



Managing the clearing & risk landscape with robust and secure framework



6th Annual Report 2021-22

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CORPORATE INFORMATION

BOARD OF DIRECTORS	: Prof. Samir K Barua (DIN:00211077) : Mr. Mukesh Agarwal (DIN:03054853) : Mr. Kapil Seth (DIN:03596866)
KEY MANAGERIAL PERSONNEL	: Mr. Vivek Singhvi (Chief Executive Officer) : Mr. Nitin Bhadre (Chief Financial Officer)
STATUTORY AUDITOR	:M/s Haribhakti & Co. LLP, Chartered Accountants,705, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059.
REGISTRAR & TRANSFER AGENTS	: Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikroli (West), Mumbai - 400 083
REGISTERED OFFICE	: Unit-1202, Brigade International financial Centre, 12th 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 6th Annual Report and the Audited Financial Statements of NSE IFSC Clearing Corporation Limited (the 'Company or NICCL') for the financial year ended March 31, 2022.

NICCL was incorporated as a public company on December 2, 2016, at Ahmedabad under the Companies Act, 2013. NICCL is a step-down subsidiary of National Stock Exchange of India Ltd. (NSE), wherein 100% of its share capital is held by NSE Clearing Limited (NCL), a wholly owned subsidiary of NSE. The Company has been incorporated to carry on the business inter-alia of setting up and operating a Clearing Corporation as a unit in an International Financial Service Centre (IFSC) in any Special Economic Zone (SEZ) approved by the Government of India or anywhere globally to carry on the business of clearing and settlement of any kind, including physical and cash settlement of securities.

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

NICCL commenced its operations as a Clearing Corporation in the GIFT City, Gandhinagar, Gujarat, India with effect from June 5, 2017, after receiving approval from SEBI. The current renewal from International Financial Services Centres Authority (IFSC Authority) is until May 28, 2022, and the application for renewal of recognition has been submitted by NICCL to the IFSC Authority.

NICCL has the following types of clearing memberships - Professional Clearing Member (PCM), Trading Cum Clearing Member (TMCM) and Trading Cum Self Clearing Member (TMSCM).

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

Category	Instrument Type	Key Features
Equity Index Derivatives	Futures & Options	<ul style="list-style-type: none"> ○ Trading Hours: ○ Session 1 - 08:00-17:00 ○ Session 2 - 17:02-01:30 ○ Currency of Trade: US Dollars ○ Contract Calendar Weekly, Monthly, Quarterly expiries ○ Margining: SPAN Based ○ Settlement: Cash Settled ○ Daily Settlement: T+1 Day
Single Stock Derivatives	Futures & Options	
Currency Derivatives	Futures & Options	
Commodity Derivatives (Non-Agri)	Futures	

Depository Receipts	DR	<ul style="list-style-type: none"> ○ Trading Hours: ○ Session 1 - 08:00 - 17:00 ○ Session 2 - 17:02 - 01:30 ○ Currency of Trade: US Dollars ○ Trade for Trade settlement on a gross basis ○ Daily Settlement: T+2 Day
NSEIFSC Receipts	USAIDR	<ul style="list-style-type: none"> ○ Trading Hours: ○ Session - 19:00 - 01:30 ○ Currency of Trade: US Dollars ○ Settlement: Delivery based ○ Daily Settlement: T+3 Day

As on March 31, 2022, NICCL had 9 clearing members (5 Trading cum Clearing Members and 4 Trading cum Self 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 and a pool account with any one of the designated clearing banks and depository / depository participant. 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 purpose of settlement of securities, NICCL has established connectivity with CDSL IFSC Ltd., a depository in IFSC. During the financial year 2021-22, NICCL incurred a loss of Rs. 10.07 crores as compared to loss (after tax) of Rs. 9.23 crores for the financial year 2020-21.

Initiatives and Major Events during FY 2021-22

1. NSEIFSC launched India's first unsponsored Depository Receipts (NSEIFSC Receipts) under the regulatory sandbox framework prescribed by the IFSC Authority. NICCL provides Clearing & Settlement, Risk management for NSEIFSC Receipts.
2. NICCL executed an agreement with CDSL IFSC Ltd. for Depository connectivity.
3. NICCL became the first Clearing Corporation at IFSC to physically settle unsponsored Depository Receipts (NSEIFSC Receipts).
4. The Revised Risk management framework was implemented across all derivative and cash products.
5. The NICCL Regulations were amended to pave the way for introduction of cash products in IFSC.
6. SEBI has prescribed a Cyber Capability Index (CCI) to assess the cyber security preparedness of MIs. The maximum value of the index can be 100. Based on the guidelines issued by SEBI, the computed and validated CCI score for NICCL for the quarter ending March 2022 was 92.15.

7. NICCL is an European Securities and Markets Authority (ESMA) recognized Third Country Central Counter Party (TC-CCP). ESMA has intimated that, NICCL shall be categorized as a Tier 1 CCP i.e., it is not systemically important or likely to become systemically important in accordance with Article 25(2a) of European Market Infrastructure Regulation (EMIR).

Operational Updates

As of March 31, 2022:

1. NICCL clears and settles derivative contracts on 4 Indices, 7 currency pairs, 2 commodities, 156 single stocks, 1 DR and 50 NSEIFSC Receipts.
2. NICCL had 7 IFSC Banking Units (IBU) for issuance of collateral and 6 Banks for clearing and settlement of funds.
3. NICCL had 9 clearing members, out of which 4 are self-clearing members and 5 are trading cum clearing members.
4. NICCL accepts Cash, Fixed Deposit Receipt, Bank Guarantee and US Treasury Bills as collateral.
5. The Settlement Guarantee Fund (SGF) amounted to USD 1.41 Million.
6. The total value of the settlement for FY 2021-22 was USD 7.23 million, while the highest monthly settlement in FY 2021-22 was USD 1.01 million for the month of Dec 2021.

The Details of Derivative transactions for the FY 2021-22 are as given in the table below:

Month	No. of Contracts Traded	Turnover* (in Mn \$)	Mark-To-Market Settlement + Premium Settlement (in \$)	Final Settlement including Exercise Settlement (in \$)	Total Settlement (in \$)
Apr-21	3,01,769	8,424.16	5,34,266.65	3,229.64	5,37,496.30
May-21	1,56,489	4,605.75	4,36,025.70	2,487.70	4,38,513.40
Jun-21	910,981	4,839.64	433,607.80	12,408.40	446,016.20
Jul-21	1,997,921	7,203.32	286,589.30	20,188.00	306,777.30
Aug-21	1,997,594	7,466.87	307,123.60	26,902.20	334,025.80
Sep-21	609,091	4,080.09	822,395.50	92,840.60	915,236.10

Month	No. of Contracts Traded	Turnover* (in Mn \$)	Mark-To-Market Settlement + Premium Settlement (in \$)	Final Settlement including Exercise Settlement (in \$)	Total Settlement (in \$)
Oct-21	112,827	4,040.37	683,922.00	10,473.50	694,395.50
Nov-21	121,169	4,241.93	637,429.40	3,969.10	641,398.50
Dec-21	341,610	11,766.99	1,006,582.70	3,278.90	1,009,862.00
Jan-22	332,327	11,840.00	607,053.50	18,633.40	625,686.90
Feb-22	360,531	12,425.07	561,259.40	65,116.60	626,376.00
Mar-22	291,922	9,825.317	656,921.60	1,489.00	658,410.60

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

Details of NSEIFSC Receipts for the FY 2021-22 are as given in the table below:

Month	No. of Contracts Traded	Traded Value (in Mn \$)	Total Settlement Value (in \$)	Quantity settled via Depository
*Mar-22	16,072	0.13	5,483.15	766

*Trading commenced from March 03, 2022.

Regulatory Updates

- The IFSC Authority has issued guidelines on the “Code of Conduct and Code of Ethics for the Directors and Key Managerial Personnel (KMP) of a recognized Market Infrastructure Institutions (MII) in GIFT-IFSC.”
- The IFSC Authority has issued guidelines and application forms for the recognition and renewal of Market Infrastructure Institutions.
- The IFSC Authority has permitted all members of the stock exchanges and clearing corporations in GIFT-IFSC to be enabled as a Bullion Trading/Clearing Members subject to fulfilment of the requisite net worth criteria.
- The IFSC Authority has permitted an IFSCA recognized non-bank custodian, operating in GIFT-IFSC through branch mode, to acquire clearing membership in GIFT-IFSC.

1. Financials

The financial results for the year ended on March 31, 2022, are summarized as below:

Particulars	2021-22		2020-21	
	(Rs. In lakhs)	(USD in lakhs)	(Rs. In lakhs)	(USD in lakhs)
Income	40.24	0.54	90.78	1.23
Expenditure	1,047.30	14.07	1,013.35	13.69
Profit/(Loss) before tax	(1,007.06)	(13.53)	(922.57)	(12.46)
Add/(Less) provision for tax (including deferred tax)	-	-	-	-
Profit/(Loss) after tax	(1,007.06)	(13.53)	(922.57)	(12.46)
Add/ (Less): Items that will be reclassified to profit or loss	150.86	-	(150.36)	-
Add/(less): Items that will not be reclassified to profit or loss	(2.98)	(0.04)	(0.19)	(0.00)
Total comprehensive income	(859.18)	(13.57)	(1,073.12)	(12.46)
Profit/(Loss) brought forward from previous year	(3,590.10)	(59.38)	(2,416.92)	(45.57)
Less: Contribution to core SGF	-	-	(99.54)	(1.33)
Less: Share issue expenses	-	-	(0.52)	(0.02)
Balance carried to Balance Sheet	(4,449.28)	(72.95)	(3,590.10)	(59.38)

There was no change in the nature of business during the FY 2021-22.

