

# **NSE IFSC CLEARING CORPORATION LIMITED**

**8<sup>th</sup> Annual Report 2023-24**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS



**Mr. Kumar Kanakasabapathy**  
(DIN:06632984)  
Chairman & Public Interest  
Director

: Mr. K Kumar has rich experience of over 40 years. Mr. K Kumar was former MD & CEO, Indian Clearing Corporation Ltd. (a wholly owned subsidiary of BSE Ltd). He has previously worked with NSE, United Stock Exchange of India Limited and was also part of companies like Aloula Geojit Capital (at Riyadh), BNA Technology Consulting, Credit Suisse First Boston (India) Securities, Cazenove, OTC Exchange of India (OTCEI), Orix Auto & Business Solutions. He was also part of the 6 Member Core Team which had set up NSE. He has also worked in SBI and IDBI. He has exhaustive knowledge of Membership, Inspection, Compliance, Regulatory, Trading, Clearing & Settlement systems and processes of Stock Exchange and Clearing Corporation.



**Mr. Kapil Seth**  
(DIN:03596866)  
Public Interest Director

: Mr. Kapil Seth has an experience of over 24 years across leadership roles in a top tier global bank. He has led regional transaction banking business of Securities Services across Middle East, North Africa and Turkey and previously for India. He has held Membership of the Global Securities Services Executive Committee and Regional Leadership team of HSBC Global Banking and Markets. He also has a significant experience of over 20 years across Corporate and institutional banking coverage in India and is currently an independent consultant.



**Mr. Kamalakar Karlapalem**  
(DIN: 09198185)  
Public Interest Director

: Mr. Kamalakar Karlapalem joined IIT, Hyderabad faculty in December 2000 and headed the Data Science and Analytics Center and Agents and Applied Robotics Group. He held the leadership position of Dean (Academics) at IIIT, Hyderabad, and IIIT, Sri City. He is a professor and an applied computer scientist with broad research interests, from conceptual modeling workflow systems to distributed database systems and performance, from clustering and classification algorithms in data mining to information extraction from actionable texts, from high dimensional intensive data





visualization to visual query exploration, and from multi-agent systems based simulation to multirobotic solutions. He has graduated ten Ph.D. and over fifty Masters by Research students. He, with his students, has participated in various academic challenges and competitions like RoboCup, TAC SCM, VAST, and CLEF and have secured top three positions in them. He is an alumnus of Indian Statistical Institute (M.Stat), IIT, Kharagpur (M.Tech), and Georgia Tech (Ph.D., 1992) and was a faculty member in the computer science department at HKUST (1992-2000) before joining IIIT Hyderabad.



**Mr. Mukesh Agarwal**  
(DIN: 03054853)  
Shareholders Director

: **Mr. Mukesh Agarwal is a business leader with three decades of experience in financial services industry including Credit Rating, Mutual funds Research, Equity Research, Fixed Income Research, Industry Research & Indices. Mukesh has been part of various regulatory committees/Sub-committees in India on topics related to Indices, Bond Markets, Mutual Funds, Passive funds etc.**

**Mr. Agarwal is presently the Managing Director of NSE Indices Ltd. And NSE Data & Analytics Ltd., wholly owned subsidiaries of National Stock Exchange of India (NSE), India's largest stock exchange.**

**Previously, Mr. Agarwal was President at CRISIL Limited, a Standard & Poor's company, and was leading their India Research business with full P&L responsibility. He worked with CRISIL for 20 years in various functions including Credit Ratings for 15 years. Mukesh has a Masters Degree in Management studies from S.P. Jain Institute of Management & Research, Mumbai, India and Bachelors Degree in Electrical & Electronics Engineering from Birla Institute of Technology & Science (BITS), Pilani, Rajasthan, India.**





# NSE

International  
Clearing

Continuation Sheet



**Mr. Neeraj Kulshrestha**  
(DIN: 02994647)  
Managing Director & CEO

: Mr. Neeraj Kulshrestha is the MD and CEO of NSE IFSC Clearing Limited (NSEICC) at GIFT City, Gandhinagar. He has a Bachelor's degree in Computer Science from Delhi University and an MBA (Finance) from Indore University. He has over 35 years' experience in financial sector, across Securities Markets and General Insurance.

He started his career in National Insurance Company in 1988. He joined NSE in 1995 and was responsible for setting up Equity and Derivatives Trading and Clearing. He was heading the index and data company of NSE. He joined Morgan Stanley India in 2005 as Executive Director Operations. He joined BSE in 2015 and has handled various roles including Operations, Business and Compliance.

- KEY MANAGERIAL/ MANAGEMENT PERSONNEL** :
- Mr. Neeraj Kulshrestha (MD & CEO)
  - Ms. Hemal Davda (Chief Financial Officer)
  - Mr. Arjav Trivedi (Company Secretary)
  - Mr. Vivek Singhvi (Chief Risk & Regulatory Officer and Compliance Officer)
  - Mr. Sushil Limbulkar (Chief Technology Officer)
  - Mr. Gaurang Thakkar (Chief Information Security Officer)
  - Mr. Saroj Nanda (Head – Clearing & Settlement)
  - Mr. Sharad Sharma (Head – Risk Management)
  - Mr. Amit Prabhu (Senior Manager – ADM)
- STATUTORY AUDITOR** :
- M/s. K.S. Aiyar & Co., Chartered Accountants,  
F-7, Laxmi Mills Shakti Mills Lane, Off, Dr Elijah Moses Rd, Mahalakshmi, Mumbai, Maharashtra – 400011
- REGISTRAR & TRANSFER AGENTS** :
- Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg, Vikhroli (West),  
Mumbai, Maharashtra - 400 083
- REGISTERED OFFICE** :
- Unit-1202, Brigade International Financial Centre, 12<sup>th</sup> Floor, Block-14, Road 1c, Zone-1, GIFT SEZ, GIFT City, Gandhinagar Gujarat - 382355





## BOARD'S REPORT

Dear Members:

Your Directors are pleased to present the 8<sup>th</sup> Annual Report and the Audited Financial Statements of NSE IFSC Clearing Corporation Limited (the 'Company or NICCL') for the financial year ending March 31, 2024.

NICCL was incorporated as a public company on December 2, 2016, in Gandhinagar under the Companies Act, 2013. NICCL is a wholly owned subsidiary of NSE Clearing Limited (NCL - a wholly owned subsidiary of NSE). The Company has been incorporated to set up and operate a Clearing Corporation as a unit in an International Financial Service Centre in any SEZ as approved by the Government of India under the relevant statute or anywhere globally to provide clearing and settlement of any kind, including physical and cash settlement of securities.

NICCL commenced its operations as a Clearing Corporation in GIFT International Financial Services Centre (GIFT IFSC), Gandhinagar, Gujarat, India, with effect from June 05, 2017, after receiving approval from SEBI. IFSC Authority (IFSCA) granted recognition to NICCL on May 24, 2021, which was subsequently renewed every year. The current renewal is valid till May 28, 2024, and an application has been made to IFSCA for further renewal.

NICCL clears and settles trades executed on NSE IFSC Ltd, a subsidiary of NSE. NICCL has formulated Rules, Regulations, and Byelaws that are consistent with the Principles for Financial Market Infrastructures (PFMIs) issued by the Committee on Payment and Settlement Systems (CPSS) and the International Organisation of Securities Commissions (IOSCO). The Rules and Byelaws have been approved by the Regulator, IFSCA. NICCL has put in place a robust and comprehensive Risk Management System.

NICCL offers the following types of clearing memberships – Professional Clearing Member (PCM), Trading Cum Clearing Member (TCCM) and Trading Cum Self Clearing Member (TSCM).

The various asset classes that are cleared and settled by NICCL are:



Category	Instrument Type	Key Features
Equity Index	Futures	<ul style="list-style-type: none"> <li>o <b>Trading Hours:</b></li> <li><b>Session-1</b></li> <li>Pre-open Open Time: 6:15 Hrs</li> <li>Pre-open Close Time: 6:25 Hrs</li> <li>Normal Market Open Time: 6:30 Hrs</li> <li>Normal Market Close Time: 15:40 Hrs</li> <li>Pre-Close Open Time: 15:45 Hrs</li> <li>Pre-Close Close Time: 15:50 Hrs</li> <li>Pre-Close End Time: 15:55 Hrs</li> <li><b>Session-2</b></li> <li>Pre-open Open Time: 16:25 Hrs</li> <li>Pre-open Close Time: 16:31 Hrs</li> <li>Normal Market Open Time: 16:35 Hrs</li> <li>Normal Market Close Time: 02:45 Hrs (Next Day)</li> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o <b>Contract Calendar:</b></li> <li>Weekly, Monthly, Quarterly expiries</li> <li>o <b>Margining:</b> SPAN-Based</li> <li>o <b>Settlement:</b> Cash Settled</li> <li>o <b>Daily Settlement:</b> T+1 Day</li> </ul>
Equity Index	Options	<ul style="list-style-type: none"> <li>o <b>Trading Hours:</b></li> <li><b>Session-1</b></li> <li>Normal Market Open Time: 6:30 Hrs</li> <li>Normal Market Close Time: 15:40 Hrs</li> <li><b>Session-2</b></li> <li>Normal Market Open Time: 16:35 Hrs</li> <li>Normal Market Close Time: 2:45 Hrs (Next Day)</li> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o <b>Contract Calendar:</b></li> <li>Weekly, Monthly, Quarterly expiries</li> <li>o <b>Margining:</b> SPAN Based</li> <li>o <b>Settlement:</b> Cash Settled</li> <li>o <b>Daily Settlement:</b> T+1 Day</li> </ul>
Single Stock Derivatives	Futures & Options	<ul style="list-style-type: none"> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o <b>Contract Calendar:</b></li> <li>Weekly, Monthly, Quarterly expiries</li> <li>o <b>Margining:</b> SPAN Based</li> <li>o <b>Settlement:</b> Cash Settled</li> <li>o <b>Daily Settlement:</b> T+1 Day</li> </ul>

Category	Instrument Type	Key Features
Currency Derivatives	Futures & Options	<ul style="list-style-type: none"> <li>o <b>Trading Hours:</b></li> <li><b>Session-1</b> Normal Market Open Time: 6:30 Hrs Normal Market Close Time: 17:00 Hrs</li> <li><b>Session-2</b> Normal Market Open Time: 17:30 Hrs Normal Market Close Time: 02:45 Hrs (Next Day)</li> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o <b>Contract Calendar:</b> Weekly, Monthly, Quarterly expiries</li> <li>o <b>Margining:</b> SPAN-Based</li> <li>o <b>Settlement:</b> Cash Settled</li> <li>o <b>Daily Settlement:</b> T+1 Day</li> </ul>
Depository Receipt	EQTYDR	<ul style="list-style-type: none"> <li>o <b>Trading Hours:</b></li> <li><b>Session-1</b> Normal Market Open Time: 06:30 Hrs Normal Market Close Time: 17:00 Hrs</li> <li><b>Session-2</b> Normal Market Open Time: 17:30 Hrs Normal Market Close Time :02:45 Hrs (Next Day)</li> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o Trade for Trade settlement on a gross basis</li> <li>o <b>Daily Settlement:</b> T+2 Day</li> </ul>
NSEIFSC Receipt	USAIDR	<ul style="list-style-type: none"> <li>o <b>Trading Hours:</b> 19:00 - 1:30 Hrs</li> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o <b>Settlement:</b> Delivery based</li> <li>o <b>Daily Settlement:</b> T+3 Day</li> </ul>



Category	Instrument Type	Key Features
NLT	Index Futures & Options	<ul style="list-style-type: none"> <li>o <b>Trading Hours:</b></li> <li><b>Session-1</b> NLT Market Open Time: 06:30 Hrs NLT Market Close Time: 16:55 Hrs</li> <li><b>Session-2</b> NLT Market Open Time: 17:10 Hrs NLT Market Close Time: 02:45 Hrs (Next Day)</li> <li>o <b>Currency of Trade:</b> US Dollars</li> <li>o <b>Contract Calendar:</b> Weekly, Monthly, Quarterly expiries</li> <li>o <b>Margining:</b> SPAN-Based</li> <li>o <b>Settlement:</b> Cash Settled</li> <li>o <b>Daily Settlement:</b> T+1 Day</li> </ul>

As on March 31, 2024, NICCL had 18 (eighteen) clearing members of which there are 9 (nine) Trading cum Clearing Members, 7 (seven) Trading cum Self Clearing Members and 2 (two) Professional Clearing Members. Clearing Banks and Depositories are the key link between clearing members and NICCL for the settlement of funds and securities. The Members are required to maintain and operate a clearing account with any one of the designated clearing banks and a pool account with a depository participants. Currently, there are 7 (seven) clearing banks empanelled with NICCL for issuance of collateral and 6 (six) Banks for clearing and settlement of funds. For the settlement of securities, NICCL has established connectivity with India International Depository IFSC Limited (IIDL), a depository in IFSC and with Global CSD Clearstream.

#### **1. Initiatives and Major Events during FY 2023-24:**

1. Full-scale operations of NSEIX-SGX GIFT Connect commenced on July 03, 2024, with US \$8.05 billion open interest in Nifty futures and over US \$1.04 billion open interest in Nifty Options. This was a first-of-its-kind high-performance financial corridor between Singapore and India, driving deeper liquidity for the Nifty. GIFT NIFTY recorded a turnover of US\$ 1.21 Billion on that day, demonstrating high confidence from global institutional investors. Consequent upon the implementation of SGX connect the revenues of the Company commenced from July, 2023.
2. CARE Rating has assigned the highest credit rating of 'CARE AAA' to NICCL. This rating is considered to have the highest degree of safety and carry lowest credit risk.
3. Negotiated Large Trades (NLT) functionality was extended to all the members, w.e.f. August 16, 2023, which was earlier available for SGX members only.
4. NICCL has enhanced the risk management system during the year, wherein, the



- risk reduction mode was modified from 90% to 85% w.e.f. June 19, 2023.
5. NICCL has started computing and disseminating daily settlement price (DSP) for index contracts at the close of market hours.
  6. An unannounced Live session from the Disaster Recovery site was successfully carried out on January 12, 2024. All the members and external interfaces successfully participated in the session.
  7. NICCL has successfully carried out Live Clearing & Settlement, Risk Management activities from its Disaster Recovery Site from May 15, 2023, till May 19, 2023, and from October 09, 2023, till October 13, 2023.
  8. To optimize and strengthen the Risk Management and Clearing platform, NICCL has started performing, internal order/trade/risk management activities every trading/clearing day before the start of market, as part of pre-market sanity checks, w.e.f. June 19, 2023.
  9. The computed and validated Cyber Capability Index (CCI) score for NICCL for the quarter ending December 2023 was 95.33.

## 2. Operational Updates:

1. As of March 31, 2024, NICCL clears and settles derivative contracts on 4 Indices, 7 currency pairs, 182 single stocks, 1 DR Receipt and 50 NSEIFSC Receipts.
2. NICCL accepts Cash, Fixed Deposit Receipt, Bank Guarantee, and US Treasury Securities as collateral.
3. As of March 31, 2024, the Settlement Guarantee Fund was US \$4.57 Million.
4. The total value of the settlement for FY 2023-24 was US \$40.40 million, while the highest monthly settlement in FY 2023-27 was US \$6.50 million for February 2024.

The Details of Derivative transactions for the FY 2023-24 are given in the table below:

Month	No. of Contracts Traded	Turnover* (in Mn US \$)	Mark-To-Market Settlement + Premium Settlement (in US \$)	Final Settlement including Exercise Settlement (in US \$)	Total Settlement (in US \$)
Apr-23	8,76,261	18,159	1,98,377	1,29,735.70	3,28,112.70
May-23	9,85,096	18,563	6,44,819	32,371.80	6,77,190.80
Jun-23	12,26,149	32,097	9,37,807	91,593.60	10,29,400.60
Jul-23	14,77,931	57,449	31,33,217	5,13,815.40	36,47,032.40
Aug-23	17,43,468	66,919	19,03,018	34,490.90	19,37,508.90
Sep-23	17,00,910	67,144	23,35,384	2,17,866.20	25,53,250.20
Oct-23	16,58,102	63,428	28,67,557	(18,272.00)	28,49,285.00
Nov-23	16,05,848	61,786	29,53,478	16,729.90	29,70,207.90



Month	No. of Contracts Traded	Turnover* (in Mn US \$)	Mark-To-Market Settlement + Premium Settlement (in US \$)	Final Settlement including Exercise Settlement (in US \$)	Total Settlement (in US \$)
Dec-23	15,49,462	65,582	56,81,171	8,600.80	56,89,771.80
Jan-24	17,16,767	73,770	62,55,100	49,580.80	63,04,680.80
Feb-24	17,82,918	78,090	68,00,019	(2,96,364.40)	65,03,654.60
Mar-24	17,60,417	77,806	52,68,044	6,44,056.70	59,12,100.70

\*Above Turnover includes the value of futures and the premium value of options.

