

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NSE IFSC LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **NSE IFSC LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and 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 (together hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

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

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.

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and



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

- (i) The Company does not have any pending litigations which would impact its financial position – Refer Note 35 to the Ind AS financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 36 to the Ind AS financial statements;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 37 to the Ind AS financial statements.

For Khandelwal Jain & Co
Chartered Accountants
Firm's Registration No. 105049W

Narendra Jain

(Narendra Jain)
Partner
Membership No. 048725



Place : Mumbai
Date : April 23, 2018

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF NSE IFSC LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statement for the year ended March 31, 2018. 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 physically verified the fixed assets in accordance with a program of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property in its name.
- ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Therefore, the provisions of clause 3(iv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v) The Company has not accepted any deposits from the public.
- vi) We are informed that the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- vii) a) According to the information and explanations given to us and on the basis of records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable. According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there were no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Custom, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.



- viii) The Company has not taken any loan from banks, financial institutions or government and the Company has not issued any debentures. Therefore, the provisions of clause 3(viii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ix) The Company has not taken any term loans and has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(ix) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- x) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, the Company has not paid or provided managerial remuneration. Therefore, the provisions of clause 3(xi) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and section 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Khandelwal Jain & Co
Chartered Accountants
Firm's Registration No. 105049W

Narendra Jain

(Narendra Jain)
Partner
Membership No. 048725



Place : Mumbai
Date : April 23, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF NSE IFSC LIMITED

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 **NSE IFSC LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Khandelwal Jain & Co
Chartered Accountants
Firm's Registration No. 105049W

Narendra Jain

(Narendra Jain)
Partner
Membership No. 048725



Place : Mumbai
Date : April 23, 2018

NSE IFSC LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Notes	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	5a	885.46	298.21
Capital work-in-progress	5a	49.56	46.42
Other intangible assets	5b	219.30	-
Intangible assets under development	5b	-	99.48
Investments accounted for using the equity method			
Financial assets			
- Investments		-	-
- Other financial assets	6	-	1,207.95
Income tax assets (net)		-	-
Other non-current assets	7	1.76	-
Total non-current assets		1,156.08	1,652.06
Investor Protection Fund - Bank Balance	33	9.76	-
Current assets			
Financial assets			
- Investments		-	-
- Trade receivables		-	-
- Cash and cash equivalents	8	2,369.40	1,209.15
- Bank balances other than cash and cash equivalents	9	1,504.47	-
- Other financial assets	10	41.85	18.38
Other current assets	11	61.06	79.72
Total current assets		3,976.78	1,307.25
TOTAL ASSETS		5,142.62	2,959.31
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	12a	5,000.00	2,500.00
Other Equity	12b	(1,985.58)	(376.23)
TOTAL EQUITY		3,014.42	2,123.77
Investor Protection Fund	33	9.76	-
LIABILITIES			
Non-current liabilities			
Other financial liabilities		-	-
Provisions	13	1.38	-
Deferred tax liabilities (net)		-	-
Other non-current liabilities		-	-
Total non-current liabilities		1.38	-
Current liabilities			
Financial liabilities			
Deposits	14	557.29	-
Trade payables	15	274.06	121.63
Other financial liabilities	16	1,187.79	672.10
Provisions	17	13.24	-
Income tax liabilities (net)		-	-
Other current liabilities	18	84.68	41.81
Total current liabilities		2,117.06	835.54
TOTAL LIABILITIES		2,118.44	835.54
TOTAL EQUITY AND LIABILITIES		5,142.62	2,959.31

Summary of significant accounting policies 2
Notes refer to above form an integral part of the Balance sheet

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W



Narendra Jain
Partner
Membership No.: 048725

Place : Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

 Venkatesh Panchapagesan Director	 Yatrik Vin Director	 Mukesh Agarwal Director
 Sandip Mehta Chief Executive Officer	 Harshit Maniar Chief Financial Officer	 Prateek Savla Company Secretary

