised cost: A financial asset shall be measured at amortised cost if both of the following conditions are met:
  - i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
  - ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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

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

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

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

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

- b. Equity investments in Subsidiary:

All equity investment in subsidiary is measured at cost.

- c. Financial assets at FVTPL:



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

### Earmarked Funds

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

### **Financial liabilities**

#### (a) Financial liabilities at amortised cost:

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

#### (b) Financial liabilities at FVTPL:

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

## **2.5 Property, plant and equipment**

- a. *Recognition and measurement:* Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.
- b. *Depreciation:* The Company depreciates property, plant and equipment over the estimated useful lives on a Straight Line method basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or lease term. The estimated useful lives of assets of significant items of property, plant and equipment are as follows:

Category	Useful lives
Leasehold premises	30 years
Plant and Equipments	15 years
Electrical installations	10 years
Networking Equipments – Owned	6 years

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Category	Useful lives
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.

### 2.6 Intangible assets

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

The estimated useful lives of intangibles are as follows:

Category	Useful lives
Computer software	6 years

### Derecognition of intangible assets

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 2.7 Leases

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

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

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

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

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

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

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

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

### As a Lessor:

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

## 2.8 Impairment

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

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

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

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

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

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments. ECL impairment loss allowance (or reversal) recognised during the period is recognised as

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

### *b. Non-financial assets*

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

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

## **2.9 Employee benefit**

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

### **Defined Contribution Plan**

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

### **Defined benefit Plan**

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The Company has the following employee benefit plans:

### a. Gratuity

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

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

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

### b. Compensated absences

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

### c. Provident Fund and pension Fund

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

## **2.10 Provisions and Contingent liabilities**

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

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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.

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

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

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

### **2.11 Revenue Recognition:**

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

#### **a. Time and service contracts**

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

#### **b. Annual / monthly Fee contracts**

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

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

### **2.12 Investment income and interest expense**

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

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

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

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

### **2.13 Taxation**

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

#### **a. Current income tax**

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

#### **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



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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.

### 2.14 *Earnings per share*

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

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

### 2.15 *Current and Non-current classification*

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

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

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

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All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

### ***Operating Cycle***

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

### **2.16 Government grants**

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

### **2.17 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.

### **2.18 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
<b>Gross block</b>							
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
<b>Accumulated Depreciation and Impairment</b>							
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
<b>Net Book Value</b>							
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
<b>Gross block</b>							
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
<b>Accumulated Depreciation and Impairment</b>							
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
<b>Net Book Value</b>							
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
(USD)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
<b>Gross block</b>							
Balance as at April 01, 2020	14,52,852	4,06,153	13,95,667	81,627	4,26,535	35,017	37,97,851
Additions during the year	21,707	12,887	191	3,786	210	-	38,781
Balance as at March 31, 2021	14,74,559	4,19,040	13,95,858	85,413	4,26,745	35,017	38,36,632
<b>Accumulated Depreciation and Impairment</b>							
Balance as at April 01, 2020	1,63,169	1,29,538	8,83,597	26,339	2,72,162	8,900	14,83,705
Depreciation for the year	48,595	41,147	1,67,471	8,315	85,333	4,377	3,55,238
Balance as at March 31, 2021	2,11,764	1,70,685	10,51,068	34,654	3,57,495	13,277	18,38,943
<b>Net Book Value</b>							
Balance as at March 31, 2021	12,62,795	2,48,355	3,44,790	50,759	69,250	21,740	19,97,689
(Rs)							
Particulars	Leasehold Premises and Improvements	Electrical installations	Computers -Hardware and networking equipment's - owned	Furniture & fixtures	Office equipment's	Motor Vehicle	Total
<b>Gross block</b>							
Balance as at April 01, 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
Additions during the year	16,10,785	9,56,290	14,173	2,80,943	15,583	-	28,77,774
Currency Fluctuation	(27,48,324)	(7,73,091)	(26,25,662)	(1,56,211)	(8,02,545)	(65,873)	(71,71,706)
Balance as at March 31, 2021	10,83,87,017	3,08,01,408	10,26,02,124	62,78,257	3,13,67,763	25,73,919	28,20,10,489
<b>Accumulated Depreciation and Impairment</b>							
Balance as at April 01, 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
Depreciation for the year	36,06,031	30,53,346	1,24,27,319	6,17,021	63,32,204	3,24,799	2,63,60,720
Currency Fluctuation	(3,41,024)	(2,72,535)	(17,79,635)	(55,378)	(5,71,818)	(19,814)	(30,40,204)
Balance as at March 31, 2021	1,55,65,649	1,25,46,150	7,72,58,442	25,47,232	2,62,77,563	9,75,922	13,51,70,958
<b>Net Book Value</b>							
Balance as at March 31, 2021	9,28,21,368	1,82,55,258	2,53,43,682	37,31,025	50,90,200	15,97,997	14,68,39,531