The Details of NSEIFSC Receipts for the FY 2023-24 are as given in the table below:

Month	No. of Contracts Traded	Turnover* (in Mn US \$)	Total Settlement Value (in US \$)	Quantity settled via Depository
Apr-23	4721	0.02	2.20	0
May-23	5157	0.03	3.67	0
Jun-23	13823	0.06	3.30	0
Jul-23	20686	0.09	7958.02	1200
Aug-23	26081	0.16	6684.10	1210
Sep-23	21832	0.18	4.80	0
Oct-23	5244	0.04	2.30	0
Nov-23	2646	0.02	0.80	0
Dec-23	9561	0.09	217.05	15
Jan-24	8923	0.05	2.70	0
Feb-24	9227	0.08	3.71	0
Mar-24	4888	0.02	427.50	60



### 3. Regulatory Updates:

IFSCA has come out with the following circulars related to Clearing Corporation or Clearing Members during the financial year 2023-24:

S. No.	Date	Title	Remarks:
1.	09-May-2023	Status of operations at Disaster Recovery (DR) Site of the Broker Dealers and Clearing Members registered with IFSCA	IFSCA has clarified that operations carried out by the Broker Dealers and Clearing Members, from their respective DR sites located outside GIFT-IFSC and within India, shall be deemed to have been carried out at GIFT-IFSC
2.	28-Nov-2023	Timelines for disposal of applications	IFSCA has defined the time limits for disposal of applications by various divisions/departments. For Market Infrastructure Institution, which include Broker dealer, clearing member, Depository participant, Custodian, time limit for application disposal is 45 days.
3.	06-Feb-2024	Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC As amended up to February 6, 2024	IFSCA has issued a circular on fee structure for the entities undertaking or intended to undertake permissible activities in IFSC.
4.	08-Feb-2024	Reporting Norms for Capital Market Intermediaries	<p>IFSCA has issued circular on reporting norms for capital market intermediaries under IFSCA (Capital Market Intermediaries) Regulations 2021 and under IFSCA Circular - F.No.817/IFSCA/Distribution/2022-23 dated December 21, 2022</p> <p>Clearing Members are required to submit details to IFSCA on following:</p> <ol style="list-style-type: none"> <li>1. No. of clients onboarded.</li> <li>2. Revenue from operations.</li> <li>3. Volume of clearing activities</li> <li>4. No. of complaint or disputes</li> <li>5. Margin collection data for the quarter.</li> </ol>

S. No.	Date	Title	Remarks:
5.	01-Mar-2024	Ease of doing business: Settlement of Client's Funds lying with Broker Dealer	<p>IFSCA has issue a circular with an objective to promote ease of doing business in IFSC and taking into account the representations from investors and discussions with the Stock Exchanges:</p> <p>i) Unless otherwise specified by IFSCA, settlement of funds shall be done as per the Agreement/Consent Letter between the Broker Dealer and its client. The Stock Exchanges in IFSC may specify the format of such Agreement/ Consent Letter for the Broker Dealers.</p>

#### 4. Technology Updates:

NICCL has a fully functional, best in class, technology platform to manage its daily operations, which includes, clearing and settlement, real time risk management and member interfaces for providing them information in real time as well as end of day. In addition, the company has setup robust cyber security operations using state of art technologies. The company has also setup redundancy at its Business Continuity site to ensure smooth operations, in case of a business disruption.

The technology operations are managed 24X7 to ensure on time availability, in accordance with the nature of operations.

The key highlights for the last year include:

##### a. **Build Resilient Systems:**

- DC-DR RTO 45 - RTO-45 was the technology initiative for ensuring smooth BCP operations. RTO45 was achieved across all NICCL system. It included process optimization, workflow implementation, single script for switchover. Multiple checks were implemented and automated to achieve start of business operations from the BCP site in less than 45 minutes.
- Oracle Database RAC migration - For better server consolidation and easier workload management and enhanced protection from failure, across NICCL, RAC Migration project was taken up to build a resilient system to run all the components smoothly minimizing downtime. RAC runs with two nodes instead of legacy one node system which also improves database management system which reduces data loss to zero.



**b. Technology Advancement Initiative:**

Technology improvement is a continuous process for every technology application. As a part of Technology improvement and enhancement, below projects were implemented in NICCL.

- Technology revamp for Clearing & Settlement system - C&S system has been migrated to Java from Pro C. Advantage of this migration is to improve efficiency of the system and build a next-generation solution and resilient system. Another advantage is to reduce dependency on niche skilled C developers.
  - Risk Frontend technology change along with single frontend and role-based log in - EDS Technology for EDS process was changed to java, Spring boot & Angular. It helped in newer technology stack as Java Spring-Boot, Spring Integration, Redis, Angular, supported introduction of caching of Master Data into REDIS, and enhanced User experience with a user-friendly interface.
  - Workflow optimization and providing key functionality on GUI - As part of workflow optimization, various workflows were integrated on Risk Front End GUI for ease of operations where Business users can login and perform workflow tasks with press of a button.
  - Build IT OPS GUI - A GUI was newly developed to monitor and perform IT Operations day to day activity. This includes monitoring system vitals and logs along with stop/start mechanism for every service of NICCL system which includes EOD and SOD.
  - Website migration to on premise for better management and cost-effective solution - NICCL Website was migrated to on premise from AWS system. This proved to be a cost-effective solution from cost perspective as well as helped reduce compliance which were unresolvable on cloud-based solution.
- c. **Implementation of SGX NIFTY Connect** – the robustness of NICCL technology was tested on Jul 3, 2023, and no issues were faced.

**5. Financial Summary / Highlights:**

Full Scale operations of NSEIX SGX Connect commenced from July 3, 2023 due to which the Company has generated revenue of Rs 1143.01 Lakhs from Clearing & Settlement Charges and Interest Income of Rs 522.62 Lakhs as against interest income of Rs 86.29 Lakhs in FY 2022-23.

Net Loss for the period under review has reduced from Rs 1574.66 Lakhs in FY 2022-23 to Rs 839.61 Lakhs, due to commencement of NSEIX SGX Connect operations and increased interest income.



The financial results for the year ended on March 31, 2024, are summarized as below:

Particulars	2023-24		2022-23	
	(Rs. In lakhs)	(USD in lakhs)	(Rs. In lakhs)	(USD in lakhs)
Income	1665.63	20.12	86.29	1.07
Expenditure	2505.25	30.26	1660.95	20.60
Profit/(Loss) before tax	(839.61)	(10.14)	(1,574.66)	(19.53)
Add/(Less) provision for tax (including deferred tax)	-		-	-
Profit/(Loss) after tax	(839.61)	(10.14)	(1,574.66)	(19.53)
Add/ (Less): Items that will be reclassified to profit or loss	72.00		353.12	-
Add/(less): Items that will not be reclassified to profit or loss	(9.25)	(0.11)	1.32	0.02
Total comprehensive income	(776.86)	(10.25)	(1,220.22)	(19.51)
Profit/(Loss) brought forward from previous year	(5669.50)	(92.26)	(4,449.28)	(72.95)
Less: Contribution to core SGF	(2503.17)	(30.11)	-	-
<b>Balance carried to Balance Sheet</b>	<b>(8949.52)</b>	<b>(132.82)</b>	<b>(5,669.50)</b>	<b>(92.46)</b>

There was no change in the nature of business during the financial year 2023-24.

### 5.1. Dividend

In view of the loss incurred by the Company for the year under review, the Board of Directors did not recommend any dividend for the financial year 2023-24.

### 5.2. Transfer to Reserves

In view of the loss incurred by the company, no transfer was made to the General Reserves for the financial year 2023-24.

### 5.3. Loans, Guarantees and Investments Under Section 186 of the Companies Act, 2013

During the period under review, the Company did not grant any loan to any person or body corporate and did not provide any guarantee or security in connection with loan to any person or body corporate. Further, the Company did not make any investment/ acquisition in terms of Section 186 of the Companies Act, 2013 during the financial year 2023-24.



#### **5.4. Contracts or Arrangements with Related parties**

All the related party transactions by the Company were in the ordinary course of business and were at arm's length basis. Transactions with related parties were conducted in a transparent manner, aligned with the interests of the Company and its Stakeholders. The particulars of the contracts or the arrangements with related parties form a part of the financial statements.

#### **5.5. Adequacy of Internal Financial Controls**

Regarding the internal financial controls of the Company, the noteworthy feature of its operations was the high degree of automation in the key areas of its operations and processes.

All the processes are also well documented with comprehensive and well defined Standard Operating Procedures (SoPs) which inter-alia include the financial controls in the form of maker-checker, strict adherence to financial delegation given by the Board at various levels, system controls, information security controls as well as role-based access controls. Further, these controls are periodically reviewed while introducing new processes/changes in the processes, changes in the systems, and changes in the personnel handling the activities. These controls are also independently reviewed by the internal auditors establish the adequacy and the effectiveness of controls.

The Internal and the Secretarial Auditors of the Company reviewed the compliances with respect to the applicable laws, rules, regulations, and guidelines and found them adequate.

#### **5.6. Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any subsidiary, joint venture, or associate Company.

#### **5.7. Deposits**

The Company has not invited, accepted, or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not apply to the company.

#### **5.8. Risk Management**

The Company has formulated a comprehensive enterprise risk management policy. The policy covers the identification and assessment of different elements of risk and specifies measures to mitigate their impact on the Company's functioning. The Risk Management Committee of the Board meets every quarter to review the robustness and adequacy of the Company's risk management policy.





### **5.9. 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 and the date of the report**

There were no material changes and commitments during the F.Y. 2023-24 or between the end of the F.Y. 2023-24 and the date of this Report, that have adversely affected the financial position of the Company.

The Company received approval from the IFSCA vide its letter dated May 19, 2023, granting recognition as a Clearing Corporation for a period of one year effective from May 29, 2023 up to May 28, 2024.

### **5.10. Significant Orders passed by the Regulators or Courts or Tribunals Impacting the Company**

During the year under review, there were no significant or material orders passed by the Regulators/Courts/Tribunals that would impact the status of the Company as a going concern.

### **5.11. Explanations or Comments on the Auditor's Report**

The report of the Statutory Auditor forms a part of the financial statements. There were no qualifications, reservations, adverse remarks, or disclaimers by the Statutory Auditors (appointed under Section 139 of the Companies Act, 2013) in their report.

### **5.12. Reporting of frauds by Auditors**

During the year under review, neither the statutory auditors nor the secretarial auditors reported to the Board of Directors under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against NICCL by its officers or employees.

### **5.13. Share Capital**

During the year under review, the share capital of the Company underwent change as under:

#### **1. Authorised Share Capital**

The Governing Board and the members at the Extra Ordinary General Meeting on March 15, 2023, and April 20, 2023, respectively, approved the increase in authorised share capital of the Company from Rs. 1,50,00,00,000 (Rupees One Hundred and Fifty Crore) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 3,00,00,00,000 (Rupees Three Hundred Crore) divided into 30,00,00,000 (Thirty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each, and consequent amendment to the Memorandum of Association of the Company.



## 2. Issued, Subscribed and Paid-up Equity Share Capital

The Governing Board on June 23, 2023, allotted 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten only) each to NSE Clearing Limited, holding company of the Company.

Further the Governing Board on September 28, 2023, allotted 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10/- (Rupees Ten only) each to NSE Clearing Limited, holding company of the Company.

As on March 31, 2024, the issued, subscribed and paid-up share capital of the Company stood at Rs. 2,50,00,00,000 (Rupees Two Hundred and Fifty Crore) consisting of 25,00,00,000 (Twenty Five Crore) equity shares of face value of Rs. 10 each fully paid up.

Further, during the year, the Company has not issued any convertible securities.

## 6. Registered Office:

The registered office of the Company is situated at Unit-1202, Brigade International Financial Center, 12<sup>th</sup> floor, Block-14, Road 1C, Zone-1, GIFT SEZ, GIFT CITY, Gandhinagar Gujarat – 382355.

## 7. Extract of the Annual Return:

In terms of the MCA notification dated January 4, 2017, IFSC Public Companies are exempted from complying with the provisions of Section 92 (3) of the Companies Act, 2013 and hence the Company is not required to place copy of Annual Return on the website of the Company.

## 8. Human Resources:

The Company considers its employees as the most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives.

As on March 31, 2024, the Company had a dedicated human capital of 25 employees on the rolls of NICCL.

In terms of the MCA notification dated January 4, 2017, IFSC Public Companies are exempted from complying with the provisions of Section 197 and hence no disclosure is required to be made in the Boards' Report as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



**9. Disclosures under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The disclosures required to be given under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are provided in the following table:

The detail provided is as per the POSH annual report filed for the Calendar year 2024.

1	Number of complaints of sexual harassment received during the year.	Nil
2	Number of complaints disposed of during the year.	Not applicable
3	Number of cases pending for more than ninety days.	Not applicable
4	Number of workshops or awareness programs against sexual harassment carried out.	Awareness Program for all employees were conducted
5	Nature of action taken by the employer.	Not applicable

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**10. Directors and Key Managerial Personnel (KMP):**

**10.1. Directors:**

Following were the Directors as on March 31, 2024:

Sr. No.	Name of Director	DIN	Category
1	Mr. Kumar Kanakasabapathy	06632984	Public Interest Director (Chairman)
2	Mr. Kapil Seth	03596866	Public Interest Director
3	Mr. Kamalakar Karlapalem	09198185	Public Interest Director
4	Mr. Mukesh Agarwal	03054853	Shareholder Director
5	Mr. Neeraj Kulshrestha	02994647	Managing Director & CEO

Further, following changes have taken place in the Board of Directors during the Financial Year.

• **Cessation of Director**

None of the Directors resigned during the financial year 2023-24.



- **Appointment of Director**

IFSCA approved the appointment of Mr. Neeraj Kulshrestha as the Managing Director & CEO of the Company effective from July 24, 2023 for a period of 5 years.

#### **10.2. Director's e-KYC**

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014 mandated, KYC of all the Directors through the e-form DIR-3 KYC. All Directors of NICCL have complied with the aforesaid requirement.

#### **10.3. Disclosure under Section 164 of the Companies Act, 2013**

The Company has received disclosures in Form DIR-8 required under Section 164 of the Companies Act, 2013 and has noted that none of the Directors are disqualified on account of non-compliance with any of the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, there were no acts of omission/commission by the company itself, leading to the disqualification of its directors.

#### **10.4. Declaration of Independence**

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013. Mr. Kumar Kanakasabapathy, Mr. Kamalakar Karlapalem and Mr. Kapil Seth, Independent Directors have submitted a declaration that they meet the criteria of Independence as provided in sub section (6) of section 149 of the Companies Act, 2013 and that there have been no changes in the circumstances which may affect their status as Independent Directors during the year.

In terms of section 149 (7) of the Companies Act, the Independent Director shall enroll his / her name in the Databank, being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director. The enrollment of all the Independent Directors of the Company have been completed and they have furnished a declaration to the Board affirming compliance with the provisions contained under sub rule 1 & 2 of Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014.

All the Directors of the Company also adhere to the Fit and Proper person criteria as specified in IFSCA (MII) Regulations, 2021.

#### **10.5. Directors Retiring by Rotation**

Pursuant to the MCA notification dated January 4, 2017, the IFSC Public Companies are exempted from complying with the provisions of Section 152 (6) & (7) of the Companies Act, 2013 and hence none of the Directors of the Company shall retire by rotation at the ensuing Annual General Meeting.



## 10.6. Key Managerial/Management Personnels (KMPs)

Following were the Key Managerial Personnels as on March 31, 2024

Pursuant to the Companies Act, 2013, Mr. Neeraj Kulshrestha, Managing Director & CEO, Ms. Hemal Davda, Chief Financial Officer and Mr. Arjav Trivedi, Company Secretary, are the Key Managerial Personnel of the Company.

In addition to the above Mr. Vivek Singhvi, Chief Risk & Regulatory Officer and Compliance Officer, Mr. Sushil Limbulkar, Chief Technology Officer, Mr. Gaurang Thakkar, Chief Information Security Officer, Mr. Saroj Nanda, Head – Clearing & Settlement, Mr. Sharad Sharma, Head – Risk Management and Mr. Amit Prabhu, Senior Manager - ADM are the Key Management Personnel as per IFSCA (MII) Regulations, 2021.

Further, following changes have taken place in the Key Managerial/Management Personnels during the Financial Year:

- Mr. Vivek Singhvi ceased to be CEO and was appointed Chief Risk and Regulatory Officer and Mr. Neeraj Kulshrestha was appointed as the Managing Director & CEO with effect from July 24 2023,
- Mr. Nitin Bhadre ceased to be CFO with effect from August 28, 2023 and Ms. Hemal Davda was appointed as CFO with effect from October 16 2023,
- Ms. Jinal Shah ceased to be Compliance Officer with effect from August 16, 2023 and Mr. Vivek Singhvi was appointed as the Compliance Officer with effect from October 17, 2023,
- Mr. Ravin Tank ceased to be Company Secretary with effect from August 16, 2023 and Mr. Arjav Trivedi was appointed as the Company Secretary with effect from December 06, 2023, and
- Mr. Amit Prabhu, Senior Manager – ADM was designated as KMP with effect from January 17, 2024.