NSE IFSC LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Notes	For the year ended	For the period from
		31.03.2018 (Rs. In Lakhs)	29.11.2016 to 31.03.2017 (Rs. In Lakhs)
Income			
Revenue from operations		-	-
Other income	19	24.32	-
Total Income		<u>24.32</u>	<u>-</u>
Expenses			
Employee benefits expense	20	213.72	20.02
Depreciation and amortisation expense	5a & 5b	221.93	3.83
Other expenses	21	1,181.74	278.00
Total Expenses		<u>1,617.39</u>	<u>301.85</u>
Profit before exceptional items & tax		<u>(1,593.07)</u>	<u>(301.85)</u>
Less: Exceptional Items		-	-
Profit before tax		<u>(1,593.07)</u>	<u>(301.85)</u>
Less: Tax expense		-	-
Current tax		-	-
Deferred tax		-	-
Total tax expenses		<u>-</u>	<u>-</u>
Profit / (Loss) for the year (A)		<u>(1,593.07)</u>	<u>(301.85)</u>
Other Comprehensive Income			
Items that will be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Remeasurements of post-employment benefit obligations (Refer Note 28)	12b	(0.69)	-
Changes in foreign currency translation reserve	12b	(5.83)	(74.38)
Total Other Comprehensive Income for the year (Net of Taxes) (B)		<u>(6.52)</u>	<u>(74.38)</u>
Total Comprehensive Income for the year (A+B)		<u>(1,599.59)</u>	<u>(376.23)</u>
Earnings per equity share (Face Value Rs.10 each)			
- Basic & Diluted (Rs.)	22	(3.83)	(3.15)
Summary of significant accounting policies	2		
Notes refer to above form an integral part of the Statement of Profit & loss			

As per our report of even date attached

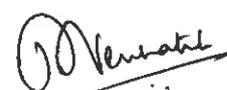
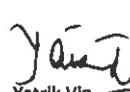
For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

Narendra Jain
Partner
Membership No.: 048725



Place : Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

 Venkatesh Panchapagesan Director	 Yatrik Vin Director	 Mukesh Agarwal Director
 Sandip Mehta Chief Executive Officer	 Harshit Maniar Chief Financial Officer	 Prateek Savla Company Secretary

NSE IFSC LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity Share Capital	(Rs. Lakhs)
Balance as at November 29, 2016	5.00
Changes in equity share capital during the period	2,495.00
Balance as at March 31, 2017	2,500.00
Changes in equity share capital during the year	2,500.00
Balance as at March 31, 2018	5,000.00

Particulars	(Rs. Lakhs)			
	Retained Earnings	Liquidity Enhancement Scheme Incentive Reserve	Foreign Currency Translation Reserve	Total
Balance as at November 29, 2016	-	-	-	-
Profit / (Loss) for the period ended March 31, 2017	(301.85)	-	-	(301.85)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	(74.38)	(74.38)
Balance as at March 31, 2017	(301.85)	-	(74.38)	(376.23)
Balance as at April 1, 2017	(301.85)	-	(74.38)	(376.23)
Profit / (Loss) for the year ended March 31, 2018	(1,593.07)	-	-	(1,593.07)
Other Comprehensive Income	(0.69)	-	-	(0.69)
Liquidity Enhancement Scheme Incentive Reserve (Refer Note 12(b))	(507.64)	507.64	-	-
Investor Protection Fund	(9.76)	-	-	(9.76)
Liquidity Enhancement Scheme Incentive paid / payable during the year (Refer Note 12(b))	150.14	(150.14)	-	-
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	(5.83)	(5.83)
Balance as at March 31, 2018	(2,262.87)	357.50	(80.21)	(1,985.58)

As per our report of even date attached

For Khandelwal Jain & Co.

For and on behalf of the Board of Directors

Chartered Accountants
Firm Registration No : 105049W

Narendra Jain
Narendra Jain
Partner
Membership No.: 048725



Venkatesh Panchapagesan
Venkatesh Panchapagesan
Director

Yatrik Vin
Yatrik Vin
Director

Mukesh Agarwal
Mukesh Agarwal
Director

Place : Mumbai
Date : April 23, 2018

Sandip Mehta
Sandip Mehta
Chief Executive Officer

Harshit Maniar
Harshit Maniar
Chief Financial Officer

Prateek Savia
Prateek Savia
Company Secretary

NSE IFSC LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended 31.03.2018 (Rs. Lakhs)	For the year ended 31.03.2017 (Rs. Lakhs)
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	(1,593.07)	(301.85)
Add : Adjustments for :		
Depreciation & Amortization Expenses	221.93	3.83
Preliminary Expenses written off	-	26.10
Interest Income	(23.21)	-
Share Issue Expenses	2.50	2.57
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1,391.85)	(269.35)
Adjustments for :		
Trade Payables	151.74	121.64
Proceeds from Member Deposits	557.29	-
Current Liabilities & Provisions	696.65	353.62
Loans & Advances and other Receivables	16.83	(98.10)
Investor Protection Fund - Bank Balance	(9.76)	-
CASH GENERATED FROM OPERATIONS	20.90	107.81
Direct Taxes paid (Net of Refunds)	-	-
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	20.90	107.81
B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,055.59)	(87.66)
Investment in Fixed Deposits	(296.53)	(1,207.95)
Interest Income	(0.20)	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(1,352.32)	(1,295.61)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares	2,500.00	2,500.00
Share Issue Expense	(2.50)	(2.57)
Preliminary Expense	-	(26.10)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	2,497.50	2,471.33
Changes in Cash and cash equivalents on account of conversion of functional currency to presentation currency	(5.83)	(74.38)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,160.25	1,209.15
CASH AND CASH EQUIVALENTS : OPENING BALANCE	1,209.15	-
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	2,369.40	1,209.15
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	1,160.25	1,209.15

