INDIAN CLEARING CORPORATION LIMITED

(A Wholly owned Subsidiary of BSE Limited)

ANNUAL REPORT

FINANCIAL YEAR ENDED MARCH 31, 2021

Content of Annual Report

Company Information

Board of Directors

- Mr. S. Sundareshan, Chairman, Public Interest Director
- Prof. T. Ramabhadran, Public Interest Director
- Mr. Prasad Dahapute, Public Interest Director
- Mr. Neeraj Kulshrestha, Shareholder Director
- Mr. Sameer Patil, Shareholder Director
- Ms. Devika Shah, Managing Director & CEO

Executive Management Committee

- Ms. Devika Shah, Managing Director & CEO
- Mr. Tushar Ambani, Chief Operating Officer
- Mr. Nimeshkumar Mistry, Chief Financial Officer
- Mr. Piyush Chourasia, Chief Risk Officer & Head – Strategy (Compliance Officer)

Company Secretary - Ms. Shilpa Pawar

Statutory Auditors - M/s. Dalal Doctor and Associates, Chartered Accountants

Secretarial Auditors - M/s. Shweta Gokarn & Co., Company Secretaries

Internal Auditors - M/s. S. Panse & Co., Chartered Accountants, Mumbai

Registered Office - 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001

Registrar & Share Transfer Agent - Karvy Fintech Private Limited

Website - www.icclindia.com

Corporate Identity Number - U67120MH2007PLC170358

Indian Clearing Corporation Limited

Reliability builds relationships

DIRECTORS' REPORT

The Members,
Indian Clearing Corporation Limited

Your Directors have pleasure in presenting their Fourteenth Annual Report and Audited Accounts for the financial year ended March 31, 2021.

FINANCIAL RESULTS

The financial results for the year ended March 31, 2021 are as follows:

(INR. In Lakh)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Income		
Income from Operations	6,522	4,185
Income from Investments and Deposits	1,633	1,852
Other Income	8	51
Total Income (A)	**8,163**	**6,088**
B. Expenditure		
Employee Benefits Expenses	1,159	1,127
Other Operating Expenses	2,695	1,985
Depreciation and Amortisation	145	121
Finance Cost	997	237
Total Expenditure (B)	**4,996**	**3,470**
Profit before Exceptional Items &Tax (A-B)	**3,167**	**2,618**
Less Exceptional Items		
Profit before Tax	**3,167**	**2,618**
Less: Provision for Tax	896	15
Profit after Tax	**2,271**	**2,603**
Other Comprehensive Income	3	-4
Total Comprehensive Income	2,274	2,599
Balance of Profit brought forward from previous year (*)	589	-2,010
Amount available for appropriation		
APPROPRIATIONS		
Interim Dividend paid	-	-
Tax on Interim Dividend paid	-	-
Final Dividend paid	-	-
Tax on Proposed Dividend paid	-	-
Core Settlement Guarantee Fund		
Balance of Profit carried to Balance Sheet (*)	**2,863**	**589**
* include the Other Comprehensive Income		

PERFORMANCE & OPERATIONS

Indian Clearing Corporation Limited (ICCL) provides Clearing and Settlement Services for various Segments viz.

- Equity Cash Segment,
- Equity Derivatives Segment,
- Currency Derivatives Segment,
- Commodity Derivatives Segment,
- New Debt Segment,
- Tri-Party Repo
- Mutual Fund Segment,
- Indian Corporate Debt Segment (ICDM),
- Offer for Sale platform
- OTB (Buy-back, Take-over and Delisting)
- Non-competitive bidding for Government Securities, Treasury Bills and SDLs
- Sovereign Gold Bond
- Electronic Bidding Platform (EBP)

ICCL is also an Approved Intermediary for providing Securities Lending & Borrowing platform to the market participants.

ICCL has put in place a robust Clearing & Settlement and Risk Management Framework.

During the period under review, ICCL has introduced many new user-friendly features and facilities in its various systems for market participants.

Post operationalizing interoperability among CCPs namely ICCL, NSE Clearing Ltd. and Metropolitan Clearing Corporation of India Limited for Equity Cash, Equity Derivatives and Currency Derivatives segments, SEBI had advised the clearing corporations to submit a joint proposal/roadmap to operationalize interoperability in OFS, Tri-party repo and SLB. ICCL had confirmed its readiness to bring interoperability in OFS, Tri-party repo and SLB and seek guidance from SEBI on implementation of Phase 2 of Interoperability in Commodity Derivatives Segment. With effect from April 01, 2020 Offer for Sale ("OFS") came under the Interoperability framework.

In the Commodity Derivatives space, ICCL started clearing and settlement for the world's only available derivatives (future) contract for trading in Almond with effect from June 2020; and the newly launched future contracts in Aluminum and Zinc with effect from January 2020 and Steel Futures and Copper Futures from March 2021.

SEBI vide circular SEBI/HO/CDMRD/DMP/CIR/P/2020/05 dated January 16, 2020 released the Product Design and Risk Management Framework for Stock Exchanges to launch Option in goods under their Commodity Derivatives segment. Stock Exchanges were permitted to launch 'Option in Goods' in their commodity derivatives segment after taking prior approval of SEBI for launching such contracts. BSE introduced options contracts on Gold Mini and Silver in commodity derivatives segment with effect from June 01,2020. To enhance their product portfolio, BSE commenced trading in options with the launch of Gold Option and Silver Kg Option from August 24, 2020 and Copper Options Contract with effect from March 30, 2021. ICCL provides clearing and settlement for these products.

In terms of regulatory aspects of operations, ICCL implemented the below norms laid out by SEBI.

- Collection and reporting of margins by Clearing Members
- Framework to Enable Verification of Upfront Collection of Margins from Clients
- Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System
- Review of Margin Framework
- Revision of criteria for entering the risk-reduction Mode
- Standard Operating Procedure in the cases of Clearing Member leading to default
- Recovery of assets of defaulter member and recovery of funds from debit balance clients of defaulter member for meeting the obligations of clients / Stock Exchange / Clearing Corporation

DIVIDEND

With a view to conserve resources for Company's operations, your directors do not recommend payment of dividend for the year ended March 31, 2021.

SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGE AND CLEARING CORPORATIONS) REGULATIONS, 2018

SEBI had vide notification dated October 3, 2018 notified revised regulation – The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations, 2018") thereby repealing erstwhile the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 to regulate recognition, ownership and governance in Stock Exchanges and Clearing Corporations and matters connected therewith or incidental thereto.

RISK AND INTERNAL ADEQUACY

Your 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 Risk Management 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 Risk Management / Audit Committee review the adequacy and effectiveness of the Company's internal control environment and monitor the implementation of audit recommendations, including those relating to strengthening the Company's risk management policies and systems.

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

ICCL has maintained adequate internal controls over the financial reporting, including policies and procedures –

a. pertaining to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ICCL,
b. 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 ICCL are being made only in accordance with authorization of management and directors of the Company; and
c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of ICCL's assets; that could have a material impact on the financial statements.

1. ICCL has renewed its Counterparty Default Insurance for USD 60 million.

ICCL remains committed to the safety of investors and members.

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.

In the case of loss arising out of defaults, the capital of Clearing Corporation and its non- defaulting members would be at risk, in accordance with the default waterfall. The magnitude of potential loss due to default a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the net worth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

To further add to this security, ICCL has subscribed to a unique Insurance Policy for USD 60 million 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 enhances 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 600 Crore, is well capitalized and instills a high level of confidence in its members and investors regarding the ability of ICCL to handle extreme loss situations. The additional capital cushion, provided by the Insurance cover, along with ICCL's Core SGF and other resources in the Default Waterfall, comfortably covers the default fund requirement of ICCL and further increases the safety for domestic and international participants alike.

2. India Ratings & Research assigned rating of 'IND AAA'; Outlook Stable and CARE assigned 'CARE AAA(IS)' rating to ICCL

ICCL continues to remain the only CCP in India to be granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

In January 2021, Care Ratings Ltd. reaffirmed its stable outlook for ICCL by maintaining the "AAA" rating. The rating remains underpinned by the strong linkage of ICCL with BSE Ltd. ("BSE"); ICCL being BSE's wholly-owned subsidiary and as a central counterparty for clearing and settlement of almost half of BSE's trades post inter-operability. The linkage is strengthened by SEBI requirements on minimum ownership by BSE and BSE's minimum contribution to Core Settlement Guarantee Fund ("Core SGF"). The rating factors in the strong regulatory oversight of the sector by SEBI which has outlined various risk management guidelines – Core SGF, Default Waterfall and Stress Test to be adhered to by the CCPs underlining ICCL's systemic importance as a Financial Market Infrastructure ("FMI"). The rating also considers ICCL's solid liquidity buffer supported by the counterparty default insurance of over Rs.450 crore.

DIRECTORS

Mr. S. Sundareshan (Chairman) (DIN: 01675195), Mr. Ramabhadran Thirumalai (DIN: 07059883) and Mr. Prasad Dahapute (DIN: 03471995) are Public Interest Directors of the Company.

Mr. Neeraj Kulshrestha (DIN: 02994647) and Mr. Sameer Patil (DIN: 08103042) are Shareholder Directors of the Company, representing BSE Limited.

Ms. Devika Shah (DIN: 07980301) is the Managing Director & CEO of the Company.

Pursuant to Articles of Association of the Company read with applicable provisions of Companies Act, 2013, Mr. Sameer Patil, Shareholder Director would retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board at its meeting dated April 27, 2021 has recommended the re-appointment of Mr. Sameer Patil as a Shareholder Director.

MEMBERSHIP

During the FY 2020-21, ICCL received 20 applications from Clearing Member (CMs) for admission. Of these, 5 applications were received for the Equity Cash Segment, 11 for the Equity Derivatives Segment, 3 for the Currency Derivatives Segment and 1 for the New Debt Segment. There were members who had applied in multiple segments. As on March 31, 2021, total Clearing Members with ICCL operating in different Segments were 1387.

	As on March 31, 2021				
Type	**Equity Cash Segment**	**Equity Derivative Segment**	**Currency Derivative Segment**	**Debt Segment**	**Commodity Segment**
SCM	1260	61	44	18	18
CM	84	72	43	22	16
PCM	8	9	4	2	3
Total	1352	142	91	42	37
	Unique Members: 1,387				
Custodian	17 – Cash Segment				

SCM: Self Clearing Member, CM: Clearing Member, PCM: Professional Clearing Member

Total 25 applications received for surrender / cancellation of Clearing Membership with ICCL. Out of these, 6 for the Equity Cash Segment, 8 for the Equity Derivatives Segment, 9 for the Currency Derivatives Segment and 2 for the Commodity Derivatives Segment. There were members who had applied for surrender in multiple segments. All these applications were approved by ICCL and no application was forwarded to SEBI for approval, since the clearing members were admitted in the respective segment as an additional segment with no separate SEBI registration certificates issued to these members.

DETAILS OF INSPECTIONS CONDUCTED DURING THE FINANCIAL YEAR 2020-21

ICCL carries out inspections of its Clearing Members as per its Inspection Policy. ICCL had conducted inspections of 20 Clearing Members, for the period 2019-20, during the financial year 2020-21.

- **HUMAN RESOURCE**

The Company has aligned the compensation packages of Management and laid down HR policies to make benefits and compensation more transparent and employee-friendly.

Also, the organizational structure of the Company has undergone significant restructuring to enhance accountability and efficiency with a view to aligning performance management and reward strategies.

As on March 31, 2021, the Company had 81 employees.

Department-wise breakup of manpower as on March 31, 2021

Sr. No	Department	Function	Strength
1	EMC	Executive Management Committee	4
2	Operations, Clearing & Settlement and Warehouse	Mutual Fund Segment, Equity Cash Settlement, Collateral Management & Derivatives Segment, Commodities Derivatives Segment	36
3	Finance & Accounts / Business Development	Operations & Accounts Interface	22
4	IT	Information Technology	1
5	Risk Department	Risk Monitoring & Surveillance, Risk Policy & Risk Control	10
6	Membership & Inspection / Regulatory & Compliance / HR	-	8
Total ICCL strength as on March 31, 2021			**81**

FAMILIARISATION PROGRAMME FOR PUBLIC INTEREST DIRECTORS

The Public Interest Directors of the Company periodically undergo a structured familiarisation program which aims to provide significant insight into the operations of the Company and about the overall securities market, to enable the Public Interest Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business of the Company. The details of the familiarisation program are available at: http://www.icclindia.com/downloads/Familiarisation_program.pdf

THE COMPANIES ACT

Disclosure in Directors Report as per Companies Act, 2013

✓ Annual Return (Sec 92)

Pursuant to sections 92(3) and 134(3)(a) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 (as substituted by the Companies (Management and Administration) Amendment Rules, 2021 dated 05.03.2021), a copy of the annual return can be accessed on the website of the Company (www.icclindia.com) under tab "Info For Shareholders".

✓ Number of Board Meetings

During the FY 2020 - 21, Eleven Board Meetings were convened and held. For further details of meetings of the Board, please refer to the Corporate Governance Section, which forms a part of this Annual report.

✓ Directors' Responsibility Statement

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed: -

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. the directors had selected such accounting policies, applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year, and the profit and loss of the company for that period;
c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company, for preventing and detecting fraud and other irregularities;
d. the directors had prepared the annual accounts on a going concern basis; and
e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Company is in compliance with Secretarial Standards issued by (Institute of Company Secretaries of India) ICSI from time to time.

✓ Statement on declarations by Independent Directors

All the Independent Directors / Public Interest Directors have given their respective declarations stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25(8) read with Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

✓ **Company's policy on Directors' appointment and remuneration**

The Company's Policy with regard to appointment and remuneration of directors is governed by the provisions of SECC Regulations 2018. As per Regulation 24 (9) of SECC Regulations 2018, public interest directors shall be remunerated only by way of sitting fees as admissible to Independent Directors in the Companies Act, 2013.

✓ **Comment on Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Shweta Gokarn & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2020 - 21. The Report of the Secretarial Audit is annexed herewith as **Annexure - A**.

The Secretarial Auditor has reported following observations:

Observation No. 1

In terms of the requirements of Regulation 46 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, all the securities of the Company (Clearing Corporation) shall be in Dematerialised format. However, Six Equity Shares of the Company, held by the Nominee Shareholders on behalf of its Holding Company (BSE Ltd) are in physical format.

Management Reply: The dematerialization process of six Equity Shares of the Company, held by the Nominee Shareholders is under process. DEMAT Accounts for the nominees are opened with BOI Shareholding Limited, however dematerialization process for DEMAT of shares could not be completed due to Lock down.

Observation No. 2

In terms of the requirements of Section 4(3) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Presiding Officer and every Member of the Internal Committee shall hold office for such period, not exceeding three years, from the date of their nomination. However, upon examination of Anti Sexual Harassment Policy adopted by the Company with effect from 01.08.2013, it was found that Internal Complaints Committee was not duly re-constituted upon expiry of stipulated term.