## 11. NICCL Board:

### 11.1. Board Evaluation

In terms of regulation 24(4) of IFSCA MII Regulations, 2021, the Governing Board of a recognized market infrastructure institution shall review the overall performance and the performance of its Individual directors and Independent External Person (IEP) regularly.

The performance of all the Directors and Independent External Person (IEP) was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board. The NRC also carried out the evaluation of Individual Directors and Independent External Person (IEP). The Board also carried out the evaluation of their own performance apart from its Committees and Individual Directors and IEPs.



11.1.1 The criteria for evaluation for each of the above are as follows:

11.1.1.1 Performance evaluation of the Board

The performance of the Board of Directors is evaluated on the basis of various governance and business-related parameters which include, inter-alia, Corporate Governance standards adopted by the Board such as Board composition, Board Dynamics, Board Information, Board Strategy, Board and Management Team Relationship, Board Member Engagement and Development, Engagement with Shareholders, Regulators and Other Key Stakeholders, etc. The evaluation was done based on a questionnaire with the aim to evaluate the Board's own performance and to evaluate the performance of individual directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from each of the Directors. The criteria for performance evaluation of the Board included the board composition, shared vision, strategy, effectiveness of board processes and adequacy of information to the Board. The criteria for performance evaluation of individual Directors included acting independently and in the best interests of the Company and contributing to the Board meetings by devoting sufficient time to understand the issues under discussion. The Chairman of the Board was also evaluated on the key aspects of the role. The same was responded to by the Board members.

6.1.1.2 Performance evaluation of the Committees

In addition to the principles stated above for evaluation of the Board, to the extent applicable to the respective committees, constructive recommendations made by the Committee(s) to the Board are also kept in mind while evaluating their performance.

**11.2. Number of Board Meetings**

Regular Meetings of the Board were held to discuss and decide on all the relevant aspects of the functioning of the organization. The tentative schedule of Board Meetings to be held in any financial year is circulated to the Directors in advance to enable them to plan their schedule and ensure participation in the meetings.

During the financial year 2023-24, 9 (Nine) Board Meetings were held on April 05, 2023, April 20, 2023, April 26, 2023, June 05, 2023, July 19, 2023, August 29, 2023, October 17, 2023, January 17, 2024, and March 06, 2024. The maximum gap between any two meetings was less than one hundred and twenty days.

The details of the attendance of the directors at the meetings held on the above dates are given in the table hereunder:

Name	Number of meetings held during tenure of the directors	Number of meetings attended
Mr. Kumar	9	9



Name	Number of meetings held during tenure of the directors	Number of meetings attended
Kanakasabapathy		
Mr. Kamalakar Karlapalem	9	9
Mr. Mukesh Agarwal	9	8
Mr. Kapil Seth	9	9
Mr. Neeraj Kulshrestha*	4	4

\*Appointed w.e.f. July 24, 2023.

### 11.3. Committees of the Board

Pursuant to Regulation 26 of IFSC(MII) Regulations, 2021 read with IFSC Circular dated June 28, 2022, bearing reference No. IFSCA/CMD/DMIIT/MII/CG/2022-23/1 the Company has constituted following Functional and Oversight Committees namely:

- i. Member Selection Committee
- ii. Investor Grievance Redressal Committee
- iii. Nomination and Remuneration Committee
- iv. Standing Committee on Technology
- v. Advisory Committee
- vi. Audit Committee
- vii. Regulatory Oversight Committee
- viii. Risk Management Committee

The terms of reference of the Board Committees are determined by the Board from time to-time. Meetings of the Board Committees are normally convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee Meetings, are placed before the Board with clearance of the Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of the Board Committee Meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:-

#### Risk Management Committee (RMC)

The Committee consists of three Directors viz., Mr. Kapil Seth, PID, Mr. K Kumar, PID and Mr. Prasad Koparkar, IEP, as its members with Mr. Kapil Seth, as its Chairperson.

During the financial year 2023-24, 6 (Six) meetings of the RMC were held on April 19, 2023, April 26, 2023, June 05, 2023 July 19, 2023, October 17, 2023 and January 16, 2024.

The details of the attendance of the Members at the meetings held on the above dates are given in the table hereunder:



Name	Number of meetings held during membership of Director/IEP	Number of meetings attended
Mr. Kapil Seth	6	6
Mr. K Kumar	6	6
Mr. Prasad Koparkar	6	5

The brief terms of reference of Risk Management Committee are as follows:

- To formulate a detailed risk management policy which shall be approved by the Governing Board
- To review the Risk Management Framework & risk mitigation measures from time to time
- To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures
- The Head of the Risk Management Department shall report to the Risk Management Committee and to the Managing Director of the Clearing Corporation
- The Risk Management Committee shall monitor implementation of the risk management policy and keep the IFSCA, and the Governing Board informed about its implementation and deviation, if any

#### **Audit Committee**

The Committee consists of three Directors viz., Mr. Kapil Seth, PID, Mr. K Kumar, PID, Mr. Kamalakar Karlapalem, PID as its members with Mr. Kapil Seth, as its chairperson.

During the financial year 2023-24, 5 (Five) meetings of the Audit Committee were held on April 20, 2023, July 19, 2023, October 17, 2023, January 17, 2024 and March 06, 2024.

The details of the attendance of the Members at the meetings held on the above date is given in the table hereunder:

Name	Number of meetings held during membership of Director	Number of meetings attended
Mr. Kapil Seth	5	5
Mr. K Kumar	5	5
Mr. Kamalakar Karlapalem	5	5

The brief terms of reference of Audit Committee are as follows:

- To recommend appointment, remuneration and terms of appointment of auditors of the Clearing Corporation.
- To review and monitor the auditor's independence and performance, and the effectiveness of the audit process.
- To examine the financial statement and the auditor's report thereon.





- Approval or any subsequent modification of transactions of the Clearing Corporation with related parties.
- To scrutinize the inter-corporate loans and investments.
- Valuation of undertakings or assets of the Clearing Corporation, wherever it is necessary.
- To evaluate internal financial controls and risk management systems.
- To monitor the end use of funds raised through public offers and related matters.
- In addition to the above, it will also discharge the function as Audit Committee under the Companies Act, 2013.

### **Nomination and Remuneration Committee**

The Nomination & Remuneration Committee (NRC) comprises three Directors viz., Mr. Kapil Seth, PID, Mr. K Kumar, PID and Mr. Kamalakar Karlapalem, PID, as its members with Mr. Kapil Seth as its Chairperson.

During the financial year 2023-24, 3 (Three) meetings of the NRC were held on April 19, 2023, October 17, 2023, and January 17, 2024.

The details of the attendance of the Members at the meetings held on the above date is given in the table hereunder:

Name	Number of meetings held during membership of Director	Number of meetings attended
Mr. Kapil Seth	3	3
Mr. K Kumar	3	3
Mr. Kamalakar Karlapalem	3	3

The information regarding the performance evaluation criteria of Independent Directors is covered in the Board's Report.

The brief terms of reference of Nomination & Remuneration Committee are as follows:

- Identify a KMP, other than personnel as specifically provided in its definition under MII Regulations.
- Lay down the policy for compensation of KMP in terms of the compensation norms prescribed by IFSCA from time to time.
- Determine the compensation of KMPs in terms of the compensation policy.
- Determine the tenure of a KMP, other than a director, to be posted in a regulatory department.
- Select the Managing Director.
- Frame & review the performance review policy to carry out evaluation of every director's performance, including that of PID.
- Recommend whether to extend the term of appointment of the PID.
- Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 as amended from time to time.



### Standing Committee on Technology (SCOT)

The Committee consists of Mr. Kamalakar Karlapalem, PID, Mr. K Kumar, PID, Mr. Sameer Kulkarni, Independent External Person and Mr. Srikumar Krishnamoorthy, Independent External Person as its members with Mr. Kamalakar Karlapalem, as its Chairperson.

During the financial year 2023-24, 5 (Five) meetings of the SCOT were held on April 19, 2023, July 14, 2023, October 17, 2023, January 16, 2024 and March 4, 2024.

Name	Number of meetings held during membership of Director/ IEP	Number of meetings attended
Mr. Kamalakar Karlapalem	5	5
Mr. K Kumar	5	5
Mr. Sameer Kulkarni	5	5
Mr. Srikumar Krishnamoorthy	5	5

The brief terms of reference of Standing Committee on Technology are as follows:

- Monitor whether the technology used by the Clearing Corporation remains up to date and meets the growing demands;
- Monitor the adequacy of system capacity and efficiency;
- Examine the changes being suggested to the existing software/hardware;
- Investigate into the problems relating to computerized risk management / clearing & settlement system, such as hanging/ slowdown/ breakdown;
- Ensure that transparency is maintained in disseminating information regarding slowdown/break down in risk management / clearing & settlement system;
- The Committee shall submit a report to the Governing Board of the Clearing Corporation and the Governing Board will deliberate on the report and suitable action/ remedial measure will be taken;
- Any delay in clearing and settlement operations will be explained and reported to the Authority;
- Review the implementation of the Governing Board approved cyber security and resilience policy and its implementation;
- Such other matters in the scope as may be referred by the Governing Board of the Clearing Corporations and/or IFSCA.

### Advisory Committee

The Advisory Committee presently comprises of 3 Clearing members and Mr. K Kumar, PID, who acts as its chairperson.

The brief terms of reference of Advisory Committee includes advising the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.

During the financial year 2023-24, 2 (Two) meetings of the Advisory Committee were held on July 19, 2023 and January 17, 2024.



Name	Number of meetings held during membership of Director/ Authorized representative	Number of meetings attended
Mr. Kumar Kanakasabapathy	2	2
Authorized representative of Globe Capital (IFSC) Limited	2	2
Authorized representative of PACE Financial IFSC Private Limited	2	2
Authorized representative of Stockholding Securities IFSC Limited	2	2

### Regulatory Oversight Committee

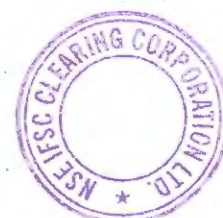
The Committee consists of Mr. Kapil Seth, PID, Mr. Kamalakar Karlapalem, PID, Dr. Golaka Nath, Independent External Person, as its members with Mr. Kapil Seth, as its Chairperson.

During the financial year 2023-24, 3 (Three) meetings of the ROC were held on April 19, 2023, October 16, 2023 and January 16, 2024.

Name	Number of meetings held during membership of Director/IEP	Number of meetings attended
Mr. Kapil Seth	3	3
Mr. Kamalakar Karlapalem	3	3
Dr. Golaka Nath	3	3

The brief terms of reference of Regulatory Oversight Committee are as follows:

- Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
- Oversee IFSCA inspection observations on membership related issues;
- Estimate adequacy of resources dedicated to member regulation;
- Monitor the disclosures made under the MII Regulations and the circulars issued thereunder;
- Review the actions taken to implement the suggestions of IFSCA's Inspection Reports and place it before the Governing Board of Clearing Corporation;
- To follow up and ensure compliance/ implementation of the inspection observations;
- Supervising the functioning of Investors' Services Cell of the Clearing Corporation which includes review of complaint resolution process, review of complaints unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc;



- Lay down procedures for the implementation of the Code of Ethics;
- Prescribe reporting formats for the disclosures required under the Code of Ethics;
- Oversee the implementation of the Code of Ethics;
- Periodically monitor the dealings in securities of the KMP;
- Periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest;
- Reviewing the fees and charges levied by a Clearing Corporation;
- Monitoring the implementation of MII Regulations and other applicable rules and regulations along with IFSCA Circulars and other directions issued thereunder;
- The head(s) of department(s) handling the above matters shall report directly to the Committee and also to the Managing Director;
- Any action of a recognized Clearing Corporation against the aforesaid head(s) shall be subject to an appeal to the Committee, within such period as may be determined by the Governing Board.

### Member Selection Committee

The Committee consists of Mr. Kapil Seth, PID, Mr. Kamalakar Karlapalem, PID, Mr. Neeraj Kulshrestha, MD & CEO as Members with Mr. Kapil Seth, as its Chairperson. Further, the Committee was reconstituted by appointment of Mr. Neeraj Kulshrestha and cessation of Mr. Vivek Singhvi as member w.e.f. October 17, 2023.

During the financial year 2023-24, 3 (Three) meetings of the MSC were held on July 19, 2023, October 16, 2023 and January 17, 2024.

Name	Number of meetings held during membership of Director	Number of meetings attended
Mr. Kapil Seth	3	3
Mr. Kamalakar Karlapalem	3	3
Mr. Vivek Singhvi*	2	2
Mr. Neeraj Kulshrestha*	1	1

\* w.e.f October 17, 2023

The brief terms of reference of Member Selection Committee are as follows:

- To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership
- Formulate policy for regulatory actions, including warning, monetary fine, suspension, deactivation of terminal, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the Clearing Corporation
- Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the members of the Clearing Corporation
- While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'



- Realize the assets / deposits of defaulter/expelled member and appropriate amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing Corporation
- Admission /rejection of claims against such members over the assets of the defaulter/expelled member
- To manage the Core Settlement Guarantee Fund (Core SGF) of the Clearing Corporation, including its investment as per the laid down norms and ensure proper utilization of Core SGF

### **Investor Grievance Redressal Committee (IGRC)**

The Grievance Redressal Committee Panel of the parent company i.e. NSE Clearing Limited was being utilized for NSE IFSC Clearing Corporation Limited, basis on the approval received from IFSCA till January 16, 2024.

The Governing Board at its meeting held on January 17, 2024, approved the constitution of Investor Grievance Redressal Committee at NICCL comprising of the existing panel members of the Investor Grievance Redressal Committee (IGRC) of NSEIX.

The Investor Grievance Redressal Committee of NICCL consists of Mr. Ashish Shah, Mr. Ashok Shah, Mr. Kunal Vaishnav, Mr. Rajesh Shah, Mr. Sandeep Shroff and Mr. Shantanu Mehta as Panel Members.

During the financial year 2023-24, no meeting of IGRC was conducted.

The brief terms of reference of Investor Grievance Redressal Committee are as follows:

- To deal with the complaints referred to it by the Clearing Corporation, hear the parties and resolve their complaints / disputes.

### **11.4. Corporate Social Responsibility Committee (CSR)**

The Company does not transcend the threshold limits as required under Section 135 of the Companies Act, 2013 and accordingly is not required to constitute a CSR Committee to discharge the functions mandated under the provisions so prescribed.

### **11.5. Company's Policy on Directors' Appointment and Remuneration including Criteria for determining Qualifications, Positive Attributes, Independence of Directors**

The provisions of Section 178 of the Companies Act, 2013 are not applicable to the Company as per the exemption notification no. G.S.R. 08(E) dated January 4, 2017. Further, the Governing Board at its meeting held on January 17, 2024 pursuant to Regulation 26 of the International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 read with IFSCA circular dated June 28, 2022, approved the Policy for Nomination and Appointment of Directors, KMPs and Senior Management and Remuneration Policy of the Company..



During the year under review, none of the Non-Executive Directors was drawing any remuneration from the Company. The sitting fees were paid to Mr. Kumar Kanakasabapathy, Mr. Kamalakar Karlapalem and Mr. Kapil Seth, Public Interest Director of the Company and the same was in accordance with the provisions of the Companies Act, 2013 and the rules specified thereunder.

#### **11.6. Directors' Responsibility Statement**

Your Directors' confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any.
- ii. They have selected accounting policies and applied them consistently and have made judgments and estimates that were reasonable and prudent to give a true and fair view of the situation of the Company as of March 31, 2024 and of the loss of the Company for the year.
- iii. They have taken proper care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing frauds and other irregularities.
- iv. They have ensured that the annual accounts were prepared on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and effective.
- vi. They have devised proper systems to ensure compliance with the provision of all applicable laws and such systems were adequate and effective.

#### **12. Statutory Auditors:**

M/s K.S. Aiyar & Co., Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company at the 6<sup>th</sup> Annual General Meeting held on June 20, 2022, for a period of 5 (five) years from the conclusion of the 6<sup>th</sup> Annual General Meeting till the conclusion of the 11<sup>th</sup> Annual General Meeting to be held in the year 2027.

The Report given by the Statutory Auditors, M/s. K.S. Aiyar & Co. LLP, Chartered Accountants on the financial statements of the Company forms a part of the Annual Report.

#### **13. Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Kashyap Mehta & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2023-24. The Secretarial Audit Report issued by them is annexed herewith as Annexure 1. The report does not contain any qualifications, reservations, or adverse remarks.



