INDIAN CLEARING CORPORATION LIMITED

ANNUAL ACCOUNTS FY 2018-19

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Clearing Corporation Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Indian Clearing Corporation Limited (herein after referred to as 'the Company' which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the Financial position of the Company as at 31 March 2019 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

(g) with respect to the other matters to be included in the Auditor’s Report in accordance with 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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

(i) the Company has disclosed the details of pending litigation in respect of Income Tax demand of Rs.820 lakh in Note 25 on Contingent Liabilities and Commitments (to the extend not provided for) to the financial statements where it is mentioned that the company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process.

(ii) the Company has a provision of Rs. 146 lakh in respect of the amount receivable from a defaulter member as mentioned in Note 31 to the financial statements.

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

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 18, 2019
Mumbai

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified once every year. The fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property. Hence reporting under paragraph 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company is a service company, primarily rendering clearing and settlement services. Accordingly, it does not hold any physical inventories. Hence reporting under paragraph 3(ii) of the Order is not applicable to the Company.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any investment or provided any guarantee or security in terms of provisions of section 185 and 186 of the Act. Hence reporting under paragraph 3 (iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, reporting under paragraph 3 (v) of the Order is not applicable.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost records as prescribed by the Central Government under section 148(1) of the Act for the services rendered by the Company.

(vi) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities. In case of any delay in payment the amounts are paid along with the interest to the appropriate authorities. As explained to us the Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of customs and excise duty.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues as applicable in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the statute	Nature of dues	Amount (in Rs) of demand	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	29 Lakh	Assessment Year 2013-14	CIT (A)
Income Tax Act, 1961	Income Tax	59 Lakh	Assessment Year 2014-15	CIT (A)
Income Tax Act, 1961	Income Tax	732 Lakh	Assessment Year 2015-16	CIT (A)

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, banks, government or has not issued any debentures. Hence reporting under paragraph 3 (viii) of the Order is not applicable to the Company. In respect of temporary overdraft facility availed by the Company, to the best of our knowledge and according to the information and explanations given to us, there was no default in repayment.

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

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

(xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

(xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) To the best of our knowledge and according to the information and explanations give to us of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

(xiii) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 18, 2019
Mumbai

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indian Clearing Corporation Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 18, 2019
Mumbai

Indian Clearing Corporation Limited
ICCL
Reliability builds relationships

INDIAN CLEARING CORPORATION LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

₹ In Lakh

	Particulars	Note No	As at Mar 31, 2019	As at March 31, 2018
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	3	38	60
	(b) Other Intangible assets	4	94	153
	(c) Intangible assets under development	4	30	-
	(d) Financial Assets			
	(i) Investments	5		
	a. Investments in Equity Instruments		-	-
	b. Other Investments		5,863	-
	(ii) Loans	6	8	9
	(iii) Others	7	3,809	2,008
	(e) Non Current Tax Assets (Net)		1,909	1,357
	(f) Deferred tax assets (net)	8	3,160	2,717
	Sub-total - A		**14,911**	**6,304**
2	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables	10	194	54
	(ii) Cash and cash equivalents	11	38,191	73,399
	(iii) Bank balances other than (ii) above	12	74,182	79,049
	(iv) Loans	6	4	4
	(v) Others	7	981	73
	(b) Other current assets	9	681	721
	Sub-total - B		**1,14,233**	**1,53,300**
	Total Assets (A+B)		**1,29,144**	**1,59,604**
II.	**EQUITY AND LIABILITIES**			
3	**Equity**			
	(a) Equity Share capital	13	35,400	35,400
	(b) Other Equity	14	22,178	19,378
	Sub-total - A		**57,578**	**54,778**
4	**Liabilities**			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Other financial liabilities	16	51	48
	(b) Other non-current liabilities	17	15,230	13,988
	Sub-total - B		**15,281**	**14,036**
5	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	15	139	149
	(ii) Other financial liabilities	16	56,023	90,505
	(b) Other current liabilities	17	28	24
	(c) Provisions	18	95	112
	Sub-total - C		**56,285**	**90,790**
	Total Equity and Liabilities (A+B+C)		**1,29,144**	**1,59,604**

See accompanying notes forming part of financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Supriya Panse
Partner
Membership No.: 46607
Place: Mumbai
Date: April 18, 2019

Myna Venkatraman
Chief Financial Officer

Shilpa Pawar
Company Secretary

INDIAN CLEARING CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ In Lakh

	Particulars	Note No	For the Year Ended Mar 31, 2019	For the Year Ended Mar 31, 2018
I	**REVENUES**			
	(a) Revenue From Operations	19	3,710	4,475
	(b) Revenue From Investments And Deposits	20	1,812	1,863
	(c) Other Income	21	11	146
	Total Revenue		**5,533**	**6,484**
II	**EXPENSES**			
	(a) Employee Benefits Expenses	22	959	791
	(b) Other Operating Expenses	23	2,443	3,969
	(c) Depreciation And Amortisation	3&4	88	123
	(d) Finance Cost - Interest		87	100
	Total Expenses		**3,577**	**4,983**
III	Profit Before Exceptional, Extraordinary Items And Tax	I - II	1,956	1,501
IV	Exceptional Items		-	-
V	Profit Before Extraordinary Items And Tax	III - IV	1,956	1,501
VI	Extraordinary Items		-	-
VII	Profit Before Tax	V - VI	**1,956**	**1,501**
VIII	Tax Expense:			
	Current Tax		359	711
	Deferred Tax		(443)	(723)
	Tax Adjustment For Earlier Years		-	(95)
IX	Profit From Continuing Operations	VII - VIII	**2,040**	**1,608**
X	Profit From Discontinuing Operations		-	-
XI	Profit For The Quarter/Year	IX + X	**2,040**	**1,608**
XII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans;		(8)	4
	Total other comprehensive income for the quarter/year		**(8)**	**4**
XIII	**Total Comprehensive Income for the quarter/year**		**2,032**	**1,612**
XIV	Earning Per Equity Share:			
	Basic And Diluted		0.06	0.05
	Par Value Of Share (Re.)		1	1
	Weighted Average Number Of Shares (Nos.)		3,54,00,00,000	3,54,00,00,000

See accompanying notes forming part of financial statements

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Supriya Panse
Partner
Membership No.: 46607

Myna Venkatraman
Chief Financial Officer

Shilpa Pawar
Company Secretary

Place: Mumbai
Date: April 18, 2019

Statement of change in Equity

₹ in Lakh

Particulars	A. Equity Share Capital	B. Other Equity			Total (A+ B)
		Core Settlement Guarantee Fund (Core SGF)	Retained Earnings	Other Comprehensive Income	
Changes in equity					
Balance as at April 01, 2017	35,400	18,094	284	-1	53,777
Transferred to Core SGF (Earlier Period) *		2,256	-	-	2,256
Profit for the year			1,608	-	1,608
Other comprehensive income for the year			-	4	4
Income Transferred to Core SGF		1,494		-	1,494
Payment of Dividend			-3,623	-	-3,623
Payment of Tax on Dividend			-738	-	-738
Balance as at March 31, 2018	**35,400**	**21,844**	**-2,469**	**3**	**54,778**
Profit for the year			2,040	-	2,040
Other comprehensive income for the year			-	-8	-8
Transferred to Core SGF		684	-	-	684
Income Transferred to Core SGF		1,660	-	-	1,660
Payment of Dividend			-1,307	-	-1,307
Payment of Tax on Dividend			-269	-	-269
Balance as at Mar 31, 2019	**35,400**	**24,188**	**-2,005**	**-5**	**57,578**