Management Reply: Noted for future compliance

- **Particulars of Loans, Guarantees or Investments by the Company under Section 186 of the Companies Act, 2013**

  A detailed disclosure of the particulars relating to Loans and Investments by the Company as per Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 has been disclosed as the part of the "Financial Statements".

- **Particulars of Contracts or Arrangements with Related Parties referred to in sub- section (1) of Section 188 of the Companies Act, 2013**

  All related party transactions that were entered into during the financial year were conducted on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large. A detailed disclosure of these transactions with the Related Parties is annexed with this report in Form AOC-2 in **Annexure - B.**

- **Material changes and commitments affecting the financial position of the Company**

  There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

- **Board Evaluation**

  Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations, the Board has put in place a mechanism for evaluation of its own performance, and the performance of its Committees and Individual Directors. The Board has conducted an evaluation of the Individual Directors, the Board as well as the Committees for the FY 2020 – 21. The procedure followed for the performance evaluation of the Board, the Committees and Individual Directors is enumerated in the Corporate Governance Report. A separate meeting of the Independent Directors of the Company was also held on April 23, 2020 and October 22, 2020

- **Change in the Nature of Business**

  Your Company has not undergone any changes in the nature of the business during the Financial Year 2020 - 21.

- **Details of Directors or Key Managerial Personnel ("KMP") who were appointed or have resigned during the year pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014:**

  During the FY 2020 -21, the term of Ms. Devika Shah as Managing Director and CEO was extended for the period from January 1, 2021 to December 31, 2023, pursuant to SEBI approval dated December 17, 2020.

Retirement by Rotation

In accordance with the provisions of Companies Act, 2013 and the Company's Articles of Association, Mr. Sameer Patil (DIN: 08103042), Shareholder Director of the Company is due to retire by rotation at the ensuing fourteenth Annual General Meeting, and being eligible has offered himself for re-appointment.

Details of Key Management Personnel (KMP) of the Company under SECC Regulations 2018

Following served as Key Management Personnel (KMP) of the Company pursuant to Regulation 2 (j) of SECC Regulations 2018 during the FY 2020 - 21

S/n	Name of Officer	Designation
1.	Ms. Devika Shah	MD & CEO
2.	Mr. Tushar Ambani	Chief Operating Officer
3.	Mr. Nimeshkumar Mistry	Chief Financial Officer
4.	Mr. Piyush Chourasia	Chief Risk and Regulatory Officer & Head Strategy
5.	Mr. Dilip Kakwani	General Manager (Ceased w.e.f. 4.11.2020)
6.	Mr. Surendra Rashinkar	Additional General Manager (Ceased w.e.f. 01.04.2021)
7.	Mr. Sanjay Narvankar	Additional General Manager
8.	Mr. Hitesh Shah	Deputy General Manager
9.	Mr. Rajesh Singhal	Assistant General Manager (CISO)
10.	Ms. Roanna Lewis	Senior Manager (appointed w.e.f. 01.02.2021)
11.	Mr. Dhaval Chauhan	Senior Manager (Ceased w.e.f 11.01.2021)
12.	Mr. Jigar Shah	Manager
13.	Ms. Trupti Tirodkar	Senior Manager
14.	Ms. Sanaiya Ghadially	Manager
15.	Mr. Harshad Bonde	Associate Manager

Disclosure of resources committed towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements pursuant to Regulation 33(3) of SEBI SECC Regulations 2018.

As per Schedule II, Part – C of SECC Regulations 2018, departments handling the following functions shall be considered as Regulatory departments in a Clearing Corporation:

- Risk management,
- Member registration,
- Compliance,
- Inspection,
- Enforcement,
- Default,
- Investor protection,
- Investor services,

Mr. Surendra Rashinkar, Additional General Manager and KMP, had handled other regulatory functions viz. Member Registration, Compliance, Inspection, Enforcement, Investor protection, Investor services and Secretarial upto 31.03.2021. Mr. Rashinkar was transferred to BSE Administration and Supervision Limited, a BSE group Company wef 01.04.2021 and was replaced by Ms. Roanna Lewis, who joined the organization w.e.f 01.02.2021 to handle said regulatory functions of the Company.

While, Ms. Sanaiya Ghadially, Manager and KMP, looks after Risk Policy and Ms. Trupti Tirodkar, Senior Manager and KMP, looks after Risk Monitoring.

All the regulatory departments are adequately staffed and being assisted by qualified officials of the Company.

Moreover, Public Interest Directors' in their separate meeting held twice in the financial year on April 23, 2020 and October 22, 2020 reviewed the functioning of the regulatory departments including the adequacy of resources dedicated to regulatory functions.

- ✓ **Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:**

  During the year, no Company became/ ceased to be a Subsidiary/ Associate of the Company. Furthermore, the Company did not become part of any Joint Venture during the year. As at the end of the year on March 31, 2021 and as on the date of this report, your Company does not have any Subsidiary and/ or Associate Company and your Company is also not a part of any Joint Venture.

- ✓ **Deposits**

  During the year under review, your Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2021, there were no deposits which were unpaid or unclaimed and due for repayment.

- ✓ **Details of Deposits not in compliance with the requirements of the Act**

  Since the Company has not accepted any deposits during the financial year ended on March 31, 2021, there has been no non-compliance with the requirements of the Act.

- ✓ **Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

  There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

- ✓ **Changes in Share Capital**

  There was no change in Share Capital of the Company during the year.

- **Audit Committee**

  The Board has a well-defined Audit Committee the details of which have been given in the Corporate Governance Report.

- **Report on performance of subsidiaries, associates companies and joint ventures:**

  Not applicable. The Company is a wholly owned subsidiary of BSE Limited.

- **Vigil Mechanism**

  The Company has established a Vigil mechanism and Whistle Blower Policy for Directors and employees to deal with instances of fraud and mismanagement, if any. It has been communicated to the Directors and employees of the Company and also posted on the website of the Company.

- **Disclosures if MD/WTD is receiving remuneration or commission from a subsidiary company:** Nil

- **Disclosure about ESOP and Sweat Equity Share:** Nil

- **Order of Court:**

  No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and operations of your Company in future.

- **Details of Employees drawing salary above prescribed limits**

  Disclosures with respect to the remuneration of Directors and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018, a statement containing details of employees is enclosed as **Annexure – C**.

- **Particulars relating to the sexual harassment at the workplace (Prevention, Prohibition and Redressal) Act, 2013**

  Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

  The Company has adopted a policy on Prevention of Sexual Harassment at the Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee (ICC) was set up by the senior management with women employees constituting the majority. The Company is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2021, no complaints have been received pertaining to sexual harassment.

- ✓ **Conservation of energy, technology absorption and, foreign exchange earnings and outgo:**

a) Conservation of Energy, Technology Absorption:

Considering the nature of operations of the Company, your Directors have nothing to report pursuant to Section 134 of the Companies Act, 2013.

b) Foreign Exchange Earning and Outgo:

The particulars of foreign exchange earnings and outgo during the year under review are furnished here under:

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	INR 70 Lakhs (Previous Year INR 40 Lakhs) (on accrual basis)

- ✓ **Auditors**

Subject to the provisions of Section 139 of the Companies Act, 2013 with Companies (Audit and Auditors) Rules, 2014, the Company had appointed "M/s. Dalal Doctor and Associates, Chartered Accountants, Mumbai (FRN: 120833W), was appointed as Statutory Auditors of the Company, to hold office for a period of five consecutive years, from the conclusion of twelfth AGM held on July 22, 2019 till the conclusion of seventeenth AGM.

Auditors Report

The Auditors' Report on the financial statements of the Company for financial year ended March 31, 2021 do not contain any reservation, qualification or adverse remark.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

- ✓ **Cost Records and Cost Audit**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company

- ✓ **Corporate Governance**

Pursuant to the SECC Regulations, Listing Regulations and the Companies Act, 2013, report on Corporate Governance as at March 31, 2021, forms part of this Annual Report and is enclosed as **Annexure - D**.

A Certificate from Practicing Company Secretary, confirming status of compliances of the conditions of Corporate Governance and non – disqualification of Director is annexed to this report and is enclosed as **Annexure – E**.

- ✓ **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report as required under the Listing Regulations forms part of the Report.

- ✓ **Corporate Social Responsibility**

As mentioned in Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more, or a net profit of rupees five crores or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director.

The Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof further elaborate in detail the formulation of the policy, the roles and responsibilities therein and such other relevant matters including CSR Expenditures and CSR Reporting. The Company has complied with the requirements of the said section.

The composition of the CSR Committee has been disclosed in the Corporate Governance Report which forms a part of this Annual Report. The disclosure required to be made in the Directors' Report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof is enclosed as **Annexure - F**.

- ✓ **Acknowledgements:**

The Board thanks the Government of India, Securities and Exchange Board of India, Reserve Bank of India, the Government of Maharashtra and other State Governments and various government agencies for their continued support, co-operation and advice.

The Board is grateful to the members of various committees constituted during the year. The Board also acknowledges the support extended by the clearing members, issuers, investors in the capital market, and other market intermediaries and associates. The Board expresses sincere thanks to all its business associates, consultants, bankers, auditors, solicitors and lawyers for their continued partnership and confidence in the Clearing Corporation.

The Board wishes to thank all the employees for their dedication, and excellence

displayed in the discharge of their duties for the Clearing Corporation.

Finally, the Board expresses its gratitude to you as shareholders for the continued confidence in the management of the Clearing Corporation.

For and on behalf of the Board

S. Sundareshan
Chairman

Place: Delhi
Date: April 27, 2021

Annexure – A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Indian Clearing Corporation Limited,
25thFloor, P. J. Towers,
Dalal Street, Mumbai 400001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Clearing Corporation Limited** (hereinafter called the '**Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('**Audit Period**'), complied with the Statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (effective from October 03, 2018);
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to the Company during the year under review as the Company does not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):--
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable to the Company during the year under review);
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the year under review);

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Shared based Employee Benefits) Regulations, 2014 notified on 28th October 2014; (Not applicable to the Company during the year under review);

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the year under review);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the year under review);

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the year under review) and

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 & SS-2);
ii. Regulations 17 to 27, 46(2)(b) to 46(2)(i) and Para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the requirement of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018(effective from October 03, 2018) and
iii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *subject to the following observations:-*

- *In terms of the requirements of Regulation 46 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, all the securities of the Company (Clearing Corporation) shall be in Dematerialised format. However, Six Equity Shares of the Company, held by the Nominee Shareholders on behalf of its Holding Company (BSE Ltd) are in physical format.*
- *In terms of the requirements of Section 4(3) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Presiding Officer and every Member of the Internal Committee shall hold office for such period, not exceeding three years, from the date of their nomination. However, upon examination of Anti Sexual Harassment Policy adopted by the Company with effect from 01.08.2013, it was found that Internal Complaints Committee was not duly re-constituted upon expiry of stipulated term.*

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Public Interest Directors (Independent Directors). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.

- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, etc.

For Shweta Gokarn& Co.
Company Secretaries

Ms. Shweta Gokarn
ACS 30393 | CP 11001

Date:
Place: Navi Mumbai
UDIN:

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A' TO SECRETARIAL AUDIT REPORT

The Members,
Indian Clearing Corporation Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai 400001

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
5. Wherever required, I have obtained and relied on the Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Shweta Gokarn & Co.
Company Secretaries

Ms. Shweta Gokarn
ACS 30393 | CP 11001

Date:
Place: Navi Mumbai

Annexure - B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No	Particulars	
1	Name(s) of the related party and nature of relationship	NIL
2	Nature of contracts/arrangements/transactions	
3	Duration of the contracts / arrangements/transactions	
4	Salient terms of the contracts or arrangements or transactions including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions	
6	date(s) of approval by the Board	
7	Amount paid as advances, if any:	
8	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

S. No.	Name of the related party	Nature of relationship
1.	BSE Limited	Holding Company
2.	Marketplace Technologies Private Ltd.	Fellow Subsidiary
3.	Central Depository Services (India) Ltd.	Fellow Subsidiary

(b) Nature of contracts/arrangements/transactions

S. No.	Name of the related party	Nature of contracts/arrangements/ transactions
1.	BSE Limited	Rendering/availing various services viz. infrastructure and operational expenses, incurred by BSE on behalf of ICCL.
2.	BSE Technologies Private Limited (formally known as Marketplace Technologies Private Limited)	Availing Technology related services

3.	Central Depository Services (India) Ltd.	Availing of depository participant services

(c) Duration of the contracts / arrangements/transactions

Till the termination by either of the parties and on a transaction need basis.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

ICCL reimburses the costs incurred by BSE on behalf of ICCL, towards providing infrastructure and operational expenses.

(e) Date(s) of approval by the Board, if any: April 23, 2020

(f) Amount paid as advances, if any: N.A.

For and on behalf of the Board

S. Sundareshan
Chairman

Place: Delhi
Date: April 27, 2021

Indian Clearing Corporation Limited

ICCL

Reliability builds relationships

Annexure - C

(I) Statement pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27 (5) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2018

S/N	Name	Age yrs.	Date of Joining	Total Remuneration* (Rs)	Ratio of compensation paid to each KMP, vis-à- vis median of compensation paid to all employees of the Company	Designation/Nature of Duties	Educational Qualifications	Experience in years	Previous Employment
1.	Mr. Tushar Ambani	56	25-09-1984	97,03,901.00	19.03	Chief Operating Officer	L.L.B. (General) and B.Com	36	BSE Limited
2.	Ms. Devika Shah	57	01.01.2018	77,47,701.00	15.20	MD and CEO	F.C.A. and B.Com	32	BSE Limited
3.	Mr. Piyush Chourasia	36	01-10-2011	64,23,476.00	12.60	Chief Risk Officer and Head Strategy	PGDM (IIM Ahmedabad) and B. Tech (NIT Nagpur)	11	United Stock Exchange of India Ltd. (USEIL)
4.	Mr. Dilip Kakwani	56	17-10-2016	44,90,020.00	8.81	General Manager - Head Operations	B.Com	38	IL&FS Securities Services Limited
5.	Mr. Sanjay Narvankar	57	01-02-2007	44,71,473.44	8.77	Deputy General Manager Head - Settlements	BSc - Graduate	36	Bank of India

6.	Mr. Hitesh Shah	50	01-04-1991	40,85,749.00	8.01	Dy. General Manager - Collateral Management	B. Com, MFM	31	BSE Ltd., Zenith Projects Pvt. Ltd. and D. S. Khakhar & Co
7.	Mr. Nimeshkumar Mistry	46	07-11-2019	36,44,018.00	7.15	Chief Financial Officer	A.C.A. and B.Com	17	BSE Ltd
8.	Mr. Rajeev Ranjan^	41	06-07-2018	28,81,328.93	Non- KMP	Assistant General Manager			
9.	Mr. Jayeshkumar Ashtekar^	55	12.07.1993	31,99,611.00	Non-KMP	Senior Manager - Operations	Graduate with CA Intern + MFM	29	NA
10.	Mr. Rajesh Singhal	50	01-12-2015	22,19,584.15	4.35	Assistant General Manager	B. E. Electronics	21	Syndrome Technology
11.	Ms. Sanaiya Ghadially	31	24-02-2014	10,97,131.00	2.15	Associate Manager	International CFA Level 3	7	NA
12.	Mr. Dhaval Chauhan	34	01-08-2017	14,96,420.00	2.94	Senior Manager	PGDBM	11	Deutsche Bank
13.	Mr. Jigar Shah	34	20-09-2012	11,72,620.00	2.30	Manager	Inter CA	9	JRM & Associates
14.	Mr. Harshad Bonde	37	20-12-2013	8,98,040.00	1.76	Associate Manager	MBA (Finance) & B.com	16	Indoco Remedies
15.	Ms. Trupti Tirodkar	36	18-11-2019	13,08,413.00	2.56	Senior Manager	Masters in Financial Management	14	National Commodity Clearing Limited

16.	Mr. Surendra Rashinkar	52	23-03-2020	41,25,275.00	8.09	Additional General Manager	BSC, ICWAI	32	BSE Ltd
17.	Ms. Roanna Lewies	37	01-02-2021	3,33,374.00	0.65	Senior Manager			

- 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.
- ^ Except, Jayeshkumar Ashtekar and Rajeev Ranjan, all others are designated as Key Management Personnel under SEBI SECC Regulations 2018.