<b>4. Intangible Assets</b>		
<b>(USD)</b>		
<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross block</b>		
Balance as at April 01, 2019	2,84,905	2,84,905
Additions during the year	12,272	12,272
<b>Balance as at March 31, 2020</b>	<b>2,97,177</b>	<b>2,97,177</b>
<b>Accumulated Depreciation and Impairment</b>		
Balance as at April 01, 2019	86,959	86,959
Amortisation for the year	49,165	49,165
<b>Balance as at March 31, 2020</b>	<b>1,36,124</b>	<b>1,36,124</b>
<b>Net Book Value</b>		
Balance as at March 31, 2020	<b>1,61,053</b>	<b>1,61,053</b>
<b>(Rs)</b>		
<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross block</b>		
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
<b>Balance as at March 31, 2020</b>	<b>2,24,02,956</b>	<b>2,24,02,956</b>
<b>Accumulated Depreciation and Impairment</b>		
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
<b>Balance as at March 31, 2020</b>	<b>1,02,61,831</b>	<b>1,02,61,831</b>
<b>Net Book Value</b>		
Balance as at March 31, 2020	<b>1,21,41,125</b>	<b>1,21,41,125</b>
<b>USD</b>		
<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross block</b>		
Balance as at April 01, 2020	2,97,177	2,97,177
Additions during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>2,97,177</b>	<b>2,97,177</b>
<b>Accumulated Depreciation and Impairment</b>		
Balance as at April 01, 2020	1,36,124	1,36,124
Amortisation for the year	49,540	49,540
<b>Balance as at March 31, 2021</b>	<b>1,85,664</b>	<b>1,85,664</b>
<b>Net Book Value</b>		
Balance as at March 31, 2021	<b>1,11,513</b>	<b>1,11,513</b>
<b>(Rs)</b>		
<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross block</b>		
Balance as at April 01, 2020	2,24,02,956	2,24,02,956
Additions during the year	-	-
Currency Fluctuation	(5,59,050)	(5,59,050)
<b>Balance as at March 31, 2021</b>	<b>2,18,43,906</b>	<b>2,18,43,906</b>
<b>Accumulated Depreciation and Impairment</b>		
Balance as at April 01, 2020	1,02,61,831	1,02,61,831
Amortisation for the year	36,76,155	36,76,155
Currency Fluctuation	(2,90,810)	(2,90,810)
<b>Balance as at March 31, 2021</b>	<b>1,36,47,176</b>	<b>1,36,47,176</b>
<b>Net Book Value</b>		
Balance as at March 31, 2021	<b>81,96,730</b>	<b>81,96,730</b>

<b>5. Cash and Cash Equivalents</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Balance with Banks</b>				
<b>Own Fund</b>				
In Current Accounts	8,49,60,040	11,55,845	3,04,63,593	4,04,102
In Deposit Accounts - Original maturity less than 3 months	7,02,16,761	9,55,269	7,42,86,020	9,85,410
<b>Member Fund</b>				
In Current Accounts	2,75,643	3,750	-	-
In Deposit Accounts - Original maturity less than 3 months	-	-	2,13,34,210	2,83,000
<b>Earmarked Fund - Investor Protection Fund</b>				
In Current Accounts	3,10,778	4,228	82,246	1,091
<b>Cash and Cash Equivalents</b>	<b>15,57,63,222</b>	<b>21,19,092</b>	<b>12,61,66,069</b>	<b>16,73,603</b>
<b>6. Trade Receivables</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Current</b>				
<b>Trade Receivables</b>				
- Secured, Considered Good	99,951	1,360	6,88,575	9,134
- Unsecured, Considered Good	6,65,365	9,052	3,64,717	4,838
<b>Receivable from Group Companies - Unsecured, Considered Good</b>	-	-	6,44,399	8,548
<b>Total Trade Receivables</b>	<b>7,65,316</b>	<b>10,412</b>	<b>16,97,691</b>	<b>22,520</b>
<b>7. Investment in Subsidiary</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current Investment</b>				
<b>Investment in Equity Instrument (unquoted)</b>				
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	76,84,753	-	1,04,40,720	-
<b>Total Investment in Equity Instruments</b>	<b>10,76,84,753</b>	<b>14,65,005</b>	<b>11,04,40,720</b>	<b>14,65,005</b>
<b>Aggregate amount of unquoted investment</b>	<b>10,76,84,753</b>	<b>14,65,005</b>	<b>11,04,40,720</b>	<b>14,65,005</b>

<b>8. Other Financial Assets</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current</b>				
<b>Own</b>				
Deposit with Banks - Original Maturity more than 12 months and remaining maturity more than 12 months	3,54,440	4,822	-	-
<b>Member Funds</b>				
Deposit with Banks (remaining maturity more than 12 months)	8,79,85,126	11,97,000	-	-
<b>Earmarked Fund - Investor Protection Fund</b>				
Deposit with Banks (remaining maturity more than 12 months)	18,26,224	24,845	-	-
Loan to Employees	2,05,005	2,789	3,96,379	5,258
Deposits with Public Bodies and Other Parties	16,29,232	22,165	16,26,149	21,571
<b>Total (A)</b>	<b>9,20,00,027</b>	<b>12,51,621</b>	<b>20,22,528</b>	<b>26,829</b>
<b>Current</b>				
<b>Own</b>				
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	12,63,49,066	17,18,925	13,96,76,051	18,52,814
<b>Member Funds</b>				
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	2,33,74,494	3,18,000	8,83,52,275	11,72,000
<b>Earmarked Fund - Investor Protection Fund</b>				
Deposit with Banks (Original maturity more than 12 months and remaining maturity less than 12 months)	-	-	15,04,250	19,954
Deposits with Public Bodies and Other Parties	1,29,662	1,764	1,63,286	2,166
Loan to Employees	72,549	987	1,09,988	1,459
Unbilled Revenue	1,28,633	1,750	5,27,701	7,000
Receivable from Government Authorities towards Incentive	27,75,684	37,762	28,56,523	37,892
<b>Total (B)</b>	<b>15,28,30,088</b>	<b>20,79,188</b>	<b>23,31,90,074</b>	<b>30,93,285</b>
<b>Total (A+B)</b>	<b>24,48,30,115</b>	<b>33,30,809</b>	<b>23,52,12,602</b>	<b>31,20,114</b>
<b>9. Other Assets</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Current</b>				
Advance to Vendors	4,37,132	5,947	4,76,288	6,318
Prepaid Expenses	25,30,252	34,423	52,26,504	69,330
Gratuity Asset (net) (Refer note 22.1)	4,99,391	6,794	-	-
Cenvat Receivable	-	-	13,11,564	17,398
Less : Provision for Cenvat Receivable	-	-	(13,11,564)	(17,398)
<b>Net Cenvat receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Good & Service Tax Receivable	4,00,895	5,454	4,23,744	5,621
<b>Total</b>	<b>38,67,670</b>	<b>52,618</b>	<b>61,26,536</b>	<b>81,269</b>