1.1. 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 2021-22.

1.2. Transfer to Reserves

In view of the loss incurred by the company, no amount was available for transferring to General Reserves for the year 2021-22.

1.3. 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 2021-22.

1.4. 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.

1.5. 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.

1.6. Subsidiaries, Joint Ventures and Associate Companies

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

1.7. 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.

1.8. 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.

1.9. 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 FY 2021-22 or between the end of the FY 2021-22 and the date of this Report, that have adversely affected the financial position of the Company.

The Company received approval from the IFSC Authority vide its email dated May 26, 2021, granting recognition as a Clearing Corporation for a period of one year effective from May 29, 2021 up to May 28, 2022.

1.10. Alteration to Memorandum of Association (MOA) and Articles of Association (AOA) of the Company:

The Company has altered its Memorandum of Association as approved by its members at the 5th Annual General Meeting held on July 09, 2021, pursuant to the increase in the authorized capital of the company from Rs. 100 Crores divided into 10 crores equity shares of Rs. 10 each to Rs. 150 Crore equity shares divided into 15 crores equity shares of Rs. 10 each.

1.11. 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.

1.12. 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.

1.13. 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.

1.14. Share Capital

The authorized share capital of the Company is Rs.150 crores divided into 15 crores equity shares of Rs 10 each.

During the year under review, the Members of the Company at its 5th Annual General Meeting held on July 09, 2021, increased the authorized capital of the company from Rs. 100 Crores divided into 10 crores equity shares of Rs. 10 each to Rs. 150 Crore equity shares divided into 15 crores equity shares of Rs. 10 each.

The Paid-up Share capital of the Company is Rs. 90 crores divided into 9 crores equity shares of Rs. 10 each.

2. Registered Office

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

3. Extract of the Annual Return

In terms of the Ministry of Corporate Affairs (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 provide an extract of Annual Return which forms part of the Board's report.

4. 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, 2022, the Company had a dedicated human capital of 12 employees which included 8 employees on the rolls of NICCL, 1 employee on deputation from NSEIL and 3 employees on deputation from NSE Clearing Limited.

The remuneration of none of the employees of the Company exceeded the limits as specified in sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

4.1. 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 Prevention of Sexual Harassment (POSH) annual report filed for the Calendar year 2021.

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.

5. Directors and Key Managerial Personnel (KMP)

5.1. Directors:

Following were the Directors as on March 31, 2022

Sr. No.	Name of Director	DIN	Category
1	Prof. Samir Barua	00211077	Non-Executive Independent Director
2	Mr. Kapil Seth	03596866	Public Interest Director
3	Mr. Mukesh Agarwal	03054853	Non-Executive Director

Further, following changes have taken place in the Board of Directors during the F.Y.

- **Cessation of Director**

During the year under review, Mr. Natarajan Ramasamy, Non-executive Director of the Company, resigned with effect from September 20, 2021.

- **Appointment of Director**

Pursuant to the IFSC (MII) Regulations, 2021 read with Section 149 of the Companies Act, 2013 and on the recommendations of the Board of Directors & Shareholders of the Company, Mr. Kapil Seth was appointed as the Public Interest Director of the Company. Further, the IFSC Authority granted approval for the same effective from September 16, 2021, for a period of 3 years.

During the year under review, the Company made an application to the IFSC Authority to appoint of Mr. Sandip Mehta as the Managing Director and CEO. Approval for the same by the Authority is awaited.

During the year under review, the Company made an application to IFSCA for regularization of the appointment of Mr. Mukesh Agarwal as Shareholder Director on the Governing Board of the Company.

The Board of Directors declare that the Independent Director appointed during the year has the requisite qualifications, knowledge, experience, and expertise to act as an Independent Director of the Company and possesses the highest standards of integrity.

5.2. Director's e-KYC

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.

5.3. 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.

5.4. Declaration of Independence

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013. Prof. Samir Kumar Barua 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 Prof. Samir Kumar Barua and Mr. Kapil Seth 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.

5.5. 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.

5.6. Key Managerial Personnel

Pursuant to the Companies Act, 2013, Mr. Vivek Singhvi, Chief Executive Officer, and Mr. Nitin Bhadre, Chief Financial Officer are the key managerial personnel of the Company. During the Financial year under review, Mr. Chirag Nagda ceased to be the Company Secretary of the Company with effect from February 23, 2022.

6. NICCL Board

6.1. Board Evaluation

In terms of the MCA notification dated January 4, 2017, the IFSC Public Companies are exempted from complying with the provisions of Section 178 of the Companies Act, 2013 and hence the Company is not required to constitute Nomination and Remuneration Committee to discharge the functions mandated under the provisions of Section 178 of the Companies Act, 2013. However, regulation 24(4) of IFSCA MII Regulations 2021 specifies that the governing board of a recognized market infrastructure institution shall review the overall performance and the performance of its individual directors regularly.

Hence, NICCL carried out the evaluation of the Board of Directors. 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 board structure and composition, Board dynamics, strategy, relationship between the Board and Management, Engagement and Development of the Board Members, liaising with stakeholders and adequacy of information to the Board. The criteria for performance evaluation of the 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.

6.2. 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 2021-22, 6 (six) Board Meetings were held on April 30, 2021, July 30, 2021, October 22, 2021, January 31, 2022, February 18, 2022 and March 28, 2022. Ministry of Corporate Affairs vide its General Circular No. 11/2020 dated March 24, 2020, had relaxed the requirement pertaining to the intervening gap between the meetings as prescribed under Section 173 of the Companies Act, 2013. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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
Prof. Samir K Barua	6	6
Mr. Natarajan Ramasamy *	2	1
Mr. Mukesh Agarwal	6	5
Mr. Kapil Seth**	4	4

*Resigned w.e.f. September 20, 2021

**Appointed w.e.f. September 16, 2021

6.3. Risk Management Committee (RMC)

During the financial year 2021-22, 4 (four) meetings of the RMC were held on April 30, 2021, July 30, 2021, October 22, 2021 and January 31, 2022.

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	Number of meetings attended
Prof. Samir K. Barua	4	4
Mr. Natarajan Ramasamy*	2	1
Mr. Huzefa Mahuvawala	4	4
Mr. Kapil Seth**	2	2

*Resigned w.e.f. September 20, 2021

**Appointed as Member w.e.f. October 16, 2021

6.4. Audit Committee

In terms of the MCA notification dated January 4, 2017, the IFSC Public Companies are exempted from complying with the provisions of Section 177 of the Companies Act, 2013 and hence the Company is not required to constitute an Audit Committee to discharge the functions mandated under the provisions of Section 177 of the Companies Act, 2013.

6.5. 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.

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

During the year under review, none of the Non-Executive Directors was drawing any remuneration from the Company. The sitting fees were paid to Prof Samir Kumar Barua, Independent Director 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.

6.7. 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 31st March 2022 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.

7. Statutory Auditors

M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company at the 1st Annual General Meeting held on September 12, 2017, for a period of 5 (five) years from the conclusion of the 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting to be held in the year 2022.

The governing Board of NICCL proposed the appointment of M/s. K.S. Aiyar & Co., Chartered Accountants as statutory auditor to conduct the audit of the Company Accounts from the end of the Sixth Annual General Meeting to the conclusion of the eleventh annual general meeting, subject to approval of the Shareholders at this 6th Annual general meeting.

M/s. K.S. Aiyar & Co., Chartered Accountants have confirmed that, their appointment, if made, would be in accordance with section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of section 141 of the Act.

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

8. 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 2021-22. The Secretarial Audit Report issued by them is annexed herewith as Annexure 1. The report does not contain any qualifications, reservations, or adverse remarks.

9. 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.

10. Opportunities:

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

10.1 NSE IFSC-SGX-CONNECT

The NSE IFSC-SGX Connect has been envisioned by National Stock Exchange (NSE) and Singapore Exchange (SGX) to bring together international and Gujarat International Finance Tec-City (GIFT) participants to create a bigger liquidity pool for Nifty products in GIFT City. NSE & SGX entered into a collaboration agreement in September 2020, to implement first of its kind innovative Connect model whereby a unified single liquidity pool shall be created for trading in NIFTY products trading at Gift City IFSC. SGX shall route the order flow in NIFTY products to the consolidated order book at NSE International Exchange in GIFT City via the Connect.

The Connect model was approved by Securities Exchange Board of India (SEBI) and Monetary Authority of Singapore (MAS), the regulators in India and Singapore

respectively. The development of the Connect has progressed with the support of International Financial Service Centres Authority (IFSCA) which has approved various operational aspects of the Connect. Both NSE and SGX have worked through the Pandemic challenges to finalize the Operational, Technology, Legal and Regulatory framework. The testing of the technology application and infrastructure of the Connect is in progress. The Member engagement which is in progress is expected to be intensified in the run up to the operationalization of the Connect. The Connect is scheduled to go Live in the first half of FY 2022-23.