Notes:

1. Nature of employment: Contractual
2. Remuneration as shown above includes Salary, Allowances, Ex-gratia, Performance Linked Bonus and other perquisites.
3. None of the employees named above is relative of any Director of the Company.
4. None of the employees named above hold any equity shares in the Company.

For and on behalf of the Board

S. Sundareshan
Chairman

Place: Delhi
Date: April 27, 2021

Annexure - D

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2021

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Indian Clearing Corporation Limited (ICCL) is a Qualified Central Counterparty (QCCP) in the Indian securities markets. ICCL has qualified as QCCP in view of the fact that it is regulated by Securities and Exchange Board of India (SEBI) under SEBI Act 1992, Securities Contract (Regulation) Act, 1956 (SCRA) and Rules and Regulations made there under.

Indian Clearing Corporation Ltd. (ICCL) is a wholly owned subsidiary of BSE Ltd. and was incorporated in 2007 to function as a full-fledged Clearing Corporation. ICCL has been set up with an objective of promoting financial stability, integrity and expanding its capacities to support an efficient securities markets. ICCL is working towards becoming a globally recognized CCP that clears and settles trades for a multitude of diverse and sophisticated products.

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'BEST PRACTICES' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, and the Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. As a Clearing Corporation is a systemically important institution in the financial sector, the Board has the additional responsibility towards all the stakeholders in the securities markets.

ICCL has taken Counterparty Default Insurance for USD 60 million.

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 USD 60 million 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 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.

As a second line of defense to the margining and risk management systems, ICCL has subscribed to the Insurance policy. In the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk, in accordance with the default waterfall. The magnitude of potential loss due to default a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the net worth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non- defaulting members' resources. ICCL, with its net worth of over INR 600 Crore, is well capitalized and instills a high level of confidence in its members and investors of the ability of ICCL to handle extreme loss situations. The additional capital cushion, provided by the Insurance cover, along with ICCL's Core SGF and other resources in the Default Waterfall, increases the safety for domestic and international participants alike.

ICCL continues to remain the only clearing corporation in India to be granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

- **BOARD OF DIRECTORS**

Profile of Board of Directors

Mr. S. Sundareshan is an IAS officer of the 1976 Batch belonging to the Kerala Cadre. Mr. S. Sundareshan has held several senior positions of responsibility in the Government of India and the Government of Kerala in his career spanning 38 years including Joint Secretary in the Department of Economic Affairs, Ministry of Finance, Government of India; Minister (Economic and Commercial) in the Embassy of India at Tokyo, Japan; Secretary, Revenue, Expenditure, Public Works Department and Secretary, Irrigation in the State of Kerala.

He has been the Managing Director of several State Public Sector Undertakings. His most recent appointment was as the Secretary, Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises during which time, he was also on the Board of Oil and Natural Gas Corporation Ltd. (ONGC), GAIL India Ltd. and Indian Oil Corporation Ltd. and the Chairman of Petronet LNG Ltd.

Mr. Sundareshan was the Chairman of the Forward Market Commission from 2005-2007. He was instrumental in putting in place appropriate regulations and structures for the growth of the commodities futures market.

He holds an MBA Degree from the University of Leeds, United Kingdom and an M.A. from the University of Bombay.

Prof. Ramabhadran Thirumalai is an Assistant Professor of Finance at the Indian School of Business ("ISB"). He is working on issues related to pre-trade transparency in equity markets, arbitrage trading between individual stock futures and underlying stocks, retail and institutional investor trading frictions in equity markets, intraday stock return momentum and promoting share pledges in India. He has held positions at the Indiana University's Kelley School of Business in Bloomington and the University of Pittsburgh's Joseph M. Katz Graduate School of Business. His research interests are in market microstructure and corporate finance.

He holds a PhD in Finance from the Kelley School of Business at Indiana University, Bloomington, an MS in Statistics from the University of South Carolina, Columbia and a BE (Honours) in Chemical Engineering from Birla Institute of Technology and Science, Pilani.

Mr. Prasad Dahapute is the founder of the Varhad Group and Managing Director of Varhad Capital.

Prior to setting up of Varhad, he was Head of Research at PUG Securities and Co-head of Equity Research at Standard Chartered, heading India equity research team independently.

He was instrumental in getting mandates in private equity and joint ventures. Mr. Dahapute has worked with HSBC as utility analyst for India, China and Korea and Antique Stock Broking as Senior Vice President, Research. He started his career at Power Finance Corporation, New Delhi in treasury as well as credit assessment. He had vetted project finance of INR 164 bn. Mr. Dahapute was rated among top 30 equity analysts in India by Asia Money for 3 years in a row from 2007 to 2009. Mr. Dahapute is an MBA from Symbiosis Institute of Business Management (SIBM), Pune and a Bachelor of Engineering from Government College of Engineering, Jalgaon.

Mr. Neeraj Kulshrestha heads the regulatory functions of the exchange including membership compliance, surveillance, inspection, investigation, regulatory communication, investor services, listing compliance and regulatory-legal. At BSE he was earlier responsible for Business Development, Trading, Membership and Listing Operations and Development. He has about 27 years experience in capital markets, which includes Securities Markets and General Insurance.

Prior to BSE he was an Executive Director in Morgan Stanley India for 10 years. He was earlier with National Stock Exchange and has managed various functions like Trading Operations, Inspection and Investigation, Futures and Options Clearing and Trading. He was also the CEO of India Index Services Ltd. and Dotex International Ltd.

He has completed his Bachelors in Computer Science from Delhi University and a MBA (Finance) from Indore University.

Mr. Sameer Patil heads the Business Development of the exchange including equity & equity derivatives, currency derivatives, commodity derivatives, fixed income, debt and mutual funds. He is instrumental in setting up and responsible for Business Development of INDIA INX at GIFT CITY IFSC. Currently, INDIA INX has more than 90% market share.

He has about 21 years of experience in financial sectors like Commodities, Currency Derivatives, Indices etc. and is experienced in Trading, Hedging Strategies, Product Designing and Business Development. He was associated with MCX since inception for more than a decade as Senior Vice President – PKMT (Precious Metals) & Business Development, and with K J Investors Services (I) PVT LTD, an affiliate of Cargill Investors Services, Illinois, Chicago, USA as a Senior Financial Analyst.

He is credited for successful launch of the flagship contracts on MCX the Gold, Silver, WTI Crude Oil and Copper contracts. The Gold Petal contract launched on April 18, 2011 was awarded as the Best Innovative contract of the year by FOW Singapore. He is awarded the "India UAE Business Ambassador of the year 2018" at Abu Dhabi and was nominated for the prestigious IIFC awards for excellence in respective fields. Past recipients of the awards being Mother Teresa, APJ Kalam, Rajesh Khanna, Sunil Gavaskar etc.

He is Science Graduate from Mumbai University and MBA in Finance.

Mr. Devika Shah comes with over 30 years of rich experience with BSE & has deep understanding of the exchange and the Clearing Corporation related operations and regulations. During her tenure at BSE, she has headed various functions in the areas of regulatory & business, including surveillance, investigation & inspection, trading operations, clearing & settlement, listing membership, Investor Protection Fund, business development, accounts, legal & regulatory communications.

She holds Bachelor's Degree in Commerce from the University of Mumbai & is a Fellow Member of the Institute of Chartered Accountants of India.

Matrix setting out the skills/expertise/competence of the Board of Directors

The Board of Directors of the Company comprises of qualified members who bring in the required skills, expertise and competence that allows them to make an effective contribution to the deliberations at the Meetings of the Board and its Committees. The Board members are committed to ensuring that the ICCL Board is in compliance with the highest standards of corporate governance. The skills/expertise/competencies/positive attributes, etc. that are identified for appointment of a candidate as Director to function effectively, in the context of the business and sector of the Company are:

- Qualifications - Finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- Experience - capital and financial Market, financial and Management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity market, derivatives market, futures market, equity market, debt market, index, SME Market, etc.
- Knowledge - understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities, and obligations, etc.
- Technology - Technical/Professional skills in relation of Company's business, analysing technological trends, innovation, creative ideas for business, research, and innovation, digitisation and allied knowledge in the field of science and technology.
- Leadership - demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communications.
- Governance - corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics, and values, strengthening regulatory functions, protecting shareholder interests and other areas relevant to business/sector and industry in which company operates.

Skills	Mr. Sundareshan	Prof. Ramabhadran	Mr. Prasad Dahapute	Mr. Neeraj Kulshrestha	Mr. Sameer Patil	Mr. Devika Shah
Qualifications	✓	✓	✓	✓	✓	✓
Experience	✓	✓	✓	✓	✓	✓
Knowledge	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓

Names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting, as also the number of directorships held by them in other companies are given below:

Name of the members of Governing Board	Meetings held during the tenure of the member	Meetings attended by the member	Whether attended last AGM	Number of Committee positions held in other public Companies	
				Chairman	Member
Public Interest Directors					
Mr. S. Sundareshan, **Chairman**	11	11	Yes	-	-
Mr. Ramabhadran Thirumalai	11	11	Yes	-	-
Mr. Prasad Dahapute	11	11	Yes	-	-
Shareholder Directors					
Mr. Neeraj Kulshrestha	11	11	Yes	-	-
Mr. Sameer Patil	11	11	Yes	-	-
Managing Director and CEO					
Ms. Devika Shah	11	9	Yes	-	-

Note: All Public Interest Directors are Independent, Non-Executive Director, Shareholder Directors are Non- Executive Directors and MD and CEO is an Executive Director

Details of the directorship of the Directors in other companies is as given below:

Sr No.	Name of the Director	No. of Directorship in other Companies	Directorship in listed entity, if any
1.	Mr. S. Sundareshan	2	Nil
2.	Mr. Prasad Dahapute	5	Nil
3.	Mr. Ramabhadran Thirumalai	Nil	Nil
4.	Mr. Neeraj Kulshrestha	7	Nil
5.	Mr. Sameer Patil	5	Nil
6.	Ms. Devika Shah	Nil	Nil

None of the Directors is a member of the Board of more than twenty companies or a member of more than seven listed entities and none of the Independent Directors is a whole time Director/Managing Director of more than three listed entities.

None of the Directors are inter-se related.

Board Meetings

During the financial year 2020 – 21, Eleven Board Meetings were convened and held on April 23, 2020, June 25, 2020, July 22, 2020, August 17, 2020, August 26, 2020, September 18, 2020, October 22, 2020, November 02, 2020, November 05, 2020, December 23, 2020 and January 25, 2021

Board Induction and Training

Upon appointment, the Company provides new Directors, both Executive and Non-Executive, a briefing on their legal and regulatory responsibilities as Directors and the Company's current structure and performance of business.

The details of the familiarisation program provided to the Independent Directors is given at http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx

Remuneration of Directors

Managing Director and Chief Executive Officer:

Managing Director and CEO is the only executive director of the Company. Remuneration paid to executive director is as per the terms of agreement between the Company and Executive director. The terms of agreement are approved by the Board at the time of appointment.

The particulars of remuneration paid to whole time director during the financial year 2020-21 is as under:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager (Amount in Rs.)
	Ms. Devika Shah, Managing Director & CEO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	74,71,450 2,76,251
2.	Stock Options	Nil
3.	Sweat Equity	Nil
4.	Commission - As % of profit - Others, specify	Nil
5.	Others, please specify (Pension, severance pay etc.)	Nil
	Total	**77,47,701**

Non – Executive Directors:

There is no pecuniary relationship or transaction between non – executive directors (Public Interest Directors and Shareholder Directors) and the Company. The only pecuniary relationship with Public Interest Directors is payment of sitting fees for attending the board and committee meetings and reimbursement of expenses incurred for attending the meetings.

The following table shows the amount of sitting fees paid to the non-executive directors for the financial year 2020-21:

Sr. No	Name of Public Interest Directors	Sitting Fees (Amount in Rupees)
1.	Mr. S. Sundareshan	17,30,000
2.	Mr. Ramabhadran T.	17,90,000
3.	Mr. Prasad Dahapute	16,30,000
	Total	**51,50,000**

Note -

- Public Interest Directors shall be remunerated only by way of sitting fees as admissible to independent directors in the Companies Act 2013
- No sitting fees are paid to Shareholder Directors as they are nominee of BSE Limited
- No Directors of the Company hold any shares or convertible securities in the Company.

COMMITTEES FOR CLEARING CORPORATION

The committees of Clearing Corporation are governed under Companies Act, 2013, SECC Regulations 2018 and SEBI Listing Regulations.