Notes to Cash Flow Statement :

- Cash and cash equivalent represent cash and bank balances.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow.
- The Company was incorporated on November 29, 2016. Accordingly, the financial data of previous year relates to the period of 4 months & 2 days. The financial data for current year relates to the period of twelve months. As a consequence of above, current year figures are not comparable with those of previous period.

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105049W

Narendra Jain
Partner
Membership No.: 048725



Place : Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

Venkatesh Panchapagesan
Director

Tatrik Vin
Director

Mukesh Agarwal
Director

Sanjiv Mehta
Chief Executive Officer

Harshit Maniar
Chief Financial Officer

Poojeek Savia
Company Secretary

NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Background of the Company

The NSE IFSC Limited, a wholly owned subsidiary of National Stock Exchange of India Limited, was incorporated on November 29, 2016. It is set up to render services of stock exchange in GIFT IFSC as specified in SEBI Guidelines. The exchange may after approval of SEBI permit the dealing in equity shares of companies outside India, depository receipt, debt securities by eligible issuers, currency and interest rate derivatives, index based derivatives, commodity derivatives, etc.

2 Summary of significant accounting policies :

This note provides a list of the significant accounting policies adopted in the preparation of Indian Accounting Standard (Ind AS) financial statements ("Ind AS financial statements"). These policies have been consistently applied to all the years / periods presented, unless otherwise stated.

a) Basis of preparation

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 instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). 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.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is USD.

The financial statements are presented in Indian currency (INR), which is the Company's presentation currency. It is necessary for the results and financial position of each individual entity included in the reporting entity to be translated into the currency in which the reporting entity presents its financial statements. As the reporting entity presents its financial statements in INR, the Company's financial statements are translated into INR.

(ii) Transactions and balances

Foreign currency transactions are translated into the presentation currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(iii) Translation to the presentation currency

The financial statements are translated from functional currency to presentation currency by using the following procedures:

- (a) assets and liabilities for each balance sheet presented (ie including comparatives) shall be translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each statement of profit and loss presented (ie including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- (c) all resulting exchange differences shall be recognised in other comprehensive income.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue is recognised in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Transaction charges, IT & support charges and processing charges are recognized on accrual basis as and when the services are rendered.;
- (ii) Others - All other revenue is recognised in the period in which the service is provided

d) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

g) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments (other than investments in subsidiaries, associates and joint venture)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note e. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(vi) Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

h) Financial liabilities

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j) Property, plant and equipment (Including CWIP)

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Management Estimate of Useful Life in years
Computer systems office automation	3 years
Computer systems – others	4 years
Telecommunication systems	4 years
Electrical Equipments *	10 years
Office Equipments*	5 years
Electrical Installations*	10 years
Furniture & Fixtures *	10 years

*Fixed Furniture & Fixtures, Electrical Installations & Equipments and Office Equipments including civil improvements at Lease Hold premises are depreciated over the lease period.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Fixed assets whose aggregate cost is Rs. 5,000 or less are depreciated fully in the year of acquisition.

k) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m) Provisions

Provisions for legal claims and discounts/incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

n) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the 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 the obligation or a reliable estimate of the amount cannot be made.

o) Dividends

Provision is made for the amount of any dividend declared including dividend distribution tax, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

q) Operating Lease

Leases of property, plant and equipment and land where the company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other financial liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

r) Rounding of amounts

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

s) Employee Benefits

(i) **Provident Fund:** The company is registered with Regional Provident Fund Office, Ahmedabad, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.

(ii) **Gratuity:** Liability on account of Gratuity is provided based on Actuarial Valuation at Balance Sheet date.

(iii) **Leave Encashment:** Liability on account of Leave encashment is provided based on Actuarial Valuation at Balance Sheet date.