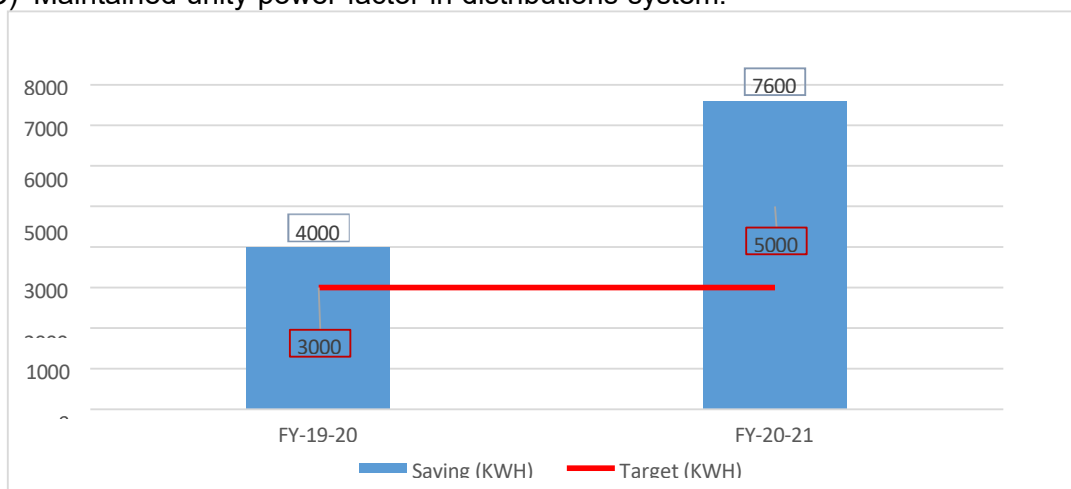
11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

11.1. Conservation of Energy

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

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 unity power factor in distributions system.



Occupancy Sensors:

Occupancy sensors have been installed so that lights are 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 2800 Tr-Hr per year as compared to the conventional AC System.

11.2. 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 – Nil (P.Y. USD 13,34,884.86)

Foreign Exchange Outflow – USD 13,90,000.00 (P.Y. USD 11,50,000.00)

Foreign Exchange Earnings – Nil (P.Y. Nil)

Foreign exchange capital and operational expense – USD 68,415.08 (P.Y. USD 1,40,859.18)

12. 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.

13. 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.

14. 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

**SD/-
Prof. Samir Kumar Barua
DIN:00211077
Chairman**

Place: Ahmedabad

Date: April 27, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

*[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
12th 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, 12th Floor, Block-14, Road 1C, Zone-1, GIFT SEZ, GIFT City, Gandhinagar – 382 355. 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 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 **31st March, 2022** 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 31st March, 2022 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;
- (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) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – 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. The Securities Contract (Regulations) Act, 1956
 2. The Securities and Exchange Board of India Act, 1992
 3. The Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
 4. Securities And Exchange Board Of India (International Financial Services Centres) Guidelines, 2015
 5. International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021
 6. IFSCA (Market Infrastructure Institutions) Regulations, 2021
 7. Special Economic Zone Act, 2005 and SEZ Rules, 2006
 8. Rules, Regulations, Circulars, Orders, notification and Directives issued under the above statute to the extent applicable.

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 the following important events as occurred during the audit period under review:

- a) The Authorised Share Capital of the Company has been increased from Rs. 1,00,00,00,000/- (Rupees One hundred crores only) divided in to 10,00,00,000 Equity Shares of Rs. 10 each to Rs. 1,50,00,00,000/- (Rupees One hundred fifty crores only) divided in to 15,00,00,000 Equity Shares of Rs. 10 each.

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 : F001821D000169978

Place: Ahmedabad
Date: 20th April, 2022

Disclaimer: Due to restricted movement amid COVID-19 pandemic, 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 could not be 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 2021-22. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 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.

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

KASHYAP R. MEHTA
PROPRIETOR

FRN: S2011GJ166500
FCS-1821 COP-2052 PR-583/2019

UDIN : F001821D000169978

Place: Ahmedabad
Date: 20th April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of NSE IFSC Clearing Corporation Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of NSE IFSC Clearing Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2022, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 2";
 - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid/provided by the Company to its directors during the year. Accordingly, the provisions of section 197 of the Act are not applicable to the Company;

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

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, 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 person(s) or entity(ies), 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;

(iv) (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), 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;

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate 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.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 22034828AHYCWB5799

Place: Mumbai
Date: April 27, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **NSE IFSC Clearing Corporation Limited** ("the Company") on the Ind AS financial statements for the year ended March 31, 2022]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, 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-of-use assets.
 - (a) (B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) During the year, the Property, Plant and Equipment and relevant details of right-of-use assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
 - (a) The Company is in the business of providing services and does not have any physical inventories. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
 - (b) The Company has not obtained any working capital limit during the year from banks and/or financial institutions. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, 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 any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv) The Company has not granted any loan, made any investment or provided any guarantee or security under sections 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the services of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

- (a) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, duty of customs, cess and any other material statutory dues applicable to it, though there has been a slight delay in a few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, customs duty and cess, which have not been deposited on account of any dispute.

(viii)

We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix)

- (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 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 did not obtain any money by way of term loans during the year and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

- (d) On an overall examination of the Ind AS financial statements of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.

- (e) The Company does not have any subsidiary, associate or joint venture as defined under the Act and accordingly reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.

- (f) The Company does not have any subsidiary, associate or joint venture as defined under the Act and accordingly reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.

(x)

- (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.

(xi)

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.

- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements 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 of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without having a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 (“Directions”) by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (d) As informed by the Company, the Group to which the Company belongs has one CIC as part of the Group.
- (xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs. 768.08 lacs and Rs. 724.06 lacs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS 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 cause us to believe that any material uncertainty exists as on the date of this audit report and that the 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 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) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 22034828AHYCWB5799

Place: Mumbai
Date: April 27, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **NSE IFSC Clearing Corporation Limited** ("the Company") on the Ind AS financial statements for the year ended March 31, 2022]

Report on the Internal Financial Controls with reference to Financial Statements 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, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 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 controls 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 with reference to financial statements.

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 controls 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 22034828AHYCW5799

Place: Mumbai
Date: April 27, 2022

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Notes	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
ASSETS					
Non-current assets					
Property, plant & equipment and Intangible assets					
-Property, plant and equipment	2	119.78	1.60	161.85	2.28
-Right-Of-Use Assets (ROU)	2	88.23	1.17	93.92	1.28
-Other intangible assets	3	392.12	5.15	287.12	3.83
-Intangible assets under development	3	280.40	3.71	39.59	0.54
Financial assets					
- Other financial assets					
Non-current bank balances	4	-	-	4,704.30	64.00
Others	4	8.39	0.11	11.70	0.16
Income tax assets (net)		26.19	0.35	18.85	0.26
Total non-current assets		915.11	12.09	5,317.33	72.35
Investments - Core Settlement Guarantee Fund	5	1,076.43	14.20	1,027.66	13.98
Current assets					
Financial assets					
- Cash and cash equivalents	6	1,188.94	15.68	982.14	13.36
- Bank balances other than cash and cash equivalents	7	4,321.00	57.00	485.13	6.60
- Other financial assets	8	3.13	0.04	15.71	0.21
Other current assets	9	48.00	0.62	46.48	0.63
Total current assets		5,561.07	73.35	1,529.46	20.80
TOTAL ASSETS		7,552.61	99.64	7,874.45	107.13
EQUITY AND LIABILITIES					
EQUITY					
Equity Share capital	10a	9,000.00	132.98	9,000.00	132.98
Other Equity	10b	(4,449.28)	(72.95)	(3,590.10)	(59.38)
TOTAL EQUITY		4,550.72	60.03	5,409.90	73.60
Core Settlement Guarantee Fund (Core SGF)	11	1,076.43	14.20	1,027.66	13.98
LIABILITIES					
Non-current liabilities					
Financial liabilities					
- Lease Liability		105.79	1.40	105.19	1.44
Provisions	12	17.84	0.24	1.54	0.02
Total non-current liabilities		123.63	1.64	106.73	1.46
Current liabilities					
Financial liabilities					
- Lease Liability		2.94	0.04	2.14	0.03
- Trade payables	13				
(i) total outstanding dues of micro enterprises and small enterprises		6.06	0.08	0.19	0.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		175.92	2.32	177.22	2.40
- Deposits	14	682.34	9.00	477.85	6.50
- Other financial liabilities	15	862.28	11.37	634.42	8.63
Provisions	16	23.53	0.31	4.13	0.06
Other current liabilities	17	48.74	0.64	34.20	0.47
Total current liabilities		1,801.83	23.77	1,330.15	18.09
TOTAL LIABILITIES		3,001.89	39.61	2,464.54	33.53
TOTAL EQUITY AND LIABILITIES		7,552.61	99.64	7,874.45	107.13

Summary of significant accounting policies 1
Notes refer to above form an integral part of the Balance Sheet

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

Sumant Sakhardande
Partner
Membership No.: 034828

Samir K Barua
Director
[DIN:00211077]

Mukesh Agarwal
Director
[DIN:03054853]