**14. Cost Audit/Cost Records:**

Pursuant to the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, the Company is not required to maintain cost records and to appoint cost auditors during the year.

**15. Opportunities:**

Your Company is committed to explore all opportunities to harness the potential offered by the sector.

- 15.1. NICCL proposes to become a Local Operating Unit accredited with Global Legal Entity Identifier Foundation (GLEIF) for issuance of Legal Entity Identifier to IFSCA Regulated entities.
- 15.2. NICCL proposes to facilitate foreign investors to subscribe to Sovereign Green Bond, in IFSC, proposed to be auctioned by Government of India. Additionally, these Bonds shall be available for OTC reporting and settlement in GIFT IFSC through NICCL.

**16. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings/Outgo:**

The Company has always been conscious of the need to conserve energy. The Company is continuously identifying area where energy can be saved and appropriate measures have been taken for optimizing energy conservation:

**16.1. Conservation of Energy and Technology Absorption**

**General Lighting System, PAC System and Power distributions system:**

- (A) LED lights have been used for office area lighting in place of conventional CFL type lights. LED lights consume less energy and have more longevity and reliability than that of conventional CFL lights.
- (B) Regular maintenance of Precision Air Conditioning (PAC) system for Data Centre Cooling and Maintaining of optimum thermal parameters at PAC units has reduced the electrical energy consumption.
- (C) Maintained near unity power factor in distributions system.
- (D) 25% lighting consumption savings on total saving and 20% HVAC consumption savings on total savings on account.



### **Occupancy Sensors:**

Occupancy sensors have been installed so that lights get switched off automatically when the area is not in use. This has also reduced the energy consumption substantially towards lighting.

### **Energy Conservative Measures taken up for the building by GIFT City Limited**

#### **District Cooling System (DCS):**

The office air conditioning is being fed from GIFT's District Cooling System with state of the art technology with Thermal Energy Storage System. This has resulted in reduction of electricity consumption towards operation of Air-Conditioning System in NSE IFSC's office area by around 30366 Tr-Hr in FY-23-24 as compared to conventional AC System.

#### **16.2. Foreign Exchange earnings/outgo**

The Company operates in International Financial Service Centre (IFSC) located in GIFT SEZ Gandhinagar Gujarat. By virtue of operating in IFSC zone the functional currency of the Company is United State Dollar (USD) and the reporting currency is INR. Accordingly, for the purpose of determining foreign exchange inflow the equity contribution from holding company NSE Clearing Limited has been considered and for the purpose of foreign exchange outflow the conversion of amount from USD to INR is considered. The transaction of the Company with entities located in IFSC are not being considered for the purpose of foreign exchange earnings and expense. Company generates its revenue from operations and investment income in USD only.

Foreign exchange earnings and outgo during the year under review:

Foreign exchange inflow – USD 1,92,36,320.25 (P.Y. NIL)  
Foreign Exchange Outflow – USD 33,67,000.00 (P.Y. USD 16,51,700.00)  
Foreign Exchange Earnings – NIL (P.Y. NIL)  
Foreign exchange capital and operational expense – USD 1,04,168.64 (P.Y. USD 12,475.98)

#### **17. Proceedings Under Insolvency and Bankruptcy Code, 2016:**

MCA has vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021, amended rule 8 with respect to the disclosures of details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year. The same was not applicable to your Company as there are no such applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 with respect to your Company.

#### **18. Difference In Amount of the Valuation:**

MCA has vide Companies (Accounts) Amendment Rules, 2021, effective from April 01,





2021, amended the rule 8 with respect to the disclosures of details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof. The same was not applicable to your Company as there was no such instance of either settlement or loan from a Bank or Financial Institution during the year under review.

**19. Acknowledgment:**

The Board of Directors is grateful for the support and co-operation extended by NSE Clearing Limited and its group companies and looks forward to their continued support and co-operation. The Board would also like to place on record its deep appreciation of the contribution made by all the employees towards the establishment and development of the Company.

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



**Kumar Kanakasabapathy**

**DIN:06632984**

**Chairman**



**Place: Mumbai**

**Date: April 24, 2024**

B – 403, 'The First', Beside ITC Narmada Hotel, Behind Keshavbaug, Vastrapur, Ahmedabad – 380 015

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FORM NO. MR-3

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

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

To  
The Members,  
**NSE IFSC Clearing Corporation Limited**  
Unit-1202, Brigade International Financial Centre  
12<sup>th</sup> Floor, Block-14, Road 1C, Zone-1, GIFT SEZ,  
GIFT City, Gandhinagar – 382 355

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NSE IFSC CLEARING CORPORATION LIMITED** [CIN: U65990GJ2016PLC094545] ('hereinafter called the Company') having Registered Office at Unit-1202, Brigade International Financial Centre, 12<sup>th</sup> Floor, Block-14, Road 1C, Zone-1, GIFT SEZ, GIFT City, Gandhinagar – 382355. The 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.

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 electronically as well as on physical verification of documents 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 **31<sup>st</sup> March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012; - Not applicable during audit period.



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- (vi) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable during audit period
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – Not applicable during the audit period
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable during the audit period
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not applicable during the audit period
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- Not applicable during the audit period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable during audit period
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable during the audit period
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable during the audit period; and
- (vii) The Company has identified and confirmed the following laws, as being specifically applicable to the Company:
- 1. International Financial Services Centre Authority (Capital Market Intermediaries) Regulations, 2021
  - 2. IFSCA (Market Infrastructure Institutions) Regulations, 2021
  - 3. Special Economic Zone Act, 2005 and SEZ Rules, 2006
  - 4. Rules, Regulations, Circulars, Orders, notification and Directives issued under the above statute to the extent applicable.



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We have relied on representation 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 other applicable Act, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards SS-1 & SS-2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors & Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in some instance wherein shorter notice was consented by the Directors in compliance of rules, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions in the Board is carried through, while the dissenting members' views are captured and recorded as part of the 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 the Company by obtaining approval of members on 20<sup>th</sup> April, 2023 increased its authorised Share capital from Rs. 150,00,00,000/- to Rs. 300,00,00,000/- divided into 30,00,00,000 equity shares of Rs. 10/- and has complied with the necessary formalities in this regard.

We further report that the Board of Directors of the Company through circular resolution dated 29<sup>th</sup> June, 2023 had allotted 1,00,00,000 Equity Shares of Rs. 10/- each at par to NSE Clearing Limited aggregating to Rs. 10 crores. The Company has complied with the necessary formalities in this behalf.

We further report that the Board of Directors of the Company through circular resolution dated 28<sup>th</sup> September, 2023 had allotted 15,00,00,000 Equity Shares of Rs. 10/- each at par to NSE Clearing Limited aggregating to Rs. 150 crores. The Company has complied with the necessary formalities in this behalf.



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We further report that during the audit period the Company has not passed any Special Resolution.

FOR KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES



KASHYAP R. MEHTA  
PROPRIETOR  
FRN: S2011GJ166500  
FCS-1821 COP-2052 PR-583/2019  
UDIN: F001821F000122480

Place: Ahmedabad  
Date: 15<sup>th</sup> April, 2024

*Disclaimer: We have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., received by way of electronic mode from the Company and also have been verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company pertaining to Financial Year 2023-24. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time or still there is time line to comply with such compliances.*

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure- 1** and forms an integral part of this report.

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**Annexure - 1**

To,  
**The Members,**  
**NSE IFSC Clearing Corporation Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever 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 of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR KASHYAP R. MEHTA & ASSOCIATES**  
**COMPANY SECRETARIES**



Place: Ahmedabad  
Date: 15<sup>th</sup> April, 2024

**KASHYAP R. MEHTA**  
**PROPRIETOR**  
FRN: S2011GJ166500  
FCS-1821 COP-2052 PR-583/2019  
**UDIN: F001821F000122480**

# F-7, Laxmi Mills  
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## **Independent Auditor's Report**

### **To the Members of NSE IFSC Clearing Corporation Limited**

#### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **NSE IFSC Clearing Corporation Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter as Key Audit Matter/s for the year.



We have determined that there are no key audit matters to communicate in our report.

### **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 Board's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 in the 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 for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an





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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said 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 Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

*Sachin*

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (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) The Company has no pending litigations its which would impact its financial position – refer note 28 to the financial statements.
  - (ii) The Company does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts – refer note 29(a) to the 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 30 to the financial statements.
  - (iv)
    - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c) Based on such audit procedures that we considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
  - (v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

- (vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For K. S. Aiyar & Co.**

**Chartered Accountants**

ICAI Firm Registration No. 100186W

*Sachin A. Negandhi*

**Sachin A. Negandhi**

**Partner**

Membership No: 112888

UDIN: 24112888BKBISF3482

**Place:** Mumbai

**Date:** April 24, 2024

**Annexure to the Auditor's Report**

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2024, of **NSE IFSC Clearing Corporation Limited**)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right to use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment of the Company have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clause 3(i)(d) are not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company is a service Company and therefore does not maintain any inventory; the directions in this regard are therefore not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) As informed, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, provisions of clauses 3 (iii) of the Order are not applicable.
- (iv) As informed, the Company has not advanced any loans, made any investments or given any guarantees and securities. Accordingly, clause 3 (iv) of the Order is not applicable.



- (v) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of services carried out by the Company.
- (vii) (a) According to the records of the Company, goods and services tax, provident fund, income tax, duty of customs, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. As informed to us, the directions relating to employee's state insurance are not applicable to the Company.
- According to the information and explanations given to us, there are no undisputed dues in respect of goods and services tax, provident fund, income-tax, duty of customs, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term purposes.
- (e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, accordingly, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year

*Sachin*

- (b) The Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year and accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations furnished by the management, which have been relied upon by us, there were no whistle blower complaints received during the year by the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) (a) 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. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) In our opinion, there is only one core investment company within the Group ('Companies in the Group' as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- (xvii) In our opinion, the Company has incurred cash loss of ₹ 375.09 lakhs in the current financial year and ₹ 1159.85 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information



accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

There are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

**For K. S. Aiyar & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 100186W

*Sachin A. Negandhi*

**Sachin A. Negandhi**  
**Partner**

Membership No: 112888  
UDIN: 24112888BKBISF3482

**Place:** Mumbai

**Date:** April 24, 2024



**Annexure - B to the Independent Auditor's Report of even date on the Financial Statements of NSE IFSC Clearing Corporation 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 with reference to financial statements of **NSE IFSC Clearing Corporation Limited** ("the Company") as of March 31, 2024, in conjunction with our audit of the 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 with reference to financial statements 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 internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 with reference to financial statements.

*Sachin*

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

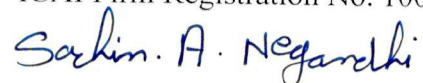
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 K. S. Aiyar & Co.****Chartered Accountants**

ICAI Firm Registration No. 100186W

**Sachin A. Negandhi****Partner**

Membership No: 112888

UDIN: 24112888BKBISF3482

**Place:** Mumbai**Date:** April 24, 2024

NSE IFSC CLEARING CORPORATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Notes	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2023
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant & equipment and Intangible assets					
-Property, plant and equipment	2	117.25	1.30	88.71	0.97
-Right-Of-Use Assets (ROU)	2	81.45	0.96	88.21	1.07
-Other intangible assets	3	1,186.51	14.29	1,031.71	12.59
-Intangible assets under development	3	0.00	0.00	251.87	3.13
<b>Financial assets</b>					
- Other financial assets					
Non-current bank balances	4	7,174.32	86.05	2,647.38	32.20
Others	4	344.25	4.13	74.85	0.91
Income tax assets (net)		87.71	1.04	30.33	0.37
<b>Total non-current assets</b>		<b>8,991.49</b>	<b>107.77</b>	<b>4,213.06</b>	<b>51.24</b>
Investments - Settlement Guarantee Fund	5	3,825.11	45.87	1,191.34	14.50
<b>Current assets</b>					
<b>Financial assets</b>					
- Trade receivables	6	104.20	1.25	0.00	0.00
- Cash and cash equivalents	7	1,683.39	20.19	808.37	9.83
- Bank balances other than cash & cash equivalents	8	7,908.01	94.85	641.29	7.80
- Other financial assets	9	239.92	2.88	12.94	0.16
Other current assets	10	66.49	0.80	50.56	0.63
<b>Total current assets</b>		<b>10,002.01</b>	<b>119.97</b>	<b>1,513.16</b>	<b>18.42</b>
<b>TOTAL ASSETS</b>		<b>22,818.60</b>	<b>273.61</b>	<b>6,917.56</b>	<b>84.16</b>

**EQUITY AND LIABILITIES**

**EQUITY**

Equity Share capital	11A	25,000.00	325.34	9,000.00	132.98
Other Equity	11B	(8,949.54)	(132.83)	(5,669.50)	(92.46)
<b>TOTAL EQUITY</b>		<b>16,050.46</b>	<b>192.51</b>	<b>3,330.50</b>	<b>40.52</b>

Settlement Guarantee Fund (SGF)	12	3,825.12	45.88	1,191.34	14.50
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**LIABILITIES**

**Non-current liabilities**

**Financial liabilities**

- Lease Liability		108.16	1.31	111.29	1.35
Provisions	13	47.84	0.57	10.68	0.13
<b>Total non-current liabilities</b>		<b>156.00</b>	<b>1.88</b>	<b>121.97</b>	<b>1.48</b>

**Current liabilities**

**Financial liabilities**

- Lease Liability		4.85	0.05	3.86	0.05
- Trade payables	14				
(i) total outstanding dues of micro enterprises and small enterprises		10.93	0.13	7.50	0.09
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		288.57	3.38	807.16	9.82
- Deposits	15	2,063.59	24.75	1,015.46	12.35
- Other financial liabilities	16	186.17	2.23	308.39	3.75
Provisions	17	141.78	1.70	27.40	0.34
Other current liabilities	18	91.14	1.09	103.98	1.26
<b>Total current liabilities</b>		<b>2,787.02</b>	<b>33.34</b>	<b>2,273.75</b>	<b>27.66</b>

<b>TOTAL LIABILITIES</b>		<b>6,768.14</b>	<b>81.10</b>	<b>3,587.06</b>	<b>43.64</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,818.60</b>	<b>273.61</b>	<b>6,917.56</b>	<b>84.16</b>
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Summary of material accounting policies 1  
Notes refer to above form an integral part of the Balance Sheet

As per our report of even date attached

For K. S. Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100186W

*Sachin A. Negandhi*

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place : Mumbai  
Date : April 24, 2024



For and on behalf of the Board of Directors

*Kumar Kanakasabapathy*  
Kumar Kanakasabapathy  
Chairman  
[DIN : 06632984]

*Hemal Davda*  
Hemal Davda  
Chief Financial Officer

*Neeraj Kulshrestha*  
Neeraj Kulshrestha  
Managing Director & CEO  
[DIN : 02994647]

*Kapil Seth*  
Kapil Seth  
Director  
[DIN:03596866]

*Arjav Trivedi*  
Arjav Trivedi  
Company Secretary



**NSE IFSC CLEARING CORPORATION LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2024**

Particulars	Notes	For the year	For the year	For the year	For the year
		ended	ended	ended	ended
		31.03.2024	31.03.2024	31.03.2023	31.03.2023
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
<b>Income</b>					
Revenue from operations	19	1,143.01	13.80	0.07	0.00
Other income	20	522.62	6.31	86.22	1.07
<b>Total Income</b>		<b>1,665.63</b>	<b>20.11</b>	<b>86.29</b>	<b>1.07</b>
<b>Expenses</b>					
Employee benefits expense	21	555.60	6.71	206.77	2.56
Technology Expenses	22	838.30	10.13	729.24	9.05
Finance cost		8.86	0.10	9.14	0.11
Other expenses	23	637.59	7.69	311.45	3.86
Depreciation and amortisation expense	2 & 3	464.92	5.61	404.35	5.02
<b>Total Expenses</b>		<b>2,505.26</b>	<b>30.26</b>	<b>1,660.95</b>	<b>20.60</b>
<b>Profit/(Loss) before tax</b>		<b>(839.62)</b>	<b>(10.14)</b>	<b>(1,574.66)</b>	<b>(19.53)</b>
Less : Tax expense					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the period (A)</b>		<b>(839.62)</b>	<b>(10.14)</b>	<b>(1,574.66)</b>	<b>(19.53)</b>
<b>Other Comprehensive Income</b>					
<b>Items that will be reclassified to profit or</b>					
Changes in foreign currency translation reserve		72.00	-	353.12	-
<b>Items that will not be reclassified to profit or</b>					
Remeasurements of post-employment benefit obligations		(9.25)	(0.11)	1.32	0.02
<b>Total Other Comprehensive Income for the period (Net of Taxes) (B)</b>		<b>62.75</b>	<b>(0.11)</b>	<b>354.44</b>	<b>0.02</b>
<b>Total Comprehensive Income for the period (A+B)</b>		<b>(776.87)</b>	<b>(10.26)</b>	<b>(1,220.22)</b>	<b>(19.51)</b>
<b>Earnings per equity share ( Face Value Rs.</b>					
- Basic & Diluted (Rs. / USD)	23	(0.48)	(0.01)	(1.75)	(0.02)
Summary of material accounting policies 1					
Notes refer to above form an integral part of the Statement of Profit & Loss					