(iv) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

t) Critical Accounting Estimates And Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Tax expense refer Note 31

Estimation of useful life of intangible asset refer Note 5b

Estimation of contingent liabilities refer Note 30

Estimation of Impairment of Assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 The Company was incorporated on November 29, 2016. Accordingly, the financial data of previous year relates to the period of 4 months & 2 days. The financial data for current year relates to the period of twelve months. As a consequence of above, current year figures are not comparable with those of previous period.

4 (i) Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new Standard Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

(ii) Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



NSE IFSC LIMITED

Notes to Financial Statements For the year ended March 31, 2018

Note 5a : Property, plant and equipment

(Rs. Lakhs)

	Computer Others	Electrical Equipments	Office Equipments	Telecom Installations	Computer Systems - Office Automation	Electrical Installations	Furniture & Fixtures	TOTAL	Capital Work In Progress
Gross carrying amount									
Opening as at 29.11.2016	-	-	-	-	-	-	-	-	-
Additions	216.78	18.54	1.08	63.09	1.41	1.13	-	302.04	46.42
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	216.78	18.54	1.08	63.09	1.41	1.13	-	302.04	46.42
Accumulated depreciation									
Opening as at 29.11.2016	-	-	-	-	-	-	-	-	-
Depreciation charge during the period	0.96	0.36	0.02	2.39	0.07	0.02	-	3.83	-
Disposals	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	0.96	0.36	0.02	2.39	0.07	0.02	-	3.83	-
Net carrying amount as at 31.03.2017	215.82	18.18	1.06	60.70	1.34	1.11	-	298.21	46.42
Gross carrying amount									
Opening as at 01.04.2017	216.78	18.54	1.08	63.09	1.41	1.13	-	302.04	46.42
Additions	616.14	17.49	13.08	11.74	6.90	-	41.54	706.89	49.56
Disposals	-	-	-	-	-	-	-	-	-
Transfers	19.59	-	-	14.24	-	-	12.59	46.42	(46.42)
Currency Fluctuation	0.69	0.06	0.00	0.20	0.00	0.00	-	0.96	-
Closing gross carrying amount	853.20	36.09	14.16	89.27	8.31	1.14	54.13	1,056.31	49.56
Accumulated depreciation									
Opening as at 01.04.2017	0.96	0.36	0.02	2.39	0.07	0.02	-	3.83	-
Depreciation charge during the year	126.60	3.82	3.19	21.96	1.20	0.11	8.82	165.70	-
Disposals	-	-	-	-	-	-	-	-	-
Currency Fluctuation	1.06	0.02	0.03	0.13	0.01	0.00	0.08	1.32	-
Closing accumulated depreciation	128.62	4.20	3.24	24.48	1.28	0.13	8.90	170.84	-
Net carrying amount as at 31.03.2018	724.58	31.89	10.92	64.79	7.03	1.00	45.24	885.46	49.56



NSE IFSC LIMITED

Notes to Financial Statements For the year ended March 31, 2018

Note 5b : Other intangible assets

(Rs. Lakhs)

	Computer Software	Computer software under development	TOTAL
Gross carrying amount			
Opening as at 29.11.2016	-	-	-
Additions	-	99.48	99.48
Disposals	-	-	-
Transfers	-	-	-
Currency Fluctuation	-	-	-
Closing gross carrying amount	-	99.48	99.48
Accumulated amortisation	-	-	-
Opening as at 29.11.2016	-	-	-
Amortisation charge during the period	-	-	-
Disposals	-	-	-
Currency Fluctuation	-	-	-
Closing accumulated depreciation	-	-	-
Net carrying amount as at 31.03.2017	-	99.48	99.48
Gross carrying amount			
Opening as at 01.04.2017	-	99.48	99.48
Additions	175.46	-	175.46
Disposals	-	-	-
Transfers	99.48	(99.48)	-
Currency Fluctuation	1.08	-	1.08
Closing gross carrying amount	276.02	-	276.02
Accumulated amortisation	-	-	-
Opening as at 01.04.2017	-	-	-
Amortisation charge during the year	56.24	-	56.24
Disposals	-	-	-
Currency Fluctuation	0.48	-	0.48
Closing accumulated depreciation	56.72	-	56.72
Net carrying amount as at 31.03.2018	219.30	-	219.30