10. Equity Share Capital				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Equity Share Capital</b>				
<b>Authorised share capital:</b> 3,08,00,00,000 (Previous year - 2,50,00,00,000) Equity Shares of Rs. 1/- each with voting rights	3,08,00,00,000	Not Applicable	2,50,00,00,000	Not Applicable
<b>Issued Share Capital: (Refer below note)</b> 1,79,60,09,018 (Previous year - 1,35,43,84,018) Equity Shares of Rs. 1/- each with voting rights	1,79,60,09,018	Not Applicable	1,35,43,84,018	Not Applicable
<b>Subscribed and Fully Paid - up</b> 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
Add: Addition during the year	25,00,00,000	33,72,734	10,43,84,018	14,70,612
1,60,43,84,018 (Previous year - 1,35,43,84,018) Equity Shares of Rs. 1/- each with voting rights	<b>1,60,43,84,018</b>	<b>2,32,35,885</b>	<b>1,35,43,84,018</b>	<b>1,98,63,151</b>
Note : Special Resolution by Members has been passed on March 29, 2021 for preferential issue of 19,16,25,000 equity shares of Rs. 1/- each and presently, the Company has issued offer letter on March 30, 2021, to prospective institutional and individual investors for 19,16,25,000 equity shares of Rs. 1/- each. As on March 31, 2021, Company has received the share application money of USD 9,57,886 against issuance of offer letter by the Company. Share application money received as on March 31, 2021 is shown under Other Equity as Share application money pending allotment.				
<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
No. of shares at the beginning of the year	1,35,43,84,018	-	1,25,00,00,000	-
Preferential allotment	-	-	10,43,84,018	-
Allotment through rights issue	25,00,00,000	-	-	-
<b>No. of shares at the end of the year</b>	<b>1,60,43,84,018</b>	<b>-</b>	<b>1,35,43,84,018</b>	<b>-</b>
<b>Shareholders holding more than 5% of the shares in the company</b>				
<b>Equity Shares</b>				
Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
BSE Limited	1,45,54,50,000	90.72%	1,25,00,00,000	92.29%
ICICI Bank Limited	14,89,34,018	9.28%	10,43,84,018	7.71%
<b>Total</b>	<b>1,60,43,84,018</b>	<b>100.00%</b>	<b>1,35,43,84,018</b>	<b>100.00%</b>
<b>11. Other Equity</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Share application money pending allotment (Refer issued capital note under note 10)	7,04,09,123	9,57,886	-	-
<b>Retained earnings</b>				
Balance at the Beginning of The Year	(86,09,49,025)	(1,33,48,156)	(59,15,56,229)	(89,00,460)
Total Comprehensive Income During the Year Other Than FCTR	(30,93,46,319)	(41,68,762)	(31,21,86,782)	(44,04,497)
Foreign Currency Translation Reserve During the Year (FCTR)	(1,15,74,577)	-	4,58,55,893	-
Less : Transfer to Liquidity Enhancement Scheme (LES) Reserve	(14,37,85,298)	(19,08,276)	(15,92,82,420)	(22,47,241)
Add: LES Expenditure Incurred During the Year	14,55,20,394	19,61,038	15,62,20,513	22,04,042
<b>Closing Balance (A)</b>	<b>(1,18,01,34,825)</b>	<b>(1,74,64,156)</b>	<b>(86,09,49,025)</b>	<b>(1,33,48,156)</b>
<b>Liquidity Enhancement Scheme (LES) Reserve (Refer note below)</b>				
Opening Balance	38,37,918	81,370	7,76,011	38,171
Add: Transfer from Retained Earning	14,37,85,298	19,08,276	15,92,82,420	22,47,241
Less: LES Expenditure Incurred During the Year	(14,55,20,394)	(19,61,038)	(15,62,20,513)	(22,04,042)
<b>Closing Balance (B)</b>	<b>21,02,822</b>	<b>28,608</b>	<b>38,37,918</b>	<b>81,370</b>
<b>Total (A+B)</b>	<b>(1,10,76,22,880)</b>	<b>(1,64,77,662)</b>	<b>(85,71,11,107)</b>	<b>(1,32,66,786)</b>
<b>Liquidity Enhancement Scheme (LES) Reserve</b>				
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 1,455.20 Lakhs (USD 1,961.04 thousand) (Previous year: Rs 1,562.20 Lakhs (USD 2,204.04 thousand) ) has been incurred towards the Scheme for the year ended March 31, 2021.				
Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2021, The Company has created additional LES reserve of Rs 1,437.85 lakhs (USD 1,908.28 thousand) and incurred an expense of Rs 1,455.20 Lakhs (USD 1,961.04 thousand) during the year ended March 31, 2021, accordingly LES reserve balance as on March 31, 2021 is Rs 21.03 Lakhs (USD 28.61 thousand) (Previous year: Rs 38.38 Lakhs (USD 81.37 thousand)). The LES reserve as on March 31, 2021 will not form part of net worth of the Exchange.				