* amount in the retained earning includes tax adjustment

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Supriya Panse
Partner
Membership No.: 46607

Myna Venkatraman
Chief Financial Officer

Shilpa Pawar
Company Secretary

Place: Mumbai
Date: April 18, 2019

INDIAN CLEARING CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ In Lakh

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit After Tax	2,040	1,608
	Adjustments For:		
	Adjustments for Income tax expense	(84)	(107)
	Amortisation Of Bonds Premium / Discount On Bonds	(11)	-
	Finance Cost	87	100
	Depreciation On Fixed Assets	88	123
	Income earned on Core Settlement Guarantee Fund	1,660	1,494
	Contribution to Core SGF	684	2,256
	Provision for Compensated absence	66	41
	Provision for Gratuity	13	8
	Interest Income	(1,565)	(1,664)
	Dividend Income	(236)	(199)
		702	2,052
	Operating Profit Before Working Capital Changes	2,742	3,660
	Change in assets and liabilities		
	Trade Receivables	(140)	(45)
	Loans and other financial assets	(2,375)	9,282
	Other Assets	32	(127)
	Trade Payable	(10)	(54)
	Other financial liabilities	(34,479)	(27,019)
	Other liabilities & Provisions	1,150	7,141
		(35,822)	**(10,822)**
	Taxes Paid	(911)	(498)
	Net Cash From / (Used In) Operating Activities	**(33,991)**	**(7,660)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment towards Property, Plant, Equipment and Intangible assets	(37)	(45)
	Proceed (Purchase) towards Investments	(5,852)	-
	Proceed (Purchase) towards Fixed Deposits With Banks	4,692	(17,417)
	Interest Income	1,407	1,762
	Dividend From Mutual Funds	236	199
	Net Cash From / (Used In) Investment Activities	**446**	**(15,501)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend Paid	(1,307)	(3,623)
	Tax on Dividend Paid	(269)	(738)
	Finance Cost	(87)	(100)
	Net Cash From / (Used In) Financing Activities	**(1,663)**	**(4,461)**

D.	**Net (Decrease) / Increase In Cash And Cash Equivalents**	**(35,208)**	**(27,622)**
	Cash And Cash Equivalents At The End Of The Year		
	In Current Account	26,312	36,544
	In Deposit Account	11,879	36,855
		38,191	**73,399**
	Cash And Cash Equivalents At The Beginning Of The Year	**73,399**	**1,01,021**
	Changes In Cash & Cash Equivalents	**(35,208)**	**(27,622)**
	Cash And Cash Equivalents At The End Of The Year	**38,191**	**73,399**
	Cash and Cash Equivalents as per note no. "11"	**38,191**	**73,399**

See accompanying notes forming part of financial statements

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

Supriya Panse
Partner
Membership No.: 46607
Place: Mumbai
Date: April 18, 2019

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Myna Venkatraman
Chief Financial Officer

Shilpa Pawar
Company Secretary

Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2019.

1. Corporate information

Indian Clearing Corporation Limited ("ICCL" or "Company") was incorporated in 2007 as a wholly owned subsidiary of BSE Ltd. ICCL carries out the functions of clearing, settlement, collateral management and risk management for various segments of different stock exchanges. The registered office of the Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India.

2. Significant Accounting Policies

2.1. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of IGAAP as the previous GAAP, which include Standards notified under the Companies (Accounting Standards) Rules, 2006.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP and the date of transition is April 1, 2015. Further company has availed exemption under Ind AS first time adoption.

2.2. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that' are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.
In addition, for financial reporting purposes, fair value measurements are categorized 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.

The principal accounting policies are set out below.

2.2.1 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Service is recognized as and when the service is performed as per the relevant agreements and when there is a reasonable certainty of ultimate realization.

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

2.2.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

2.2.3 Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.2.4 Leasing

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

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.2.5 Foreign currency transactions and balances

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign Exchange rate differences arising on settlement(s) / conversion(s) are recognised in the Statement of Profit and Loss.

2.2.6 Employee benefits

a. Retirement benefit costs and termination benefits – Gratuity

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in Other Comprehensive Income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

b. Short-term employee benefits - Compensated absences

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

2.2.7 Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their primary nature.

2.2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Minimum Alternate Tax (MAT):

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of MAT under the Income-tax Act, 1961, the Company recognizes MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

d. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity.

2.2.9 Property, plant and equipment

Depreciation on tangible assets is provided on the 'Written Down Value' basis, except depreciation on Motor Vehicle, as per useful life of the assets as prescribed under Schedule II of the Companies Act, 2013 for the number of days the assets have been ready to put to use for their intended purposes.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on Motor Vehicle assets is depreciated over a useful life of 3 years which represent the lease period of the asset purchased on finance lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit of loss.

Estimated useful lives of the tangible assets are as follows:

Computer Equipment	3-6 years
Motor Vehicles-	3 years
Furniture, Fixtures	10 years
Office & Electronics Equipments-	5-10 years

2.2.10 Intangible assets

a. Intangible assets acquired separately

Intangible assets consisting of computer software are being depreciated at 40% on the 'Written Down Value' basis for the number of days the assets have been ready to put to use for their intended purposes.

b. Derecognition of intangible assets

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

2.2.11 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.12 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

b. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note 2.2.12.e

Equity instruments are subsequently measured at Fair Value through Other Comprehensive Income (FVTOCI) and all other financial assets are subsequently measured at fair value.

c. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Revenue from Investments and Deposits" line item.

d. **Financial assets at fair value through profit or loss**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for, investments in equity instruments which are not held for trading Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

e. **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the balance sheet.

f. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company' allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those pasts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.2.13 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVP.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

d. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading or contingent consideration, recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, m. be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistent that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, whit is managed and its performance is evaluated on a fair value basis, in accordance with the Company documented risk management or investment strategy, and information about the company : provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permit the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income’ line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in Other Comprehensive Income, unless the recognition of the effects of changes in the liability's credit risk in Other Comprehensive Income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in Other Comprehensive Income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

e. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

2.2.14 Settlement Obligation:

Pay-in/Pay-out obligation (Settlement Obligation) of the Company are accounted based on settlement dates.

2.2.15 Current / Non-current classification

The company present assets and liabilities to be classified as either Current or Non-current.

Assets

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

a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the balance sheet date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date

- All other assets are classified as non-current.

Liabilities

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

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

- All other liabilities are classified as non-current.