Place : Mumbai
Date : April 27, 2022

Vivek Singhvi
Chief Executive Officer

Nitin Bhadre
Chief Financial Officer
Date : April 27, 2022

NSE IFSC CLEARING CORPORATION LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Notes	For the year	For the year	For the year	For the year
		ended 31.03.2022	ended 31.03.2022	ended 31.03.2021	ended 31.03.2021
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
Income					
Revenue from operations		0.01	0.00	-	-
Other income	18	40.23	0.54	90.78	1.23
Total Income		40.24	0.54	90.78	1.23
Expenses					
Employee benefits expense	19	210.39	2.83	161.46	2.18
Finance cost		9.36	0.13	9.56	0.13
Depreciation and amortisation expense	2 & 3	227.34	3.05	184.70	2.49
Other expenses	20	600.21	8.06	657.63	8.89
Total Expenses		1,047.30	14.07	1,013.35	13.69
Profit / (Loss) before tax		(1,007.06)	(13.53)	(922.57)	(12.46)
Less : Tax expense					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Total tax expenses		-	-	-	-
Profit / (Loss) for the period (A)		(1,007.06)	(13.53)	(922.57)	(12.46)
Other Comprehensive Income					
Items that will be reclassified to profit or loss					
Changes in foreign currency translation reserve		150.86	-	(150.36)	
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		(2.98)	(0.04)	(0.19)	(0.00)
Total Other Comprehensive Income for the period (Net of Taxes) (B)		147.88	(0.04)	(150.55)	(0.00)
Total Comprehensive Income for the period (A+B)		(859.18)	(13.57)	(1,073.12)	(12.46)
Earnings per equity share (Face Value Rs. 10 each)					
- Basic & Diluted (Rs. / USD)	21	(1.12)	(0.02)	(1.08)	(0.01)
Summary of significant 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 Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

Sumant Sakhardande
Partner
Membership No.: 034828

Samir K Barua
Director
[DIN:00211077]

Mukesh Agarwal
Director
[DIN:03054853]

Place : Mumbai
Date : April 27, 2022

Vivek Singhvi
Chief Executive Officer

Nitin Bhadre
Chief Financial Officer

NSE IFSC CLEARING CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2022

(A) Equity Share Capital

	(Rs.in Lakhs)	(USD in Lakhs)
Balance as at 01.04.2020	8,000	119.63
Changes in equity share capital during the year	1,000	13.35
Balance as at 31.03.2021	9,000	132.98
Balance as at 01.04.2021	9,000	132.98
Changes in equity share capital during the year	-	-
Balance as at 31.03.2022	9,000	132.98

(B) Other Equity

Particulars	Reserves and Surplus						
	Retained Earnings		Foreign Currency Translation Reserve	Other Comprehensive Income		Total	
	(Rs. in Lakhs)	(USD Lakhs)		(Rs. in Lakhs)	(USD Lakhs)	(Rs. in Lakhs)	(USD Lakhs)
Balance as at April 1, 2020	(3,087.22)	(45.54)	672.15	(1.85)	(0.02)	(2,416.92)	(45.57)
Profit /(Loss)for the period	(922.57)	(12.46)	-	-	-	(922.57)	(12.46)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	(150.36)	-	-	(150.36)	-
Contribution to Core SGF	(99.54)	(1.33)	-	-	-	(99.54)	(1.33)
Share issue expenses	(0.52)	(0.02)	-	-	-	(0.52)	(0.02)
Other Comprehensive Income	-	-	-	(0.19)	(0.00)	(0.19)	(0.00)
Balance as at March 31, 2021	(4,109.85)	(59.36)	521.79	(2.04)	(0.03)	(3,590.10)	(59.38)
Balance as at April 1, 2021	(4,109.85)	(59.35)	521.79	(2.04)	(0.03)	(3,590.10)	(59.38)
Profit /(Loss)for the period	(1,007.06)	(13.53)	-	-	-	(1,007.06)	(13.53)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	150.86	-	-	150.86	-
Contribution to Core SGF	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	(2.98)	(0.04)	(2.98)	(0.04)
Balance as at March 31, 2022	(5,116.90)	(72.88)	672.64	(5.02)	(0.07)	(4,449.28)	(72.95)

As per our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

Sumant Sakhardande
Partner
Membership No.: 034828

Samir K Barua
Director
[DIN:00211077]

Mukesh Agarwal
Director
[DIN:03054853]

Vivek Singhvi
Chief Executive Officer

Nitin Bhadre
Chief Financial Officer

Place : Mumbai
Date : April 27, 2022

Date : April 27, 2022

NSE IFSC CLEARING CORPORATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Notes	For the year ended 31.03.2022 (Rs. In Lakhs)	For the year ended 31.03.2022 (USD In Lakhs)	For the year ended 31.03.2021 (Rs. in Lakhs)	For the year ended 31.03.2021 (USD In Lakhs)
A) CASH FLOW FROM OPERATING ACTIVITIES					
NET PROFIT BEFORE TAX		(1,007.06)	(13.53)	(922.57)	(12.46)
Add : Adjustments for :					
Depreciation & Amortization Expenses	2 & 3	227.34	3.05	184.70	2.49
Re-measurement of defined benefits plans		(2.98)	(0.04)	(0.19)	(0.00)
Finance Cost		9.36	0.13	9.56	0.13
Less : Adjustments for :					
Interest income on bank deposits	18	(40.23)	(0.54)	(90.78)	(1.23)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<u>(813.57)</u>	<u>(10.93)</u>	<u>(819.28)</u>	<u>(11.07)</u>
Adjustments for :					
Proceed of Deposit from Trading member / applicant	14	204.49	2.50	51.85	0.85
Trade Payables	13	4.57	0.00	(68.29)	(0.86)
Other financial liabilities	15	227.87	2.74	276.16	3.88
Other financial assets	4	0.25	-	(1.02)	(0.01)
Other current assets	9	(1.52)	0.01	(44.58)	(0.61)
Current Liabilities & Provisions	16 & 17	50.26	0.69	10.09	0.15
CASH GENERATED FROM OPERATIONS		<u>(327.65)</u>	<u>(4.99)</u>	<u>(595.07)</u>	<u>(7.67)</u>
Direct Taxes paid (Net of Refunds)		(7.34)	(0.09)	(4.56)	(0.07)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)		<u>(334.99)</u>	<u>(5.08)</u>	<u>(599.63)</u>	<u>(7.74)</u>
B) CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	2 & 3	(523.66)	(6.79)	(208.98)	(2.92)
Investment in fixed deposits	4 & 7	868.43	13.60	(245.62)	(5.02)
Interest received	18	56.37	0.76	88.80	1.14
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)		<u>401.14</u>	<u>7.57</u>	<u>(365.80)</u>	<u>(6.80)</u>
C) CASHFLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Equity Shares	10a	-	-	1,000.00	13.35
Share Issue Expense	10b	-	-	(0.52)	(0.02)
Increase in Core SGF	10b	-	-	(95.57)	(1.28)
Payment of Lease Liability		(10.21)	(0.16)	(10.95)	(0.14)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)		<u>(10.21)</u>	<u>(0.16)</u>	<u>892.96</u>	<u>11.91</u>
Changes on account of conversion of balances from functional currency to presentation currency		150.86	-	(150.36)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>206.80</u>	<u>2.33</u>	<u>(222.83)</u>	<u>(2.63)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	982.14	13.36	1,204.97	15.98
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	<u>1,188.94</u>	<u>15.68</u>	<u>982.14</u>	<u>13.36</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>206.80</u>	<u>2.32</u>	<u>(222.83)</u>	<u>(2.62)</u>
Reconciliation of cash and cash equivalents as per the cash flow statement					
Cash and cash equivalents as per above comprise of the following					
Cash and cash equivalents	6	1,188.94	15.68	982.14	13.36
Bank overdrafts		-	-	-	-
Balances per statement of cash flows		<u>1,188.94</u>	<u>15.68</u>	<u>982.14</u>	<u>13.36</u>

Notes to Statement of Cash Flows:

- 1 Cash and cash equivalent represent cash and bank balances.
- 2 The above Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.
- 3 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 Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Sumant Sakhardande
Partner
Membership No.: 034828

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors

Samir K Barua
Director
[DIN:00211077]

Mukesh Agarwal
Director
[DIN:03054853]

Vivek Singhvi
Chief Executive Officer

Nitin Bhadre
Chief Financial Officer
Date : April 27, 2022

NSE IFSC CLEARING CORPORATION LIMITED

Notes to financial statements for the year ended March 31, 2022

1. Background and Summary of significant 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 significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of Indian Accounting Standard (Ind AS) financial statements ("Ind AS financial statements"). These policies have been consistently applied to all the years 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 27, 2022.

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, IT & support charges and processing charges are recognized on accrual basis as and when the services are rendered.;
- (ii) Others - All other revenue is recognised in the period in which the service is provided. 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 recognised initially at fair value and subsequently allowances for receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime expected credit loss (ECL) where there is significant increase in credit risk.