As per our report of even date attached

For K. S. Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100186W

*Sachin A. Negandhi*

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place : Mumbai  
Date : April 24, 2024

For and on behalf of the Board of Directors

*Kumar Kanakasabapathy*  
Kumar Kanakasabapathy  
Chairman  
[DIN : 06632984]

*Neeraj Kulshrestha*  
Neeraj Kulshrestha  
Managing Director & CEO  
[DIN : 02994647]

*Kapil Seth*  
Kapil Seth  
Director  
[DIN:03596866]

*Hemal Davda*  
Hemal Davda  
Chief Financial Officer



*Arjav Trivedi*  
Arjav Trivedi  
Company Secretary



NSE IFSC CLEARING CORPORATION LIMITED

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Notes	For the year	For the year	For the year	For the year
		ended 31.03.2024	ended 31.03.2024	ended 31.03.2023	ended 31.03.2023
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>NET PROFIT BEFORE TAX</b>		(839.62)	(10.14)	(1,574.66)	(19.53)
<b>Add : Adjustments for :</b>					
Depreciation & Amortization Expenses	2 & 3	464.92	5.61	404.35	5.02
Re-measurement of defined benefits plans		(9.25)	(0.11)	-	-
Finance Cost		8.86	0.10	9.14	0.11
<b>Less : Adjustments for :</b>					
Interest income on bank deposits	20	(522.62)	(6.31)	(86.22)	(1.07)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(897.71)	(10.85)	(1,247.38)	(15.47)
<b>Adjustments for :</b>					
Proceed of Deposit from Trading member / applicant	15	1,048.13	12.40	333.12	3.35
Trade Receivable		(104.20)	(1.25)	-	-
Trade Payables	14	(515.16)	(6.40)	632.67	7.51
Other financial liabilities	16	(122.22)	(1.52)	(553.89)	(7.62)
Other financial assets	4	0.13	-	0.71	-
Other current assets	10	(15.93)	(0.17)	(2.56)	(0.01)
Current Liabilities & Provisions	16 & 17	147.95	1.74	51.94	0.52
<b>CASH GENERATED FROM OPERATIONS</b>		(459.01)	(6.06)	(785.39)	(11.72)
Direct Taxes paid (Net of Refunds)		(57.38)	(0.67)	(4.14)	(0.02)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)</b>		<b>(516.39)</b>	<b>(6.73)</b>	<b>(789.54)</b>	<b>(11.74)</b>
<b>B) CASHFLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	2 & 3	(397.94)	(4.53)	(976.52)	(11.11)
Investment in fixed deposits	4 & 7	(11,793.66)	(140.90)	1,032.33	17.00
Interest received	20	26.37	0.37	10.65	0.15
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)</b>		<b>(12,165.23)</b>	<b>(145.06)</b>	<b>66.46</b>	<b>6.04</b>
<b>C) CASHFLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from Issue of Equity Shares	11A	16,000.00	192.36	-	-
Increase in SGF	11B	(2,503.17)	(30.11)	-	-
Payment of Lease Liability		(12.19)	(0.14)	(10.62)	(0.14)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)</b>		<b>13,484.65</b>	<b>162.12</b>	<b>(10.62)</b>	<b>(0.14)</b>
Changes on account of conversion of balances from functional currency to presentation currency		72.00	-	353.12	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>875.03</b>	<b>10.35</b>	<b>(380.58)</b>	<b>(5.85)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR *</b>	7	808.37	9.83	1,188.94	15.68
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	7	1,683.39	20.19	808.37	9.83
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>875.02</b>	<b>10.36</b>	<b>(380.58)</b>	<b>(5.85)</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>					
Cash and cash equivalents as per above comprise of the following					
Cash and cash equivalents	7	1,683.39	20.19	808.37	9.83
Bank overdrafts		-	-	-	-
<b>Balances per statement of cash flows</b>		<b>1,683.39</b>	<b>20.19</b>	<b>808.37</b>	<b>9.83</b>

Notes to Statement of Cash Flows:

- The above Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.
- The above Cash Flow excludes cash flow pertaining to SGF.
- Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.

As per our report of even date attached

For K. S. Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100186W  
*Sachin A. Negandhi*  
Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place : Mumbai  
Date : April 24, 2024

For and on behalf of the Board of Directors

*Hemal Davda*  
Kurhar Kanakasabpathy  
Chairman  
[DIN : 05632884]

*Neeraj Kulshrestha*  
Neeraj Kulshrestha  
Managing Director & CEO  
[DIN : 02994647]

*Kapil Seth*  
Kapil Seth  
Director  
[DIN:03596866]

*Hemal Davda*  
Hemal Davda  
Chief Financial Officer

*Arjun Tivedi*  
Arjun Tivedi  
Company Secretary



NSE IFSC CLEARING CORPORATION LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(A) Equity Share Capital

	(Rs.in Lakhs)	(USD in Lakhs)
Balance as at 01.04.2022	9,000	132.98
Changes in equity share capital during the year	-	-
Balance as at 31.03.2023	9,000	132.98
Balance as at 01.04.2023	9,000	132.98
Changes in equity share capital during the year	16,000	192.36
Balance as at 31.03.2024	25,000	325.34

(B) Other Equity

Particulars	Retained Earnings		Foreign Currency Translation Reserve	Other Comprehensive Income		Total	
	(Rs. in Lakhs)	(USD Lakhs)	(Rs. In Lakhs)	(Rs. in Lakhs)	(USD Lakhs)	(Rs. in Lakhs)	(USD Lakhs)
Balance as at April 1, 2022	(5,116.90)	(72.88)	672.64	(5.02)	(0.07)	(4,449.28)	(72.95)
Profit/(Loss)for the year	(1,574.66)	(19.53)	-	-	-	(1,574.66)	(19.53)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	353.12	-	-	353.12	-
Contribution to SGF	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	1.32	0.02	1.32	0.02
Balance as at March 31, 2023	(6,691.56)	(92.42)	1,025.76	(3.70)	(0.05)	(5,669.50)	(92.46)
Balance as at April 1, 2023	(6,691.56)	(92.42)	1,025.76	(3.70)	(0.05)	(5,669.50)	(92.46)
Profit/(Loss)for the year	(839.62)	(10.14)	-	-	-	(839.62)	(10.14)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	72.00	-	-	72.00	-
Contribution to SGF	(2,503.17)	(30.11)	-	-	-	(2,503.17)	(30.11)
Share issue expenses	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	(9.25)	(0.11)	(9.25)	(0.11)
Balance as at March 31, 2024	(10,034.35)	(132.67)	1,097.76	(12.95)	(0.16)	(8,949.54)	(132.83)

As per our report of even date attached

For K. S. Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100186W

*Sachin A. Negandhi*

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place : Mumbai  
Date : April 24, 2024

For and on behalf of the Board of Directors

*Kumar Kanakasabapathy*  
Kumar Kanakasabapathy  
Chairman  
[DIN : 06632984]

*Neeraj Kulshrestha*  
Neeraj Kulshrestha  
Managing Director & CEO  
[DIN : 02994647]

*Kapil Seth*  
Kapil Seth  
Director  
[DIN:03596866]

*Hemal Davda*  
Hemal Davda  
Chief Financial Officer

*Arjav Trivedi*  
Arjav Trivedi  
Company Secretary



## NSE IFSC CLEARING CORPORATION LIMITED

### Notes to financial statements for the year ended March 31, 2024

#### 1. Background and Summary of material accounting policies:

The NSE IFSC Clearing Corporation Limited (NICCL or the Company), a wholly owned subsidiary of NSE Clearing Limited (Formerly known as National Securities Clearing Corporation Ltd. (NSCCL)), was incorporated on December 2, 2016. It is set up to operate a clearing corporation as a unit in an International Financial Service Centre (IFSC) in India.

During the FY 2020-21, the Government of India has notified International Financial Services Centres Authority (IFSCA) as a unified authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. Accordingly, w.e.f October 1, 2020 the operations of the Company are governed by the regulations issued by IFSCA from time to time.

#### Summary of material 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 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, and 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 Amendment Rules. Accounting policies have been consistently applied and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements were authorised for issuance by the Company's Board of Directors on April 20, 2023.

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 considers 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 United State Dollars (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 Group to be translated into the currency in which the Parent Company presents its financial statements. As the Holding Company 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 functional 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 Statement of Profit and 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 Statement of Profit and 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 (including comparatives, except Equity) 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 (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 as foreign currency translation reserve.

The company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of 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 effect on account of adoption of this amendment was insignificant.





### **c) Revenue recognition**

The Company recognises its revenue in accordance with IND AS 115- Revenue from customers.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

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

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

- (i) Clearing and Settlement 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. Income excludes applicable taxes and other levies.

In respect of members who have been declared as defaulters by the Company all amounts (dues) remaining to be recovered, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Penal charges in respect of shortages due from the respective member is recognised in the Statement Profit and Loss as part of other revenue to the extent such charges are recoverable in the period of declaration of default.

Insurance claims are accounted on accrual basis when the claims become due and payable.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised services to the customer after deducting allowances and discounts etc. Revenue excludes any taxes and duties collected on behalf of the government.

### **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 based on 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 based on amounts expected to be paid to the tax authorities.



Deferred income tax is provided in full, using the balance sheet approach, on deductible and taxable 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.

Deferred income tax asset is 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 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 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 Statement of Profit and 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.

Deferred tax assets and liabilities are not recognised as of now as there is tax exemption for ten years to IFSC companies.

#### **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.

An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



#### **f) Cash Flow Statements & Cash and cash equivalents**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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) Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

#### **h) 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.

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 above. 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 loss 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



- The Company 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.

Dividends

Dividends are recognised in Statement of 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.

#### **i) 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.

#### **j) 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.

**k) 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 the Statement of Profit and Loss during the reporting period in which they are incurred.

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
Furniture and Fixtures	5 years
Electrical equipment	10 years
Office equipment	4 to 5 years
Clearing and Settlement Systems	4 years
Telecommunication systems	4 years

The property, plant and equipment are depreciated over the asset's useful life.

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 Statement of Profit and 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.



#### **l) Intangible assets (including under developments)**

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 are capitalised as part of the software.

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.

#### **m) 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 de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **n) Provisions**

Provisions 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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation to be settled 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.

#### **o) Contingent Liabilities and contingent assets**

Contingent liabilities are disclosed in notes 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.



Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

**p) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**q) Dividends**

Provision is made for any dividend declared, 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.

**r) 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 consider:

- 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.

**s) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

**As a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 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. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the underlying assets.

#### **As a lessor**

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on straight line basis over the term of the relevant lease.

#### **t) Employee Benefits**

(i) Provident Fund: The Company 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: Provisions are made for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as per the actuarial valuation calculation. The present value is calculated using the projected unit credit method. Actuarial gains or losses are recognized in full in the other comprehensive income for the period in which they occur.

(iii) Leave Encashment: Liability on account of Leave encashment is provided based on Actuarial Valuation at Balance Sheet date using the projected unit credit method.

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

#### **u) Current versus Non-current classification and operating cycle**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. 12 months;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle i.e. 12 months;
- It is held primarily for purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.



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.

**v) 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 otherwise stated.

**w) 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:

Estimation of useful life of intangible asset refer Note 3

Estimation of contingent liabilities refer Note 37

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.

**x) Settlement Guarantee Fund (SGF):**

As per Regulation 31(2) of IFSCA MII Regulations 2021, a Clearing Corporation shall maintain a Settlement Guarantee Fund corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress value of USD 1 million, whichever is higher.

In the event of a clearing member (s) failing to honour settlement commitments, the SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The entire corpus of the SGF has been contributed by NSE IFSC Clearing Corporation Ltd. This fund is represented by earmarked SGF investments. The income earned on such investments (net of TDS, bank charges, etc.) is credited to the SGF. Penalties and fines levied by the Clearing Corporation are transferred to SGF as Other Contributions.

**y) Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024 MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



**NSE IFSC CLEARING CORPORATION LIMITED**  
**Notes to financial statements for the year ended March 31, 2024**

**Note 2 : Property, plant and equipment**

Rs. in Lakhs

Particulars	Office equipments	Electrical installations	Furniture and fixtures	Vehicle	Computer System - Others	TOTAL	Capital Work In Progress	Right-Of-Use Assets - Building
<b>Gross carrying amount</b>								
Opening as at 01.04.2022	14.41	9.88	45.61	-	151.09	220.99	-	109.98
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Currency Fluctuation	0.81	0.56	2.58	-	8.55	12.50	-	1.57
<b>Closing gross carrying amount</b>	<b>15.22</b>	<b>10.44</b>	<b>48.19</b>	<b>-</b>	<b>159.64</b>	<b>233.49</b>	<b>-</b>	<b>111.55</b>
<b>Accumulated depreciation</b>								
Opening as at 01.04.2022	11.71	4.57	30.04	-	54.88	101.21	-	21.75
Depreciation charge during the period	1.65	0.99	9.11	-	37.72	49.46	-	7.93
Disposals	-	-	-	-	-	-	-	-
Currency Fluctuation	(0.80)	(0.52)	(2.10)	-	(2.48)	(5.90)	-	(6.34)
<b>Closing accumulated depreciation</b>	<b>12.55</b>	<b>5.04</b>	<b>37.05</b>	<b>-</b>	<b>90.12</b>	<b>144.77</b>	<b>-</b>	<b>23.34</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>2.67</b>	<b>5.40</b>	<b>11.13</b>	<b>-</b>	<b>69.51</b>	<b>88.71</b>	<b>-</b>	<b>88.21</b>
<b>Gross carrying amount</b>								
Opening as at 01.04.2023	15.22	10.44	48.19	-	159.64	233.49	-	111.55
Additions	5.98	-	28.51	30.00	16.26	80.74	<b>80.74</b>	-
Disposals	-	(9.87)	-	-	-	(9.87)	(80.74)	-
Transfers	-	-	-	-	-	-	-	-
Currency Fluctuation	0.18	(0.57)	0.58	-	1.92	2.12	-	0.68
<b>Closing gross carrying amount</b>	<b>21.38</b>	<b>0.00</b>	<b>77.28</b>	<b>30.00</b>	<b>177.82</b>	<b>306.48</b>	<b>-</b>	<b>112.23</b>
<b>Accumulated depreciation</b>								
Opening as at 01.04.2023	12.55	5.04	37.05	-	90.12	144.77	-	23.34
Depreciation charge during the period	0.83	0.74	4.60	4.82	39.25	50.23	-	7.93
Disposals	-	(5.78)	-	-	-	(5.78)	-	-
Currency Fluctuation	-	-	-	-	-	-	-	(0.50)
<b>Closing accumulated depreciation</b>	<b>13.38</b>	<b>0.00</b>	<b>41.65</b>	<b>4.82</b>	<b>129.37</b>	<b>189.22</b>	<b>-</b>	<b>30.77</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>8.00</b>	<b>0.00</b>	<b>35.63</b>	<b>25.18</b>	<b>48.45</b>	<b>117.25</b>	<b>-</b>	<b>81.45</b>



NSE IFSC CLEARING CORPORATION LIMITED

Notes to financial statements for the year ended March 31, 2024

Note 2 : Property, plant and equipment

USD in Lakhs

Particulars	Office equipments	Electrical installations	Furniture and fixtures	Vehicle	Computer System - Others	TOTAL	Capital Work In Progress	Right-Of-Use Assets - Building
<b>Gross carrying amount</b>								
Opening as at 01.04.2022	0.20	0.14	0.65	-	2.04	3.03	-	1.49
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>0.20</b>	<b>0.14</b>	<b>0.65</b>	<b>-</b>	<b>2.04</b>	<b>3.03</b>	<b>-</b>	<b>1.49</b>
<b>Accumulated depreciation</b>								
Opening as at 01.04.2022	0.17	0.07	0.44	-	0.77	1.44	-	0.32
Depreciation charge during the period	0.02	0.01	0.11	-	0.47	0.61	-	0.10
Disposals	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>0.19</b>	<b>0.08</b>	<b>0.55</b>	<b>-</b>	<b>1.24</b>	<b>2.06</b>	<b>-</b>	<b>0.42</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>0.01</b>	<b>0.06</b>	<b>0.10</b>	<b>-</b>	<b>0.80</b>	<b>0.97</b>	<b>-</b>	<b>1.07</b>
<b>Gross carrying amount</b>								
Opening as at 01.04.2023	0.20	0.14	0.65	-	2.04	3.03	-	1.49
Additions	0.07	-	0.34	0.36	0.19	0.97	0.97	-
Disposals	-	(0.14)	-	-	-	(0.12)	(0.97)	-
Transfers	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>0.27</b>	<b>0.00</b>	<b>0.99</b>	<b>0.36</b>	<b>2.23</b>	<b>3.88</b>	<b>(0.00)</b>	<b>1.49</b>
<b>Accumulated depreciation</b>								
Opening as at 01.04.2023	0.19	0.08	0.55	-	1.24	2.06	-	0.42
Depreciation charge during the period	0.01	0.01	0.06	0.06	0.47	0.61	-	0.10
Disposals	-	(0.08)	-	-	-	(0.08)	-	-
<b>Closing accumulated depreciation</b>	<b>0.20</b>	<b>0.00</b>	<b>0.61</b>	<b>0.06</b>	<b>1.71</b>	<b>2.58</b>	<b>-</b>	<b>0.52</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>0.07</b>	<b>0.00</b>	<b>0.39</b>	<b>0.30</b>	<b>0.52</b>	<b>1.30</b>	<b>(0.00)</b>	<b>0.97</b>