Operating Cycle

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

2.2.16 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.2.18 Earmarked Funds:

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. The income earned on the investments from those earmarked funds are shown as liabilities and are not routed through the Statement of Profit and Loss.

2.2.19 Core Settlement Guarantee Fund (Core SGF):

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27,2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange (SE) to guarantee the settlement of trades executed in the respective segment of the SE. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (ICCL), Stock exchange (BSE) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor's funds. Penalties and fines levied by the Company are directly transferred to Core SGF as Other Contributions.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in Lakh

Particulars	As at Mar 31, 2019	As at March 31, 2018
Carrying amount of:		
Computer Equipment	32	53
Motor Vehicles	-	-
Furniture, Fixtures	4	4
Office & Electronics Equipments	2	3
Total	**38**	**60**

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Cost					
Balance as at April 1, 2017	63	5	7	6	81
Additions during the year	42	-	-	-	42
Balance as at March 31, 2018	**105**	**5**	**7**	**6**	**123**
Balance as at April 1, 2018	105	5	7	6	123
Additions during the year	4	-	1	-	5
Balance as at Mar 31, 2019	**109**	**5**	**8**	**6**	**128**

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Accumulated depreciation and impairment					
Balance as at April 1, 2017	35	4	1	1	41
Depreciation for the year	17	1	2	2	22
Balance as at March 31, 2018	**52**	**5**	**3**	**3**	**63**
Balance as at April 1, 2018	52	5	3	3	63
Depreciation for the year	25	-	1	1	27
Balance as at Mar 31, 2019	**77**	**5**	**4**	**4**	**90**

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Net Book Value					
As at March 31, 2018	53	-	4	3	60
As at Mar 31, 2019	32	-	4	2	38

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Carrying amount					
Balance as at April 1, 2017	28	1	6	5	40
Additions during the year	42	-	-	-	42
Depreciation for the year	17	1	2	2	22
Balance as at March 31, 2018	**53**	**-**	**4**	**3**	**60**
Balance as at April 1, 2018	53	-	4	3	60
Additions during the year	4	-	1	-	5
Depreciation for the year	25	-	1	1	27
Balance as at Mar 31, 2019	**32**	**-**	**4**	**2**	**38**

4. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakh

Particulars	As at Mar 31, 2019	As at March 31, 2018
Carrying amount of:		
Software	94	153
Intangible assets under development	30	-
Total	**124**	**153**

₹ in Lakh

Particulars	Software
Cost	
Balance as at April 1, 2017	446
Additions during the year	5
Balance as at March 31, 2018	**451**
Balance as at April 1, 2018	451
Additions during the year	2
Balance as at Mar 31, 2019	**453**

₹ in Lakh

Particulars	Software
Accumulated depreciation and impairment	
Balance as at April 1, 2017	197
Amortisation for the year	101
Balance as at March 31, 2018	**298**
Balance as at April 1, 2018	298
Depreciation for the year	61
Balance as at Mar 31, 2019	**359**

Particulars	Software
Net Book Value	
As at March 31, 2018	153
As at Mar 31, 2019	94

Particulars	Software
Carrying amount	
Balance as at April 1, 2017	249
Additions during the year	5
Depreciation for the year	101
Balance as at March 31, 2018	**153**
Balance as at April 1, 2018	153
Additions during the year	2
Depreciation for the year	61
Balance as at Mar 31, 2019	**94**

5. INVESTMENTS

₹ In Lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
A. Non Current Investment		
Non Trade Investments (At cost, unless otherwise specified):		
(Fully Paid-up, unless otherwise stated)		
Unquoted - Investments in Equity Instruments		
25,000 Shares of BSE CSR Integrated Foundation of ₹ 1/- each	-	-
Quoted - Investment in Govt Securities at Amortised cost		
Core SGF	3,934	-
Earmarked - Augmentation	1,929	-
Total	**5,863**	**-**

Scrip-wise Details of Investment

Particulars	Units	As at Mar 31, 2019	As at Mar 31, 2018
Investment in Govt Securities at at Amortised cost			
Core SGF			
6.65% Govt Sec 09-Apr-2020	5,00,000	496	-
6.84% Govt Sec 19-Dec-2022	20,00,000	1,935	-
7.37% Govt Sec 16-Apr-2023	15,00,000	1,503	-
Sub Total - A	**40,00,000**	**3,934**	**-**
Earmarked - Augmentation			
6.84% Govt Sec 19-Dec-2022	20,00,000	1,929	-
Sub Total - B	**20,00,000**	**1,929**	**-**
Aggregate value of quoted Bonds (A+B)	**60,00,000**	**5,863**	**-**
Aggregate value of Govt Securities		**5,863**	**-**
Market value of Govt Securities		**6,037**	**-**

6. LOANS

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Non Current		
Unsecured, considered good		
Other Loans - Loans to Employee	8	9
Current		
Unsecured, considered good		
Other Loans - Loans to Employee	4	4
Total	**12**	**13**

7. OTHERS FINANCIAL ASSETS

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Non Current		
Deposit with Others	30	30
In Deposit with Bank		
Own	49	575
Core SGF	2,711	1,325
Earmarked Augmentation	1,019	-
Others Receivable from defaulter member	-	78
Sub-Total - A	**3,809**	**2,008**
Current		
Unamortised Cost	1	-
Others Receivable from defaulter member (Refer Note 32)	104	26
Impairment allowance for doubtful debts (Refer Note 32)	(104)	-
Accrued interest :		
Deposits		
Own Fund	831	11
Clearing and Settlement Fund	5	36
G - Sec		
Own Fund	39	-
Core SGF	105	-
Sub-Total - B	**981**	**73**
Total (A+B)	**4,790**	**2,081**

8. DEFERRED TAX ASSETS (NET)

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Deferred Tax Assets:		
Provision for Bad & Doubtful Debts	51	-
Provision for Compensated Absences	40	23
MAT Credit Entitlement	3,091	2,732
Less : Deferred Tax Liabilities		
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets	22	38
Net Deferred Tax Assets	**3,160**	**2,717**
Note: The carry-forward of unused tax losses of ₹ 2,621 Lakh is not considered		

9. OTHER CURRENT ASSETS

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Current Assets		
Prepaid Expenses	26	181
Cenvat Credit Receivable	655	540
Total	**681**	**721**

10. TRADE RECEIVABLES

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Secured and Considered Good	4	6
Unsecured, considered good	164	2
Less: Provision for doubtful loans (Refer Note 32)	(42)	-
Holding Company	68	46
Total	**194**	**54**

11. CASH AND CASH EQUIVALENTS

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Cash on hand	-	-
Balances with banks		
In Current accounts		
Own Fund	509	14
Clearing and Settlement Fund	25,773	36,474
Core SGF	30	56
In Deposit accounts		
Own Fund	-	6,855
Clearing and Settlement Fund	5,320	30,000
Core SGF	-	-
Earmarked Augmentation	6,559	-
Total	**38,191**	**73,399**

12. BANK BALANCES OTHER THAN (II) ABOVE

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
In Deposit accounts		
Own Fund	29	19,547
Clearing and Settlement Fund	26,022	25,051
Core SGF	32,638	34,451
Earmarked Augmentation	15,493	-
Total	**74,182**	**79,049**

Notes:

- Balances in Deposits with Banks of ₹ 22,033 Lakh (As at March 31, 2018 ₹ 23,063 Lakh), are pledged against bank over draft.