<b>12. Trade Payables</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Current</b>				
<b>Total outstanding dues of micro, small and medium enterprises (A)</b>	<b>6,101</b>	<b>83</b>	<b>-</b>	<b>-</b>
Payable to Service Providers	2,19,65,558	2,98,832	1,70,11,733	2,25,662
Payable to Holding Company	2,91,372	3,964	6,94,078	9,207
Payable to Group Companies	3,25,185	4,424	38,824	515
<b>Total outstanding dues of creditor other than micro, small and medium enterprises (B)</b>	<b>2,25,82,115</b>	<b>3,07,220</b>	<b>1,77,44,635</b>	<b>2,35,384</b>
<b>Total</b>	<b>2,25,88,216</b>	<b>3,07,303</b>	<b>1,77,44,635</b>	<b>2,35,384</b>
<b>Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>				
(a) Principal amount and interest thereon remaining unpaid at the end of period/year Interest paid including payment made beyond appointed day	6,101	83	-	-
(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			-	-
<b>13. Other Financial Liabilities</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current</b>				
Finance Lease Obligations	2,43,962	3,319	2,56,991	3,409
<b>Total (A)</b>	<b>2,43,962</b>	<b>3,319</b>	<b>2,56,991</b>	<b>3,409</b>
<b>Current</b>				
Payable for Capital Creditors	-	-	1,00,037	1,327
Accrued Employee Benefits	1,06,15,916	1,44,425	1,08,59,188	1,44,048
Deposits from Members	11,16,35,263	15,18,750	10,96,86,485	14,55,000
Current Maturities of Finance Lease Obligations	13,010	177	13,268	176
Deposits - Others	1,83,762	2,500	1,88,465	2,500
Other Liabilities	99,966	1,360	-	-
<b>Total (B)</b>	<b>12,25,47,917</b>	<b>16,67,212</b>	<b>12,08,47,443</b>	<b>16,03,051</b>
<b>Total (A+B)</b>	<b>12,27,91,879</b>	<b>16,70,531</b>	<b>12,11,04,434</b>	<b>16,06,460</b>
<b>14. Provisions</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non Current</b>				
Gratuity Liability (Refer Note 22.1)	-	-	9,95,395	13,204
Compensated Absences (Refer Note 22.3)	32,05,540	43,610	31,04,768	41,185
<b>Total (A)</b>	<b>32,05,540</b>	<b>43,610</b>	<b>41,00,163</b>	<b>54,389</b>
<b>Current</b>				
Gratuity Liability (Refer Note 22.1)	-	-	15,10,281	20,034
Compensated Absences (Refer Note 22.3)	58,27,012	79,274	49,12,598	65,166
<b>Total (B)</b>	<b>58,27,012</b>	<b>79,274</b>	<b>64,22,879</b>	<b>85,200</b>
<b>Total (A+B)</b>	<b>90,32,552</b>	<b>1,22,884</b>	<b>1,05,23,042</b>	<b>1,39,589</b>
<b>15. Other Liabilities</b>				
Particulars	As at March 31, 2021		As at March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
<b>Non-Current</b>				
Unamortised Portion of Capital Subsidy	13,57,779	18,472	26,90,598	35,691
<b>Total (A)</b>	<b>13,57,779</b>	<b>18,472</b>	<b>26,90,598</b>	<b>35,691</b>
<b>Current</b>				
<b>Own</b>				
Statutory Liabilities	1,23,02,702	1,67,373	1,34,36,632	1,78,238
Advance Revenue	91,146	1,240	8,68,144	11,516
Unamortised Portion of Capital Subsidy	12,65,677	17,219	11,99,767	15,915
<b>Total (B)</b>	<b>1,36,59,525</b>	<b>1,85,832</b>	<b>1,55,04,543</b>	<b>2,05,669</b>
<b>Earmarked</b>				
Contribution Payable to Investor Protection Fund	21,37,002	29,073	15,86,421	21,044
<b>Total (C)</b>	<b>21,37,002</b>	<b>29,073</b>	<b>15,86,421</b>	<b>21,044</b>
<b>Total D = (B+C)</b>	<b>1,57,96,527</b>	<b>2,14,905</b>	<b>1,70,90,964</b>	<b>2,26,713</b>
<b>Total (A+D)</b>	<b>1,71,54,306</b>	<b>2,33,377</b>	<b>1,97,81,562</b>	<b>2,62,404</b>