Pursuant to SECC Regulations 2018, and SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019 on "Committees at Market Infrastructure Institutions", following Statutory Committees of the Company are constituted:

	Name of the Committee	Regulatory reference
1.	Member and Core Settlement Guarantee Fund Committee (erstwhile known as Member Selection Committee)	Functional committee as per SEBI (SECC) Regulation, 2018
2.	Nomination and Remuneration Committee (also in compliance with Companies Act, 2013 and SEBI Listing Regulations)	
3.	Standing Committee on Technology	Oversight committees as per SEBI (SECC) Regulation, 2018
4.	Advisory Committee	
5.	Regulatory Oversight Committee	
6.	Risk Management Committee	
7.	Audit Committee	Statutory committees as per Companies Act, 2013 and SEBI Listing Regulations
8.	Corporate Social Responsibility Committee	
9.	Public Interest Director's Meeting	Regulated as per Companies Act, 2013 and SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019 on "Committees at Market Infrastructure Institutions"

The latest composition of various committees as on March 31, 2020, terms of reference and attendance of the members thereat are given below:

Member and Core Settlement Guarantee Fund Committee (erstwhile known as Member Selection Committee)

As on March 31, 2021, the composition of Member and Core Settlement Guarantee Fund Committee was as follow:

- Prof. T. Ramabhadran, Public Interest Director - Chairman
- Mr. S. Sundareshan, Public Interest Director
- Mr. Prasad Dahapute, Public Interest Director
- Ms. Devika Shah, MD & CEO

The terms of reference of the Committee are broadly given as follows:

- To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership;
- In case of clearing corporations with commodity segment, the committee shall also look into:
  - Approving enplanement & cancellation of Warehouse Service Providers/Vault Service Providers /Assayers, accreditation of Warehouse, etc.
  - Reviewing the continuous functioning, monitoring, and compliance of norms by Warehouse Service Providers, Vault Service Providers and Assayers;
- Formulate policy for regulatory actions, including warning, monetary fine, suspension, deactivation of terminal, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the clearing corporation;
- Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the members of the clearing corporation;
- While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of Natural Justice';
- Realize the assets/deposits of defaulter/expelled member and appropriate amongst various dues and claims against the defaulter/expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing Corporation;
- Admission/rejection of claims against such members over the assets of the defaulter/expelled member;
- To manage the Core Settlement Guarantee Fund (Core SGF) of the Clearing Corporation, including its investments as per norms laid down and ensure proper utilization of Core SGF.

During the FY 2020-21, four (4) Member and Core Settlement Guarantee Fund Committee Meeting were held on April 23, 2020; July 22, 2020; October 22, 2020 and January 25, 2021.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the SEBI (SECC) Regulation, 2018.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Prof. T. Ramabhadran, Chairman	4	4
2	Mr. S. Sundareshan	4	4
3	Mr. Prasad Dahapute	4	4
4	Ms. Devika Shah	4	4

Nomination & Remuneration Committee:

As on March 31, 2021, the composition of Nomination & Remuneration Committee was as follow:

- Mr. T. Ramabhadran, Public Interest Director - Chairman
- Mr. S. Sundareshan, Public Interest Director
- Mr. Prasad Dahapute, Public Interest Director

The terms of reference of the Committee are broadly given as follows:

- Identifying a Key Management Personnel (KMP), other than personnel as specifically provided in its definition under SECC Regulations, 2018;
- Lay down the policy for compensation of KMPs in terms of the compensation norms prescribed by SEBI;
- Determining the compensation of KMPs in terms of the compensation policy.
- Determining the tenure of a KMP, other than a director, to be posted in a regulatory department;
- Selecting the Managing Director;
- Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID);
- Recommending whether to extend the term of appointment of the PID;
- Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.

During the FY 2020-21, Seven (7) Nomination & Remuneration Meeting were held on April 23, 2020; August 17, 2020; September 10, 2020; November 05, 2020; December 23, 2020 and two meetings on September 17, 2020.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the Companies Act, 2013, SEBI (SECC) Regulation, 2018 and SEBI (LODR) Regulation, 2015.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. T. Ramabhadran, Chairman	7	7
2	Mr. S. Sundareshan	7	7
3	Mr. Prasad Dahapute	7	7

Standing Committee on Technology

As on March 31, 2021, the composition of Standing Committee on Technology is as follow:

- Prof. T. Ramabhadran, Public Interest Director - Chairman
- Mr. Prasad Dahapute, Public Interest Director
- Mr. Pravir Vohra, Independent External Person
- Mr. Alok Kumar, Independent External Person

The terms of reference of the Committee are broadly given as follows:

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

Meetings held during the year and attendance thereat:

During the FY 2020 - 21, four (4) Standing Committee on Technology Meeting were held i.e. on April 23, 2020; July 22, 2020; October 22, 2020 and January 25, 2021.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the SEBI (SECC) Regulation, 2018.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Prof. T. Ramabhadran	4	4
2	Mr. Prasad Dahapute	4	4
3	Mr. Pravir Vohra	4	4
4	Mr. Alok Kumar	4	4

Advisory Committee

As on March 31, 2021, the composition of Advisory Committee is as follow:

- Mr. S. Sundareshan, Public Interest Director - Chairman
- Mr. Ashok Agarwal, Clearing Member
- Mr. Sriram Krishnan, Clearing Member
- Mr. N.G.S. Ramesh, Clearing Member
- Mr. Sunil Nyati, Clearing Member
- Mr. Hemant Majethia, Clearing Member
- Mr. Rakesh Somani, Clearing Member
- Mr. Anil Shah, Clearing Member
- Mr. Nithin Kamath, Clearing Member
- Mr. George CJ, Clearing Member
- Mr. Venkat Meenavalli, Clearing Member
- Mr. Rajesh Sharma, Clearing Member
- Mr. Mukesh Kansal, Clearing Member
- Mr. Anuj Rathi, Clearing Member
- Mr. Anurag Bansal, Clearing Member
- MD of the Company is the Permanent Invitee of the Committee

The terms of reference of the Committee is as follows:

- To advise the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.

Meetings held during the year and attendance thereat:

During the FY 2020-21, Two (2) Advisory Committee Meeting were held on May 04, 2020 and October 23, 2020.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	**Members**	**No. of Meetings eligible for attendance**	**No. of Meetings attended**
1.	Mr. S. Sundareshan	2	2
2.	Mr. Ashok Agarwal	2	1
3.	Mr. Sriram Krishnan	2	2
4.	Mr. N.G.S. Ramesh	2	2
5.	Mr. Sunil Nyati	2	2
6.	Mr. Hemant Majethia	2	2
7.	Mr. Rakesh Somani	2	2
8.	Mr. Anil Shah	2	2
9.	Mr. Nithin Kamath	2	0
10.	Mr. George CJ	2	2
11.	Mr. Venkat Meenavalli	2	0
12.	Mr. Rajesh Sharma	2	2
13.	Mr. Mukesh Kansal	2	0
14.	Mr. Anuj Rathi	2	2
15.	Mr. Anurag Bansal	2	2

Note: The detailed composition of committee is given on the website of the Company http://www.icclindia.com/static/about/iccladvisorycommittee.aspx

Regulatory Oversight Committee

As on March 31, 2021, the composition of Regulatory Oversight Committee is as follow:

- Mr. S. Sundareshan, Public Interest Director - Chairman
- Mr. Prasad Dahapute, Public Interest Director
- Mr. Alok Mohan Sherry, Independent External Person

The terms of reference of the Committee are broadly given as follows:

- Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
- Oversee SEBI inspection observations on membership related issues;
- Estimate adequacy of resources dedicated to member regulation;
- Monitor the disclosures made under Reg.35 of SCR(SECC) Regulations, 2018;
- Review the actions taken to implement the suggestions of SEBI's Inspection Reports and place it before the Board of the Clearing Corporation;
- To follow up and ensure compliance/implementation of the inspection observations;
- Supervising the functioning of Investors' Services Cell of the Clearing Corporation which includes review of complaint resolution process, review of complaints unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.
- Lay down procedures for the implementation of the Code;
- Prescribe reporting formats for the disclosures required under the Code;
- Oversee the implementation of the code of ethics;
- To periodically monitor the dealings in securities of the Key Management Personnel;
- To periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest;
- Reviewing the fees and charges levied by the Clearing Corporation;
- Monitoring implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder;
- The head(s) of department(s) handling the above matters shall report directly to the committee and the managing director;
- Any action of a recognized clearing corporation against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the governing board.

Meetings held during the year and attendance thereat:

During the FY 2020-21, Five (5) Regulatory Oversight Committee Meeting were held i.e. on April 23, 2020; July 22, 2020; September 18, 2020; October 22, 2020 and January 25, 2021.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the SEBI (SECC) Regulation, 2018.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. S. Sundareshan	5	5
2	Mr. Prasad Dahapute	5	5
3	Dr. Alok Mohan Sherry	5	5

Risk Management Committee

As on March 31, 2021, the composition of Risk Management Committee is as follow:

- Mr. S. Sundareshan, Public Interest Director - Chairman
- Prof. T. Ramabhadran, Public Interest Director
- Mr. Prasad Dahapute, Public Interest Director
- Mr. Kausick Saha, Independent External Person
- Dr. Ajit Ranade, Independent External Person

The terms of reference of the Committee are broadly given as follows:

- To formulate a detailed Risk Management Policy which shall be approved by the governing board;
- To review the Risk Management Framework & risk mitigation measures from time to time;
- To monitor and review enterprise-wide risk management plan and lay down procedures to inform the Board members about the risk assessment and minimization procedures;
- The head of the risk management department shall report to the risk management committee and to the managing director of the Clearing Corporation;
- The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.

During the FY 2020-21, Three (3) Risk Management Committee Meeting were held on July 22, 2020; August 26, 2020 and January 25, 2021.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the SEBI (SECC) Regulation, 2018 and SEBI (LODR) Regulation, 2015

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. S. Sudareshan	3	3
2	Prof. T. Ramabhadran	3	3
3	Mr. Prasad Dahapute	3	3
4	Dr. Ajit Ranade	3	3
5	Mr. Kausick Saha	3	3

Audit Committee:

As on March 31, 2021, the composition of Audit Committee is as follow:

- Prof. T. Ramabhadran, Public Interest Director - Chairman
- Mr. S. Sundareshan, Public Interest Director
- Mr. Neeraj Kulshreshta, Shareholder Director

The terms of reference of the Committee are broadly given as follows:
- To review compliance with internal control systems;
- To review the findings of the Internal Auditor relating to various functions of the Company;
- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including statutory & Internal Audit Reports;
- Recommending the appointment of statutory auditors and internal auditors and fixation of their remuneration;
- Reviewing the Company's financial and risk management policies.

During the FY 2020-21, four (4) Audit Committee Meeting were held on April 23, 2020; July 22, 2020; October 22, 2020 and January 25, 2021.

As per Companies Act, 2013, the gap between any two (2) meetings did not exceed one hundred and twenty days.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the Companies Act, 2013 and SEBI (LODR) Regulation, 2015

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	**Members**	**No. of Meetings eligible for attendance**	**No. of Meetings attended**
1	Mr. T. Ramabhadran, Chairman	4	4
2	Mr. S. Sundareshan	4	4
3	Mr. Neeraj Kulshreshta	4	4

Corporate Social Responsibility Committee

As on March 31, 2021, the composition of Corporate Social Responsibility Committee is as follow:
- Mr. S. Sundareshan, Public Interest Director - Chairman
- Mr. Prasad Dahapute, Public Interest Director
- Mr. Neeraj Kulshrestha, Shareholder Director
- Ms. Devika Shah, MD & CEO

The terms of reference of the Committee are broadly given as follows:

- The CSR Committee of the Company shall be responsible for –
  - Formulating and recommending to the Board, the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Companies Act, 2013.
  - Approving the budgetary allocation for CSR projects/activities to be undertaken by the Company within the Board approved CSR annual budget.
  - Recommending to the Board, modifications to the CSR policy as and when required.
  - Regularly monitoring the implementation of the CSR policy including compliance with provisions relating to mandatory spend towards CSR projects/activities and reporting to the Board.

During the FY 2020-21, two (2) Corporate Social Responsibility Committee Meeting were held July 22, 2020 and January 25, 2021.

The necessary quorum was present for all the meetings with the presence of Public Interest Directors as required under the Companies Act, 2013.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. S. Sundareshan	2	2
2	Mr. Prasad Dahapute	2	2
3	Mr. Neeraj Kulshrestha	2	2
4	Ms. Devika Shah	2	2

Public Interest Directors Committee

The Public Interest Director's Members consists of all the Public Interest Director's/Independent Director's i.e. Mr. Sundareshan, Prof. T. Ramabhadran and Mr. Prasad Dahapute.

During their meetings, the Public Interest Directors shall review the following:

- Status of compliance with SEBI letters/circulars;
- Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions;
- The Public Interest Directors shall prepare a report on the working of the other Committees on which they are present in. The report shall be circulated to the other Public Interest Directors;
- A consolidated report shall then be submitted to the Governing Board of the Clearing Corporation;
- The Public Interest Directors shall identify important issues which may involve conflict of interest for the Clearing Corporation or may have significant impact on the market and report the same to SEBI.

During the FY 2020 - 21, two (2) Public Interest Director meeting were held on April 23, 2020 and October 22, 2020.

Attendance of the members of Committee in FY 2020 – 21 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. S. Sundareshan	2	2
2	Prof. T. Ramabhadran	2	2
3	Mr. Prasad Dahapute	2	2

DETAILS OF GENERAL MEETINGS

Details of last three Annual General Meetings and Extra Ordinary General Meeting and the summary of Special Resolution passed therein are as under:

Financial year	Date & Time	Venue	Special Resolution Passed	Names of the Directors who attended the General Meetings
Annual General Meeting				
2019 - 20	July 22, 2020, 9.30 AM	Through Video Conference	• There were no special business and all the agenda items were passed by Ordinary Resolution.	• Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Sameer Patil • Ms. Devika Shah • Mr. Neeraj Kulshrestha
2018-19	July 22, 2019, 3.30 PM	15th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.	• There were no special business and all the agenda items were passed by Ordinary Resolution.	• Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Nehal Vora • Ms. Devika Shah
2017-18	April 24, 2018, 3:30 PM	15th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.	• There were no special business and all the agenda items were passed by Ordinary Resolution.	• Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Nehal Vora • Ms. Devika Shah
Extra Ordinary General Meeting				
2020 - 21	September 21, 2020, 11.00 AM	Through Video Conference	• To nominate candidates for the post of Managing Director and CEO of the Company	• Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Neeraj Kulshrestha • Ms. Devika Shah

2020 - 21	November 09, 2020, 12.30 PM	Through Video Conference	• To re-nominate candidates for the post of Managing Director and CEO of the Company	• Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Neeraj Kulshrestha • Ms. Devika Shah • Mr. Sameer Patil

During the previous three financial years (2019 – 20, 2018 – 19 and 2017 - 18) and in the current financial year 2020-21, the Company did not hold any general meeting through postal ballot.

The requirement of passing any resolution by postal ballot is not applicable to the Company.

MEANS OF COMMUNICATION

For easy reference of the Shareholders, data related to:

- Quarterly and annual financial results;
- Shareholding pattern;
- Intimation and outcome of General meetings;
- Intimation and outcome of every Board Meetings;
- Vigil mechanism;
- Annual Report etc.
  are available on website of the Company i.e. http://www.icclindia.com/

DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The disclosure required under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 for FY 2020 - 21 is given in the following table:

1.	Number of complaints of sexual harassment received in the year	Nil
2.	Number of complaints disposed of during the year	Nil
3.	Number of cases pending as on end of the financial year	Nil

OTHER DISCLOSURES:

Policy on Appointment and Tenure of Public Interest Director

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and SECC Regulations 2018.

Board Evaluation

Pursuant to SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015 and

Companies Act, 2013 the evaluation of the Board was carried out at multiple levels, which are as follows:

A. Evaluation of Board as a whole
B. Evaluation of Committees of the Board
C. Evaluation of Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent directors, etc.)