13. EQUITY SHARE CAPITAL

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Authorised		
5,00,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2018: 5,00,00,00,000 Equity Shares of ₹ 1/- each)	50,000	50,000
Issued, Subscribed and Fully Paid - up 3,54,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2018: 3,54,00,00,000 Equity Shares of ₹ 1/- each)	35,400	35,400
Total	**35,400**	**35,400**

2(a). Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars of issue	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ In lakh	No. of Shares	₹ In lakh
Opening Balance	3,54,00,00,000	35,400	3,54,00,00,000	35,400
a) Right Issue	-	-	-	-
b) Bonus	-	-	-	-
c) Preferential Allotment	-	-	-	-
d) Others	-	-	-	-
Closing Balance	**3,54,00,00,000**	**35,400**	**3,54,00,00,000**	**35,400**

2(b). List of shareholders holding more than 5% shares

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of total shares	No. of Shares	% of total shares
BSE Limited and its nominees	3,54,00,00,000	100	3,54,00,00,000	100

2(c) I. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.

2(c) II. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

14. OTHER EQUITY

₹ In lakh

Particulars		As at Mar 31, 2019	As at Mar 31, 2018
Core Settlement Guarantee Fund - Core SGF			
Opening Balance		21,844	18,094
Add : Contribution for earlier year (Refer Note 31)		-	2,256
Add : Contribution for the year		684	-
Add : Income Earned during the year		1,660	1,494
	Sub-Total - A	**24,188**	**21,844**
Retained earnings			
Opening Balance		(2,466)	283
Add : Profit for the year		2,032	1,612
Less : Appropriations			
Dividend		1,307	3,623
Tax on Dividend		269	738
	Sub-Total - B	**(2,010)**	**(2,466)**
Total (A+B)		**22,178**	**19,378**

Notes:

Core Settlement Guarantee Fund:

ICCL has created a dedicated Core Settlement Guarantee Fund (Core SGF), which is readily and unconditionally available to meet settlement obligations of ICCL in case of clearing member(s) failing to honour settlement obligation.

ICCL maintains a dedicated Core SGF for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. ICCL carries out daily stress tests for credit risk, daily liquidity stress test to assess the adequacy of liquidity arrangements, periodic reverse stress tests and daily back tests for adequacy of margins.

Retained earnings:

The same reflects surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

15. TRADE PAYABLES

₹ In lakh

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Current		
i) Total outstanding due of Micro & Small Enterprises Payable to service providers	-	-
ii) Total outstanding due of Creditors other than Micro & Small Enterprises Payable to service providers	139	149
Total	**139**	**149**

16. OTHER FINANCIAL LIABILITIES

₹ In lakh

Particulars		As at Mar 31, 2019	As at Mar 31, 2018
Non Current			
Accrued Employee Benefits Expense		51	48
	Sub-Total - A	**51**	**48**
Current			
Deposit from Clearing Banks & Warehouses		12,351	12,301
Deposit and Margins from Members		27,191	25,519
Settlement Obligation Payable		4,729	40,176
Clearing and Settlement - Others		11,551	12,335
Accrued Employee Benefits Expense		195	169
Others		6	5
	Sub-Total - B	**56,023**	**90,505**
Total (A+B)		**56,074**	**90,553**

17. OTHER CURRENT LIABILITIES

₹ In lakh

Particulars		As at Mar 31, 2019	As at Mar 31, 2018
Non Current			
Core Settlement Guarantee Fund (Refer to Note 2.2.19 & 30) (Exchange Contribution and Others Contributions)		15,230	13,988
	Sub-Total - A	**15,230**	**13,988**
Current			
Statutory Remittances		28	24
	Sub-Total - B	**28**	**24**
Total (A+B)		**15,258**	**14,012**

18. PROVISIONS

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Current		
Provision for Employee Benefits		
Other Provision		
Provision for Compensated Absences	94	61
Provision for Gratuity	1	51
Total	**95**	**112**

19. REVENUE FROM OPERATIONS

₹ In Lakh

Particulars	**For the Year Ended Mar 31, 2019**	**For the Year Ended Mar 31, 2018**
Sale of services		
Clearing and Settlement Services	443	250
Auction Fees	88	124
Others	114	24
Other Operating Revenue		
Treasury Income from Clearing and Settlement Funds		
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	2,869	3,804
B. Income earned on financial assets that are mandatorily measured as at fair value through profit or loss:		
Dividend From Mutual Funds measured at FVTPL	196	273
Total	**3,710**	**4,475**

20. REVENUE FROM INVESTMENTS AND DEPOSITS

₹ In Lakh

Particulars	**For the Year Ended Mar 31, 2019**	**For the Year Ended Mar 31, 2018**
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	1,486	1,664
G Sec	90	-
B. Income earned on financial assets that are mandatorily measured as at fair value through profit or loss:		
Dividend From Mutual Funds measured at FVTPL	236	199
Total	**1,812**	**1,863**

21. OTHER INCOME

₹ In Lakh

Particulars	**For the Year Ended Mar 31, 2019**	**For the Year Ended Mar 31, 2018**
Interest Income on Income Tax Refund	-	139
Miscellaneous Income	11	7
Total	**11**	**146**

22. EMPLOYEE BENEFITS EXPENSES

₹ In Lakh

Particulars	For the Year Ended Mar 31, 2019	For the Year Ended Mar 31, 2018
Salaries, Allowances and Bonus	832	686
Contribution to Provident and Other Funds	40	29
Provision for Compensated Absence	66	41
Staff Welfare Expenses	21	35
Total	**959**	**791**

23. OTHER OPERATING EXPENSES

₹ In Lakh

Particulars	For the Year Ended Mar 31, 2019	For the Year Ended Mar 31, 2018
Auditors' Remuneration	7	6
Business Promotion Expenses	28	40
Contribution to Corporate Social Responsibility	99	266
Electricity Charges	12	13
Rent	189	151
Computer Technology Related Expenses	821	765
Contribution to Core SGF	684	2,256
Insurance	176	188
Rates and taxes, excluding taxes on income	20	23
Clearing House Charges	11	10
Directors' Sitting Fees	9	13
Legal Fees	4	-
Membership & Subscription Fees	30	13
Maintenance Expenses	5	5
Professional Fees	86	89
Impairment loss allowance on receivable (Refer No 7, 10 & 32)	146	-
Stamp Duty, Registration Charges & Regulatory Fees	3	2
Travelling Expenses	44	46
Committee Meeting Sitting Fees	45	56
Miscellaneous Expenses	24	27
Total	**2,443**	**3,969**

23.1 Auditors' Remuneration

Particulars	For the Year Ended Mar 31, 2019	For the Year Ended Mar 31, 2018
Auditors' Remuneration Includes:		
Statutory Audit Fees	5	4
Tax Audit Fees	1	1
Other services	1	1
Total	**7**	**6**

23.2 Contribution to Corporate Social Responsibility

Particulars	For the Year Ended Mar 31, 2019	For the Year Ended Mar 31, 2018
The gross amount required to be spent by company during the year	99	118

Amount debited to statement of profit and loss account were paid in cash during the respective year and were incurred for the purpose other than construction / acquisition of any asset.