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

6	Other financial assets (non - current)	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Non - Current bank balances		
	Fixed deposits with original maturity for more than 12 months	-	1,207.95
	Total	-	1,207.95
7	Other Non-Current Assets	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Prepaid Expenses	1.76	-
	Total	1.76	-
8	Cash and cash equivalents	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Balances with banks :		
	In current accounts		
	- In USD Accounts	2,330.68	1,209.16
	- In INR Accounts	38.72	-
	Cheques on hand	-	0.00
	Total	2,369.40	1,209.16
9	Bank balances other than cash and cash equivalents	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Fixed deposits with original maturity for more than 12 months	1,504.47	-
	Total	1,504.47	-
10	Other financial assets (Current)	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Others		
	Security deposit for utilities and premises	18.44	18.38
	Accrued interest on Fixed Deposit	23.41	-
	Total	41.85	18.38
11	Other Current Assets	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Prepaid Expenses	19.95	73.46
	Balance with GST Authorities	26.36	-
	Balance with Service Tax Authorities	-	6.25
	Receivables from Related Party	14.73	-
	Receivables from Employees	0.02	-
	Total	61.06	79.71
	Receivable from Related Party		
	NSE IFSC Clearing Corporation Ltd	14.73	-
		14.73	-



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12 a) Share Capital

	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
Authorised		
10,00,00,000 Equity Shares of Rs 10 each (Previous Year : 2,50,00,000 Equity Shares of Rs 10 each)	10,000	2,500
	10,000	2,500
Issued, Subscribed and Paid-up		
5,00,00,000 Equity Shares of Rs 10 each, fully paid up (Previous Year : 2,50,00,000 Equity Shares of Rs 10 each, fully paid up)	5,000	2,500
Total	5,000	2,500

Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Director is subject to the approval of the shareholder in the ensuing Annual General Meeting except in the case of interim dividend.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2018		As at 31.03.2017	
	Nos.	(Rs.)	Nos.	(Rs.)
At the beginning of the year	2,50,00,000	25,00,00,000	50,000	5,00,000
Add: Issued during the year	2,50,00,000	25,00,00,000	2,49,50,000	24,95,00,000
At the end of the year	5,00,00,000	50,00,00,000	2,50,00,000	25,00,00,000

Shares In respect of each class in the company held by its holding company

Equity Shares :

Name of the Company	As at 31.03.2018		As at 31.03.2017	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited & its nominees	5,00,00,000	100.00%	2,50,00,000	100.00%
Total	5,00,00,000	100.00%	2,50,00,000	100.00%

Details of Equity Shareholder holding more than 5% share in the Company (No of Shares)

Name of the Company	31.03.2018		31.03.2017	
	No.of Shares	% holding	No.of Shares	% holding
National Stock Exchange of India Limited & its nominees	5,00,00,000	100.00%	2,50,00,000	100.00%
Total	5,00,00,000	100.00%	2,50,00,000	100.00%

b) Other equity

	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
Liquidity Enhancement Scheme Incentive Reserve *				
Opening Balance	-	-	-	-
Transfer from Surplus/Deficit in Statement of Profit and Loss	507.64	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable during the year	(150.14)	357.50	-	-
Foreign Currency Translation Reserve				
Opening Balance	(74.38)	-	-	-
Changes During the period	(5.83)	(80.21)	(74.38)	(74.38)
Surplus / (Deficit) In the Statement of Profit and Loss				
Opening Balance	(301.85)	-	-	-
Profit / (Loss) for the period	(1,593.07)	-	(301.85)	-
Other Comprehensive Income	(0.69)	-	-	-
Transfer to Liquidity Enhancement Scheme Incentive Reserve	(507.64)	-	-	-
Transfer to Investor Protection Fund**	(9.76)	-	-	-
Reversal of Liquidity Enhancement Scheme Incentive paid during the year	150.14	(2,262.87)	-	(301.85)
Total reserves and surplus		(1,985.58)		(376.23)



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

* SEBI vide its circular dated August 10,2017 has permitted exchanges in GIFT IFSC to introduce Liquidity Enhancement Scheme to enhance liquidity. Considering, the nascent stage of business SEBI has granted exemption to comply with the conditions of giving the incentive out of accumulated free reserves of the exchange. Further, SEBI has advised exchanges to create a reserve specifically to meet Liquidity Enhancement Scheme Incentive and the same would not be included in the networth calculation of the exchange. Exchange has received approval from SEBI for Introduction of Liquidity Enhancement Scheme and the same was launched from November 1, 2017. Based on the condition to create the reserve, Exchange has created a reserve equivalent to Rs.507.64 lakhs for period of six months from November 1, 2017 to April 30,2018, out of which Rs.150.14 Lakhs is spent as incentive paid/payable to the trading members.