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 is 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) Core SGF Fund:

As per SEBI IFSC guidelines, ref no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016, Clearing corporations in IFSC shall establish and maintain a Fund to guarantee the settlement of trades executed in the stock exchanges in IFSC. First Clearing corporations shall evolve a detailed framework for the Fund, subject to approval of SEBI. To begin with, such Fund shall have a corpus equivalent to at least 10% of the net worth of the clearing corporation. Accordingly, Company has created Core SGF in January 2017 by transferring 10% of Equity Share contribution received from Holding company to Core SGF fund in order to comply with SEBI norms. In the event of a clearing / Custodian member (s) failing to honour settlement commitments, the Core 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 Core SGF has been contributed by NSE IFSC Clearing Corporation Ltd. This fund is represented by earmarked Core SGF investments. The income earned on such investments (net of TDS, bank charges, etc.) is credited to the Core SGF. Penalties and fines levied by the Clearing Corporation are transferred to Core 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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 2 : Property, plant and equipment

Rs. in Lakhs

Particulars	Office equipments	Electrical installations	Furniture and fixtures	Computer System - Others	TOTAL	Capital Work In Progress	Right-Of-Use Assets - Building
Gross carrying amount							
Opening as at 01.04.2020	15.19	10.69	49.35	-	75.23	-	112.56
Additions	-	-	-	150.88	150.88	-	-
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Currency Fluctuation	(1.44)	(1.01)	(4.68)	(2.90)	(10.03)	-	(2.58)
Closing gross carrying amount	13.75	9.68	44.67	147.97	216.07	-	109.98
Accumulated depreciation							
Opening as at 01.04.2020	5.67	3.04	14.39	-	23.10	-	7.50
Depreciation charge during the period	3.52	0.99	9.15	19.32	32.99	-	7.97
Disposals	-	-	-	-	-	-	-
Currency Fluctuation	(0.30)	(0.13)	(0.78)	(0.65)	(1.87)	-	0.59
Closing accumulated depreciation	8.88	3.90	22.77	18.67	54.22	-	16.06
Net carrying amount as at 31.03.2021	4.87	5.78	21.90	129.31	161.85	-	93.92
Gross carrying amount							
Opening as at 01.04.2021	13.75	9.68	44.67	147.97	216.07	-	109.98
Additions	0.37	-	-	-	0.37	-	-
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Currency Fluctuation	0.29	0.20	0.94	3.12	4.55	-	-
Closing gross carrying amount	14.41	9.88	45.61	151.09	220.99	-	109.98
Accumulated depreciation							
Opening as at 01.04.2021	8.88	3.90	22.77	18.67	54.22	-	16.06
Depreciation charge during the period	3.54	0.99	9.11	37.72	51.35	-	7.93
Disposals	-	-	-	-	-	-	-
Currency Fluctuation	(0.71)	(0.31)	(1.83)	(1.50)	(4.36)	-	(2.24)
Closing accumulated depreciation	11.71	4.57	30.04	54.88	101.21	-	21.75
Net carrying amount as at 31.03.2022	2.70	5.31	15.56	96.20	119.78	-	88.23

Note 2 : Property, plant and equipment

USD in Lakhs

Particulars	Office equipments	Electrical installations	Furniture and fixtures	Computer System - Others	TOTAL	Capital Work In Progress	Right-Of-Use Assets - Building
Gross carrying amount							
Opening as at 01.04.2020	0.20	0.14	0.65	-	1.00	-	1.49
Additions				2.04	2.04	-	-
Disposals					-	-	-
Transfers					-	-	-
Closing gross carrying amount	0.20	0.14	0.65	2.04	3.03	-	1.49
Accumulated depreciation							
Opening as at 01.04.2020	0.08	0.04	0.19	-	0.31	-	0.10
Depreciation charge during the period	0.05	0.01	0.12	0.26	0.45	-	0.11
Disposals					-	-	-
Closing accumulated depreciation	0.12	0.05	0.31	0.26	0.75	-	0.21
Net carrying amount as at 31.03.2021	0.08	0.09	0.34	1.78	2.28		1.28
Gross carrying amount							
Opening as at 01.04.2021	0.20	0.14	0.65	2.04	3.03	-	1.49
Additions	0.00				0.00	-	-
Disposals					-	-	-
Transfers					-	-	-
Closing gross carrying amount	0.21	0.14	0.65	2.04	3.04	-	1.49
Accumulated depreciation							
Opening as at 01.04.2021	0.12	0.05	0.31	0.26	0.75	-	0.21
Depreciation charge during the period	0.05	0.01	0.12	0.51	0.69	-	0.11
Disposals					-	-	-
Closing accumulated depreciation	0.17	0.07	0.44	0.77	1.44	-	0.32
Net carrying amount as at 31.03.2022	0.04	0.07	0.22	1.27	1.60		1.17

Note 3 : Other intangible assets

Particulars	(Rs. in Lakhs)		
	Clearing and Settlement System	Intangible Assets under development	TOTAL
Gross carrying amount			
Opening as at 01.04.2020	597.20	-	597.20
Additions	67.76	39.81	107.57
Disposals	-	-	-
Transfers	-	-	-
Currency Fluctuation	(57.93)	(0.22)	(58.15)
Closing gross carrying amount	607.04	39.59	646.62
Accumulated amortisation			
Opening as at 01.04.2020	186.70	-	186.70
Amortisation charge during the period	143.74	-	143.74
Disposals	-	-	-
Currency Fluctuation	(10.53)	-	(10.53)
Closing accumulated amortisation	319.91	-	319.91
Net carrying amount as at 31.03.2021	287.12	39.59	326.71
Gross carrying amount			
Opening as at 01.04.2021	607.04	39.59	646.62
Additions	271.48	533.22	804.70
Disposals	-	(21.15)	(21.15)
Transfers	-	(271.48)	(271.48)
Currency Fluctuation	2.67	0.22	2.89
Closing gross carrying amount	881.19	280.40	1,161.59
Accumulated amortisation			
Opening as at 01.04.2021	319.91	-	319.91
Amortisation charge during the period	168.06	-	168.06
Disposals	-	-	-
Currency Fluctuation	1.10	-	1.10
Closing accumulated amortisation	489.07	-	489.07
Net carrying amount as at 31.03.2022	392.12	280.40	672.52

Note : 3.1 - for Capital and other Contractual commitment, Refer note 36

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 2022, the net carrying amount of this software was ₹ 391.64 lakhs (31 March 2021 : ₹ 287.12 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.

Note : 3.3 - Ageing for Intangible assets under progress (CWIP) as at March 31, 2022 & March 31, 2021 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	
Projects in progress (CY)	262.17	18.22	-	-	280.40
Projects temporarily suspended (CY)	-	-	-	-	-
Projects in progress (PY)	39.59	-	-	-	39.59
Projects temporarily suspended (PY)	-	-	-	-	-

Note : For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan is Rs. Nil (P.Y. Rs. Nil)

Note 3 : Other intangible assets

(USD in Lakhs)

Particulars	Clearing and Settlement System	Intangible Assets under development	TOTAL
Gross carrying amount			
Opening as at 01.04.2020	7.10	-	7.10
Additions	0.92	0.54	1.46
Disposals	-	-	-
Transfers	-	-	-
Closing gross carrying amount	8.02	0.54	8.56
Accumulated amortisation			
Opening as at 01.04.2020	2.25	-	2.25
Amortisation charge during the period	1.94	-	1.94
Disposals	-	-	-
Closing accumulated amortisation	4.19	-	4.19
Net carrying amount as at 31.03.2021	3.83	0.54	4.37
Gross carrying amount			
Opening as at 01.04.2021	8.02	0.54	8.56
Additions	3.58	7.03	10.62
Disposals	-	(0.28)	(0.28)
Transfers	-	(3.58)	(3.58)
Closing gross carrying amount	11.60	3.71	15.31
Accumulated amortisation			
Opening as at 01.04.2021	4.19	-	4.19
Amortisation charge during the period	2.26	-	2.26
Disposals	-	-	-
Closing accumulated amortisation	6.45	-	6.45
Net carrying amount as at 31.03.2022	5.15	3.71	8.86

Note : 3.1 - for Capital and other Contractual commitment, Refer note 36
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 2022, the net carrying amount of this software was USD 5.15 lakhs (31 March 2021 : USD 3.83 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.

Note : 3.3 - Ageing for Intangible assets under progress (CWIP) as at March 31, 2022 & March 31, 2021 is as follows:

(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 years	
Projects in progress (CY)	3.47	0.24	-	-	3.71
Projects temporarily suspended (CY)	-	-	-	-	-
Projects in progress (PY)	0.54	-	-	-	0.54
Projects temporarily suspended (PY)	-	-	-	-	-

Note : For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan is USD Nil (P.Y. USD Nil)

Notes to financial statements for the year ended March 31, 2022

4	Other financial assets (non-current)	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
		(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	-	-	4,704.30	64.00
		-	-	4,704.30	64.00
	Others				
	Security deposit for utilities and premises	8.39	0.11	8.14	0.11
	Interest Accrued on Bank Deposits	-	-	3.56	0.05
		8.39	0.11	11.70	0.16
	Total	8.39	0.11	4,716.00	64.16
5	Investment -Core Settlement Guarantee Fund (Refer Note No. 11)	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
	Current accounts with Bank	33.85	0.45	10.29	0.14
	Fixed Deposits with Bank	1,035.52	13.66	976.14	13.28
	Interest accrued on CSGF Fixed Deposits	6.08	0.08	41.23	0.56
	TDS on CORE FD interest	0.99	0.01	-	-
	Total	1,076.43	14.20	1,027.66	13.98
6	Cash and cash equivalents	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
	Balances with banks :				
	Current accounts	1,188.94	15.68	982.14	13.36
	Fixed Deposit with less than 3 month maturity	-	-	-	-
	Total	1,188.94	15.68	982.14	13.36
7	Bank balances other than Cash and Cash equivalents	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
	Fixed deposits with maturity for less than 12 months	4,321.00	57.00	485.13	6.60
	Total	4,321.00	57.00	485.13	6.60
8	Other financial assets (Current)	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
	Others				
	Interest Accrued on Bank Deposits	3.13	0.04	15.71	0.21
	Total	3.13	0.04	15.71	0.21
9	Other Current Assets	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021
		(Rs. in Lakhs)	(USD in Lakhs)	(Rs. in Lakhs)	(USD in Lakhs)
	Prepaid Expenses	35.25	0.46	34.09	0.46
	Other Advance recoverable #	4.86	0.06	8.30	0.11
	Balance with Government Authorities	7.64	0.10	4.09	0.06
	Advance to Employee	0.25	0.00	-	-
	Total	48.00	0.62	46.48	0.63

represents receivable from National Stock Exchange of India Limited

10 a) Share Capital

Authorised

15,00,00,000 (Previous year: 10,00,00,000) Equity Shares of Rs. 10 each

	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
	15,000.00	NA	10,000.00	NA
	15,000.00	NA	10,000.00	NA
Issued, Subscribed and Paid-up				
9,00,00,000 (Previous year: 9,00,00,000) Equity Shares of Rs. 10 each fully paid up	9,000.00	132.98	9,000.00	132.98
Total	9,000.00	132.98	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 Director is subject to the approval of the shareholder in the ensuing Annual General Meeting except in the case of interim dividend.