24. Commitments (to the extent not provided for)

₹ in lakh

Sr. No.	Particulars	As at March 31, 2019	As at March 31,2018
(a)	Estimated amount of unexecuted capital contracts	42	-

25. Contingent Liabilities (to the extent not provided for)

₹ in lakh

Sr. No.	Particulars	As at March 31, 2018	As at March 31,2018
(a)	Claims against the company not acknowledged as debts in respect of : - Income tax matters (The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process.)	820	826

26. The Managing Director & CEO of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on only one class of operations i.e. facilitating clearing and settlement activities and the activities incidental thereto, hence there are no reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

27. Related party Transactions:

1. <u>List of Related Party and Relationships</u>

Sr.	Name of Related Party & Relationship
1.	BSE Limited - Holding Company
2.	Marketplace Technologies Private Ltd - Fellow Subsidiary
3.	Marketplace Tech Infra Services Private Limited - Fellow Subsidiary
4.	BFSI Sector Skill Council of India (Section 8 Company) - Fellow Subsidiary
5.	BSE Skills Limited - Fellow Subsidiary (Upto June 28, 2018)
6.	BIL - Ryerson Technology Startup Incubator Foundation (BRTSIF) (Section 8 Company) - Fellow Subsidiary
7.	BSE CSR Integrated Foundation - Fellow Subsidiary (Being a Section 8 company under companies Act, 2013) (w.e.f March 20, 2018)
8.	BSE Institute Limited – Fellow Subsidiary
9.	BSE Investments Limited – Fellow subsidiary
10.	BSE Sammaan CSR Limited – Fellow subsidiary
11.	India International Exchange (IFSC) Limited - Fellow subsidiary
12.	India International Clearing Corporation (IFSC) Limited – Fellow subsidiary
13.	Indian INX Global Access IFSC Limited – Fellow subsidiary
14.	Pranurja Solution Limited – Fellow subsidiary

Sr.	Name of Related Party & Relationship
15.	Central Depository Services (India) Ltd - Associate of Holding Company
16.	CDSL Ventures Limited - Associate of Holding Company
17.	CDSL Insurance Repository Limited - Associate of Holding Company
18.	CDSL Commodity Repository Limited - Associate of Holding Company
19.	BSE EBIX Insurance Broking Private Limited – Associate of Holding Company
20.	Marketplace EBIX Technology Services Pvt Limited – Associate of Holding Company
21.	Asia Index Private Ltd - Associate of Holding Company
22.	BSE Investors Protection Fund (Trust set-up by Holding Company)
23.	ICCL Employees Gratuity Fund (Trust set-up by the Company)
24.	Smt Devika Shah - Managing Director & CEO (w.e.f. January 01, 2018)
25.	Shri K. Kumar - Managing Director & CEO (Till December 31, 2017)
26.	Shri S. Sundareshan – Chairman
27.	Smt. Maya Swaminathan Sinha – Public Interest Director (Till January 16, 2018)
28.	Shri Ramabhadran S Thirumalai – Public Interest Director
29.	Shri Prasad Dahapute – Public Interest Director
30.	Shri Nehal Vora – Shareholder Director
31.	Shri Neeraj Kulshreshtha – Shareholder Director

2. <u>Transactions with Related Parties</u>

(a) BSE Ltd (Holding Company):

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income		
Clearing and settlement fees	273	183
Rental Income	5	4
Expenditure		
Computer Technology Related Expenses	118	186
Rent	164	133
Electricity Charges	11	12
Membership & Subscription	9	-
Property Tax	4	3
Staff welfare	8	17
Others Expenses	1	5

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
Prepaid Expenses	8	5
Receivable (net)	68	46
Liability		
Contribution towards Core SGF (excluding income earned thereon)	11,668	11,534

(b) Marketplace Technologies Private Ltd (Fellow Subsidiary):

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenditure		
Computer Technology Expenses	429	414
Purchase of Intangible Assets	30	-

Particulars	As at March 31, 2019	As at March 31, 2018
Liability		
Payable (net)	48	69

(c) BSE Sammaan CSR Limited (Fellow Subsidiary)

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income		
Rental Income	1	1

(d) BSE CSR Integrated Foundation (Fellow Subsidiary – w.e.f. March 20, 2018)

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenditure		
CSR Contribution	99	251

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
Investment (25,000 Equity shares of ₹ 1/- each)	-	-

(e) BFSI Sector Skill Council of India - Fellow Subsidiary

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Income		
Rental Income	1	-

(f) BSE Institute Limited – Fellow Subsidiary

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Income		
Rental Income	1	-

(g) Central Depository Services (India) Ltd (Fellow Associate):

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenditure		
Administrative & Other Expenses	6	6

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
Deposits (Asset)	5	5
Prepaid Expenses	-	1

(h) BSE Investors Protection Fund (Trust set-up by Holding Company):

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenditure		
Rent	6	4

Particulars	As at March 31, 2019	As at March 31, 2018
Liability		
Payable (Net)	1	1

(i) ICCL Employees Gratuity Fund (Trust set-up by the Company):

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Net defined benefit assets		
ICCL Employee's Gratuity Fund	145	94

(j) Key Management Personnel (KMP):

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Shri K. Kumar (Managing Director & CEO) Gross remuneration and other benefits paid *	-	112
Smt. Devika Shah (Managing Director & CEO) Gross remuneration and other benefits paid *	59	13

***** Excludes the variable pay of the prior years which has been paid in the current year based on Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012

28. Earnings per Share:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax (₹ in lakh)	2,040	1,608
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	3,54,00,00,000	3,54,00,00,000
Face Value of equity shares (₹)	1	1
Basic and Diluted earnings per share (₹)	**0.06**	**0.05**

29. Expenditure in Foreign Currency: (on accrual basis)

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Software Expenses	24	23
Travel Expenses	15	7
Membership Fees	21	13
Professional Fees	16	16
Others	3	2

30. (a) As per SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, ICCL has established a fund called Core SGF for each segment (Equity, Equity Derivative, Debt & Currency Derivative) of each Recognised SE to guarantee the settlement of trades executed in respective segment of the SE. Accordingly, an amount ₹ 24,188 lakh as at March 31, 2019 (₹ 21,844 lakh as at March 31, 2018) has been contributed towards the Core SGF maintained for various segment by ICCL including income earned thereon. The contribution made by BSE Ltd to the said Core SGF amounts to ₹ 14,001 lakh as at March 31, 2019 (₹ 13,020 lakh as at March 31, 2018) including income earned thereon and also include the amount received towards "Transfer of Profits" under Regulation 33 of SECC Regulations 2012, from the date the SECC Regulations, 2012 came into effect till August 29, 2016, and which has not been allocated to any specific segment. Further, Other Contribution represent an amount (i) ₹ 1,229 lakh as at March 31, 2019 (₹ 968 lakh as at March 31, 2018) includes (i) amount received under the Scheme of amalgamation between United Stock Exchange of India Limited and BSE Ltd, (ii) as per SEBI direction, BSE has transferred the penalty collected from client to our Core SGF of Currency Derivative and Equity Derivative segment respectively, (iii) fines & penalties collected from members by ICCL and income earned thereon.