The evaluation of the Board, its Directors (including Chairperson, CEO, Independent Directors, Non- independent Directors, etc.) and the Committees was carried out on the basis of criteria such as composition, qualification, experience, diversity, knowledge, leadership, performance, attendance, quality of decisions and recommendations, etc.

Subsidiary Companies

As on March 31, 2021, the Company did not have any 'material non-listed subsidiary'. However, the policy for material non-listed subsidiary' is being disseminated on the website of the Company on the following link:
http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx

Internal Controls and Risk Management

The Company has robust systems for internal audit and risk assessment and mitigation.

Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans.

Board Membership Criteria

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company and its business;
- Diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of business;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Preventing Conflict of Interest

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members. The Company has adopted the Code of Conduct for the members of the Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company.

The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. During the year no personnel has been denied access to the audit committee

Compliance with the Governance Framework

The Company is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 33 of the SEBI (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Secretarial Standards and Secretarial Audit Report.

The Company has undertaken Secretarial Standards Audit for the year 2020-2021 for audit of secretarial records and procedures followed by the Company in compliance with relevant Secretarial Standards issued by the Institute of Company Secretaries of India. The Secretarial Standards Audit Report is attached as an Annexure to the Directors' Report.

Management Discussion and Analysis

A detailed report on Management Discussion and Analysis, forms part of the Annual Report.

CEO/ CFO certification

The Managing Director and CFO certification of the financial statements for the financial year 2020- 21 is enclosed with the financial results.

Affirmation

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on March 31, 2021.

General Information for Shareholders

In terms of the provisions of Point No. 9 - Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), General Information of your Company for reference of the Shareholders, is provided as under:

• Schedule of 14th Annual General Meeting	:	Date: July 29, 2021 Time: 3.00 PM Venue: Through Video Conferencing

• Financial Year	:	April 01, 2020 – March 31, 2021
• Dividend payment date	:	N.A.
• Stock Exchanges on which shares of the Company are listed	:	N.A
• Stock code	:	N.A
• Market Price of securities of the Company	:	N.A
• Performance of the securities in comparison with other broad based indices	:	N.A
• Securities suspended from trading	:	N.A
• Distribution of shareholding, details of dematerialization	:	Attached as **Annexure – D1**
• Outstanding ADRs, GDRs or any other convertible security	:	N.A
• Commodity price risk or foreign exchange risk and hedging activities	:	N.A.
• Plant Locations	:	N.A
• Address for Correspondence	:	25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.
• Company Secretary	:	Ms. Shilpa Pawar, Tel No.: +9122 2272 8988, Email ID: Shilpa.pawar@icclindia.com
• Registrar and Transfer Agent of the Company	:	M/s Karvy Computershare Private Limited
• Details of establishment of vigil mechanism, whistle blower policy	:	The whistle blower policy is disseminated on the website of the Company under the following link: http://www.icclindia.com/static/about/Compliance with Corporate_Governance.aspx
• Web link where policy for determining 'material' subsidiaries is disclosed	:	http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx. –
• Disclosure with respect to demat suspense account/ unclaimed suspense account	:	N.A
• Details of the materially significant related party transactions that may have potential conflict with the interests of listed entity at large	:	N.A
• Disclosure of Accounting Treatment	:	The Company follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

• Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI or any other statutory authority on any matter related to capital markets during the last three years	:	There have been no penalties, strictures imposed by SEBI or any other statutory authority during the past three years, for any non-compliance.

Annexure – D1: Distribution of Shareholding as on March 31, 2021

S/n	Entity	Equity Shares	% Equity
1.	BSE Limited (Recognized Stock Exchange) – Dematerialized form	3,53,99,99,994	100
2.	Nayan Mehta – Nominee of BSE Limited	1	0
3.	Kersi Tavadia – Nominee of BSE Limited	1	0
4.	Girish Joshi – Nominee of BSE Limited	1	0
5.	Neeraj Kulshrestha – Nominee of BSE Limited	1	0
6.	Prajakta Powle – Nominee of BSE Limited	1	0
7.	Rajesh Saraf – Nominee of BSE Limited	1	0

CODE OF CONDUCT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the Financial Year 2020-21.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Date: April 27, 2021
Place: Mumbai

Devika Shah
Managing Director & CEO

Indian Clearing Corporation Limited

Reliability builds relationships

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Indian Clearing Corporation Limited

We have examined the compliance of conditions of Corporate Governance by **M/s. Indian Clearing Corporation Limited** ("the **Corporation**") for the year ended March 31, 2021, for the purpose of certifying compliance of the conditions of the Corporate Governance as mentioned in Regulations 17 to 27, 46(2)(b) to 46(2)(i) and Para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the requirement of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 (effective from October 03, 2018), for the period from April 1, 2020 to March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Corporation.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Corporation has complied with the conditions of Corporate Governance as stipulated in the said Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the Management has conducted the affairs of the Corporation.

For Shweta Gokarn & Co.

Date: April 27, 2021
Place: Navi Mumbai
UDIN: 30393C000163119

Ms. Shweta Gokarn
ACS 30393 | CP 11001

Annexure – E

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34 (3) AND SCHEDULE V PARA C CLAUSE (10) (i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015) AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018

To,
The Members,
Indian Clearing Corporation Limited
25th Floor, P. J. Towers,
Dalal Street,
Mumbai - 400001

I Shweta Gokarn, Founder of M/s. Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of M/s. **Indian Clearing Corporation Limited** (CIN U67120MH2007PLC170358) having its registered office at 25th Floor, P. J. Towers, Dalal Street, Mumbai - 400001 (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, Mumbai or any such other Statutory Authority:

Sr. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	Mr. Sundareshan Sthanunathan	01675195	28/08/2015
2.	Mr. Neeraj Kulshrestha	02994647	27/04/2016
3.	Mr. Prasad Dahapute	03471995	29/04/2016
4.	Mr. Ramabhadran Srinivasan Thirumalai	07059883	28/08/2015
5.	Ms. Devika Sandeep Shah	07980301	01/01/2018
6.	Mr. Sameer Giridhar Patil	08103042	12/02/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Indian Clearing Corporation Limited

ICCL

Reliability builds relationships

For Shweta Gokarn & Co.
Company Secretaries

Ms. Shweta Gokarn
ACS 30393 | CP 11001

Date: April 27, 2021
Place: Navi Mumbai
UDIN: 030393C000163207

Indian Clearing Corporation Limited

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Annexure - F

The Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

   The concept of CSR is governed by Section 135 of the Companies Act, 2013. The provisions of CSR are applicable to the Company as it fulfils the criteria of having a net profit of INR 5 cr. While there may be no single universally accepted definition of CSR, the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations. The objective of CSR is to ensure a high social impact in a manner which is aligned with the Company's tradition of creating wealth in the community using a three-pronged focus on Education, Health and the Environment. The CSR policy shall be applicable to all CSR projects undertaken by the Company in India as per Schedule VII of the Companies Act. The CSR policy shall be applicable to the Company and all its employees

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S. Sundareshan	Public Interest Director, Chairman	2	2
2.	Mr. Neeraj Kulshrestha	Shareholder Director	2	2
3.	Mr. Prasad Dahapute	Public Interest Director	2	2
4.	Ms. Devika Shah	Managing Director & CEO	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   http://www.icclindia.com/downloads/Corporate_Social_Responsibility_Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). NA
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
	NA		
	Total		

6. Average net profit of the company as per section 135(5): 2777 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): 55.54 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): 55.54 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the	Amount Unspent (in Rs.)	
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).

Financial Year. (in Rs.)	Amount.	Date of transfer.	Name of the fund	Amount.	Date of transfer.
55,54,000	Nil		NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Promotion of startup incubation activities	XI a. Contribution to incubators	Yes	Maharashtra	Mumbai	55,54,000	No	BSE CSR Integrated Foundation	CSR00001916

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 55,54,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
1.	Two percent of average net profit of the company as per section 135(5)	55,54,000
2.	Total amount spent for the Financial Year	55,54,000
3.	Excess amount spent for the financial year [(ii)-(i)]	-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-

5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
	NA						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount Spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed /Ongoing
1			NA					
2								
3								
	Total							

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10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s).: Nil

    (b) Amount of CSR spent for creation or acquisition of capital asset.: Nil

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: NA

For and on behalf of the Board

Devika Shah Managing Director & CEO	**S. Sundareshan** Chairman of the CSR Committee

Date: April 27, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

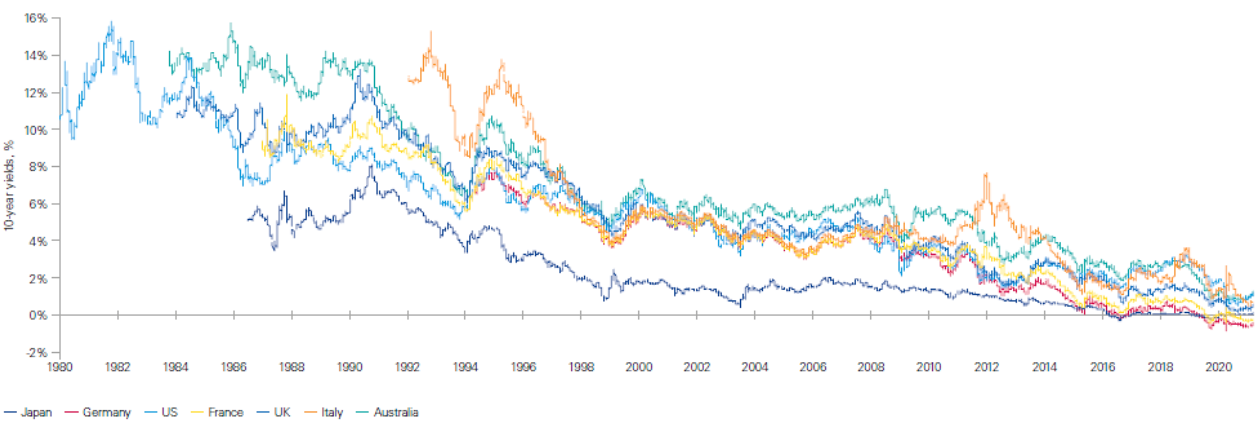
GLOBAL ECONOMIC OUTLOOK

COVID-19 has continued to spread around the world. Parts of the world have experienced a sharp resurgence of infections, and the incipient recovery in global economic activity has moderated. That said, there has been substantial progress in the development of effective vaccines.

Governments have increased spending to record levels, with over US Dollar 10 trillion being allocated around the world. Much of this effort has been financed by additional borrowing, adding to the already large debt piles that governments had accumulated before the pandemic began. Fiscal support played a significant role in cushioning the economic blow from the pandemic. Policy makers need to balance the risks from large and growing debt loads with those from slowing the economy. Whereas deficits are generally expected to shrink over the forecast, they will nonetheless contribute to rising debt, potentially planting the seeds for future problems—particularly if borrowing is not used efficiently.

Conversely, as interest rates have also fallen around the world – the cost of servicing that debt has remained low, which could mean that some of the extra spending may remain until the crisis period of the pandemic has passed.

Chart 1: Long term interest rates have fallen over the last 30 years



Source: Refinitiv.

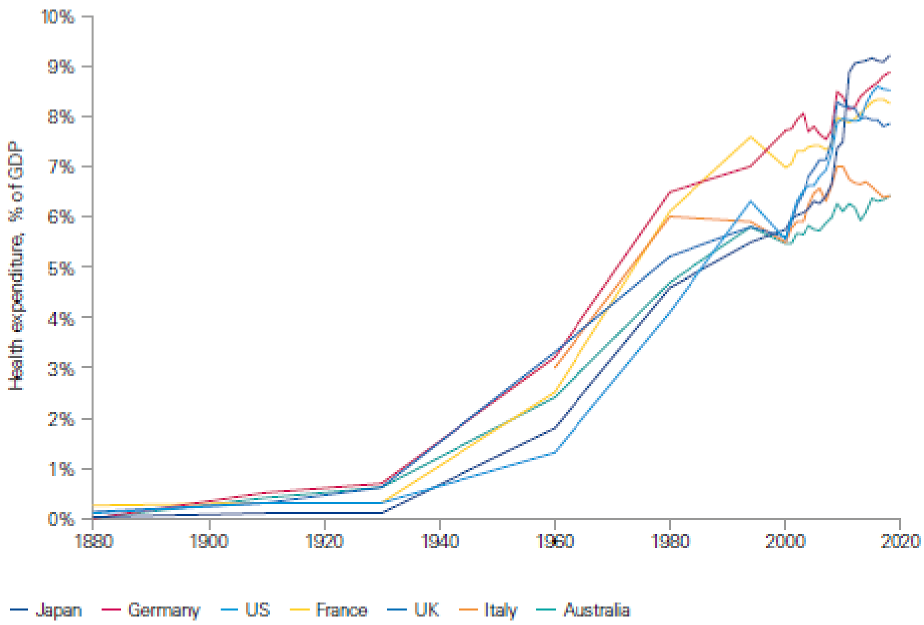
A slow recovery is not an inevitability and can be avoided through productivity-enhancing structural reforms. Promoting education, effective public investment, sectoral reallocation, and improved governance can offset the pandemic's scarring effects and lay the foundations for higher long-run growth.

The economic recovery from COVID-19 looks set to accelerate in mid-2021, particularly in the United States on the back of a massive fiscal stimulus plan, although a high degree of unevenness and uncertainty persists. 2021 global GDP growth forecast is 5.5%, reflecting brighter prospects for North America, China, and India.

Though by 2022, global GDP is still expected to be 4.4 percent below pre-pandemic projections, with the gap in emerging market and developing economies nearly twice as large as in advanced economies. The recovery will be dampened by the effects of diminished physical and human capital accumulation on labor productivity.

Spending in health is a category where levels tend to increase, both in absolute terms and as a share of overall GDP. The frontier of new treatments coupled with the rising cost of healthcare of an ageing population translates into the overall share of public sector spending also tending to increase over time. Across the more advanced economies, estimates by the WHO show that between 6% and 8% of GDP was devoted to health.

Chart 2: A rising share of GDP is devoted to health expenditure



Source: WHO, Tanzi and Schuktnecht (2000) via OurWorldinData.

United States (US)

US was able to avert economic disaster in 2020 due to a significant fiscal and monetary policy response, though the economic and social response to the pandemic has not been uniform. Likewise, the geographic, industry, and household impact has not been uniform, the goods industry is doing well as the pandemic saw a surge in goods consumption rising by 3.9% as households purchased goods that improved their experience of working and spending greater amounts of time at home. Meanwhile services consumption fell by 7.3% in 2020. Many parts of the services industry experienced both a supply and demand shock.

As the US and other economies deploy fiscal policy in large doses to prevent economic collapse from the lost output the pandemic caused, a key question economist are asking is "*will this level of debt have unintended negative consequences in the years to come?*" The fiscal and monetary assistance provided to weather the pandemic has helped many corporations, and bankruptcies in the US are down from high levels seen early in the pandemic. Nevertheless, it would seem companies cannot keep elevating debt levels indefinitely and some reckoning will be in store unless companies grow their way out of debt.