** Exchange has set aside USD 15,000 in a seprate bank account as amount earmarked for Investor Protection Fund

13	Provlslons - Current	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Provision for gratuit(Refer Note 28)	1.38	-
		1.38	-
14	Deposit- Current	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Deposits from trading members	557.29	-
		557.29	-
15	Trade Payable	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Trade Payable (Refer note No.27)	53.47	-
	Trade Payable to Related Party (Refer note No.27)	220.59	121.63
		274.06	121.63
	Payable to Related Party		
	Dotex International Ltd	3.70	-
	NSEIT Limited	216.89	121.63
		220.59	121.63
16	Other Financial Liabilities (Current)	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Others		
	Liability for Expense (Refer note No.27)	950.97	311.81
	Creditor for Capital Expenditure	236.82	360.29
	Total	1,187.79	672.10
	Payable to Related Party		
	National Stock Exchange of India Limited	770.74	353.82
		770.74	353.82
17	Provisions - Current	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Provision for leave encashment	2.30	-
	Provision for variable pay and allowance	10.94	-
		13.24	-
18	Other Current Liabilities	As at 31.03.2018 (Rs. Lakhs)	As at 31.03.2017 (Rs. Lakhs)
	Statutory Dues Payable	73.74	41.81
	Income Received In Advance	1.03	-
	Other Liabilities	9.91	-
	Total	84.68	41.81



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19	Other Income	For the year ended 31.03.2018 (Rs. Lakhs)	For the period from 29.11.2016 to 31.03.2017 (Rs. Lakhs)
	Interest Income from financial assets at amortised cost	23.21	
	Other Income	1.11	
	Total	24.32	-
20	Employee benefits expense	For the year ended 31.03.2018 (Rs. Lakhs)	For the period from 29.11.2016 to 31.03.2017 (Rs. Lakhs)
	Salary, Wages & Allowances	81.75	-
	Contribution to provident and other fund	2.98	-
	Gratuity (Refer Note 28)	0.68	-
	Deputed Personnel Cost (Refer Note 24)	128.31	20.02
	Total	213.72	20.02
21	Other expenses	For the year ended 31.03.2018 (Rs. Lakhs)	For the period from 29.11.2016 to 31.03.2017 (Rs. Lakhs)
	IT Management & Consultancy Charges	350.82	139.13
	System Rental Charges	182.79	49.36
	Liquidity Enhancement Scheme Incentive (Refer Note 12b)	150.14	-
	Fees & Subscription	76.64	-
	Power and DG Backup Charges	76.28	2.21
	Inauguration Expense	70.68	-
	Lease Line Charges	56.76	8.08
	Travelling Expenses	42.08	6.32
	Lease Rental	31.45	8.17
	Software Expenses	25.39	0.04
	Legal and Professional Fees	15.92	5.49
	Lodging and Boarding Expense	12.29	-
	Repairs & Maintenance - Building	10.64	18.95
	SEBI Regulatory Fees	9.91	-
	Air Conditioning Charges	7.86	-
	Business Promotion Expense	5.16	-
	Pantry & Refreshments	5.03	5.06
	Security Charges	4.40	-
	Office Expenses	4.20	0.41
	Now Usage Charges	4.08	-
	Printing and Stationery	2.73	-
	Stamp Duty on Issue of Shares	2.50	2.57
	Telephone & Internet Charges	2.00	0.34
	Payment to Auditor (Refer Note Below)	1.94	1.24
	Director Sitting Fees	0.75	-
	Bank Charges	0.54	-
	Conveyance Expenses	0.46	3.80
	Insurance Exp.	0.09	-
	Application & Registration Fees	0.02	0.72
	Preliminary Expenses	-	26.10
	Other Expenses	28.19	0.01
	Total	1,181.74	278.00
	Note :		
	Payment to Auditor		
	As Auditor		
	Audit Fees	1.29	1.03
	Tax Audit Fees	-	-
	In other Capacity		
	Certification Matters	0.65	0.21
	Taxation Matters	-	-
	Out of Pocket Expenses	-	-
	Total	1.94	1.24



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22 Earnings per share

Particulars	Year ended 31.03.2018	Period ended 31.03.2017
Profit attributable to the equity holders of the company used in calculating basic earnings per		
Profit for the period	(1,593.07)	(301.85)
Weighted average number of equity shares used as the denominator in calculating basic earnings	415.48	95.84
Earnings per equity share (basic and diluted) (Rs.)	(3.83)	(3.15)

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

23 Lease - Operating Lease

The Company has taken certain premises under non-cancellable operating lease. Commitment for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	Period ended 31.03.2018 (Rs.in Lakhs)	Period ended 31.03.2017 (Rs.in Lakhs)
- Paid during the year	31.45	8.17
- Not Later than one year	33.81	23.85
- Later than one year and not later than five years	-	-
- Later than five years	-	-
Total Lease Payment	33.81	23.85

24 Deputed Personal Cost

Deputed Personal Cost represents the deputation expenses in respect of the employees of National Stock Exchange of India Limited (NSEIL) deputed to the company.