₹ in lakh

Particulars	BSE Contribution	ICCL Contribution	Other Contributions	Total
Equity Segment	5,137	15,289	542	20,968
Equity Derivative Segment	487	1,447	32	1,966
Currency Derivative Segment	6,232	6,597	654	13,483

Particulars	BSE Contribution	ICCL Contribution	Other Contributions	Total
Commodity Derivative Segment	700	706	1	1,407
Debt	-	149	-	149
Others	1,445	-	-	1,445
Grand Total	**14,001**	**24,188**	**1,229**	**39,418**

31. During the current year, the contribution to Core SGF of ₹ 684 lakhs is charged to Statement of Profit & Loss. Such contribution in the earlier years were earmarked from investments and not charged to Statement of Profit & Loss account. Due to this, comparative figures of the previous year have been re-stated. The details of financial statement line items have been given below:

₹ in lakh

Balance Sheet as on March 31, 2018	As reported previously	Amount re-stated
Assets		
(a) Non Current Tax Assets (Net)	1,373	1,357
(b) Deferred tax assets (net)	1,329	2,717
(c) Total Other Non-Current assets (exclude (a) and (b) above)	2,230	2,230
(d) Total Current Assets	1,53,300	1,53,300
Total Assets	**1,58,232**	**1,59,604**
Equity and Liabilities		
Equity		
(a) Equity Share capital	35,400	35,400
(b) Other Equity	18,006	19,378
(c) Total Non-current liabilities	14,036	14,036
(d) Total Current liabilities	90,790	90,790
Total Equity and Liabilities	**1,58,232**	**1,59,604**

₹ in lakh

Statement of Profit and Loss for the year ended March 31, 2018	As reported previously	Amount re-stated
(a) Total Revenue	6,484	6,484
(b) Total Expenses	2,727	4,983
Profit Before Tax	**3,757**	**1,501**
Tax Expense		
Current Tax	699	711
Deferred Tax	(711)	(723)

Statement of Profit and Loss for the year ended March 31, 2018	As reported previously	Amount re-stated
Tax Adjustment For Earlier Years	(95)	(95)
Profit After Tax	**3,864**	**1,608**
Other Comprehensive Income	4	4
Total Comprehensive Income	**3,868**	**1,612**

₹ in lakh

Statement of change in Equity	As reported previously	Amount re-stated
Opening Retained Earnings as on 01-04-2017	3,408	284
Core Settlement Guarantee Fund (Core SGF) as on 01-04-2017	13,598	18,094

Earnings per Share for the year ended March 31, 2018	As reported previously	Amount re-stated
Profit after tax (₹ in lakh)	3,864	1,608
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	3,54,00,00,000	3,54,00,00,000
Face Value of equity shares (₹)	1	1
Basic and Diluted earnings per share (₹)	0.11	0.05

32. A sum of ₹ 104 lakh (P. Y. ₹ 104 Lakh) shown under other financial assets (Refer No 7) and ₹ 42 lakh (P. Y. Nil) shown under Trade receivable (Refer Note 10) represent receivable towards the dues from members and the company has made full provision against said receivable during the year.

33. The company has started clearing and Settlement for new Commodity Derivative Segment of the BSE. As per SEBI approval letter company has earmarked its investments of ₹ 25,000 lakh towards augmentation of Settlement Guarantee Fund.

34. Disclosure as required on "Employee Benefits" is as under:

34.1. Gratuity - Defined Benefit Plan

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

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

a. The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements As at March 31, 2019 and March 31, 2018.

₹ in lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Change in benefit obligations		
Benefit obligations at the beginning	138	86
Current Service Cost	10	8
Interest on defined benefit obligation	10	6
Re-measurements - Actuarial Loss / (Gain)	7	(6)
Benefits Paid	(2)	(2)
Liability assumed on acquisition/(Settled on Divestiture)	(16)	46
Closing Defined Benefit Obligation	147	138
Change in plan assets		
Opening Fair Value of Plan Assets	94	86
Contributions by Employer	46	6
Interest on Plan Assets	7	6
Re-measurements - Actuarial Loss / (Gain)	-	(2)
Benefits Paid	(2)	(2)
Closing Fair Value of Plan Assets	145	94
Funded status	145	94

b. Amount For the year ended March 31, 2019 and year ended March 31, 2018.

₹ in lakh

Particulars	March 31, 2019	March 31, 2018
Current Service Cost	10	8
Interest on net defined benefit obligations / (asset)	3	-
Total Included in "Employee Benefit Expense"	13	8

c. Amount for the year ended March 31, 2019 and year ended March 31, 2018 recognised in the statement of other comprehensive income:

₹ in lakh

Particulars	March 31, 2019	March 31, 2018
Opening amount recognised in "Other Comprehensive Income"	3	(1)
Re-measurement for the year – Obligation gains / (losses)	(7)	4
Re-measurement for the year – Plan asset gains / (losses)	-	-
Total amount recognised in "Other Comprehensive Income"	(4)	3

d. Principle actuarial assumption

Assumptions	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.50%	7.40%
Salary escalation	7.00%	7.00%

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

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

Particulars	Year ended March 31, 2019	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-2.77%	2.90%
Impact of decrease in 50 bps on defined benefit obligation	2.90%	-2.80%

f. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flow: Expected benefit payment

₹ in lakh

Maturity Profit	As at March 31, 2019
Expected benefits for year 1	10
Expected benefits for year 2	10
Expected benefits for year 3	9
Expected benefits for year 4	18
Expected benefits for year 5	85
Expected benefits for year 6	5
Expected benefits for year 7	25
Expected benefits for year 8	15
Expected benefits for year 9	13
Expected benefits for year 10 and above	54

The weighted average duration to the payment of these cash flows is 5.67 years.

g. Composition of Plan Assets

₹ in lakh

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Insurer Managed Funds	145	94
Others	-	-

Actual return on the assets for the year ended March 31, 2019 and year ended March 31, 2018 were ₹ 6 lakh and ₹ 1 lakh respectively.

34.2. Provident Fund – Defined Contribution Plan

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid on cessation of services. Both the employee and the company make monthly contributions to the “BSE Employees’ Provident Fund”, a trust set up and administered by the BSE Ltd. The company is liable for any shortfall in the fund assets based on the minimum rate of return specified by the Government, which is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

The Company recognised charge for the year ended March 31, 2019 and for the year ended March 31, 2018 of ₹ 23 lakh and ₹ 18 lakh respectively for provident fund in the statement of profit & loss.