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

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 31.03.2022		As at 31.03.2021	
	No. of Shares	% holding	No. of Shares	% holding
NSE Clearing Limited & its nominees	9,00,00,000	100.00%	9,00,00,000	100.00%
Total	9,00,00,000	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 31.03.2022		As at 31.03.2021	
	No. of Shares	% holding	No. of Shares	% holding
NSE Clearing Limited & its nominees	9,00,00,000	100.00%	9,00,00,000	100.00%
Total	9,00,00,000	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 31-03-2022		As at 31-03-2021	
	No. of Shares	(Rs.)	No. of Shares	(Rs.)
At the beginning of the Year	9,00,00,000	90,00,00,000	8,00,00,000	80,00,00,000
Add: Issued during the Year	-	-	1,00,00,000	10,00,00,000
At the end of the Year	9,00,00,000	90,00,00,000	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 year

Promotor Name	No. of Shares	% of total shares	% Change during the
NSE Clearing Limited & its nominees (C.Y.)	9,00,00,000	100.00%	0.00%
NSE Clearing Limited & its nominees (P.Y.)	9,00,00,000	100.00%	0.00%

NSE IFSC CLEARING CORPORATION LIMITED

10 (b) Other Equity

Particulars	Reserves and Surplus						
	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)
Balance as at April 1, 2020	(3,087.22)	(45.54)	672.15	(1.85)	(0.02)	(2,416.92)	(45.57)
Profit/(Loss)for the period	(922.57)	(12.46)	-	-	-	(922.57)	(12.46)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	(150.36)	-	-	(150.36)	-
Contribution to Core SGF	(99.54)	(1.33)	-	-	-	(99.54)	(1.33)
Share issue expenses	(0.52)	(0.02)	-	-	-	(0.52)	(0.02)
Other Comprehensive Income	-	-	-	(0.19)	(0.00)	(0.19)	(0.00)
Balance as at March 31, 2021	(4,109.85)	(59.36)	521.79	(2.04)	(0.03)	(3,590.10)	(59.38)
Balance as at April 1, 2021	(4,109.85)	(59.35)	521.79	(2.04)	(0.03)	(3,590.10)	(59.38)
Profit/(Loss)for the period	(1,007.06)	(13.53)	-	-	-	(1,007.06)	(13.53)
Changes in Foreign Currency Translation Reserve through Other Comprehensive Income	-	-	150.86	-	-	150.86	-
Contribution to Core SGF	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	(2.98)	(0.04)	(2.98)	(0.04)
Balance as at March 31, 2022	(5,116.90)	(72.88)	672.64	(5.02)	(0.07)	(4,449.28)	(72.95)

11 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 Core Settlement Guarantee Fund (SGF) are as follows :

	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Company's Own contribution*	1,065.49	14.06	983.83	13.38
Penalty collected from members	4.86	0.06	2.60	0.04
Interest accrued on CSGF Fixed Deposits	6.08	0.08	41.23	0.56
Total	1,076.43	14.20	1,027.66	13.98

* Company's own contribution includes contributions of Rs. Nil (USD Nil) made during current year (Rs. 99.54 Lakhs (USD 1.33 lakhs) made during previous year 2020-21), Interest received on Core SGF Fixed Deposits of Rs. 53.91 lakhs (USD 0.68 lakhs) (Rs. 3.54 lakhs (USD 0.05 lakhs) in previous year 2020-21) and balance movement in INR amounts is on account of currency fluctuation.

	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Provision (Non Current)				
Employee benefits obligation				
Provision for Gratuity	12.27	0.16	1.54	0.02
Provision for variable pay and other allowances	5.57	0.07	-	-
Total	17.84	0.24	1.54	0.02

	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Trade Payable				
Trade Payable to Micro and Small Enterprises (Refer Note No. 24)	6.06	0.08	0.19	0.00
Trade Payable to other than Micro and Small Enterprises	95.45	1.26	74.74	1.02
Trade Payable to Related Party (Refer Note No. 35)	80.47	1.06	102.48	1.38
Total	181.99	2.40	177.41	2.40

Trade Payables Ageing

(Rs. In Lakhs)

Particulars	Trade Payable Aging Schedule as on 31.03.2022						
	Outstanding for following periods from due date of payment						
	Accrued trade payables	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.40	-	3.67	-	-	-	6.06
(ii) Others	15.43	-	160.49	-	-	-	175.92
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-

Trade Payables Ageing

(USD in Lakhs)

Particulars	Trade Payable Aging Schedule as on 31.03.2022						
	Outstanding for following periods from due date of payment						
	Accrued trade payables	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.03	-	0.05	-	-	-	0.08
(ii) Others	0.20	-	2.12	-	-	-	2.32
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-

Trade Payables Ageing

(Rs. In Lakhs)

Particulars	Trade Payable Aging Schedule as on 31.03.2021						
	Outstanding for following periods from due date of payment						
	Accrued trade payables	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.19	-	-	-	-	-	0.19
(ii) Others	14.30	-	160.41	2.52	-	-	177.22
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-

Trade Payables Ageing

(USD in Lakhs)

Particulars	Trade Payable Aging Schedule as on 31.03.2021						
	Outstanding for following periods from due date of payment						
	Accrued trade payables	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.00	-	-	-	-	-	0.00
(ii) Others	0.19	-	2.18	0.03	-	-	2.40
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-

14	Deposits (Unsecured- Current)	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
	Security Deposit from Clearing Members	682.34	9.00	477.85	6.50
	Total	682.34	9.00	477.85	6.50
15	Other Financial Liabilities (Current)	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
	Margins From Members	862.12	11.37	634.26	8.63
	Other liabilities	0.16	0.00	0.16	0.00
	Total	862.28	11.37	634.42	8.63
16	Provision (Current)	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
	Provisions for Leave encashment	4.01	0.05	0.95	0.01
	Provision for Gratuity	1.15	0.02	0.09	0.00
	Provision for variable pay and other allowances	18.37	0.24	1.79	0.02
	Bonus Payable	-	-	1.30	0.02
	Total	23.53	0.31	4.13	0.06
17	Other Current liabilities	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
	Statutory Dues Payable	48.74	0.64	34.20	0.47
	Total	48.74	0.64	34.20	0.47
18	Other Income	For the year ended 31.03.2022	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2021
		(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
	Interest income on bank deposits	40.23	0.54	90.78	1.23
	Miscellaneous Receipts	0.00	0.00	0.00	-
	Total	40.23	0.54	90.78	1.23
19	Employee benefits expense	For the year ended 31.03.2022	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2021
		(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
	Salaries, wages and bonus	203.88	2.74	157.45	2.13
	Contribution to provident and other fund	2.43	0.03	1.02	0.01
	Staff welfare Expenditure	4.07	0.05	2.99	0.04
	Total	210.39	2.83	161.46	2.18
20	Other expenses	For the year ended 31.03.2022	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2021
		(Rs in Lakhs)	(USD in Lakhs)	(Rs in Lakhs)	(USD in Lakhs)
	Repairs & Maintenance - Computer systems	281.92	3.78	294.66	3.98
	Software expenses	118.04	1.59	191.61	2.59
	Fees and Subscription	105.69	1.42	78.40	1.06
	Professional Fees	31.23	0.42	34.05	0.46
	Director Sitting Fees	14.14	0.19	10.98	0.15
	Repairs & Maintenance - Building	11.30	0.15	10.18	0.14
	Electricity expenses	8.54	0.11	7.75	0.10
	Travelling Expense	9.59	0.13	8.73	0.12
	Profit / Loss of Exchange Fluctuation	10.05	0.13	14.07	0.19
	Payment to auditor (Refer note below)	3.36	0.05	2.76	0.04
	Other Expenses	6.34	0.09	4.44	0.06
	Total	600.21	8.06	657.63	8.89
	Note :				
	Payment to Auditor				
	As Auditor				
	Statutory audit	1.96	0.04	1.76	0.02
	Limited review for quarterly result	0.90	0.01	0.75	0.01
	In other Capacity				
	Certification Matters	0.50	0.01	0.25	0.00
	Total	3.36	0.05	2.76	0.04

21

Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
	(Rs. Lakhs)	(USD Lakhs)	(Rs. Lakhs)	(USD Lakhs)
Profit attributable to the equity holders of the company				
Profit Before Tax	(1,007.06)	(13.53)	(922.57)	(12.46)
Tax on above	-	-	-	-
Profit for the period	(1,007.06)	(13.53)	(922.57)	(12.46)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	9,00,00,000	9,00,00,000	8,53,97,260	8,53,97,260
Earnings per equity share (basic and diluted) (Rs./USD)	(1.12)	(0.02)	(1.08)	(0.01)

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.