<b>16. Income From Operations</b>				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Annual Subscription Fees from Members	92,75,725	1,25,000	78,85,300	1,11,250
Listing Fees	24,24,675	32,675	20,32,458	28,675
Charges Recovered	40,80,651	54,991	28,61,531	40,372
Processing Fees	1,11,309	1,500	2,48,077	3,500
<b>Total</b>	<b>1,58,92,360</b>	<b>2,14,166</b>	<b>1,30,27,366</b>	<b>1,83,797</b>
<b>17. Other Income</b>				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Incentives from Government Authorities	31,87,510	42,955	40,00,700	56,444
Miscellaneous Income	19,12,061	25,767	71,588	1,010
<b>Total</b>	<b>50,99,571</b>	<b>68,722</b>	<b>40,72,288</b>	<b>57,454</b>
<b>18. Employee Benefits Expense</b>				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Salaries, Allowances and Bonus	6,50,73,589	8,76,934	6,85,63,763	9,67,334
Contribution to Provident and Other Funds	41,03,803	55,303	48,88,035	68,963
Staff Welfare Expenses	36,287	489	77,613	1,095
Compensated Absences	59,20,807	79,789	55,04,613	77,662
<b>Total</b>	<b>7,51,34,486</b>	<b>10,12,515</b>	<b>7,90,34,024</b>	<b>11,15,054</b>
<b>19. Administration and Other Expenses</b>				
Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	(Rs)	(USD)	(Rs)	(USD)
	Audited	Audited	Audited	Audited
Advertising and Marketing Expenses	39,60,141	53,367	32,96,020	46,502
Travelling Expenses	11,52,045	15,525	32,67,101	46,094
Computer Technology Related Expenses	3,48,23,669	4,69,285	2,80,34,669	3,95,528
Data Feed Expenses	1,54,55,287	2,08,276	37,99,120	53,600
Meeting, Seminar and Event Expenses	1,18,284	1,594	57,625	813
Regulatory Fees	1,04,25,989	1,40,501	96,11,560	1,35,605
Contribution to Investors Protection Fund	17,513	236	34,447	486
Director Fees	3,30,067	4,448	2,42,477	3,421
Bank Charges	70,718	953	65,705	927
Rent	4,90,871	6,615	5,51,369	7,779
Professional Fees (Refer note 1 below)	42,47,540	57,240	38,42,852	54,217
Legal Fees	6,01,290	8,103	3,31,431	4,676
Auditors Remuneration (Refer note 2 below)	1,81,433	2,445	1,64,014	2,314
Insurance	1,94,642	2,623	1,45,727	2,056
Building Repair and Maintenance	34,41,888	46,383	40,40,605	57,007
Rates & Taxes	44,07,379	59,394	1,22,266	1,725
Electricity Expenses	36,99,159	49,850	33,29,900	46,980
Printing and Stationery Expenses	2,38,572	3,215	4,00,113	5,645
Postage and Telephone Expenses	2,62,911	3,543	3,29,588	4,650
Sponsorship Charges	-	-	1,41,758	2,000
Miscellaneous Expenses	7,93,928	10,699	14,78,751	20,863
Foreign Exchange Loss	-	-	6,70,445	9,459
<b>Total</b>	<b>8,49,13,326</b>	<b>11,44,295</b>	<b>6,39,57,543</b>	<b>9,02,347</b>
Note 1 : Professional Fees includes payment to auditor Rs. 1,28,005 (USD 1,725) (Previous year - Nil) towards other services and other reimbursement of expenses.				
Note 2: Auditors Remuneration includes:				
	(Rs)	(USD)	(Rs)	(USD)
Audit Fees	1,46,334	1,972	1,43,388	2,023
Out of Pocket Expenses	17,438	235	20,626	291
Other Services Fees	17,661	238	-	-
<b>Total</b>	<b>1,81,433</b>	<b>2,445</b>	<b>1,64,014</b>	<b>2,314</b>
<b>20. Exchange Rate :-</b>				
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, 2021 which is 1 USD = Rs 73.5047 , amount of Statements of Profit and Loss at the average rate from April 01, 2020 to March 31, 2021 which is 1 USD = Rs 74.2058.				

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 21. Earnings Per Share

Particulars	For the Year Ended March 2021		For the Year Ended March 2020	
	(Rs)	(USD)	(Rs)	(USD)
Profit / (Loss) for the year	(31,03,88,094)	(41,82,801)	(31,11,71,510)	(43,90,173)
Weighted average number of equity shares (Nos)	1,45,92,05,799	1,45,92,05,799	1,31,81,63,334	1,31,81,63,334
Earnings per share basic and diluted before and after exceptional item	(0.213)	(0.003)	(0.236)	(0.003)
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 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.