The pandemic has caused many workers to leave the labor force. More than two million workers over the age of 55 have left the labor force, likely due to health concerns for themselves or their households. An additional 2.1 million prime age workers (ages 25-54) have also left. Several studies suggest childcare issues and health concerns have been the main drivers. The return of these workers during the recovery will contribute to keeping wages and inflation in check despite significant fiscal assistance.

This outlook has improved in recent months. An accelerating pace of vaccinations, a faster reopening schedule, and the $1.9 trillion stimulus in addition to the $900 billion package approved in December 2020, all point to a seismic shift in the outlook relative to where it stood. The trajectory for recovery is dependent on a supportive policy environment and a likely step change in the level of technological know-how among firms and households which could make way for a productivity burst as the post-pandemic economy.

China

Manufacturing and exports had been the main drivers for China's economic rebound in 2020. Year-on-year growth of industrial production has turned positive since April 2020 and has remained strong since then. In comparison, the recovery of consumption, especially service consumption, has lagged due to quarantine measures put in place to control the spread of COVID. With the pandemic now under control and quarantine measures gradually being lifted, consumption is recovering, and we expect it to contribute more to China's economic recovery this year.

Services are expected to contribute more to China's economic recovery, with demand for Chinese exports remaining robust. The Chinese government was relatively restrained in adopting large fiscal and monetary stimulus policies to help boost the economy. Nevertheless, China's overall economy is expected to continue to recover and grow 8.8% in 2021.

Stability of the labor market has been a top priority for the Chinese government in recent years. To support the labor market amid including expanding the pandemic, the government has taken various measures higher education enrolment and reducing social security contributions by companies. The unemployment rate is expected to gradually return to pre-COVID levels, with an average of 3.8% in 2021; whereas overall inflation is expected to register 1.3% in 2021.

The tourism sector took a big hit as quarantine measures restricted travel. Inbound visitors to Hong Kong (SAR) plunged by more than 93% and retail sales dropped by almost a quarter. Despite a still challenging economic environment, the Hong Kong (SAR) capital market has shown resilience.

Japan

The outlook for the Japanese economy is being shaped by the overall response to the pandemic. The number of cases in Japan is the lowest amongst the G7, however a resurgence of cases early in 2021 has prompted the state of emergency to be extended. The vaccination roll-out program is ongoing with priority being given to medical workers and older residents. Short-term economic outlook is positive as public health restrictions are to be eased in due course.

After contracting by 5.1% in 2020, it is expected that GDP to begin to recover, growing by 2.3% this year and 2.1% in 2022. Japan's economy is set to benefit from a stronger recovery in external demand, particularly as the Chinese economy grows more steadily and the recovery across other advanced economies potentially boosts growth in exports.

Policy has played a major role in supporting the Japanese economy with low interest rates and high levels of fiscal spending. While Japan's overall government debt, representing about 266% of GDP, is exceptional across large, advanced economies, low borrowing rates and high levels of domestic saving may allow for further stimulus packages to be launched later in the recovery. Thus far, Japan's Ministry of Finance has taken a cautious stance.

Europe

A slow start to vaccinations combined with a new ripple of lockdowns led to a lower growth forecast for 2021 by 70 basis points to 4.2%. The hit to growth this year is larger for economies more dependent on tourism (Spain) than for those more dependent on foreign trade (Germany). Nonetheless, the eurozone economy is positioned for a strong restart, although this will take longer than expected. Netherlands is expected to be primarily driven by consumer spending. Reforms of the judicial system and regulatory frameworks combined with a relatively strong recovery in investment, could lift Italy's productivity and potential future growth rate.

Despite the recent rise in inflation, ECB policy rates are expected to remain unchanged over the next two years, with the ECB continuing to provide support to the economy via its program of asset purchases. The pace of fiscal spending will be less supportive of growth this year, while implementation of the EU recovery plan estimated at EUR750bn, is expected to provide support over the coming years through stronger investment as well as growth-oriented reforms and is likely to be felt mostly from 2022. However, the varying speed of recovery from the pandemic is expected to lead to further divergence in economic performance across Eurozone countries.

U.K. growth has been down sharply this year due to the severity of lockdowns. The economy managed to avoid a severe contraction towards the end of 2020 despite a complete lockdown. The growth momentum eased with the economy contracting by 9.9% overall in 2020. A more prolonged lockdown in 2021 lead to the GDP contracting further, with Brexit-related trade frictions. Government intervention and in particular the Job Retention Scheme, helped to keep unemployment relatively low considering the scale of the negative shock to the economy. The pace of inflation is accelerating as the gradual economic recovery, rising oil prices and the phased expiration of temporary VAT cuts for hospitality businesses add to a more inflationary mix. However, inflation is expected to remain below the Bank of England's 2% target, allowing for a longer period of low interest rates to support the economic recovery.

Middle East

The Gulf Cooperation Council, comprised of the Kingdom of Saudi Arabia (KSA), the United Arab Emirates ("UAE"), Kuwait, Bahrain, Oman and Qatar, will benefit from the rise in international oil prices during 2021-22. The importance of oil revenues in driving the GCC's economies, particularly that of Saudi Arabia, which is the dominant economy in the bloc, means the recent price recovery will provide a boost to both oil and non-oil regional economic activity. Moreover, sovereign wealth funds, combined with fiscal reserves, have provided a cushion against the pandemic-induced economic shock experienced across the bloc.

Nevertheless, the outlook remains one of subdued (but steady) economic growth over the next two years, with an underlying risk that vaccine rollouts in the GCC and its main trading partners fail to curtail COVID infection rates. The realization of this risk would be felt most acutely through the oil revenue, tourism and/or Hajj channels. A renewed surge in COVID cases across the bloc's main trading partners would limit external demand and risk the need for tighter pandemic-related restrictions within the GCC.

Inflationary pressures will be contained across the bloc through relative economic weakness and subdued global commodity prices. One source of potential upward price pressures is the heavy reliance on foreign labor that has traditionally filled labor shortages and skills gaps and this remains a risk common across all six countries. Labor supply could prove slow to respond to economic growth trends, in the wake of past and still-present pandemic containment measures.

In general, non-GCC economies in the Middle East fared worse than their GCC counterparts in 2020. Many of these economies entered the pandemic with a myriad of challenges, including weak fiscal and external balance sheets, below par economic growth rates and varying degrees of political and/or social friction. Therefore, they were ill-prepared for the economic shocks that stemmed from COVID, with the pandemic both emphasizing and worsening the structural weaknesses in these economies. It is anticipated that the already burdened healthcare systems combined with institutional weaknesses, will prolong the negative repercussions of the pandemic on these economies, with high unemployment rates and risks of contagion remaining throughout 2021 and into 2022.

South Africa

The South African economy is recovering slowly from the lows of the COVID pandemic experienced in mid-2020. Economic activity continues to increase, and many sectors are back to, or just below, pre-pandemic levels with notable exceptions being the construction, transport and tourism sectors. The exchange rate has also recovered to within its fair value range of approximately Rand (R) R15 to the US dollar from well above R19 in March 2020.

Upward pressure from global oil prices and local energy prices is responsible for much of the increase in the rate of inflation. This has resulted in lending rates being reduced to their lowest levels. The real economy will still require more time and resources to return to its pre-pandemic position. The government has extended its COVID distress grant of almost R300 billion in financial assistance to both citizens and businesses.

The overall tone of the budget and the fact that gross loan debt is set to reach R5.2 trillion by 2023-24 or just under 90% of GDP, has resulted in spend being targeted more towards the reduction of public expenditure and the stimulation of economic growth.

South Africa has positioned itself as the financial hub for the rest of Africa leveraging its broad and sophisticated financial markets. In addition, the Africa Continental Free Trade Agreement ("AfCFTA") presents an opportunity to expand South Africa's financial linkages throughout the continent.

To date, progress in terms of both transformation and growth has been significantly restricted by ongoing corruption and policy-implementation failures; these constraints may prove decisive for South Africa's efforts to exit the COVID slump.

Financial markets

Aggressive policy actions by central banks kept the global financial system from falling into crisis in 2020. Financial conditions are generally loose, as suggested by low borrowing costs, abundant credit issuance, and a recovery in equity market valuations amid positive news about vaccine developments. Debt burdens have increased as corporates have faced a period of sharply reduced sales and sovereigns have financed large stimulus packages.

High debt levels leave borrowers vulnerable to a sudden change in investor risk appetite. This is especially true for riskier borrowers and Emerging Markets and Developing Economies ("EMDEs") dependent on capital inflows to finance large fiscal and external current account deficits. Capital inflows to many EMDEs remain soft, with significant weakness in both foreign direct investment ("FDI") and portfolio flows. This, alongside a collapse of export revenues, has led to substantial currency depreciations and rising borrowing costs in some countries, particularly commodity exporters.

Banks' capital buffers are under pressure due to falling profitability and asset quality deterioration. Defaults have already surged in the hardest-hit sectors and countries, and rising credit downgrades point to further strains in the future. These developments reduce the resilience of financial systems, particularly in countries with weaker banking systems or without the policy space to provide sufficient support to stressed financial institutions.

Global trade

Global trade collapsed last year as border closures and supply disruptions interrupted the international provision of goods and services. Goods trade fell more rapidly and recovered more swiftly than during the global financial crisis, while services trade remains depressed. Relative strength in manufacturing, alongside persistent weakness in services, reflects the unusual nature of the recession, which has shifted consumption patterns toward goods and away from services requiring face-to-face interactions. The recovery in global merchandise trade has also benefited from the resilience of global value chains to supply disruptions. Continued impediments to international travel and tourism are contributing to persistent weakness in services.

Commodity markets

Most commodity prices rebounded in the second half of last year; however, the pickup in oil prices lagged the broader recovery in commodity prices due to the prolonged impact of the pandemic on global oil demand. Oil demand fell 9 percent in 2020—the steepest one-year decline on record—because of pandemic-control measures and the associated plunge in global demand, which was partly offset by historically large production cuts among OPEC+ (Organization of the Petroleum Exporting Countries, as well as Russia and other non-OPEC oil exporters). Oil prices are forecast to remain close to current levels and average US Dollar ($) $44/bbl in 2021 before rising to $50/bbl in 2022.

Base metal prices were, on net, broadly flat in 2020, as sharp falls in the first half of the year were followed by a strong recovery in the second half due to rising demand from China. Prices are expected to increase 5 percent this year alongside the expected rebound in global demand.

Agricultural prices rose 4 percent in 2020, largely driven by supply shortfalls and stronger-than-expected demand in edible oils and meals. Some regions experienced localized food price spikes, and a decline in household incomes—particularly among the poorest populations—has increased the risk of food insecurity. Agricultural prices are forecast to see a further modest increase through 2021.

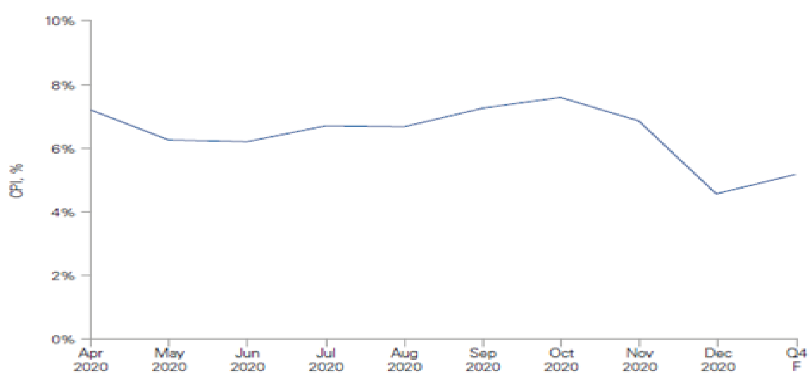
- **INDIAN ECONOMIC OUTLOOK**

With India emerging out of the pandemic-induced recession, its GDP improved by 0.4% in the December 2020 quarter, and these trends look set to continue in the final quarter of India's financial year, which ends on 31 March 2021. This is evident from high-frequency indicators such as Goods and Services Tax ("GST") collections, automobile and tractor sales, rail freight traffic, power demand, Purchasing Managers' Index ("PMI"), and corporate revenues. Also, with the easing of mobility restrictions, manufacturing activity is reverting to pre-COVID levels. However, services, particularly high contact services, continue to lag.

To stimulate growth, policies over recent months have been focused on reforms that propagate growth. For example, the manufacturing sector stands to benefit from Production-Linked Incentives ("PLIs") announced for key sectors that aim to showcase India as a preferred manufacturing and export hub. Meanwhile, services growth is expected to gain traction in 2022 (especially contact-intensive services) as vaccine availability and deployment improves. The outlook for growth in agriculture is contingent on the monsoon season, and the sector is expected to maintain growth like the current financial year (3%, year-on-year), if the monsoons are normal.

As the Indian economy returns to normalcy, there could be a healthy rise in tax collections as well as an uptick in public revenues arising from the disinvestment process. In this context, it is pertinent to note that the government has indicated that the sale of government stakes in selected State-Owned Enterprises ("SOEs") as well as publicly owned banks and India's premier insurance company, is likely to be completed by the next financial year. This large-scale privatization process is expected to provide headway for incremental expenditures on healthcare and capital creation, which will play a pivotal role in enhancing the focus on sustainable economic development. These initiatives are expected to restore the pandemic-induced hiatus in the generation of new employment opportunities.

Chart 3: Inflation is likely to ease but remain above RBI's target of 4%



Source: Ministry of Statistics and Programme Implementation. RBI - Reserve Bank of India.

The Indian government has undertaken a slew of reforms, including labor reforms, corporate tax cuts and PLIs to steer the economy to recovery in the next financial year. However, key factors that will drive this rebound include normal monsoons, success in overcoming a full-fledged second wave of COVID, and discretionary spending staying unaffected by cost pressures, particularly those stemming from high pump prices of petrol and diesel.

India's economic growth projection for 2021 was 10.2 per cent on account of the receding COVID-19 risks and the shift in the monetary policy outlook. The Budget 2021-22 will create positive externalities for the private sector, and slower fiscal consolidation in FY22 than the government projections. The Budget has been largely perceived as supporting growth, despite a projected narrowing of the fiscal deficit from 9.5 per cent of GDP in fiscal 2020-21 (ending March 2021) to 6.8 per cent in 2021-22.

The World Bank indicates that given the significant uncertainty pertaining to both epidemiological and policy developments, the real GDP growth for the next financial year can range between 7.5 per cent-12.5 per cent, depending on the ongoing vaccination drive, and whether new restrictions to mobility will be required. The Organization for Economic Co-operation and Development ("OECD") had estimated India's GDP growth to rebound 12.6 per cent in the financial year 2021-22, ahead of China's 7.8 per cent.