25 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading of securities and the activities incidental thereto within India or global, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

26 Related Party

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below.

Names of the related parties and related party relationship

Sr.No	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Holding Company
2	National Securities Clearing Corporation Limited	Fellow Subsidiary Company
3	NSE Strategic Investment Corporation Limited	Fellow Subsidiary Company
4	NSE IFSC Clearing Corporation Limited	Fellow Subsidiary's Subsidiary Company
5	NSEIT Limited	Fellow Subsidiary's Subsidiary Company
6	DotEx International Limited	Fellow Subsidiary's Subsidiary Company
7	India Index Services & Products Limited	Fellow Subsidiary's Subsidiary Company
8	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary Company
9	NSE IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary Company
10	NSE Academy Limited (Formerly known as NSE Education Facilities Limited)	Fellow Subsidiary's Subsidiary Company
11	NSE Foundation (w.e.f. 05th March, 2018)	Fellow Subsidiary Company
12	National Securities Depository Limited	Holding Company's Associate
13	BFSI Sector Skill Council of India	Holding Company's Associate
14	Power Exchange India Limited	Fellow Subsidiary's Associate
15	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Fellow Subsidiary's Associate
16	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Fellow Subsidiary's Joint Venture
17	Computer Age Management Services Private Limited	Fellow Subsidiary's Associate
18	Receivables Exchange Of India Limited	Fellow Subsidiary's Associate
19	Mr. Sandip Mehta - Chief Executive Officer	Key Management Personnel
20	Mr. Venkatesh Panchapagesan - Director w.e.f. October 31, 2017	Key Management Personnel
21	Mr. Yatrik Vini - Director	Key Management Personnel
22	Mr. Ravi Varanasi - Director	Key Management Personnel
23	Mr. Mukesh Agarwal	Key Management Personnel



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. Lakhs)

Name of the Related Party	Nature of Transactions	For Period ended 31.03.2018 (Rs. Lakhs)	For Period ended 31.03.2017 (Rs. Lakhs)
National Stock Exchange of India Limited (NSEIL)	Contribution received towards Equity Share Capital	2,500.00	2,500.00
	Preliminary Expenses paid	-	26.10
	Purchase of Fixed Assets	-	56.64
	Reimbursement of expenses for staff on deputation paid / payable	131.10	20.02
	Reimbursement for capital and revenue expenses incurred (including taxes, if any)	297.16	251.05
	Outstanding balance Dr / (Cr)	(770.74)	(353.82)
NSE IT Limited	IT Management and Consultancy Charges paid	253.25	139.13
	Outstanding balance Dr / (Cr)	(216.89)	(121.63)
DotEx International Limited	NOW usage Charges paid	4.08	-
	Outstanding balance Dr / (Cr)	(3.70)	-
NSE IFSC Clearing Corporation Limited	Reimbursement of Expenses received	83.97	-
	Outstanding balance Dr / (Cr)	14.73	-
Mr. Venkatesh Panchapagesan	Director Sitting Fees Paid	0.75	-

27 There is no Micro, Small & Medium enterprise to which the company owes dues as at March 31, 2018. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

28 Employee Benefits

(i) **Provident Fund:** Company has contributed Rs.2.98 lakhs (previous year Rs.NIL) towards Provident Fund during the year ended March 31, 2018 to Employee Provident Fund Organisation.

(ii) **Gratuity**

Gratuity: The company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service.

(Rs. In lakhs)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:		
	Current Year 31.03.2018	Previous Period 31.03.2017
Liability at the beginning of the year	-	-
Interest cost	0.00	-
Current Service Cost	0.69	-
Liability transferred	-	-
Benefits Paid	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.08)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.77	-
Liability at the end of the year	1.38	-

The amounts recognised in the balance sheet and the movements in the fair value of plan assets over the year are as follows:		
	Current Year 31.03.2018	Previous Period 31.03.2017
Fair Value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Contributions	-	-
Transfer from other company	-	-
Benefits paid	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-	-
Fair Value of plan assets at the end of the year	-	-

The net liability disclosed above relates to funded plans are as follows:		
	Current Year 31.03.2018	Previous Period 31.03.2017
Fair value of plan assets as at the end of the year	-	-
Liability as at the end of the year	(1.38)	-
Net (Liability) / asset	(1.38)	-