22

Deputed Personal Cost

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

23

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".

24

Trade payables include outstanding amounts of Rs. 6.06 Lakhs (USD 0.08 Lakhs) (Previous Year: Rs. 0.19 Lakhs (USD 0.00 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.

25

As at March 31, 2022 the Company does not have any pending litigations which would impact its financial position. (Previous Year Nil)

26

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, 2022. (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.

27

For the year 2021-22 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)

28

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.

29

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 2021-22.

30

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 and NSE IFSC Limited to operationalise the NSE IFSC-SGX Connect post all necessary regulatory approvals.

31

The Company Secretary of the Company resigned with effect from February 23, 2022. The Company is required to fill the vacancy within six months from the date of vacancy, the Company is in the process of filling the same. Accordingly, these Financial Statements of the Company have not been signed by the Company Secretary.

32

COVID-19 Risk Assessment

Based on the Company's current assessment, the impact of coronavirus on its operations and the resultant financial performance is not likely to be significant. The Company has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial statements. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.

33

The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 34 : Notes to financial statements for the year ended 31st March 2022

i) Employee Benefits

- (i) Provident Fund: The company is registered with Regional Provident Fund Office, Bandra, Mumbai, 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 reduced by the fair value of plan assets as per the actuarial valuation calculation.
- (iii) Leave Encashment : Liability on account of Leave encashment is provided based on Actuarial Valuation at Balance Sheet date.
- (iv) Short term employee benefits are charged to revenue in the year in which the related service is rendered
- (v) Amounts disclosed below are excluding currency fluctuation impact.

Provision

Provision	Long - term				Short - term			
	31.03.2022		31.03.2021		31.03.2022		31.03.2021	
	(Rs. In lakhs)	(USD In lakhs)	(Rs. In lakhs)	(USD In lakhs)	(Rs. In lakhs)	(USD In lakhs)	(Rs. In lakhs)	(USD In lakhs)
Provision for employee benefits								
Medical benefits	-	-	-	-	-	-	-	-
Provision for Leave Travel allowance	-	-	-	-	1.67	0.02	0.30	0.00
Provision for gratuity	11.99	0.16	1.56	0.02	1.14	0.02	0.09	0.00
Provision for Leave encashment	-	-	-	-	3.92	0.05	0.96	0.01
	11.99	0.16	1.56	0.02	6.74	0.09	1.35	0.02

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: Company has contributed Rs. 1.73 lakhs (USD 0.02 Lakhs) (previous year Rs 0.47 lakhs (USD 0.01 Lakhs)) towards Provident Fund during the year ended March 31, 2022 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 balance sheet and the movements in the present value of defined benefit obligation over the year are as follows:

	Year ended 31.03.2022 (Rs. Lakhs)	Year ended 31.03.2022 (USD Lakhs)	Year ended 31.03.2021 (Rs. Lakhs)	Year ended 31.03.2021 (USD Lakhs)
Liability at the beginning of the year	1.65	0.02	0.82	0.01
Interest cost	0.11	0.00	0.05	0.00
Current Service Cost	0.66	0.01	0.59	0.01
Liability transferred in	7.70	0.10	-	-
Benefits Paid	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.01	0.00	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.37)	(0.00)	0.02	0.00
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.40	0.04	0.17	0.00
Liability at the end of the year	13.14	0.17	1.65	0.02

(ii) The amounts recognised in the balance sheet and the movements in the fair value of plan assets over the year are as follows:

	Year ended 31.03.2022 (Rs. Lakhs)	Year ended 31.03.2022 (USD Lakhs)	Year ended 31.03.2021 (Rs. Lakhs)	Year ended 31.03.2021 (USD Lakhs)
Fair Value of plan assets at the beginning of the year	-	-	-	-
Interest Income	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	-	-	-	-
Transfer from other company	-	-	-	-
Benefits paid	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-	-	-	-
Fair Value of plan assets at the end of the year	-	-	-	-

(iii) The net liability disclosed are as follows:

	Year ended 31.03.2022 (Rs. Lakhs)	Year ended 31.03.2022 (USD Lakhs)	Year ended 31.03.2021 (Rs. Lakhs)	Year ended 31.03.2021 (USD Lakhs)
Fair value of plan assets as at the end of the year	-	-	-	-
Liability as at the end of the year	(13.14)	(0.17)	(1.65)	(0.02)
Net (liability) / asset	(13.14)	(0.17)	(1.65)	(0.02)

(iv) Balance Sheet Reconciliation	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
Opening Net Liability	1.65	0.02	0.82	0.01
Expenses Recognized in Statement of Profit or Loss	0.76	0.01	0.64	0.01
Expenses Recognized in OCI	3.03	0.04	0.19	0.00
Net (Liability)/Asset Transfer in	7.70	0.10	-	-
Employers Contribution	-	-	-	-
Amount recognised in the Balance Sheet	13.14	0.17	1.65	0.02

B Statement of Profit & Loss

(i) Net Interest Cost for Current Period	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
Interest Cost	0.11	0.00	0.05	0.00
Interest income	-	-	-	-
Net Interest Cost for Current Period	0.11	0.00	0.05	0.00

(ii) Expenses recognised in the Statement of Profit & Loss	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
Current Service cost	0.66	0.01	0.59	0.01
Net Interest Cost	0.11	0.00	0.05	0.00
Expenses recognised in the Statement of Profit & Loss	0.76	0.01	0.64	0.01

(iii) Expenses recognised in the Other Comprehensive Income	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
Expected return on plan assets	-	-	-	-
Actuarial (Gain) or Loss	3.03	0.04	0.19	0.00
Net (Income)/Expense for the Period Recognized in OCI	3.03	0.04	0.19	0.00

C Fair value of plan assets at the Balance Sheet Date for defined benefit obligations

	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
Insurer Managed Funds	-	-	-	-
Total	-	-	-	-

D Sensitivity Analysis

	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
Projected Benefit Obligation on Current Assumptions	13.14	0.17	1.65	0.02
Delta Effect of +1% Change in Rate of Discounting	(0.96)	(0.01)	(0.15)	(0.00)
Delta Effect of -1% Change in Rate of Discounting	1.11	0.01	0.17	0.00
Delta Effect of +1% Change in Rate of Salary Increase	1.06	0.01	0.16	0.00
Delta Effect of -1% Change in Rate of Salary Increase	(0.94)	(0.01)	(0.14)	(0.00)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.25)	(0.00)	(0.06)	(0.00)
Delta Effect of -1% Change in Rate of Employee Turnover	0.28	0.00	0.07	0.00

E Significant actuarial assumptions are as follows:

	Current Year	Previous Year
	31.03.2022	31.03.2021
Discount Rate	6.84%	6.49%
Rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation	10.00%	10.00%
Attrition Rate	12.00%	12.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

F Maturity Analysis of the Benefit payments:

Projected Benefits Payable in Future Years From the Date of Reporting	Year ended	Year ended	Year ended	Year ended
	31.03.2022 (Rs. Lakhs)	31.03.2022 (USD Lakhs)	31.03.2021 (Rs. Lakhs)	31.03.2021 (USD Lakhs)
1st Following Year	1.14	0.02	0.09	0.00
2nd Following Year	1.11	0.01	0.09	0.00
3rd Following Year	1.20	0.02	0.08	0.00
4th Following Year	1.16	0.02	0.16	0.00
5th Following Year	1.16	0.02	0.15	0.00
Sum of year 6 to 10	5.25	0.07	0.70	0.01

G Weighted Average Duration to the payment of these cashflows is 9 years (Previous year 11 years)

H Expected Contribution by the Employees in the Next Year : Nil (Previous year Nil)

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:

(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 IFSC Limited	Subsidiary of Ultimate Holding company
4	NSEIT Limited	Fellow Subsidiary of Holding Company
5	NSE Data & Analytics Limited	Holding company's Fellow Subsidiary's Subsidiary Company
6	NSE Indices Limited	Holding company's Fellow Subsidiary's Subsidiary Company
7	NSE Infotech Services Limited	Holding company's Fellow Subsidiary's Subsidiary Company
8	NSE.IT (US) Inc.	Holding company's Fellow Subsidiary's Subsidiary Company
9	NSE Academy Limited	Ultimate Holding company's Subsidiary's Subsidiary Company
10	NSE Foundation	Subsidiary of Ultimate Holding company
11	National Securities Depository Limited	Ultimate Holding Company's Associate
12	NSDL Database Management Limited	Subsidiary of Associate of the Ultimate Holding Company
13	BFSI Sector Skill Council of India	Ultimate Holding Company's Associate
14	Power Exchange India Limited	Associate of Subsidiary of Ultimate Holding company
15	Protean eGov Technologies Limited (formerly known as NSDL e-Governance infrastructure Limited)	Associate of Subsidiary of Ultimate Holding company
16	Market Simplified India Limited	Associate of Subsidiary of Ultimate Holding company
17	Receivables Exchange of India Limited	Associate of Subsidiary of Ultimate Holding company
18	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited/Aujas Networks Private Limited)	Subsidiary of Fellow Subsidiary of Holding Company
19	NSE Investments Limited	Subsidiary Company of Ultimate Holding Company
20	Talentsprint Private Limited	Ultimate Holding company's Subsidiary's Subsidiary's Subsidiary Company
21	Talentsprint Inc.	Ultimate Holding company's Subsidiary's Subsidiary's Subsidiary's Subsidiary Company (w.e.f. 29-11-2021)
22	Indian Gas Exchange Limited	Ultimate Holding company Subsidiary's Associate
23	Cogencis Information Services Limited	Holding company's Fellow Subsidiary's Subsidiary' Subsidiary Company
24	Capital Quants Solutions Private Limited	Holding company's Fellow Subsidiary's Subsidiary' Associate Company
25	CXIO Technologies Private Limited (Cloud X)	Fellow Subsidiary's Subsidiary Company (w.e.f. July 8, 2021)
26	India International Bullion Holding IFSC Ltd	Ultimate Holding Company's Associate Company (w.e.f. 04-06-2021)
27	India International Bullion Exchange IFSC Ltd	Ultimate Holding Company's Associate Company's Subsidiary Company (w.e.f. 17-08-2021)
28	Prof. Samir K Barua	Key Managerial Personnel
29	Mr. Mukesh Agarwal	Key Managerial Personnel
30	Mr. Natarajan Ramasamy	Key Managerial Personnel (upto September 20, 2021)
31	Mr. Kapil Seth	Key Managerial Personnel (w.e.f. September 16, 2021)
32	Mr Vivek Singhvi - Chief Executive Officer	Key Managerial Personnel