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 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, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	Funded	Funded	Funded	Funded
	(Rs)	(USD)	(Rs)	(USD)
<b>Change in benefit obligations</b>				
Benefit obligations at the beginning	96,37,345	1,45,212	77,85,089	1,18,123
Current Service Cost	15,10,277	20,352	13,73,120	19,373
Interest on defined benefit obligation	6,55,045	8,827	5,58,736	7,883
Actuarial loss / (gain)	(9,79,806)	(13,204)	10,99,111	15,507
Benefit Paid	(1,43,484)	(1,952)	(11,51,184)	(15,271)
Net Liability assumed on transfer within Group companies (Transfer in/(out) obligation)	-	-	(27,515)	(403)
Translation/ Forex impact	8	-	(12)	-
<b>Closing Defined Benefit Obligation (A)</b>	<b>1,06,79,385</b>	<b>1,59,235</b>	<b>96,37,345</b>	<b>1,45,212</b>
<b>Change in Plan assets</b>				
Fair value of plan assets at the beginning	<b>71,31,694</b>	<b>1,01,677</b>	<b>56,25,077</b>	<b>81,286</b>
Employer Contribution	35,93,460	48,887	21,60,013	28,653
Interest income	5,35,135	7,211	3,96,851	5,599
Return on plan assets excluding amounts included in interest income	61,969	835	83,839	1,183
Assets assumed / settled	-	-	17,098	227
Benefits paid	(1,43,484)	(1,952)	(11,51,184)	(15,271)
<b>Fair value of plan assets at the end</b>	<b>1,11,78,774</b>	<b>1,56,658</b>	<b>71,31,694</b>	<b>1,01,677</b>
<b>Funded status (B)</b>	<b>1,11,78,774</b>	<b>1,56,658</b>	<b>71,31,694</b>	<b>1,01,677</b>
Translation/ Forex impact (c)	2	4,217	(25)	10,297
<b>payable gratuity benefit (A-B-C)</b>	<b>(4,99,391)</b>	<b>(6,794)</b>	<b>25,05,676</b>	<b>33,238</b>
<b>Other Asset (Refer Note 9)</b>	<b>(4,99,391)</b>	<b>(6,794)</b>		
<b>Current Provision (Refer note 14)</b>	-	-	<b>15,10,281</b>	<b>20,034</b>
<b>Non-Current Provision (Refer note 14)</b>	-	-	<b>9,95,395</b>	<b>13,204</b>

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

Particulars	For the Year Ended March 2021		For the Year Ended March 2020	
	(Rs)	(USD)	(Rs)	(USD)
Current Service Cost	15,10,277	20,352	13,73,120	19,373
Interest on net defined benefit obligations	1,19,910	1,616	1,61,885	2,284

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the Year Ended March 2021		For the Year Ended March 2020	
	(Rs)	(USD)	(Rs)	(USD)
Total Included in "Employee Benefit Expense"	16,30,187	21,968	15,35,005	21,657

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

Particulars	For the Year Ended March 2021	For the Year Ended March 2021	For the Year Ended March 2020	For the Year Ended March 2020
	(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	(61,969)	(835)	(83,839)	(1,183)
Actuarial loss / (gain) arising on account of experience changes	(9,79,806)	(13,204)	(3,71,834)	(5,246)
<b>Amount recognised in the Other Comprehensive Income</b>	<b>(10,41,775)</b>	<b>(14,039)</b>	<b>10,15,272</b>	<b>14,324</b>

### iv. Principle actuarial assumption

Assumptions	March 31, 2021	March 31, 2020
Discount Rate/Rate of Return on plan asset	6.85%	6.85%
Salary escalation	7.50%	7.50%

- 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:-

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(5.50)%	5.88%	(6.37)%	5.57%
Impact of decrease in 50 bps on defined benefit obligation	5.94%	(5.49%)	5.64%	(6.37%)

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, 2021	March 31, 2020
Policy of insurance	99.997%	99.97%
Other investment	0.003%	0.029%
Total	100%	100%

Actual return on the assets for the year ended March 31, 2021 ₹ 5,97,104 (2020 : 4,80,690)

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 ₹ 14,95,415

### vii. Maturity profile of defined benefit obligations

Maturity Profile	March 31, 2021	March 31, 2020
Expected benefits for year 1	1,69,943	1,49,275
Expected benefits for year 2	1,86,265	1,60,118
Expected benefits for year 3	2,01,272	1,73,610
Expected benefits for year 4	2,13,482	1,87,720
Expected benefits for year 5	2,90,060	1,99,189
Expected benefits for year 6 to year 10	20,42,894	13,49,995
10 year and above	2,28,15,049	2,20,46,735

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The weighted average duration to the payment of these cash flows is 11.45 years (previous year 12.15 years).

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

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

During the current year, provident fund contributions amounting to Rs 20,10,073 (USD- 27,088) (2020: Rs 21,38,777 (USD-30,175) 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 4,63,570 (USD 6,247) (2020: Rs 12,14,301 (USD- 17,132) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 18 "Employee benefits expense".

### 22.3 Compensated absence

The liability for compensated absences as at the year ended March 31, 2021 is Rs 58,27,012 (USD- 79,274) (2020 : Rs 49,12,598 (USD-65,166)) as shown under current provision and Rs. 32,05,540 (USD 43,610) (2020 : Rs 31,04,768 (USD 41,185) as shown under non current provision. During the current year, provision for compensated absence amounting to Rs 59,20,807 (USD- 79,789) (2020: Rs 55,04,613 (USD-77,662)) have been charged to the Statement of Profit and Loss, under Compensated absence in note 18 "Employee benefits expense"

## 23. Segment Reporting

The Managing Director and CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The "Company" 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.