Balance Sheet Reconciliation		
	Current Year 31.03.2018	Previous Period 31.03.2017
Opening Net Liability	-	-
Expenses Recognized in Statement of Profit or Loss	0.69	-
Expenses Recognized in OCI	0.69	-
Net (Liability)/Asset Transfer in	-	-
Employers Contribution	-	-
Amount recognised in the Balance Sheet	1.38	-



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Statement of Profit & Loss

Net Interest Cost for Current Period		
	Current Year 31.03.2018	Previous Period 31.03.2017
Interest Cost	0.00	-
Interest Income	-	-
Net Interest Cost for Current Period	0.00	-
Expenses recognised in the Statement of Profit & Loss		
	Current Year 31.03.2018	Previous Period 31.03.2017
Current Service cost	0.57	-
Net Interest Cost	0.11	-
Expenses recognised in the Statement of Profit & Loss	0.68	-
Expenses recognised in the Other Comprehensive Income		
	Current Year 31.03.2018	Previous Period 31.03.2017
Expected return on plan assets	-	-
Actuarial (Gain) or Loss	0.69	-
Net (Income)/Expense for the Period Recognized in OCI	0.69	-
Fair value of plan assets at the Balance Sheet Date for defined benefit obligations		
	Current Year 31.03.2018	Previous Period 31.03.2017
Insurer Managed Funds	-	-
Total	-	-
Sensitivity Analysis		
	Current Year 31.03.2018	Previous Period 31.03.2017
Projected Benefit Obligation on Current Assumptions	1.38	-
Delta Effect of +1% Change in Rate of Discounting	(0.13)	-
Delta Effect of -1% Change in Rate of Discounting	0.15	-
Delta Effect of +1% Change in Rate of Salary Increase	0.14	-
Delta Effect of -1% Change in Rate of Salary Increase	(0.13)	-
Delta Effect of +1% Change in Rate of Employee Turnover	(0.06)	-
Delta Effect of +1% Change in Rate of Employee Turnover	0.06	-
Significant actuarial assumptions are as follows:		
	Current Year 31.03.2018	Previous Period 31.03.2017
Discount Rate	7.09%	-
Rate of Return on Plan Assets	N.A.	-
Salary Escalation	8.00%	-
Attrition Rate	12.00%	-

29 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided Other commitments

31.03.2018	31.03.2017
(Rs. Lakhs)	(Rs. Lakhs)
494.00	6.23
612.00	-
1,106.00	6.23

30 Contingent liability:

Contingent Liabilities

31.03.2018	31.03.2017
(Rs. Lakhs)	(Rs. Lakhs)
-	-
-	-

31 Deferred tax asset is recognised based on reasonable certainty.

32 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Treasury department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance during the year ended 31st March, 2018.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

(Rs. Lakhs)				
	Carrying amount	Less Than 12 Month	More than 12 months	Total
As at March 31, 2018				
Trade payables	274.06	274.06	-	274.06
Deposits	557.29	557.29	-	557.29
Creditor for capital goods	236.82	236.82	-	236.82
Other liabilities	950.97	950.97	-	950.97

(Rs. Lakhs)				
	Carrying amount	Less Than 12 Month	More than 12 months	Total
As at March 31, 2017				
Trade payables	121.63	121.63	-	121.63
Deposits	-	-	-	-
Creditor for capital goods	360.29	360.29	-	360.29
Other liabilities	311.81	311.81	-	311.81

B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk;
- foreign exchange risk and
- interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns.

C CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet). – retained profit, share capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The company is required to maintain the minimum networth of Rs.25 crores and enhance it to Rs.100 crores at the end of third year to operate an exchange as per SEBI guidelines.

33 Exchange has transferred amount of USD 15000 to separate bank account towards Investor Protection Fund pursuant to Chapter XII of Byelaws of the exchange.



NSE IFSC LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

34 Disclosure on Specified Bank Notes (SBNs)

The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 29, 2016 to December 30, 2016.

35 As at March 31, 2018, the Company does not have any pending litigations which would impact its financial position.

36 In accordance with relevant provisions of Companies Act, 2013, the Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

37 For the year ended March 31, 2018, the company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

38 Previous Year's figures have been reclassified/regrouped whenever necessary.

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No : 105048725



Narendra Jain
Partner
Membership No.: 048725

Place : Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

Venkatesh Panchapagesan
Director

Sandip Mehta
Chief Executive Officer

Yatrik Vin
Director

Harshit Maniar
Chief Financial Officer

Mukesh Agarwal
Director

Prateek Savla
Company Secretary