**NSE IFSC CLEARING CORPORATION LIMITED**  
**Notes to financial statements for the year ended March 31, 2024**

**Note 3 : Other intangible assets**

Particulars	(Rs. in Lakhs)		
	Clearing and Settlement System	Intangible Assets under development	TOTAL
Gross carrying amount			
Opening as at 01.04.2022	881.19	280.40	1,161.59
Additions	982.16	952.47	1,934.64
Disposals	-	(0.03)	(0.03)
Transfers	-	(982.16)	(982.16)
Currency Fluctuation	1.98	1.20	3.18
Closing gross carrying amount	1,865.33	251.87	2,117.21
Accumulated amortisation			
Opening as at 01.04.2022	489.07	-	489.07
Amortisation charge during the period	346.96	-	346.96
Disposals	-	-	-
Currency Fluctuation	(2.40)	-	(2.40)
Closing accumulated amortisation	833.63	-	833.63
<b>Net carrying amount as at 31.03.2023</b>	<b>1,031.71</b>	<b>251.87</b>	<b>1,283.58</b>
Gross carrying amount			
Opening as at 01.04.2023	1,865.33	251.87	2,117.21
Additions	551.00	398.68	949.68
Disposals	-	(99.55)	(99.55)
Transfers	-	(551.00)	(551.00)
Currency Fluctuation	10.55	-	10.55
Closing gross carrying amount	2,426.89	0.00	2,426.89
Accumulated amortisation			
Opening as at 01.04.2023	833.63	-	833.63
Amortisation charge during the period	406.74	-	406.74
Disposals	-	-	-
Currency Fluctuation	-	-	-
Closing accumulated amortisation	1,240.37	-	1,240.37
<b>Net carrying amount as at 31.03.2024</b>	<b>1,186.51</b>	<b>0.00</b>	<b>1,186.51</b>

**Note : 3.1 - Ageing for Intangible assets under progress (CWIP) as at March 31, 2024 & March 31, 2023 is as follows:** (Rs. In lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress (CY)	-	-	-	-	-
Projects temporarily suspended (CY)	-	-	-	-	-
Projects in progress (PY)	215.41	36.46	-	-	251.87
Projects temporarily suspended (PY)	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Note : 3.2 - Significant estimate: Useful life of intangible assets**

The Company has completed the development / procurement of software that is used in its various business processes. As at 31 March 2024, the net carrying amount of this software was Rs. 1,186.51 lakhs (31 March 2023 : Rs. 1,031.71 lakhs). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations.



**NSE IFSC CLEARING CORPORATION LIMITED**  
**Notes to financial statements for the year ended March 31, 2024**

**Note 3 : Other intangible assets**

Particulars	(USD in Lakhs)		
	Clearing and Settlement System	Intangible Assets under development	TOTAL
Gross carrying amount			
Opening as at 01.04.2022	11.60	3.71	15.31
Additions	11.95	11.36	23.31
Disposals	-	(0.00)	(0.00)
Transfers	-	(11.95)	(11.95)
Closing gross carrying amount	23.55	3.13	26.68
Accumulated amortisation			
Opening as at 01.04.2022	6.45	-	6.45
Amortisation charge during the period	4.50	-	4.50
Disposals	-	-	-
Closing accumulated amortisation	10.96	-	10.96
<b>Net carrying amount as at 31.03.2023</b>	<b>12.59</b>	<b>3.13</b>	<b>15.72</b>
Gross carrying amount			
Opening as at 01.04.2023	23.55	3.13	26.68
Additions	6.61	4.78	11.39
Disposals	-	(1.30)	(1.30)
Transfers	-	(6.61)	(6.61)
Closing gross carrying amount	30.16	0.00	30.16
Accumulated amortisation			
Opening as at 01.04.2023	10.96	-	10.96
Amortisation charge during the period	4.91	-	4.91
Disposals	-	-	-
Closing accumulated amortisation	15.87	-	15.87
<b>Net carrying amount as at 31.03.2024</b>	<b>14.29</b>	<b>0.00</b>	<b>14.29</b>

**Note : 3.1 - Ageing for Intangible assets under progress (CWIP) as at March 31, 2024 & March 31, 2023 is as (USD. In lakhs)**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Projects in progress (CY)	-	-	-	-	-
Projects temporarily suspended (CY)	-	-	-	-	-
Projects in progress (PY)	2.68	0.45	-	-	3.13
Projects temporarily suspended (PY)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note : 3.1 - Significant estimate: Useful life of intangible assets**

The Company has completed the development / procurement of software that is used in its various business processes. As at 31 March 2024 the net carrying amount of this software was USD 14.29 lakhs (31 March 2023 : USD 12.59 lakhs). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations.



NSE IFSC CLEARING CORPORATION LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

4 Other financial assets (non-current)	As at	As at 31.03.2024	As at	As at 31.03.2023
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
	(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
Non Current bank balances				
Fixed deposits with maturity for more than 12 months	7,174.32	86.05	2,647.38	32.20
	7,174.32	86.05	2,647.38	32.20
<b>Others</b>				
Security deposit for utilities and premises	9.23	0.11	9.10	0.11
Interest Accrued on Bank Deposits	335.02	4.02	65.75	0.80
	344.25	4.13	74.85	0.91
<b>Total</b>	<b>7,518.57</b>	<b>90.18</b>	<b>2,722.23</b>	<b>33.11</b>

5 Investment - Settlement Guarantee Fund (Refer Note No. 11)	As at	As at 31.03.2024	As at	As at 31.03.2023
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
	(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
Current accounts with Bank	87.11	1.04	47.17	0.58
Fixed Deposits with Bank	3,606.75	43.26	1,114.86	13.56
Interest accrued on SGF Fixed Deposits	128.64	1.54	27.20	0.33
TDS on SGF FD interest	2.61	0.03	2.11	0.03
<b>Total</b>	<b>3,825.11</b>	<b>45.87</b>	<b>1,191.34</b>	<b>14.50</b>

6 Trade Receivable	As at	As at 31.03.2024	As at	As at 31.03.2023
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
	(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Having significant increase in Credit Risk	-	-	-	-
Credit impaired	-	-	-	-
Receivables from related parties (net) (Refer note 37)	104.20	1.25	-	-
	104.20	1.25	-	-
Less : Expected Credit Loss	-	-	-	-
<b>Total</b>	<b>104.20</b>	<b>1.25</b>	<b>-</b>	<b>-</b>

Trade Receivable Ageing

Particulars	Trade Receivable Ageing Schedule as on 31.03.2024						(Rs in Lakhs)
	Outstanding for following periods from due date of payment						Total
	Unbilled	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed – considered good	104.20						104.20
(ii) Undisputed – considered doubtful							
(iii) Disputed – considered good							
(iv) Disputed – considered doubtful							

Trade Receivable Ageing

Particulars	Trade Receivable Ageing Schedule as on 31.03.2024						(USD in Lakhs)
	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	1.25						1.25
(ii) Undisputed – considered doubtful							
(iii) Disputed – considered good							
(iv) Disputed – considered doubtful							



**NSE IFSC CLEARING CORPORATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

7 Cash and cash equivalents	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
<b>Balances with banks :</b>				
Current accounts #	432.78	5.19	808.37	9.83
Fixed Deposit with less than 3 month maturity	1,250.61	15.00	-	-
<b>Total</b>	<b>1,683.39</b>	<b>20.19</b>	<b>808.37</b>	<b>9.83</b>

# Includes margin money from members Rs 182.70 Lakhs (USD 2.19 Lakhs) (Mar 2023 Rs 308.21 lakhs USD 3.75 Lakhs)

8 Bank balances other than Cash and Cash equivalents	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
Fixed deposits with maturity for less than 12 months	7,908.01	94.85	641.29	7.80
<b>Total</b>	<b>7,908.01</b>	<b>94.85</b>	<b>641.29</b>	<b>7.80</b>

9 Other financial assets (Current) Others	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
Security deposit for utilities and premises	-	-	-	-
Interest Accrued on Bank Deposits	239.92	2.88	12.94	0.16
<b>Total</b>	<b>239.92</b>	<b>2.88</b>	<b>12.94</b>	<b>0.16</b>

10 Other Current Assets	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
Prepaid Expenses	9.01	0.11	23.94	0.29
Other Advance recoverable #	36.41	0.44	3.93	0.06
Balance with Government Authorities	21.07	0.25	22.69	0.28
Advance to Employee	-	-	-	-
<b>Total</b>	<b>66.49</b>	<b>0.80</b>	<b>50.56</b>	<b>0.63</b>

# represents receivable from NSE Clearing Ltd. & National Stock Exchange of India





**NSE IFSC CLEARING CORPORATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**11 A) Share Capital**

	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
<b>Authorised</b>				
30,00,00,000 (Previous year: 15,00,00,000) Equity Shares of Rs. 10 each	30,000.00	NA	15,000.00	NA
	30,000.00	NA	15,000.00	NA
<b>Issued, Subscribed and Paid-up</b>				
10,00,00,000 (Previous year: 9,00,00,000) Equity Shares of Rs. 10 each fully paid up	25,000.00	325.34	9,000.00	132.98
<b>Total</b>	25,000.00	325.34	9,000.00	132.98

**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 Directors 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.

Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

**Equity Shares :**

Name of the Company	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% holding	No. of Shares	% holding
NSE Clearing Limited & its nominees	25,00,00,000	100.00%	9,00,00,000	100.00%
<b>Total</b>	25,00,00,000	100.00%	9,00,00,000	100.00%

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

Name of the Company	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% holding	No. of Shares	% holding
NSE Clearing Limited & its nominees	25,00,00,000	100.00%	9,00,00,000	100.00%
<b>Total</b>	25,00,00,000	100.00%	9,00,00,000	100.00%

Aggregate number of bonus shares issued, shares issued for consideration other than cash & shares bought back during the period of five years immediately preceding the reporting date - Nil

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	(Rs.)	No. of Shares	(Rs.)
At the beginning of the Period	9,00,00,000	90,00,00,000	9,00,00,000	90,00,00,000
Add: Issued during the Year	16,00,00,000	1,60,00,00,000	-	-
At the end of the Period	25,00,00,000	2,50,00,00,000	9,00,00,000	90,00,00,000

Company has not reserved any shares for issue under options and contract or commitments for sale of shares or disinvestments.

There are no unpaid calls from any Director or Officers.

As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021 regulation 14 (1) Networth Requirement:

"A recognised market infrastructure institution shall have net worth of at least USD 3 millions at all times."

**Share held by promoters at the end of the period**

Promotor Name	No. of Shares	% of total shares	% Change during the period
NSE Clearing Limited & its nominees (31.03.2024)	25,00,00,000	100.00%	177.78%
NSE Clearing Limited & its nominees (31.03.2023)	9,00,00,000	100.00%	0.00%



NSE IFSC CLEARING CORPORATION LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

11 (B) Other Equity

Particulars	Retained Earnings		Foreign Currency Translation Reserve	Other Comprehensive Income		Total	
	(Rs. in Lakhs)	(USD Lakhs)		(Rs. in Lakhs)	(Rs. in Lakhs)	(USD Lakhs)	(Rs. in Lakhs)
<b>Balance as at April 1, 2022</b>	(5,116.90)	(72.88)	672.64	(5.02)	(0.07)	(4,449.28)	(72.95)
Profit/(Loss)for the year	(1,574.66)	(19.53)	-	-	-	(1,574.66)	(19.53)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	353.12	-	-	353.12	-
Contribution to SGF	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	1.32	0.02	1.32	0.02
<b>Balance as at March 31, 2023</b>	<b>(6,691.56)</b>	<b>(92.42)</b>	<b>1,025.76</b>	<b>(3.70)</b>	<b>(0.05)</b>	<b>(5,669.50)</b>	<b>(92.46)</b>
<b>Balance as at April 1, 2023</b>	<b>(6,691.56)</b>	<b>(92.42)</b>	<b>1,025.76</b>	<b>(3.70)</b>	<b>(0.05)</b>	<b>(5,669.50)</b>	<b>(92.46)</b>
Profit/(Loss)for the year	(839.62)	(10.14)	-	-	-	(839.62)	(10.14)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	72.00	-	-	72.00	-
Contribution to SGF	(2,503.17)	(30.11)	-	-	-	(2,503.17)	(30.11)
Share issue expenses	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	(9.25)	(0.11)	(9.25)	(0.11)
<b>Balance as at March 31, 2024</b>	<b>(10,034.35)</b>	<b>(132.67)</b>	<b>1,097.76</b>	<b>(12.95)</b>	<b>(0.16)</b>	<b>(8,949.54)</b>	<b>(132.83)</b>



**NSE IFSC CLEARING CORPORATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

- 12 As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021 Regulation-31 on Settlement Guarantee Fund:  
 (1) A recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed on a stock exchange.  
 (2) The fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.  
 (3) In the event of a recognised clearing member failing to honour its settlement obligations, the fund shall be utilized to complete such settlement.  
 (4) The corpus of the fund shall be adequate to meet the settlement obligations arising on account of failure of clearing member(s).  
 (5) The sufficiency of the corpus of the fund shall be tested by way of periodic stress tests, in the manner specified by the Authority.  
 (6) A recognised clearing corporation shall evolve a detailed framework for the settlement guarantee fund, subject to approval of the Authority.

Details of Settlement Guarantee Fund (SGF) are as follows :

	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2023
	(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
Company's Own contribution & Interest received on Investments*	3,688.64	44.24	1,158.87	14.10
Penalty collected from members	7.83	0.09	5.27	0.06
Interest accrued on SGF Fixed Deposits	128.64	1.54	27.20	0.33
<b>Total</b>	<b>3,825.12</b>	<b>45.88</b>	<b>1,191.34</b>	<b>14.50</b>

\* During the year ended March 31, 2024, Company's own contribution includes contributions of Rs. 2503.17 lakhs (USD 30,10,800) (Rs. Nil (USD Nil) made during previous year 2022-23). Interest received on SGF Fixed Deposits of Rs. 128.64 Lakhs (USD 1.54) (Rs. 27.20 lakhs (USD 0.33 lakhs) in previous year 2022-23) and balance movement in INR amounts is on account of currency fluctuation.