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 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:

- 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, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	(Rs)	(USD)	(Rs)	(USD)
<b>Financial Assets carried at amortised cost</b>				
Other non-current financial assets	9,20,00,027	12,51,621	20,22,528	26,829
Cash and cash equivalents	15,57,63,222	21,19,092	12,61,66,069	16,73,603
Bank Balances	-	-	-	-
Trade Receivables	7,65,316	10,412	16,97,691	22,520
Other current financial assets	15,28,30,088	20,79,188	23,31,90,074	30,93,285
<b>Total</b>	<b>40,13,58,653</b>	<b>54,60,313</b>	<b>36,30,76,362</b>	<b>48,16,237</b>
<b>Financial Liabilities carried at amortised cost</b>				
Other non-current financial liabilities	2,43,962	3,319	2,56,991	3,409
Trade payables	2,25,88,216	3,07,303	1,77,44,635	2,35,384
Other current financial liabilities	12,25,47,917	16,67,212	12,08,47,443	16,03,051
<b>Total</b>	<b>14,53,80,095</b>	<b>19,77,834</b>	<b>13,88,49,069</b>	<b>18,41,844</b>

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 25. Related Party Transactions

### 1. Names of related parties and nature of relationship

Category of related parties	Name
<b>Holding Company</b>	BSE Limited
<b>Subsidiary</b>	Indian INX Global Access IFSC Limited
<b>Fellow Subsidiaries:</b>	India International Clearing Corporation (IFSC) Limited
	Indian Clearing Corporation Limited
	BSE Technologies Private Limited (Formerly known as Marketplace Technologies Private Limited)
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	BSE Sammaan CSR Limited
	BSE E-Agricultural Markets Limited (w.e.f December 1, 2020)
	BSE Administration & Supervision Limited (w.e.f March 5, 2021)
<b>Subsidiary of Fellow Subsidiaries</b>	BSE Tech Infra Services Private Limited (Formerly known as Marketplace Tech Infra Services Private Limited)
	BFSI Sector Skill Council of India
	BIL Ryerson Technology start up Incubator Foundation
	BSE Institute of Research Development & Innovation
<b>Direct Associate of Holding</b>	Central Depository Services (India) Limited
	Asia Index Private Limited
<b>Indirect Associate of Holding</b>	CDSL Ventures Limited
	CDSL Insurance Repository Limited
	CDSL Commodity Repository Limited
	BSE EBIX Insurance Broking Private Limited
	Marketplace EBIX Technology Services Private Limited
	Pranurja Solutions Limited
<b>Trust Set up by Holding Company</b>	BSE Investors Protection Fund
<b>Trust Set up by Company</b>	India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund)
<b>Key Management Personnel</b>	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. Sameer Patil – Director



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 2. Transactions with Related Parties

#### (a) BSE Ltd (Holding Company):

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenditure</b>				
Computer Technology related Expenses	35,16,761	47,392	34,78,518	49,077
<b>Reimbursement of Expenses</b>				
Travelling expenses	-	-	2,44,371	3,448
Recovery of insurance policy	2,51,706	3,392	4,20,679	5,935
<b>Other transactions</b>				
Equity Share Capital	20,54,50,000	27,81,885	-	-

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
<b>Liability</b>				
Payable	2,91,372	3,964	6,94,078	9,207

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Recovery of Expenses</b>				
Computer Technology related Expenses	28,92,913	38,985	32,67,218	46,096
Postage and Telephone Expenses	24,043	324	22,897	323
Building repair and maintenance	7,05,549	9,508	7,35,764	10,381
<b>Reimbursement of Expenses/ Transactions</b>				
Recovery of insurance policy	-	-	19,421	274
Salaries, allowances and bonus	1,90,189	2,563	1,05,575	1,490
<b>Expenditure</b>				

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
Computer technology related expense	11,61,914	15,658	2,77,451	3,914
<b>Other transactions</b>				
Gratuity liability on account of employee transfer (net) in / (Out) Obligation	-	-	14,955	196
Compensated absence (net) in / (Out) Obligation	-	-	97,531	1,316

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
<b>Assets</b>				
Receivable (net)	-	-	6,44,399	8,548
Payable (Net)	2,84,463	3,870	-	-

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenditure</b>				
Professional Fees	3,81,195	5,137	2,34,747	3,312

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
<b>Liability</b>				
Payable	32,636	444	27,592	366

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenditure</b>				
Travelling Expenses	7,940	107	11,453	162

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Recovery of Expenses</b>				
Recovery of Postage and Telephone Expense	2,078	28	-	-
Salaries, Allowances and Bonus	10,240	138	-	-
<b>Other transactions</b>				
Transfer of assets	-	-	12,88,840	18,646
Transfer Out - Compensated absence Liability	-	-	(53,777)	(758)
Transfer Out - Gratuity Liability	-	-	(42,470)	(599)

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2021 (USD)	As at March 31, 2020 (Rs)	As at March 31, 2020 (USD)
Payable (Net)	8,086	110	11,232	149

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenses</b>				
Rent	34,802	469	3,80,361	5,366

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

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Expenses</b>				
Professional Fees	77,619	1,046	77,561	1,094
Rates and Taxes	12,689	171	-	-

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### (h) India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund) (Trust setup by the Company):

Particulars	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>(Asset)/ Liability</b>				
Net defined benefit	(4,99,391)	(6,794)	25,05,676	33,238

### (i) Key Managerial remuneration:

Particular	For the Year ended March 31, 2021 (Rs)	For the Year ended March 31, 2021 (USD)	For the Year ended March 31, 2020 (Rs)	For the Year ended March 31, 2020 (USD)
<b>Salaries, allowances &amp; bonus and contribution to Funds</b>				
Mr. Balasubramaniam Venkataramani - Managing Director and Chief Executive Officer*	2,95,57,664	3,99,945	2,80,02,784	3,95,078
<b>Director Fees</b>				
<b>Board Meeting Fees</b>				
Dr. Ajit Ranade – Independent Director	1,50,267	2,025	60,389	852
Dr. SK Nanda (IAS) – Independent Director	1,50,267	2,025	90,725	1,280
Mr. Anand Sinha – Independent Director	-	-	91,363	1,289
<b>Committee Meeting Fees</b>				
Dr. SK Nanda (IAS) – Independent Director	29,533	398	-	-

\* 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, 2021 (March 31, 2020: Nil).