The COVID-19 impact will lead to a long-lasting change in the country's fiscal trajectory. The general government deficit is expected to remain above 10 per cent of GDP until fiscal year 2020-22. As a result, the public debt is projected to peak at almost 90 per cent of GDP in the financial year 2020-21, before declining gradually thereafter.

Earlier this year, the International Monetary Fund ("IMF") projected an 11.5 per cent growth rate for India in 2021, making the country the only major economy in the world to register double-digit growth this year amid the COVID-19 pandemic.

India is among the few major economies to post growth in the last quarter of 2020. However, the recent resurgence in COVID-19 cases throughout the country may impact the economy, given the inverse relationship between economic growth and COVID-19 infections.

CAPITAL MARKET DEVELOPMENTS

The last financial year 2020-21, while the global economy faced adversities due to the Pandemic, it was encouraging to see how Indian Investors have shown faith in investing funds in Indian corporate sector through BSE platforms.

Rs. 18,56,366 Crores ($ 252.95 billion) worth of funds have been mobilized through listing of Equity, Bonds, REITs, InvITs and Commercial Papers in F.Y. 2020-21 by BSE for Indian corporate sector despite the global pandemic wave as compared to Rs. 12,14,680 Crores in F.Y. 2019-20. With this the overall growth of funds mobilized spiked by 53 %.

The number of entities listed on BSE for Equity, Debt and Mutual Fund schemes is 5,155 with market capitalization of equity listed companies over Rs. 202 Lakh Crore. The S&P BSE SENSEX ended FY 2020-21 at Rs. 49,509.15 compared to Rs. 29,468.49 in FY 2019-20.

BSE BOND platform continues to be the preferred choice by India Inc to raise debt capital through private placements, structured instruments or be it Public issues and also by Municipal Corporations for raising Municipal Bonds.

A sharp increase has been observed in funds raised through BSE Debt platforms for F.Y. 2020-21 with is Rs. 5,55,000 Crore of bonds, Rs. 2,18,000 Crore of equities (IPO, OFS, Rights etc.), Rs. 25,225 Crores of InvITs, Rs. 4.245 Crore of REITs and Rs. 10,52,000 Crore of commercial papers.

In January 2021, BSE signed a memorandum of understanding ("MoU") with Government of Maharashtra to create awareness about benefits of listing among SMEs of the state. Through this MoU, BSE will provide intellectual and manpower support to create awareness about the benefits of listing among SMEs and will enable capacity building to SMEs to fulfil listing requirements. Besides, BSE will provide training and capacity building support to District Industries Centre officials.

As a part of this MoU, Government of Maharashtra will help in mobilizing the SME representatives and State/Regional associations/chambers to encourage their SME members to attend capacity building programs and will also reach out to industrial associations in the state for conducting joint seminars with BSE to create awareness among SMEs about benefits of listing.

Being the first stock exchange to get the approval from SEBI to launch its SME platform in 2012, BSE is the market leader in this segment with a market share of 65 percent. 332 companies are listed on BSE SME Platform raising Rs. 3,384.64 Crore from the market, with a total market capitalization of Rs. 21,566.36 Crore in the beginning of 2021. Out of these, 95 companies have migrated to the BSE Main Board.

Continuing its stellar performance, BSE StAR MF processed over 9.38 crore transactions amounting to Rs. 3,33,095 Crore in financial year 2020-21, which is 63% growth as compared to 5.75 crore in FY 2019-20. The platform achieved net inflows of Rs. 22,444 Crore in FY20-21, and an average of 3.68 lakh SIPs getting processed every month.

BSE E-Agricultural Markets Ltd. ("BEAM") has signed a MoU with the Steel Users Federation of India ("SUFI"). This strategic association between BEAM and SUFI will help develop electronic spot markets in steel and enhance efficiencies of steel spot markets in the country. The MSME sector in steel is an important contributor to India's self-reliance in manufacturing and construction sectors. The market would run SUFI steel contracts leveraging BEAM e-market platform.

BSE Investments Limited ("BSEIL"), a wholly owned subsidiary of BSE, entered into Joint Venture agreement with Frontier Agriculture Platforms Private Limited ("FAPL") to drive innovation in agriculture markets. As part of this joint venture, FAPL picks 40% equity stake in BEAM. The objective of this Joint Venture is to explore scope and opportunities available in the agricultural commodities trading space, driven by a strong impetus given by the government to bring in transparency and efficiency in this space.

Furthermore, BSE resolved over 400 investors' complaints against companies in Q4 2020-21. BSE continues to be the preferred exchange for investments in India with funds raised miles ahead of competing platforms due to its focus on helping India realize its true potential.

CCPs IN INDIA AND REGULATORY DEVELOPMENTS

In India, there are four Central Counterparties ("CCPs"), three of whom clear exchange listed products while one CCP operates in the over- the- counter ("OTC") clearing space. CCPs clearing exchange listed products are regulated by the Securities Exchange Board of India ("SEBI") and the Reserve Bank of India ("RBI") (for certain products), while the OTC CCPs are solely regulated by the RBI.

Financial markets react to all kinds of events, which may include those that are politically, economically, or environmentally driven. In times of crises, the impact is amplified and often felt across large parts of the global financial markets and the global economy. This was observed during the 2020 COVID-19 Crisis. Due to the uncertainty in the markets, volatility spiked to extraordinary levels – stocks, interest rates and oil prices fell, and credit spreads widened. During this unprecedented time of market volatility, financial market participants needed the ability to effectively manage their risks. The centrally cleared markets have proven, once again, to be a safe haven for market participants during this period of extreme stress.

CCPs provided market participants with an efficient and effective forum to manage their risks, whilst providing transparency and operational reliability. This was despite the significant operational challenges presented by the circumstances that surrounded responses to 2020 COVID-19 Crisis.

CCPs observed significant increases in Variation Margin (“VM”) due to the observed market moves but were able to process these payments as well as clear and settle a higher volume of transactions in a timely manner. Initial Margin (“IM”) is held by the CCP to cover the potential future exposure of its participants’ portfolios, using at least a 99% coverage standard. CCPs design their IM requirements to cover a variety of potential market moves, however, market moves that capture “extreme but plausible market conditions” are designed to be captured in a CCP’s Default Fund requirements.

Especially in turbulent times, it is critical that the daily routine of a CCP includes steps to manage the risk of its markets and detect potential risks to the financial markets early. These processes were reliably executed, thus allowing CCPs to provide further stability and safety to the financial market. CCPs have set up various daily processes that are designed to ensure safe and robust financial markets, particularly in periods of stress. During the 2020 COVID-19 Crisis, with increasing clearing volumes, CCPs remained fully operational, while offering robust marketplaces and central clearing services. Market stakeholders, including CCPs and market participants, recognize the importance of markets remaining open.

The continuity of services has always been a cornerstone of the CCP offering and consistently considered in CCPs’ processes and planning to provide for business continuity in times of stress. These processes are appropriately tailored to the different characteristics of CCPs.

CCPs around the globe have set up Business Continuity Plans (“BCPs”) to prepare for different types of events that could disrupt their operations, which are tailored according to their needs and can be implemented to minimize or negate any impact on business services. Consistent with the Principles for Financial Market Infrastructures (“PFMI”), the BCP shall also be tested on a regular basis. Due to this reason, CCPs conduct different types of testing exercises with only their Clearing Members (“CMs”) and clients or together with other exchanges or CCPs or in an industry-wide exercise that includes various market participants – exchanges, CCP, CMs and non-CMs.

CCPs have become increasingly vital components of the financial market infrastructure due in part to the introduction of mandatory central clearing for standardized OTC derivatives in some jurisdictions. On September 15, 2020 RBI released the Draft Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2020. RBI has proposed to introduce exchange-traded and OTC interest rate derivatives products that would be accessible to both foreign investors and retail participants. RBI released Draft Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2020 under Section 45 W of the RBI Act, 1934, in December 2020.

Post operationalizing interoperability among CCPs namely ICCL, NSE Clearing Ltd. and Metropolitan Clearing Corporation of India Limited for Equity Cash, Equity Derivatives and Currency Derivatives segments, SEBI had advised the clearing corporations to submit a joint proposal/roadmap to operationalize interoperability in OFS, Tri-party repo and SLB. ICCL had confirmed its readiness to bring interoperability in OFS, Tri-party repo and SLB and seek guidance from SEBI on implementation of Phase 2 of Interoperability in Commodity Derivatives Segment. With effect from April 01, 2020 Offer for Sale (“OFS”) came under the Interoperability framework.

In the Commodity Derivatives space, ICCL started clearing and settlement for the world's only available derivatives (future) contract for trading in Almond with effect from June 2020; and the newly launched future contracts in Aluminum and Zinc with effect from January 2020 and Steel Futures and Copper Futures from March 2021.

SEBI vide circular SEBI/HO/CDMRD/DMP/CIR/P/2020/05 dated January 16, 2020 released the Product Design and Risk Management Framework for Stock Exchanges to launch Option in goods under their Commodity Derivatives segment. Stock Exchanges were permitted to launch 'Option in Goods' in their commodity derivatives segment after taking prior approval of SEBI for launching such contracts. BSE introduced options contracts on Gold Mini and Silver in commodity derivatives segment with effect from June 01,2020. To enhance their product portfolio, BSE commenced trading in options with the launch of Gold Option and Silver Kg Option from August 24, 2020 and Copper Options Contract with effect from March 30, 2021. ICCL provides Clearing and Settlement for these products.

With effect from January 15, 2020 ICCL introduced Cross Margining benefit to its members in the 7 index pairs to facilitate efficient use of collateral by market participants for off-setting positions in highly co-related equity indices. Moreover, ICCL launched clearing of new index contracts traded on NSE on the index Nifty Financial Services Index.

In terms of regulatory aspects of operations, ICCL implemented the below norms laid out by SEBI.

- Collection and reporting of margins by Clearing Members
- Framework to Enable Verification of Upfront Collection of Margins from Clients
- Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System
- Review of Margin Framework
- Revision of criteria for entering the risk-reduction Mode
- Standard Operating Procedure in the cases of Clearing Member leading to default
- Recovery of assets of defaulter member and recovery of funds from debit balance clients of defaulter member for meeting the obligations of clients / Stock Exchange / Clearing Corporation

FEATURES AND DEVELOPMENTS

Competitive Strengths

Sound corporate governance and regulatory framework

ICCL has been accorded Qualified Central Counterparty ("QCCP") status by SEBI, along with the renewal of its recognition valid till October 2023; and is additionally required to comply with the rules and regulations that are consistent with the PFMIs issued by CPMI- IOSCO. ICCL in its endeavor to enhance transparency, became the first CCP in India to publish its self-assessment of the PFMIs issued by CPMI-IOSCO on its website to ensure a clear understanding and assessment of the risks associated with ICCL.

As a QCCP, ICCL is subject to a high level of regulatory oversight. ICCL's Board comprises of a majority of independent directors. ICCL has a multitude of Committees chaired by Independent Directors which overlook the operations, risk, investment, and other functions. ICCL has implemented a Code of Conduct for its Directors and Code of Ethics for its Directors and Key Management Personnel. ICCL has completely segregated its Business function from its

Regulatory function and the information flow across departments is on a strict need-to-know basis.

As on March 31, 2021, ICCL's Board of Directors had six members, out of which three are Public Interest Directors, two Shareholders Directors, and the MD&CEO.

ICCL has been granted Third Country Central Counterparty ("TC-CCP") recognition from ESMA since 2017 under Chapter 4 of Title III of EMIR. The CCPs established in a third country have been recognized to offer services and activities in the European Union.

Financial strength

ICCL's financial policy seeks to maintain sufficient financial resources to finance growth and ensure financial flexibility while maintaining creditworthiness and liquidity. ICCL is the first CCP in the World with a Default Insurance cover of USD 60 mn, which comes above the Default Fund of the CCP, in the Default Waterfall. The objective of the Policy is to protect ICCL against counterparty defaults and add a further capital cushion to the ICCL networth making the resources of the non-defaulting members even safer. The additional capital cushion provided by the Insurance cover, along with the networth comfortably covers the default fund requirement of ICCL and further increases the safety for domestic and international participants alike.

ICCL continues to remain the only CCP in India to be granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd. In January 2021, Care Ratings Ltd. reaffirmed its stable outlook for ICCL by maintaining the "AAA" rating. The rating remains underpinned by the strong linkage of ICCL with BSE Ltd. ("BSE"); ICCL being BSE's wholly-owned subsidiary and as a central counterparty for clearing and settlement of almost half of BSE's trades post inter-operability. The linkage is strengthened by SEBI requirements on minimum ownership by BSE and BSE's minimum contribution to Core Settlement Guarantee Fund ("Core SGF"). The rating factors in the strong regulatory oversight of the sector by SEBI which has outlined various risk management guidelines – Core SGF, Default Waterfall and Stress Test to be adhered to by the CCPs underlining ICCL's systemic importance as a Financial Market Infrastructure ("FMI)". The rating also considers ICCL's solid liquidity buffer supported by the counterparty default insurance of over Rs.450 crore.

Robust Risk Management Framework

ICCL's primary objective is to manage risk. Credit Risk, Liquidity Risk, Settlement Risk, Custody and Investment Risk, Collateral Risk, etc. are some of the risks that ICCL needs to deal with on an everyday basis. ICCL has a sound risk framework for the comprehensive management of all material risks, 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 MD&CEO as well as the Risk Management Committee.

ICCL has created a dedicated Default Fund, 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 Default Waterfall for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. ICCL has not sought contribution from members towards its Default Fund. As per the SEBI guidelines in January 2020 on Contribution by a non-defaulting member in the Default waterfall of Clearing Corporations, the Maximum Capped Additional Contribution by non-defaulting members shall be lower of 2 times of their primary contribution to Core SGF or 10% of the Core SGF of the segment on the date of default in the Equity Cash and Debt Segment; and 20% in the Equity Derivative, Currency Derivative and Commodity Derivatives Segment. ICCL shall call for the capped additional contribution only once during a period of 30 calendar days regardless of the number of defaults during the period.

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 BCP and Disaster Recovery ("DR") Plan for systems as well as manpower. ICCL has a far DR, situated in a different seismic zone as part of its BCP.

ICCL also has strong risk management systems in place which helps to manage the risk of default by clearing members wherein ICCL regularly collects prescribed margins from its clearing members in each segment. The members get margin usage alerts on pre-defined levels on real-time basis. The member is put in Risk Reduction Mode ("RRM") at 90% collateral utilization whereby trades only get executed on availability of adequate collateral; and moved back to normal mode when utilization goes below 85%. On 100% collateral utilization, member's terminal is put under suspension. In case of default by clearing members, ICCL follows a defined waterfall mechanism to recover money and mitigate the counterparty risk. ICCL also has lines of credit with various commercial banks to act as a liquidity cushion.

Key Strategies

Technology Leadership

ICCL is the CCP to BSE, the fastest exchange in the world with a speed of 6 microseconds.