	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2023
	(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
<b>13 Provision (Non Current)</b>				
<b>Employee benefits obligation</b>				
Provision for Gratuity	47.84	0.57	7.03	0.09
Provision for variable pay and other allowances	-	-	3.65	0.04
<b>Total</b>	<b>47.84</b>	<b>0.57</b>	<b>10.68</b>	<b>0.13</b>

	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2023
	(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
<b>14 Trade Payable</b>				
Trade Payable to Micro and Small Enterprises (Refer Note No. 27)	10.93	0.13	7.50	0.09
Trade Payable to other than Micro and Small Enterprises	102.81	1.26	160.36	1.95
Trade Payable to Related Party (Refer Note No. 37)	185.75	2.12	646.80	7.87
<b>Total</b>	<b>299.50</b>	<b>3.51</b>	<b>814.66</b>	<b>9.91</b>
<b>Payable to Related Party</b>				
National Stock Exchange of India Limited	8.59	-	-	-
NSE Clearing Limited	14.62	0.18	14.04	0.17
NSE IFSC Limited	-	-	15.27	0.19
NSE IT Limited	158.66	1.91	617.49	7.51
NSE Indices Limited	2.89	0.03	-	-
<b>Total</b>	<b>185.75</b>	<b>2.12</b>	<b>646.80</b>	<b>7.87</b>

**Trade Payables Ageing**

Particulars	(Rs in Lakhs)						
	Trade Payable Aging Schedule as on 31.03.2024						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	5.76	1.31	3.86				10.93
(ii) Others	252.53	-	30.81	5.25			288.59
(iii) Disputed Dues - MSME							-
(iv) Disputed Dues - Others							-

**Trade Payables Ageing**

Particulars	(USD in Lakhs)						
	Trade Payable Aging Schedule as on 31.03.2024						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.07	0.02	0.05	-	-	-	0.13
(ii) Others	3.02	-	0.37	0.06	-	-	3.45
(iii) Disputed Dues - MSME							-
(iv) Disputed Dues - Others							-

**Trade Payables Ageing**

Particulars	(Rs in Lakhs)						
	Trade Payable Aging Schedule as on 31.03.2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.50						7.50
(ii) Others	807.16						807.16
(iii) Disputed Dues - MSME							-
(iv) Disputed Dues - Others							-

**Trade Payables Ageing**

Particulars	(USD in Lakhs)						
	Trade Payable Aging Schedule as on 31.03.2023						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.09						0.09
(ii) Others	9.82						9.82
(iii) Disputed Dues - MSME							-
(iv) Disputed Dues - Others							-



**NSE IFSC CLEARING CORPORATION LIMITED**

Notes to financial statements for the year ended March 31, 2024

	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 'USD in Lakhs	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
<b>15 Deposits (Unsecured- Current)</b>				
Security Deposit from Clearing Members	1,313.22	15.75	1,015.46	12.35
Security Deposit from Clearing Banks	750.37	9.00		
<b>Total</b>	<b>2,063.59</b>	<b>24.75</b>	<b>1,015.46</b>	<b>12.35</b>
<b>16 Other Financial Liabilities (Current)</b>				
Margins From Members	182.70	2.19	308.22	3.75
Other liabilities	3.47	0.04	0.17	0.00
<b>Total</b>	<b>186.17</b>	<b>2.23</b>	<b>308.39</b>	<b>3.75</b>
<b>17 Provision (Current)</b>				
Provisions for Leave encashment	17.70	0.21	4.69	0.06
Provision for Gratuity	4.07	0.05	0.36	0.01
Provision for variable pay and other allowances	120.01	1.44	22.35	0.27
<b>Total</b>	<b>141.78</b>	<b>1.70</b>	<b>27.40</b>	<b>0.34</b>
<b>18 Other Current liabilities</b>				
Statutory Dues Payable	89.59	1.07	103.98	1.26
Income received in advance	1.55	0.02		
<b>Total</b>	<b>91.14</b>	<b>1.09</b>	<b>103.98</b>	<b>1.26</b>



**19 Income from Operations**

	For the year ended 31.03.2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2023
	(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
Clearing Settlement Charges-NSE IFSC	1,070.17	12.92	-	-
Annual Membership Fees	71.60	0.86	-	-
Member Application Fees	1.24	0.02	-	-
<b>Total</b>	<b>1,143.01</b>	<b>13.80</b>	<b>-</b>	<b>-</b>

**Major Customer**

Revenue from one major customer (related party) is Rs 1070.17 Lakhs (USD 12.92 Lakhs) (PY NIL) which is more than 10 % of the total revenue of the company

	For the year ended 31.03.2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2023
	(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
<b>Revenue Recognised</b>				
Point in time	1,143.01	13.80	-	-
Over the time				
<b>Total</b>	<b>1,143.01</b>	<b>13.80</b>	<b>-</b>	<b>-</b>

**20 Other Income**

	For the year ended 31.03.2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2023
	(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
Interest income on bank deposits	522.62	6.31	86.22	1.07
<b>Total</b>	<b>522.62</b>	<b>6.31</b>	<b>86.22</b>	<b>1.07</b>

**21 Employee benefits expense**

	For the year ended 31.03.2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2023
	(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
Salaries, wages and bonus	529.12	6.39	198.17	2.46
Contribution to provident and other fund	15.80	0.19	4.31	0.05
Staff welfare Expenditure	10.68	0.13	4.29	0.05
<b>Total</b>	<b>555.60</b>	<b>6.71</b>	<b>206.77</b>	<b>2.57</b>

**22 Technology Expenses**

	For the year ended 31.03.2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2023
	(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
Repairs & Maintenance - Computers	645.53	7.80	590.95	7.33
Software expenses	192.77	2.33	138.30	1.72
<b>Total</b>	<b>838.30</b>	<b>10.13</b>	<b>729.24</b>	<b>9.05</b>

**23 Other expenses**

	For the year ended 31.03.2024	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2023
	(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
Bank Guarantee Commission	122.47	1.48	37.54	0.47
Fees and Subscription	194.33	2.35	69.28	0.86
Professional Fees	78.39	0.95	62.14	0.77
Director Sitting Fees	99.08	1.20	55.36	0.69
Repairs & Maintenance - Building	11.24	0.14	9.74	0.12
Electricity expenses	11.88	0.14	10.75	0.13
Travelling Expense	54.57	0.66	25.00	0.31
Profit / Loss of Exchange Fluctuation	-	-	10.83	0.13
Payment to auditors	4.45	0.05	3.21	0.04
Recruitment Expenses	15.10	0.18	20.14	0.25
Other Expenses	40.98	0.49	7.46	0.09
Loss on Scrap Sale of Assets	5.10	0.06	-	-
<b>Total</b>	<b>637.59</b>	<b>7.70</b>	<b>311.45</b>	<b>3.86</b>

**Note :**

**Payment to Auditor**

**As Auditor**

Statutory audit	3.50	0.04	2.00	0.02
Limited review for half yearly result	0.30	0.00	0.90	0.01

**In other Capacity**

Certification Matters	0.50	0.01	0.25	0.01
Out of Pocket	0.15	0.00	0.06	-

<b>Total</b>	<b>4.45</b>	<b>0.05</b>	<b>3.21</b>	<b>0.04</b>
	0.00			



**NSE IFSC CLEARING CORPORATION LIMITED**

Notes to financial statements for the year ended March 31, 2024

**24 Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	(Rs. Lakhs)	(USD Lakhs)	(Rs. Lakhs)	(USD Lakhs)
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share				
Profit / (Loss) Before Tax	(839.62)	(10.14)	(1,574.66)	(19.53)
Tax on above	-	-	-	-
Profit / (Loss) After Tax for the period	(839.62)	(10.14)	(1,574.66)	(19.53)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	17,33,87,978	17,33,87,978	9,00,00,000	9,00,00,000
<b>Earnings per equity share (basic and diluted)</b> (Rs./ USD)	<b>(0.48)</b>	<b>(0.01)</b>	<b>(1.75)</b>	<b>(0.02)</b>

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.

**25 Deputed Personal Cost**

Salaries, Wages & Allowances also includes the deputation expenses in respect of the employees of National Stock Exchange of India Limited (NSEIL), NSE Clearing Limited and NSE Indices Limited.

**26 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. operations comprise of only facilitating Clearing & Settlement in 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".

27 Trade payables include outstanding amounts of Rs. 10.93 Lakhs (USD 0.13 Lakhs) (Previous Year: Rs. 7.50 Lakhs (USD 0.09 Lakhs) (including interest of Rs. Nil, (Previous Year Rs. Nil) payable to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

28 As at March 31, 2024 the Company does not have any pending litigations which would impact its financial position. (Previous Year Nil)

29 a) 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, 2024. (Previous Year Nil)

b) There is Rs. Nil (PY Rs. Nil) Loans, Guarantees, Investments under section 186 of the Companies Act, 2013 or in nature of loans granted to promoters, directors, KMPs and the related parties.

30 For the year 2023-24 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. (Previous Year Nil)

31 The Company's tax jurisdiction is India. The Company is eligible for deduction u/s 80LA of the Income Tax Act, 1961 from its business income of an amount equal to 100% of such income for any 10 consecutive assessment years out of 15 years, beginning with the assessment year relevant to the previous year in which SEBI permission was granted. Accordingly, the benefit u/s 80LA of the Act of 100% deduction of business profit is available for any 10 consecutive years from the AY 2017-18 to AY 2031-32. Deferred tax asset is recognised based on reasonable certainty.

32 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 also incurred losses in the previous years. Accordingly, Section 135 is not applicable to the company for the financial year 2023-24.

33 During the FY 2020-21, National Stock Exchange (NSE) and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City and to develop the infrastructure for the connect and ensure member readiness prior to its implementation. Further the Company on March 28, 2022 has entered into an operational agreement with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited (SGX DC) and NSE IFSC Limited to operationalise the NSE IFSC-SGX Connect. As per this operational agreement, Company is required to provide collateral to SGX-DC for the due performance by the Company of its clearing obligations in respect of the trades placed by SGX-SPV on NSE IFSC. For this Company has availed Bank Guarantee facility from Standard Chartered Bank to the tune of USD 50 million upto March 31, 2024. NSE IFSC-SGX Connect has been launched on July 29, 2022. Further as informed by SGX to its members on April 17, 2023 that full-scale operation of the NSE IX-SGX GIFT Connect ("Connect") with the transition of SGX Nifty derivatives to NSE IFSC, all US dollar denominated Nifty derivatives contracts started exclusively trading on NSE IFSC w.e.f. July 03, 2023

34 The Company received Show Cause Notice (SCN) on 21.10.2022 for non-achievement of positive Net Foreign Exchange (NFE) during the first block of five years as one on the condition for Letter of Approval (LOA) issued by SEZ Authority. The Development Commissioner after considering the Company's submissions and personal hearing, passed an order dated 22.05.2023 levying a nominal penalty of Rs. 10,000/- (USD 121.32) SEZ (Second Amendment) Rules, 2023 dated 27.04.2023 has now exempted entities in IFSC from applicability of provisions of positive NFE and the Development Commissioner has taken cognizance of the same while passing the said order. Based, on the above facts and circumstances and in view of expiring of LOA on June 01, 2023, the Company has made a payment of Rs. 10,000/- (USD 121.32) towards penalty and filed an appeal with the office of Director General of Foreign Trade (New Delhi) on May 27, 2023. The same was intimated to the Sr. Development Commissioner on May 29, 2023. Basis the intimation about the appeal against the order, the SEZ authority has extended LOA for continued operation under the SEZ-scheme for a period of four years till June 01, 2027.

35 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



## Notes to financial statements for the year ended 31st March 2024

## 36 i) Employee Benefits

- (i) Provident Fund: During the current year the company is registered with Regional Provident Fund Office, Naroda, Ahmedabad, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively.
- (ii) Superannuation: Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India maintained by the Ultimate Holding Company. The contribution for the year is reimbursed to the Ultimate holding company is charged to revenue. There are no other obligations other than the annual contribution payable.
- (iii) Gratuity: Provisions are made for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.
- (iv) Leave Encashment : Liability on account of Leave encashment is provided based on Acturial Valuation at Balance Sheet date.
- (v) Short term employee benefits are charged to revenue in the year in which the related service is rendered

**Provision**

	Long - term				Short - term			
	31.03.2024		31.03.2023		31.03.2024		31.03.2023	
	(Rs. In lakhs)	(USD In lakhs)	(Rs. In lakhs)	(USD In lakhs)	(Rs. In lakhs)	(USD In lakhs)	(Rs. In lakhs)	(USD In lakhs)
<b>Provision for employee benefits</b>								
Medical benefits	-	-	-	-	-	-	-	-
Provision for Leave Travel allowance	-	-	-	-	5.36	0.06	1.15	0.01
Provision for gratuity	47.73	0.57	6.02	0.07	3.63	0.04	0.20	0.00
Provision for Leave encashment	-	-	-	-	17.55	0.21	4.36	0.05
	<b>47.73</b>	<b>0.57</b>	<b>6.02</b>	<b>0.07</b>	<b>26.54</b>	<b>0.32</b>	<b>5.70</b>	<b>0.06</b>

**Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.**i) **Defined Benefit Plan :**

- a) Provident Fund & Pension Fund: Company has contributed Rs. 13.46 lakhs (USD 0.16 Lakhs) (Previous Year Rs.3.48 lakhs (USD 0.04 Lakhs)) towards Provident Fund and Rs. 1.59 lakhs (USD 0.02 Lakhs) (Previous Year Rs. 0.60 lakhs (USD 0.01 Lakhs)) towards Pension Fund during the year ended March 31, 2024 to Employee Provident Fund Organisation.
- b) 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. The gratuity plan is a non funded plan and the company makes provision on the basis of Actuarial Valuation.



**A Balance Sheet**

(i) **The amounts recognised in the consolidated balance sheet and the movements in the net defined benefit obligation over the year are as follows:**

	Current Year 31.03.2024 (Rs. In lakhs)	Current Year 31.03.2024 (Rs. In UDS)	Previous Year 31.03.2023 (Rs. In lakhs)	Previous Year 31.03.2023 (Rs. In UDS)
<b>Liability at the beginning of the year</b>	<b>6.21</b>	<b>0.07</b>	<b>13.14</b>	<b>0.16</b>
Interest cost	0.46	0.01	0.90	0.01
Current Service Cost	3.83	0.05	2.45	0.03
Liability transferred	32.87	0.39	0.92	0.01
Benefits Paid	-	-	(9.86)	(0.12)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to	0.66	0.01	(0.32)	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to	7.33	0.09	(1.02)	(0.01)
<b>Liability at the end of the year</b>	<b>51.35</b>	<b>0.62</b>	<b>6.21</b>	<b>0.08</b>

(ii) **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 31.03.2024 (Rs. In lakhs)	Current Year 31.03.2024 (Rs. In UDS)	Previous Year 31.03.2023 (Rs. In lakhs)	Previous Year 31.03.2023 (Rs. In UDS)
<b>Fair Value of plan assets at the beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest Income	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Transfer from other company	-	-	-	-
Benefits paid	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to	-	-	-	-
<b>Fair Value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(iii) **The net liability disclosed above relates to funded plans are as follows:**

	Current Year 31.03.2024 (Rs. In lakhs)	Current Year 31.03.2024 (Rs. In UDS)	Previous Year 31.03.2023 (Rs. In lakhs)	Previous Year 31.03.2023 (Rs. In UDS)
Fair value of plan assets as at the end of the year	-	-	-	-
Liability as at the end of the year	(51.35)	(0.62)	(6.21)	(0.08)
<b>Net (liability) / asset</b>	<b>(51.35)</b>	<b>(0.62)</b>	<b>(6.21)</b>	<b>(0.08)</b>

(iv) **Balance Sheet Reconciliation**

	Current Year 31.03.2024 (Rs. In lakhs)	Current Year 31.03.2024 (Rs. In UDS)	Previous Year 31.03.2023 (Rs. In lakhs)	Previous Year 31.03.2023 (Rs. In UDS)
<b>Opening Net Liability</b>	<b>6.21</b>	<b>0.08</b>	<b>13.14</b>	<b>0.16</b>
Expenses Recognized in Statement of Profit or Loss	4.29	0.05	3.35	0.04
Expenses Recognized in OCI	7.99	0.10	(1.34)	(0.02)
Net (Liability)/Asset Transfer in	32.87	0.39	0.92	0.01
Benefit paid by the Company	-	-	(9.86)	(0.12)
Employers Contribution	-	-	-	-
<b>Amount recognised in the Balance Sheet</b>	<b>51.35</b>	<b>0.62</b>	<b>6.21</b>	<b>0.08</b>





**B Statement of Profit & Loss**

<b>Net Interest Cost for Current Period</b>				
	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>	<b>Current Year 31.03.2024 (Rs. In UDS)</b>	<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	<b>Previous Year 31.03.2023 (Rs. In UDS)</b>
Interest Cost	0.46	0.01	0.90	0.01
Interest Income	-	-	-	-
<b>Net Interest Cost for Current Period</b>	<b>0.46</b>	<b>0.01</b>	<b>0.90</b>	<b>0.01</b>

<b>Expenses recognised in the Statement of Profit &amp; Loss</b>				
	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>	<b>Current Year 31.03.2024 (Rs. In UDS)</b>	<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	<b>Previous Year 31.03.2023 (Rs. In UDS)</b>
Current Service cost	3.83	0.05	2.45	0.03
Net Interest Cost	0.46	0.01	0.90	0.01
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>4.29</b>	<b>0.05</b>	<b>3.35</b>	<b>0.04</b>

<b>Expenses recognised in the Other Comprehensive Income</b>				
	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>	<b>Current Year 31.03.2024 (Rs. In UDS)</b>	<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	<b>Previous Year 31.03.2023 (Rs. In UDS)</b>
Expected return on plan assets	-	-	-	-
Actuarial (Gain) or Loss	7.99	0.10	(1.34)	(0.02)
<b>Net (Income)/Expense for the Period Recognized in</b>	<b>7.99</b>	<b>0.10</b>	<b>(1.34)</b>	<b>(0.02)</b>