## 27. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account, not provided for is Nil (2020: Rs. 28,80,723) (USD – 38,213)).

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 28. 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
<b>Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>14,653</b>	<b>73,265</b>	<b>2,78,407</b>	<b>3,66,325</b>
March 31, 2020	14,653	73,265	2,93,116	3,81,034
<b>Finance Charge</b>				
<b>March 31, 2021</b>	<b>1,643</b>	<b>12,205</b>	<b>95,505</b>	<b>1,09,353</b>
March 31, 2020	1,414	10,953	98,408	1,10,775
<b>Present value of Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>13,010</b>	<b>61,060</b>	<b>1,82,902</b>	<b>2,56,972</b>
March 31, 2020	13,239	62,312	1,94,708	2,70,259

<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
<b>Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>199</b>	<b>997</b>	<b>3,788</b>	<b>4,984</b>
March 31, 2020	194	972	3,888	5,054
<b>Finance Charge</b>				
<b>March 31, 2021</b>	<b>22</b>	<b>166</b>	<b>1,300</b>	<b>1,488</b>
March 31, 2020	19	145	1,305	1,469
<b>Present value of Minimum Lease Payments</b>				
<b>March 31, 2021</b>	<b>177</b>	<b>831</b>	<b>2,488</b>	<b>3,496</b>
March 31, 2020	175	827	2,583	3,585

### 29. Financial Risk Management:

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

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

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 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 received specific permission from the IFSC Authority 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. Interest rate risk can be controlled by the Company by making investments for tenors not exceeding the pre stipulated period and normally holding investments till its maturity.

### Liquidity risk

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

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
<b>Finance lease obligation</b>					
March 31, 2021	-	14,653	73,265	2,78,407	3,66,325
March 31, 2020	-	14,653	73,265	2,93,116	3,81,034
<b>Deposits from Members</b>					
March 31, 2021	11,16,35,263	-	-	-	11,16,35,263

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	On Demand	Payable within 1 year	Payable more than 1 year and less than 5 year	Payable more than 5 year	Total
March 31, 2020	10,96,86,485	-	-	-	10,96,86,485
<b>Trade Payables</b>					
<b>March 31, 2021</b>	-	<b>2,25,88,216</b>	-	-	<b>2,25,88,216</b>
March 31, 2020	-	1,77,44,635	-	-	1,77,44,635
<b>Other Financial Liabilities</b>					
<b>March 31, 2021</b>	<b>1,83,762</b>	<b>1,07,15,882</b>	-	-	<b>1,08,99,644</b>
March 31, 2020	1,88,465	1,09,59,225	-	-	1,11,47,690

### 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
<b>Finance lease obligation</b>					
<b>March 31, 2021</b>		<b>199</b>	<b>997</b>	<b>3,788</b>	<b>4,984</b>
March 31, 2020		194	972	3,888	5,054
<b>Deposits from Members</b>					
<b>March 31, 2021</b>	<b>15,18,750</b>				<b>15,18,750</b>
March 31, 2020	14,55,000				14,55,000
<b>Trade Payables</b>					
<b>March 31, 2021</b>		<b>3,07,303</b>			<b>3,07,303</b>
March 31, 2020		2,35,384			2,35,384
<b>Other Financial liabilities</b>					
<b>March 31, 2021</b>	<b>2,500</b>	<b>1,45,785</b>	-	-	<b>1,48,285</b>
March 31, 2020	2,500	1,45,375	-	-	1,47,875

# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 30. Capital management:

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

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

#### Compliance with externally imposed capital requirements:

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. Further on 14th December, 2020 IFSCA has relaxed the net-worth requirement of Rs.100 crore for India INX for 1 year i.e., December 28, 2021 subject to maintenance of the minimum net-worth of Rs. 25 Crores at all times as mandated under Clause 5 (1) of SEBI (IFSC) Guidelines 2015.

- In view of above, net worth requirement of Rs 100 crores need to be achieved by December 28, 2021 subject to maintenance of minimum net worth of Rs. 25 crores at all times. The Company has maintained the Net worth at all times as per the relaxation granted by SEBI.
  - Further as per Notification No. IFSCA/2021-22/GN/REG011 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulation, 2021 dated 12<sup>th</sup> April, 2021, A recognized Exchange shall have net worth of at least USD 3 million at all times. The said notification will come into force on thirtieth day of its publication in the official Gazette.
31. Pursuant to MCA Notification dated January 04, 2017, Section 135 - Corporate Social Responsibility of Companies Act 2013, shall not apply for a period of five years from the commencement of business of a specified IFSC public company. Company is making losses in current year and have also incurred losses in the past years. Accordingly, Section 135 is not applicable to the company for the financial year 2020-21.
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.



# INDIA INTERNATIONAL EXCHANGE (IFSC) Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 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 20, 2021  
Place : Mumbai

**Mayank Jain**  
Chief Financial Officer  
Place: Gandhinagar

**Nikhil Mehta**  
Company Secretary