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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022 (Rs. Lakhs)	Year ended 31.03.2022 (USD Lakhs)	Year ended 31.03.2021 (Rs. Lakhs)	Year ended 31.03.2021 (USD Lakhs)
NSE Clearing Limited	Contribution towards Equity Share Capital	-	-	1,000.00	13.35
	Reimbursement of expenses for staff on deputation paid / payable	123.69	1.66	115.02	1.55
	Reimbursement for other expenses incurred (including taxes)	-	-	-	-
	Outstanding balance included in Trade Payables	36.54	0.48	30.22	0.41
National Stock Exchange of India Limited (NSEIL)	Reimbursement of expenses for staff on deputation paid / payable	4.21	0.06	13.58	0.18
	Reimbursement for other expenses incurred	-	-	0.84	0.01
	Outstanding balance included in advance paid	4.86	0.06	8.30	0.11
NSE IFSC Limited	Reimbursement for other expenses incurred	17.91	0.24	20.41	0.28
	SEBI turnover fees collected on behalf of NSE IFSC Limited	1.49	0.02	0.57	0.01
	SEBI turnover fees payable closing balance	-	-	1.01	0.01
	Outstanding balance included in Trade Payables	1.71	0.02	14.95	0.20
NSE IT Limited	Payment for software Development & Maintenance Services	307.48	4.13	141.18	1.91
	Payment for ADM services	-	-	-	-
	Outstanding balance included in Trade Payables	42.22	0.56	56.30	0.77
Cogencis Information Services Limited	Payment for Terminal subscription fees	3.92	0.05	-	-
	Outstanding balance included in Trade Payables	-	-	-	-
NSDL Database Management Limited	Payment for services	0.20	0.00	0.10	0.00
	Outstanding balance included in Trade Payables	-	-	-	-
National Securities Depository Limited	Payment for services	0.75	0.01	-	-
	Outstanding balance included in Trade Payables	-	-	-	-
Prof. Samir K Barua	Sitting fees	6.75	0.09	5.00	0.07
Mr. Kapil Seth	Sitting fees	6.50	0.09	-	-
Mr. Natarajan Ramasamy	Sitting fees	1.00	0.01	6.00	0.08

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

36 Capital and other commitments

	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	-	-	-	-
Other Commitments on revenue account	314.42	4.15	141.39	1.92
	314.42	4.15	141.39	1.92

37 Contingent liability

	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Contingent Liabilities	-	-	-	-
	-	-	-	-

38 Lease :

The Company has measured the Right of use asset and lease liability based on the remaining lease period and payments discounted using the incremental borrowing rate as on the date of initial application as per Ind AS 116 Leases.

(i) Amounts recognised in balance sheet

Particulars	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Right-of-use-assets				
Buildings	88.23	1.17	93.92	1.28
Total	88.23	1.17	93.92	1.28

Particulars	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Lease liabilities				
Current	2.94	0.04	2.14	0.03
Non Current	105.79	1.40	105.19	1.44
Total	108.73	1.44	107.33	1.47

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

Particulars	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Depreciation charge of Right-of-use assets				
Buildings	7.93	0.11	7.97	0.11
Total	7.93	0.11	7.97	0.11

Particulars	As at 31.03.2022 (Rs. in Lakhs)	As at 31.03.2022 (USD in Lakhs)	As at 31.03.2021 (Rs. in Lakhs)	As at 31.03.2021 (USD in Lakhs)
Interest expenses	9.36	0.13	9.56	0.13
Total	9.36	0.13	9.56	0.13

39 Note on Additional Regulatory Information required by Schedule III

(i) Willful Defaulter

The Company has not been declared willful 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 any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on

(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 been recorded in the books of account.

(vi) Details of crypto 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.

(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 of 1988) and Rules made thereunder.

(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	3.09	1.15	Fixed Deposits shifted from Non current to Current assets during FY22 i.e. matured / new Fixed Deposits invested for less than 12 months maturity.
Debt- Equity Ratio	Total Debt	Total Equity			Not Applicable
Inventory Turnover Ratio	Cost of Goods sold or sales	Average Inventory			Not Applicable
Trade payables turnover ratio (in times)	Cost of equipments and software developments + Other expenses	Average Trade Payable	8.53	4.94	Due to increase in software development cost
Return on Capital Employed (in %)	Net Profit / (Loss)	Average Equity	-20%	-17%	N.A.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	0.21%	0.45%	Due to reduction in the interest rates

40 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

(Rs. In Lakhs)

	31-03-2022			31-03-2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Fixed Deposits with Banks	-	-	5,365.73	-	-	6,226.07
Cash and Cash equivalents	-	-	1,188.94	-	-	982.14
Security deposits	-	-	8.39	-	-	8.14
Total Financial Assets	-	-	6,563.07	-	-	7,216.36
Financial Liabilities						
Trade payables	-	-	181.99	-	-	177.41
Deposits	-	-	682.34	-	-	477.85
Other liabilities	-	-	862.28	-	-	634.42
Total Financial Liabilities	-	-	1,726.61	-	-	1,289.68

(USD In Lakhs)

	31-03-2022			31-03-2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Fixed Deposits with Banks	-	-	70.78	-	-	84.70
Cash and Cash equivalents	-	-	15.68	-	-	13.36
Security deposits	-	-	0.11	-	-	0.11
Total Financial Assets	-	-	86.58	-	-	98.18
Financial Liabilities						
Trade payables	-	-	2.40	-	-	2.40
Deposits	-	-	9.00	-	-	6.50
Other liabilities	-	-	11.37	-	-	8.63
Total Financial Liabilities	-	-	22.78	-	-	17.53

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, 2022.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), and excess is invested in interest bearing term deposits.

(Rs. in lakhs)

Particulars	Carrying amount	Payable on demand	Less than 12 Month	More than 12 months
As at March 31, 2022				
Trade payables	181.99	-	181.99	-
Deposits	682.34	682.34	-	-
Margins From Members	862.12	862.12	-	-
Other financial & current liabilities	90.29	35.80	48.91	5.57

(USD in lakhs)

Particulars	Carrying amount	Payable on demand	Less than 12 Month	More than 12 months
As at March 31, 2022				
Trade payables	2.40	-	2.40	-
Deposits	9.00	9.00	-	-
Margins From Members	11.37	11.37	-	-
Other financial & current liabilities	1.19	0.47	0.65	0.07

(Rs. in lakhs)

Particulars	Carrying amount	Payable on demand	Less than 12 Month	More than 12 months
As at March 31, 2021				
Trade payables	177.41	-	177.41	-
Deposits	477.85	477.85	-	-
Margins From Members	634.26	634.26	-	-
Other financial & current liabilities	40.02	5.66	34.35	-

(USD in lakhs)

Particulars	Carrying amount	Payable on demand	Less than 12 Month	More than 12 months
As at March 31, 2021				
Trade payables	2.40	-	2.40	-
Deposits	6.50	6.50	-	-
Margins From Members	8.63	8.63	-	-
Other financial & current liabilities	0.55	0.08	0.47	-

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, share capital.

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

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

The management monitors the return on capital as well as the level of dividends to shareholders. Under amended Clause 5 (2) of SEBI (IFSC) Guidelines, 2015, Recognised Corporations Clearing operating in IFSC are required to maintain Risk-based capital and networth requirements with a minimum networth of Rs. 50 crores equivalent initially which needs to be enhanced, over a period of three years from commencement of operations, to higher of Rs. 100 crores equivalent or capital required as per risk-based capital requirements. SEBI had granted relaxation to maintain minimum networth of 50 crores till June 05, 2022. Further, 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.

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

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W 100048

For and on behalf of the Board of Directors

Sumant Sakhardande
Partner
Membership No.: 034828
Place : Mumbai
Date : April 27, 2022

Samir K Barua
Director
[DIN:00211077]
Date : April 27, 2022

Mukesh Agarwal
Director
[DIN:03054853]

Vivek Singhvi
Chief Executive Officer

Nitin Bhadre
Chief Financial Officer