34.3. Other long-term employee benefit obligations

The leave obligation covers the company liability for sick and earned leave. Under these Compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days. Refer Note 22 and Note 18 with respect to item of profit and loss and Balance Sheet where such charge/provision has been presented.

35. During the year the Board of Directors has declared interim dividend in its meeting held during the year, for an amounting ₹ 760 lakh excluding tax thereon and same has been paid to shareholder.

36. Critical accounting judgments and estimates

In the course of applying the policies outlined in all notes stated above, management makes estimations and assumptions that impact the amounts recognised in the financial statements. The Company believes that critical judgment and estimation have been made in the following areas:

36.1. Intended use, useful lives and residual value of property, plant and equipment and intangible assets

Based on technical evaluations, management makes its judgement when property, plant and equipment and intangible assets are capable to operate in the manner intended by them.

Management reviews the useful lives and residual values of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

36.2. Provisions and liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

36.3. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

36.4. Income taxes

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

36.5. Defined employee benefit assets/liabilities

Determined based on the present value of future pension obligations using assumptions determined by the Company with advice from an independent qualified actuary.

36.6. Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

37. Financial instruments

Risk Management:

The Company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with the Audit Committee.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise.

ICCL's primary objective as a recognised Clearing Corporation providing full novation, is to manage the risk arising out of Clearing and Settlement activities i.e. Regulatory, Credit, Liquidity, Settlement, Collateral, among others. The primary focus is to implement measures that mitigate these risks and minimise potential adverse effects on the performance of the company. ICCL has a sound risk framework, and has established documented policies, procedures and systems and controls to identify measure, monitor and manage such risks. ICCL has a dedicated risk management function and a Risk Management Committee comprising of Independent Directors and outside experts. The Chief Risk Officer has a dual reporting – to the Managing Director & CEO as well as the Risk Management Committee.

Regulatory risk:

The Company operates in areas that are highly regulated

Clearing Corporations (CCPs) have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("Core SGF") and Default Waterfall, to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR"). IOSCO has issued discussion papers on Recovery and Resolution and Cyber Risk, areas which are expected to witness regulatory guidance in the next few years. The CPMI and the IOSCO continue to closely monitor the implementation of the PFMI. The Third Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMIs has accorded India with the highest rating of 4. SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. ICCL has received Third Country Central Counterparty ("TC-CCP") recognition from the European Securities and Markets Authority ("ESMA") under EMIR on September 27, 2017. ICCL has also received temporary recognition pursuant to the UK Statutory Instrument the Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 ("the SI"). The Temporary Recognition Regime ("TRR") will enable ICCL to provide clearing services and activities in the UK for up to three years from the commencement of the TRR, extendable by HM Treasury in increments of twelve months.

The Company continues to focus on remaining well positioned to respond to regulatory developments and further opportunities exist for the Company to deliver solutions to help the market address the changing regulatory environment.

There have been several changes to the form and manner in which recognized stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Company may have to contribute more of profit to the Settlement Guarantee Fund which could materially and adversely affect the Company's financial ability. The regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Liquidity risk:
The Company holds a significant amount of cash and securities deposited by clearing members as margin or default funds.
Potential liquidity risks faced by the Company includes:

- Margin payments: Open positions are settled at least daily. The Company has to ensure that sufficient funds are available to fulfil their obligations
- Market disruptions: Such as unusual market volatility driving large margin movements; liquidity squeezes in the cash or securities markets and central bank action.
- Failed settlements: Arise when a member fails to deliver funds or securities, leaving the Company short of funds or securities which may have been designated to meet the obligations of another member.

The Company monitors its liquidity needs daily using stressed assumptions and reports to the Risk committee.

ICCL has created a dedicated Core Settlement Guarantee Fund (Core SGF), which is readily and unconditionally available to meet settlement obligations of ICCL in case of clearing member(s) failing to honour settlement obligation.

ICCL maintains a dedicated Core SGF for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. ICCL carries out daily stress tests for credit risk, daily liquidity stress test to assess the adequacy of liquidity arrangements, periodic reverse stress tests and daily back tests for adequacy of margins. ICCL maintains a Business Continuity Plan ("BCP") and Disaster Recovery ("DR") Plan for systems as well as manpower. ICCL has a far DR, situated in a different seismic zone.

ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

Further, as a second line of defence to the margining and risk management systems, ICCL has subscribed to the Insurance policy. As per the default waterfall, in the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk. The magnitude of potential loss due to default that a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy for INR 415 Crore across all segments. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL net-worth making the resources of the non- defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

ICCL, with its net-worth of over INR 500 Crore, is well capitalized and instils a high level of confidence in its members and investors in the ability of ICCL to handle extreme loss situations. The additional capital cushion of INR 390 Crore, provided by the Insurance cover, along with the net-worth covers nearly 3 times the Core SGF requirement of ICCL and further increases the safety for domestic and international participants alike.

ICCL conducts daily liquidity stress tests on a hypothetical stress scenario basis to ensure that it maintains sufficient liquid resources to manage liquidity risk from its clearing members. ICCL carries out the stress tests on the liquidity position by assuming the default of the two clearing participants to which it has the largest exposures in equity derivatives and currency derivatives segment. In addition, ICCL has lines of credit with various commercial banks in excess of its entire average daily funds pay-out, to build redundancy in case of one or more banks being unable to provide the liquidity support. The investments made in liquid resources are based on ICCL's investment policy, which is periodically reviewed by its investment committee and duly approved by its audit committee and the board of directors. The investment policy specifies the quality as well as exposure limits for each type of the qualified liquid resources.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018

As at March 31, 2019: **₹ in lakh**

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	51	-	51
Total Non-Current Liabilities	**-**	**51**	**-**	**51**
Current Liabilities				
Deposits and Margin Received	39,542	-	-	39,542
Settlement Obligation Payable	4,729	-	-	4,729
Accrued Employee benefit expenses	195	-	-	195
Others Clearing Settlement Liability	11,551	-	-	11,551
Trade Payable	139	-	-	139
Others	6	-	-	6
Total Current Liabilities	**56,162**	**-**	**-**	**56,162**

As at March 31, 2018: **₹ in lakh**

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	48	-	48
Total Non-Current Liabilities	**-**	**48**	**-**	**48**
Current Liabilities				
Deposits and Margin Received	37,820	-	-	37,820
Settlement Obligation Payable	40,176	-	-	40,176
Accrued Employee benefit expenses	169	-	-	169
Others Clearing Settlement Liability	12,335	-	-	12,335
Trade Payable	149	-	-	149
Others	5	-	-	5
Total Current Liabilities	**90,654**	**-**	**-**	**90,654**

Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above.

The Company provides a counterparty guarantee to its clearing members to guarantee performance and completion of the settlement of trades. By acting as guarantor in this manner, ICCL is exposed to potential losses should a clearing member defaults. The Company protects against the risk of defaults by a clearing member before it has settled its outstanding transactions, we require the clearing member to deposit margins and collateral, at least 50% of which must be in the form of cash and cash equivalents. The Company is also required to maintain a Core Settlement Guarantee Fund as mentioned above.

Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars and euros). Insignificant portion of the Company's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

While the exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future, the company is not much exposed to foreign currency risk.

Clearing and settlement risk:

Our clearing services guarantee final settlement of trades and manage counterparty risk for a range of assets and instruments including cash equities, derivatives, interbank collateralised money loans and Government bonds. The financial risks associated with clearing operations are further mitigated by strict membership rules including supervisory capital, technical and organisational criteria. The maintenance of prudent levels of margin and default funds to cover exposures to participants. Each member deposits margins, computed at least daily, to cover the theoretical costs which the clearing service would incur in order to close out open positions in the event of the member's default.

Investment (Market and Custody) risk:

The Company limits its exposure to credit risk by making investment as per the Investment Policy. Further Investment Committee of the company reviews the investment portfolio on every two months and recommend or provide suggestion to the management. The company does not expect any losses from non- performance by these Investments, and does not have any significant concentration of exposures to any specific industry sector.

The company is mainly exposed to market the investment price risk due to its investment in mutual funds and other quoted investments. The market risk arises due to uncertainties about the future market values of these investments. However, ICCL had divested its entire holding in Corporate Bonds this year in 2017, and the market risk of the current Investment portfolio is quite low.

The Investments are also exposed to Custody Risk on its Investment portfolio, due to the remote probability of an issuer or Bank or Custodian of assets defaulting and / or going bankrupt / insolvent.

In order to manage its market and custody risk arising from above, the company diversifies its portfolio in accordance with the limits set by the risk management policies. Further, the treasury department reviews the investments made in order to ensure compliance with its investment policy for the exposure and credit category of its mutual fund portfolios.

Other risks:

Since ICCL is a clearing and settlement agency, its performance is dependent upon the trading activity on BSE's trading platform, the number of active traders in the market, the number of new/further listings and the amount of capital raised through such listings.

• Adverse economic conditions could negatively affect the business, financial condition and results of operations.
• The industry ICCL operates in is highly competitive and ICCL competes with a broad range of market participants for clearing and settlement volumes.
• ICCL operates in a business environment that continues to experience significant and rapid regulatory and technological changes.
• ICCL operates in a highly regulated industry and may be subject to censures, fines and other legal proceedings if it fails to comply with its legal and regulatory obligations. Changes in government policies could adversely affect trading volumes of instruments traded on the exchange and hence the settlement volumes of ICCL.
• The continuation or recurrence of systemic events such as the global economic crisis, changes in economic policies and the political situation in India or globally may adversely affect ICCL's performance.

Interoperability of Clearing Corporations
SEBI has issued a Circular regarding implementation of Interoperability of Clearing Corporations, which is expected to be implemented wef June 1, 2019. Post implementation of Interoperability, Clearing Members may clear trades executed on exchanges through their preferred Clearing Corporations. While, this may result in an increase in clearing volume of ICCL, there is also a risk that ICCL may lose its clearing volumes to other Clearing Corporations.

Capital Management
The Company manages its capital to ensure that entity will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and internal accrual funds.

The capital structure of the Company consists of only equity (comprising issued capital, reserves, and retained earnings), there are no external borrowings.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company 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 will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.
The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return by it to shareholders by continuing to distribute dividends in future periods.

Compliance with externally imposed capital requirements:

Capital requirement of the Company is regulated by Securities and Exchange Board of India (SEBI). As per SEBI notification dated June 20, 2012 Clearing corporation shall be mandated to build up to the prescribed net worth of ₹ 300 Crore over a period of three years from the date of notification. As per SECC Regulations 2018, "Every recognized clearing corporation shall maintain, at all times, a minimum net worth of one hundred crore rupees or capital as determined under regulation 14(3)(a) and 14(3)(b), whichever is higher." Minimum requirement of net worth is maintained throughout the period from effective date of notification. ICCL has been compliant with the capital requirement since the date of notification.

Categories of Financial Instruments **₹ in lakh**

Particulars	**Carrying Value**		**Fair Value**	
	As at			
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
i) Financial assets				
(a) Measured at Amortised Cost				
Trade receivable	194	54	194	54
Cash and cash equivalents	38,191	73,399	38,191	73,399
Bank Balances other than Cash and cash Equivalents	74,182	79,049	74,182	79,049
Loans	12	13	12	13
Other financial assets	4,790	2,081	4,790	2,081
ii) Financial Liabilities				
(a) Measured at Amortised Cost				
Trade payables	139	149	139	149
Other financial liabilities	56,074	90,553	56,074	90,553

Level wise disclosure of fair value measurement of financial instruments

₹ in lakh

Particulars	**Fair values As at**		**Fair Value Hierarchy**
	March 31, 2019	**March 31, 2018**	
Financial assets			
Trade receivable	194	54	Level 3
Cash and cash equivalents	38,191	73,399	Level 1
Bank Balances other than Cash and cash Equivalents	74,182	79,049	Level 2
Loans	12	13	Level 3
Other financial assets	4,790	2,081	Level 3
Financial Liabilities			
Trade payables	139	149	Level 3
Other financial liabilities	56,074	90,553	Level 3

There were no transfers between Level 1 and 2 in the period.

38. Trade receivables:

The average credit period provided to customers is 0 to 60 days. Interest may be charged on overdue trade receivables. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.
Before accepting any new customer, the Company assess the potential customer's credit quality and defines credit limits of customer.
Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts (which include interest accrued after the receivable is more than 180 days outstanding) are still considered recoverable. The Company generally hold collateral over these balances and having legal right of offset against any amounts owed by the Company to the counterparty.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

39. Income Tax Expense:

The following are the details of income tax assets as of March 31, 2019, March 31, 2018.

₹ in lakh

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Net Current tax at the beginning (Assets)	1,357	1,475
Current Income Tax provision including earlier tax adjustment	(359)	(616)
Income tax paid (Including TDS)	911	498
Balance at the end	**1,909**	**1,357**

A reconciliation of Income tax provision to the amount computed by applying the income tax rate to the profit before tax for year ended March 31, 2019 and March 31, 2018.

₹ in lakh

Particular	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Profit before tax from continuing operations	1,956	3,757
Income tax expense calculated at 34.944% **(A)**	684	1,300
Adjustment:		
Effect of income that is exempt from taxation	167	178
Effect of expenses that are not deductible in determining taxable profit	(47)	(103)
Effect of Carried forward losses under tax	648	1,237
Total (B)	**768**	**1,312**
Adjustments recognised in the current year in relation to the current tax of prior years (C)	-	95
Income tax expense recognised in profit or loss (relating to continuing operations) **(A-B-C)**	(84)	(107)

40. The financial statements were approved for issue by the board of directors in their meeting held on April 18, 2019.

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

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

Supriya Panse
Partner
Membership No.: 46607
Place: Mumbai
Date: April 18, 2019

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Myna Venkatraman
Chief Financial Officer

Shilpa Pawar
Company Secretary