<b>Fair value of plan assets at the Balance Sheet Date for defined benefit obligations</b>				
	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>	<b>Current Year 31.03.2024 (Rs. In UDS)</b>	<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	<b>Previous Year 31.03.2023 (Rs. In UDS)</b>
Insurer Managed Funds	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Sensitivity Analysis</b>				
	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>	<b>Current Year 31.03.2024 (Rs. In UDS)</b>	<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	<b>Previous Year 31.03.2023 (Rs. In UDS)</b>
Projected Benefit Obligation on Current Assumptions	51.35	0.62	6.21	0.08
Delta Effect of +1% Change in Rate of Discounting	(3.13)	(0.04)	(0.52)	(0.01)
Delta Effect of -1% Change in Rate of Discounting	3.51	0.04	0.60	0.01
Delta Effect of +1% Change in Rate of Salary Increase	3.39	0.04	0.58	0.01
Delta Effect of -1% Change in Rate of Salary Increase	(3.08)	(0.04)	(0.51)	(0.01)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.85)	(0.01)	(0.20)	(0.00)
Delta Effect of +1% Change in Rate of Employee Turnover	0.92	0.01	0.22	0.00

<b>Maturity Analysis</b>				
<b>Projected Benefit payable in Future Years from the date of reporting</b>	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>	<b>Current Year 31.03.2024 (Rs. In UDS)</b>	<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	<b>Previous Year 31.03.2023 (Rs. In UDS)</b>
1st Following Year	3.61	0.04	0.20	0.00
2nd Following Year	6.47	0.08	0.37	0.00
3rd Following Year	4.57	0.05	0.36	0.00
4th Following Year	4.87	0.06	0.64	0.01
5th Following Year	4.80	0.06	0.66	0.01
Sum of Years 6 to 10	24.06	0.29	2.97	0.04

<b>Significant actuarial assumptions are as follows:</b>				
	<b>Current Year 31.03.2024 (Rs. In lakhs)</b>		<b>Previous Year 31.03.2023 (Rs. In lakhs)</b>	
Discount Rate	7.19%		7.39%	
Rate of Return on Plan Assets	N.A.		N.A.	
Salary Escalation	10.00%		10.00%	
Attrition Rate	12.00%		12.00%	



**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 Amendment Rules required disclosures are given in the table below:

37 (a) **Names of the related parties and related party relationship**

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	The Ultimate Holding Company
2	NSE Clearing Limited	Holding Company
3	NSE Investments Limited	Fellow Subsidiary of Holding Company
4	NSE IFSC Limited	Fellow Subsidiary of Holding Company
5	NSEIT Limited	Fellow Subsidiary's Subsidiary of Holding Company
6	NSE Data & Analytics Limited	Fellow Subsidiary's Subsidiary of Holding Company
7	NSE Indices Limited	Fellow Subsidiary's Subsidiary of Holding Company
8	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary of Holding Company
9	NSE Academy Limited	Fellow Subsidiary's Subsidiary of Holding Company
10	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary of Holding Company
11	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited/Aujas Networks Private Limited)	Fellow Subsidiary's Subsidiary's Subsidiary of Holding Company
12	CXIO Technologies Private Limited (Cloud X)	Fellow Subsidiary's Subsidiary's Subsidiary of Holding Company
13	Talentsprint Private Limited	Fellow Subsidiary's Subsidiary's Subsidiary of Holding Company
14	TalentSprint Inc.	Fellow Subsidiary's Subsidiary's Subsidiary's Subsidiary of Holding Company
15	NSE Foundation	Fellow Subsidiary of Holding Company
16	National Securities Depository Limited	Associate Company of Ultimate Holding Company
17	NSDL Database Management Limited	Ultimate Holding Company's Associate Company's Subsidiary
18	Protean eGov Technologies Limited (formerly known as NSDL e-Governance infrastructure limited)	Ultimate Holding company's Subsidiary's Associate
19	BFSI Sector Skill Council of India	Associate of the Ultimate Holding Company
20	Power Exchange India Limited	Ultimate Holding company's Subsidiary's Associate
21	Market Simplified India Limited	Ultimate Holding company's Subsidiary's Associate
22	Receivables Exchange Of India Limited	Ultimate Holding company's Subsidiary's Associate
23	Indian Gas Exchange Limited	Ultimate Holding Company's Subsidiary's Associate
24	Cogencis Information Services Limited	Fellow Subsidiary's Subsidiary's Subsidiary of Holding Company
25	Capital Quants Solutions Private Limited	Ultimate Holding Company's Subsidiary's Subsidiary's Associate
26	India International Bullion Holding IFSC Ltd	Ultimate Holding Company's Associate Company
27	India International Bullion Exchange IFSC Ltd	Ultimate Holding Company's Associate Company's Subsidiary Company (w.e.f. 1
28	NSE Administration & Supervision Limited (w.e.f. January 9, 2024)	Fellow Subsidiary of Holding Company
29	NSE Sustainability & Rating & Analytics Limited (w.e.f. March 30, 2024)	Fellow Subsidiary's Subsidiary's Subsidiary of Holding Company
30	Prof. Samir K Barua	Key Managerial Personnel (up to November 7, 2022)
31	Mr. Mukesh Agarwal	Key Managerial Personnel
32	Mr. Kapil Seth	Key Managerial Personnel
33	Mr. K Kumar	Key Managerial Personnel
34	Mr. Kamalakar Karlapalem	Key Managerial Personnel
35	Mr. Neeraj Kulshrestha	Key Managerial Personnel (w.e.f. July 24, 2023)
36	Mr. Vivek Singhvi	Key Managerial Personnel (w.e.f. July 24, 2023)
37	Mr. Sushil Nimbulkar	Key Managerial Personnel
38	Mr. Gaurang Thakkar	Key Managerial Personnel
39	Ms. Hemal Davda	Key Managerial Personnel (w.e.f. October 16, 2023)
40	Mr. Arjav Trivedi	Key Managerial Personnel (w.e.f. December 06, 2023)



**NSE IFSC CLEARING CORPORATION LIMITED**  
Notes to financial statements for the year ended March 31, 2024

(b) Details of transaction with parties are as follows :

Name of the Related Party	Nature of Transactions	For the year ended 31.03.2024 (Rs. in lakhs)	For the year ended 31.03.2024 (USD in lakhs)	For the year ended 31.03.2023 (Rs. in lakhs)	For the year ended 31.03.2023 (USD in lakhs)
NSE Clearing Limited	Contribution towards Equity Share Capital	16,000.00	191.91	-	-
	Reimbursement of expenses for staff on deputation paid / payable	32.80	0.39	83.70	1.02
	Outstanding balance included in Other Advance Receivable (Net)	18.79	0.23	(14.04)	(0.17)
National Stock Exchange of India Limited (NSEIL)	Reimbursement of expenses for staff on deputation paid / payable	-	-	3.58	0.04
	Reimbursement for other expenses incurred	13.31	0.16	(0.29)	(0.00)
	Transfer of Assets	7.21	0.09	-	-
	Outstanding balance included in Trade Payables (Net)	(6.16)	(0.07)	3.93	0.05
NSE IFSC Limited	Reimbursement for other expenses incurred	24.46	0.29	17.96	0.22
	Clearing & Settlement Income	1,070.17	12.92	(0.07)	(0.00)
	Outstanding balance included in Trade receivables	104.11	1.25	(15.27)	(0.19)
NSE IT Limited	Payment for software support Services	307.57	3.69	424.84	5.17
	Payment for Application Development Management services	322.92	3.87	604.28	7.35
	Outstanding balance included in Trade Payables	(159.66)	(1.91)	(617.49)	(7.51)
NSE Indices Limited	Reimbursement of expenses for staff on deputation paid / payable	4.84	0.06	-	-
	Reimbursement for other expenses incurred	0.91	0.01	-	-
	Outstanding balance included in Trade Payables	(2.89)	(0.03)	-	-
Cogencis Information Services Limited	Payment for Terminal subscription fees	7.49	0.09	7.19	0.09
	Prepaid for Terminal subscription fees	2.50	0.03	2.49	0.03
	Outstanding balance included in Trade Payables	-	-	-	-
NSDL Database Management Limited	Payment for services	0.05	0.00	-	-
	Outstanding balance included in Trade Payables	-	-	-	-
National Securities Depository Limited	Payment for services	2.17	0.03	-	-
	Outstanding balance included in Trade Payables	-	-	-	-
Prof. Samir K Barua	Sitting fees	-	-	9.75	0.12
Mr. Kapil Seth	Sitting fees	31.48	0.38	21.00	0.26
Mr. K Kumar	Sitting fees & Reimbursement of Expenses	27.12	0.33	9.25	0.11
Mr. Kamalakar Karlapalem	Sitting fees & Reimbursement of Expenses	25.51	0.31	10.00	0.12
Mr. Neeraj Kulshrestha	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	100.51	1.21	-	-
Mr. Vivek Singhvi	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	39.33	0.47	-	-
Mr. Sushil Nimbalkar	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	34.99	0.42	-	-
Mr. Gaurang Thakkar	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	38.10	0.46	-	-
Ms. Hemal Davda	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	11.15	0.13	-	-
Mr. Arjav Trivedi	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	7.00	0.08	-	-

Note : Amounts in INR disclosed in related party transactions above are excluding currency fluctuation impact.



38 Capital and other commitments

	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	8.88	0.11	1.71	0.02
Other Commitments on revenue account	210.70	2.58	153.65	2.03
	<b>219.58</b>	<b>2.69</b>	<b>155.36</b>	<b>2.05</b>

39 Contingent liability

	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
Contingent Liabilities	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

40 Lease :

(i) Amounts recognised in balance sheet

Particulars	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
<b>Right-of-use-assets</b>				
Buildings	81.45	0.96	88.21	1.07
<b>Total</b>	<b>81.45</b>	<b>0.96</b>	<b>88.21</b>	<b>1.07</b>

Particulars	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
<b>Lease liabilities</b>				
Current	4.85	0.05	3.86	0.05
Non Current	108.16	1.31	111.29	1.35
<b>Total</b>	<b>113.01</b>	<b>1.36</b>	<b>115.16</b>	<b>1.41</b>

(ii) Amounts recognised in the Statement of Profit and Loss

Particulars	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
<b>Depreciation charge of Right-of-use assets</b>				
Buildings	7.93	0.10	7.93	0.10
<b>Total</b>	<b>7.93</b>	<b>0.10</b>	<b>7.93</b>	<b>0.10</b>

Particulars	As at 31.03.2024 (Rs. in Lakhs)	As at 31.03.2024 (USD in Lakhs)	As at 31.03.2023 (Rs. in Lakhs)	As at 31.03.2023 (USD in Lakhs)
Interest expenses	8.86	0.10	9.14	0.11
<b>Total</b>	<b>8.86</b>	<b>0.10</b>	<b>9.14</b>	<b>0.11</b>



41 Note on Additional Regulatory Information required by Schedule III

- (i) **Wilful Defaulter**  
The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
- (ii) **Relationship with struck off Companies**  
The Company has no transactions with the companies struck off under the Companies Act, 2013.
- (iii) **Compliance with approved scheme(s) of arrangements**  
The Company has not entered into any scheme of arrangement which has an accounting impact on current of previous financial year.
- (iv) **Utilisation of Borrowed funds and Share premium**  
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in
- (v) **Undisclosed Income**  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not
- (vi) **Details of cypto currency of virtual currency**  
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vii) **Valuation of PP&E, intangible asset and investment property**  
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (viii) **Registration of charges or satisfaction with Registrar of Companies**  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**Core Investment Company (CIC)**

The Company has one subsidiary company namely NSE Investments Ltd which is a deemed CIC and is not required to be registered with RBI as per the directions

**Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

- (ix) **Details of Benami Property held**  
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45
- (x) **Title deeds of immovable properties not held in name of the company**  
There are no immovable properties held in name of the company.
- (xi) **Additional Regulatory Information - Ratios :**

Ratios	Numerator	Denominator	Current Year	Previous Year	Reason for change in ratio for more than 25%
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	3.59	0.67	Fixed Deposits shifted from Non Current to Current assets during FY24 i.e. matured / new Fixed Deposits invested for less
Debt- Equity Ratio	Total Debt	Total Equity			Not Applicable
Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service			Not Applicable
Net Profit Ratio	Net Profit / (Loss)	Total Revenue	-50.41%	NA	NIL Revenue in PY
Inventory Turnover Ratio	Cost of Goods sold or sales	Average Inventory			Not Applicable
Trade Receivables turnover ratio (in times)	Total Sales	Average Accounts Receivable	10.97	NA	NIL Trade Receivable in PY
Trade payables turnover ratio (in times)	Cost of equipments and software developments + Other expenses	Average Trade Payable	3.77	6.37	
Return on Capital Employed (in %)	Net Profit / (Loss)	Average Equity	-9%	-40%	Due to generation of operating revenue & increased interest on investment
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	3.12%	0.57%	Due to generation of operating revenue & increased interest on investment
Return on Equity (in%)	Net Profit / (Loss) after Tax	Average Shareholders Equity	-8.66%	-39.99%	Due to generation of operating revenue & increased interest on investment



**42 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.

**A. FINANCIAL INSTRUMENTS BY CATEGORY**

	31-03-2024			31-03-2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
	(Rs. In Lakhs)					
<b>Financial Assets</b>						
Fixed Deposits with Banks	-	-	19,392.68	-	-	4,509.43
Cash and Cash equivalents	-	-	1,683.39	-	-	808.37
Security deposits	-	-	9.23	-	-	9.10
<b>Total Financial Assets</b>	-	-	21,085.31	-	-	5,326.90
<b>Financial Liabilities</b>						
Trade payables	-	-	299.50	-	-	814.66
Deposits	-	-	2,063.59	-	-	1,015.46
Other liabilities	-	-	186.17	-	-	308.39
<b>Total Financial Liabilities</b>	-	-	2,549.25	-	-	2,138.51

	31-03-2024			31-03-2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
	(USD In Lakhs)					
<b>Financial Assets</b>						
Fixed Deposits with Banks	-	-	232.60	-	-	54.85
Cash and Cash equivalents	-	-	20.19	-	-	9.83
Security deposits	-	-	0.11	-	-	0.11
<b>Total Financial Assets</b>	-	-	252.90	-	-	64.79
<b>Financial Liabilities</b>						
Trade payables	-	-	3.51	-	-	9.91
Deposits	-	-	24.75	-	-	12.35
Other liabilities	-	-	2.23	-	-	3.75
<b>Total Financial Liabilities</b>	-	-	30.50	-	-	26.01

**B. MANAGEMENT OF LIQUIDITY RISK**

Liquidity risk is the risk that the Company will face difficulty 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 March 31, 2024.

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 over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), and excess is invested in interest bearing term deposits.

Particulars	Carrying amount	Payable on demand	(Rs. in lakhs)	
			Less than 12 Month	More than 12 months
<b>As at March 31, 2024</b>				
Trade payables	299.50	-	299.50	-
Deposits	2,063.59	2,063.59	-	-
Margins From Members	182.70	182.70	-	-
Other financial & current liabilities	284.23	189.62	94.61	-

Particulars	Carrying amount	Payable on demand	(USD in lakhs)	
			Less than 12 Month	More than 12 months
<b>As at March 31, 2024</b>				
Trade payables	3.51	-	3.51	-
Deposits	24.75	24.75	-	-
Margins From Members	2.19	2.19	-	-
Other financial & current liabilities	3.41	2.27	1.13	-

Particulars	Carrying amount	Payable on demand	(Rs. in lakhs)	
			Less than 12 Month	More than 12 months
<b>As at March 31, 2023</b>				
Trade payables	814.66	-	814.66	-
Deposits	1,015.46	1,015.46	-	-
Margins From Members	308.22	308.22	-	-
Other financial & current liabilities	142.23	34.43	107.81	-

Particulars	Carrying amount	Payable on demand	(USD in lakhs)	
			Less than 12 Month	More than 12 months
<b>As at March 31, 2023</b>				
Trade payables	9.91	-	9.91	-
Deposits	12.35	12.35	-	-
Margins From Members	3.75	3.75	-	-
Other financial & current liabilities	1.73	0.42	1.31	-



**C. 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.

**D. 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 / (Loss), 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. The Company considers 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 Company 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.

International Financial Services Centres Authority has issued International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 on April 12, 2021. Regulation 14 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 requires the company to have net worth of at least USD 3 million at all times. Post enactment of the said regulation the Company is required to maintain net worth of USD 3 million and the company is in compliance of the same.

43 The Company does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.

44 Previous year figures have been regrouped / reclassified wherever necessary to confirm to current period presentation.

**As per our report of even date attached**

For K. S. Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100186W

*Sachin A. Negandhi*

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place : Mumbai  
Date : April 24, 2024

For and on behalf of the Board of Directors

*K. Kanakasabapathy*  
Kumar Kanakasabapathy  
Chairman  
[DIN : 06632984]

*Neeraj Kulshrestha*  
Neeraj Kulshrestha  
Managing Director & CEO  
[DIN : 02994647]

*Kapil Seth*  
Kapil Seth  
Director  
[DIN:03596866]

*Hemal Davda*  
Hemal Davda  
Chief Financial Officer

*Arjun Trivedi*  
Arjun Trivedi  
Company Secretary