ICCL provides its members with a Real Time Risk Management System ("RTRMS") terminal, free of cost, to monitor and manage their own risks and that of their constituents. ICCL also has a versatile collateral management system ("CLASS") for members to manage their segment-wise collateral. The collateral system is interlinked with RTRMS and change in collateral is reflected in the trading limits of the member. ICCL provides front end facility to over 1300 clearing members to monitor and manage their collaterals and trading limits. ICCL also has some other periphery support systems like BEFS (for member filing), which enable the members to add/update their membership and other details online.

ICCL ensures that the systems are reliable and resilient even during stressed market conditions and are based on internationally recognized technical standards and industry best practices.

ICCL is continuously updating its member reports and member accessed files to enhance its capabilities and the overall member experience. The technology roadmap and new initiatives include:

- Automation of operations and business processes by use of intelligent bots as well DR processes to minimize the Recovery Point Objective ("RPO") and Recovery Time Objective ("RTO")
- Efficient utilization of resource allocation and optimization
- Use of Artificial Intelligence and Machine Learning
- Cyber Security and Security Operations Center ("SOC")
- Implementation of Security Orchestration and Automated Response ("SOAR")
- Governance Risk Compliance ("GRC") tool for managing and maintaining a centralized and

structured repository and process framework

- Hardware Security Module ("HSM") To securely store and manage keys and ensure information is protected end to end on wire
- Adoption to AI & ML based XDR (Extended detection and response) from current end point detection and response ("EDR") to get greater visibility and security monitoring and action capabilities

Product Leadership

ICCL settles trades reported on the Indian Corporate Debt Segment and the Mutual Fund (StAR MF) Segment of BSE and clears and settles trades executed on all the other segments of BSE, including Equity Cash, BSE SME, Offer for Sale, Securities Lending & Borrowing, Equity Derivatives, BSE SME, Offer for Sale, Securities Lending & Borrowing, Debt Segment, Sovereign Gold Bonds, Interest Rate Derivatives, Currency Derivatives and the Commodity Derivatives Segment.

ICCL also provides clearing and settlement services for tri-party repo on corporate bonds and government bonds in the primary market for non- competitive bids.

Services Leadership

ICCL continues to work closely with market participants and exchanges so as to capitalize opportunities and continues to improve its systems and processes to provide the most efficient clearing and settlement system in India.

ICCL's dictum is Reliability builds Relationships and ICCL strives to uphold the confidence and integrity of the financial markets by aligning its systems with the industry's best- practices.

Developments in Human Resource

ICCL's focus is on matching skills and expertise to the roles to enhance employee satisfaction. Recognizing the growing importance of talent in driving the success of the organisation and the changing dynamics of business, with an ideal mix of experience and youth. Knowledge updation of employees is taken care by regularly sending them for various public seminars and in-house training sessions as well. As of March 2021, there are 81 employees, out of whom 75 are post-graduates and professionally qualified in their field.

INTERNAL CONTROL, RISKS AND CONCERNS

Internal Control Systems and their Adequacy

ICCL identifies a risk based internal audit scope and assesses the inherent risk in the processes and activities of the department within the company and ensures that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The Internal Auditors, via, their internal audit reports, make observations relating to the deficiencies/non-compliance of various audit areas and give suggestions/recommendations and control directives like periodic reconciliation, proper authorisations/ approvals, processing controls, segregations of duties, maker – checker approach, etc., to mitigate the deficiencies and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The observations made by the internal auditors and the compliances thereof are placed before the Audit Committee.

ICCL has further implemented pre-audit of all the major payments made to vendors based on set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirement, etc.

ICCL identifies and prioritizes key compliance issues with the help of an outsourced agency. The compliances and the monitoring thereof are regularly placed before the Audit Committee.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the Committee follows up on the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company.

Risks and Concerns

- Since ICCL is a clearing and settlement agency, its performance is dependent upon the trading activity on the exchanges' trading platforms, the number of active members in the market, the trading activity of the members, and the members who have chosen ICCL as their designated clearing corporation in the post-interoperability world.
- 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 two more clearing corporations 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.

FINANCIAL PERFORMANCE

During FY 2020-21, the total revenue of INR 8,163 Lakh increased by 34% from INR 6,088 Lakh in FY 2019-20. The increase in revenue was mainly due to (a) increase in Income from Operation by 56% to INR 6,522 Lakh (FY 2019-20 INR 4,185 Lakh) mainly due to increase in Income from clearing & settlement service charges (b) decrease in investment income by 12% to INR 1,633 Lakh (FY 2019-20 INR 1,852 Lakh).

The total expenditure during FY 2020-21 has increased by 44% from INR 3,470 Lakh for FY 2019-20 to INR 4,996 Lakh for FY 2020-21. This increase was mainly due to (a) increase in finance cost by 321% to INR 997 Lakh (FY 2019-20 INR 237 Lakh) on account of higher interest on cash collateral. (b) increase in other operating expenses cost by 36% to INR 2,695 Lakh (FY 2019-20 INR 1,985 Lakh) on account of higher bank guarantee commission on interoperability & CORE SGF contribution (c) increase in depreciation cost by 20% to INR 145 Lakh (FY 2019-20 INR 121 Lakh) (d) increase in employee cost by 3% to INR 1,159 Lakh (FY 2019-20 INR 1,127 Lakh)

The total Profit before tax for the FY 2020-21 was INR 3,167 Lakh as against INR 2,618 Lakh for FY 2019-20.

The total Profit after tax for FY 2020-21 was INR 2,271 Lakh as against INR 2,603 Lakh for FY 2019- 20, decrease of approximately 13%.

Financial Statement as on March 31, 2021

Share Capital
The total paid up capital of the Company as on March 31, 2021 is INR 35,400 Lakh (FY 2019-20 INR 35,400 Lakh) divided into 3,54,00,00,000 equity shares of INR 1 each.
Reserves & Surplus
The total Reserves & Surplus as on March 31, 2021 is INR 31,306 Lakh (FY 2019-20 INR 26,700 Lakh) comprising of Core Settlement Guarantee Fund ("Core SGF") of INR 28,443 Lakh (FY 2019-20 INR 26,111 Lakh) and statement of profit & loss of INR 2,863 Lakh (FY 2019-20 INR 589 Lakh).

Thus, the total Net worth of the Company as on March 31, 2021 is INR 66,706 Lakh (FY 2019-20 INR 62,100 Lakh).

Liabilities

Total liabilities stood at INR 94,953 Lakh (FY 2019-20 INR 1,05,489 Lakh). The details are as under:

1. Non-Current Liabilities: INR 24,735 Lakh (FY 2019-20 INR 16,669 Lakh). The increase in other long-term liabilities is due to contribution received towards Core SGF
2. Current Liability

a) Trade Payable: INR 339 Lakh (FY 2019-20 INR 413 Lakh).
b) Other Financial Liabilities: INR 68,657 Lakh (FY 2019-20 INR 88,288 Lakh). The decrease is mainly due to decrease in deposits and margin money received from members.
c) Other current liabilities: INR 1,135 Lakh (FY 2019-20 INR 30 Lakh).
d) Provisions: increase to INR 87 Lakh (FY 2019-20 INR 89Lakh)

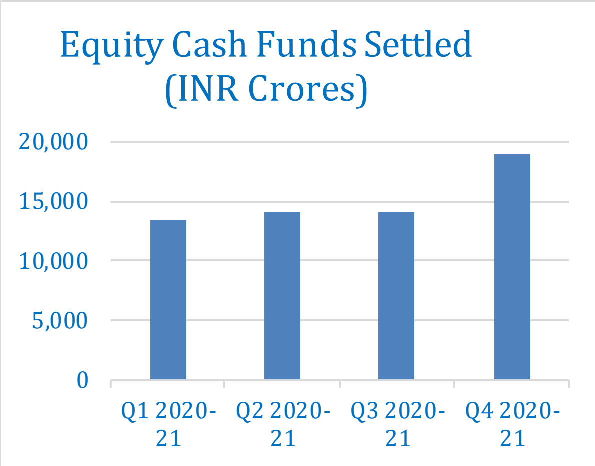
Assets

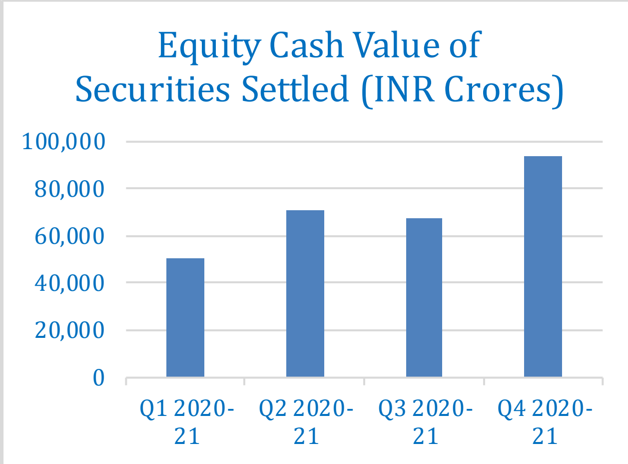
Total assets stood at INR 1,61,659 Lakh (FY 2019-20 INR 1,67,589 Lakh). The major components are given below:

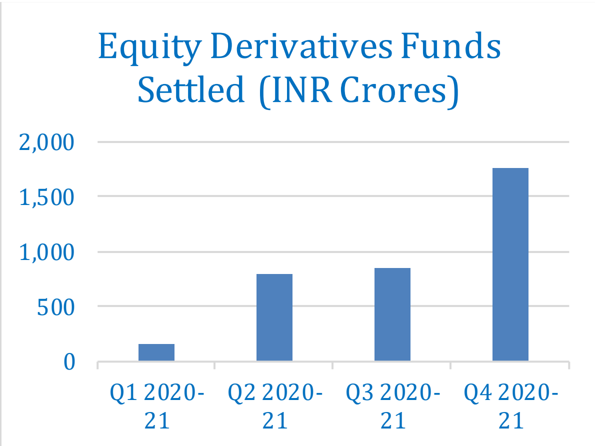
a) Property, Plant and Equipment, Intangible assets: Total Gross Block as on March 31, 2021 is INR 1,012 Lakh (FY 2019-20 INR 866 Lakh) and total Accumulated depreciation up to March 31, 2021 is INR 708 Lakh (FY 2019-20 INR 565 Lakh). Thus, Net Fixed Assets is INR 304 Lakh (FY 2019-20 INR 301 Lakh). In addition, intangible under development is NIL (FY 2019-20 INR 36 Lakh).
b) Investment: INR 12,417 Lakh (FY 2019-20 INR 24,264 Lakh).
c) Loans: INR 14 Lakh (FY 2019-20 INR 21 Lakh).
d) Trade Receivable: INR 2,828 Lakh (FY 2019-20 INR 1,397 Lakh)
e) Cash and cash equivalents: INR 27,110 Lakh (FY 2019-20 INR 65,460 Lakh)
f) Bank balances other than (e) above: INR 103,989 Lakh (FY 2019-20 INR 59,355 Lakh).
g) Other Financial Assets: INR 7,977 Lakh (FY 2019-20 INR 10,047 Lakh).

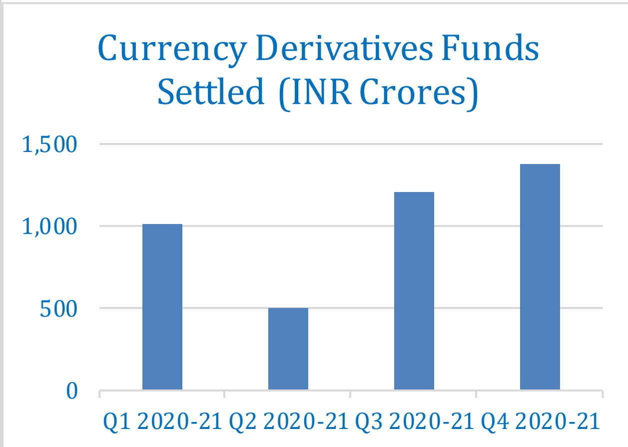
h) Tax: INR 6,001 Lakh (FY 2019-20 INR 5,862 Lakh).
i) Other Assets: INR 1,019 Lakh (FY 2019-20 INR 846 Lakh).

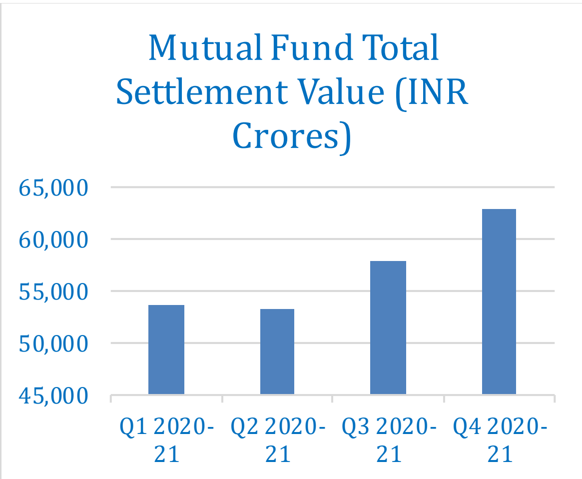
Key Business Statistics

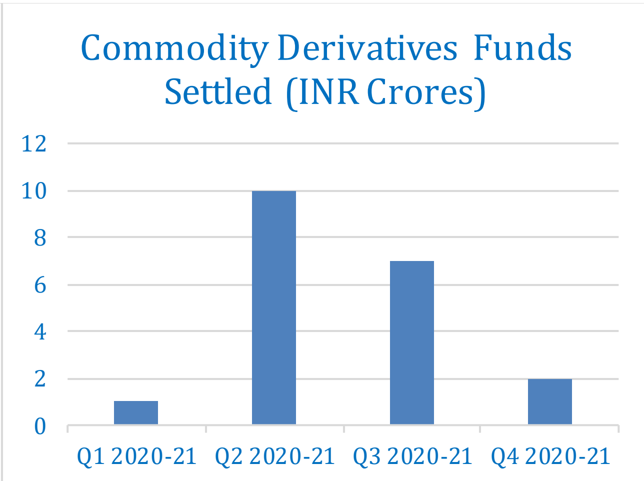


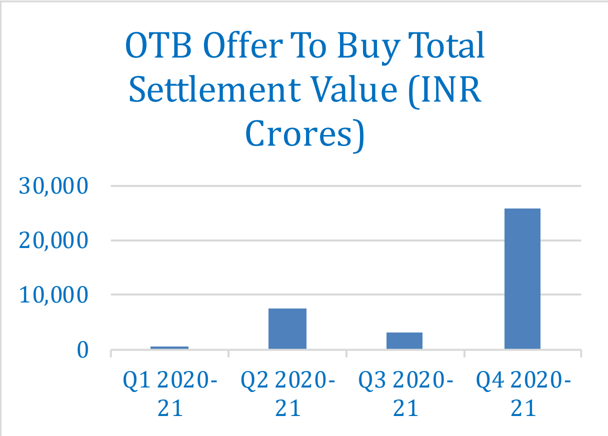


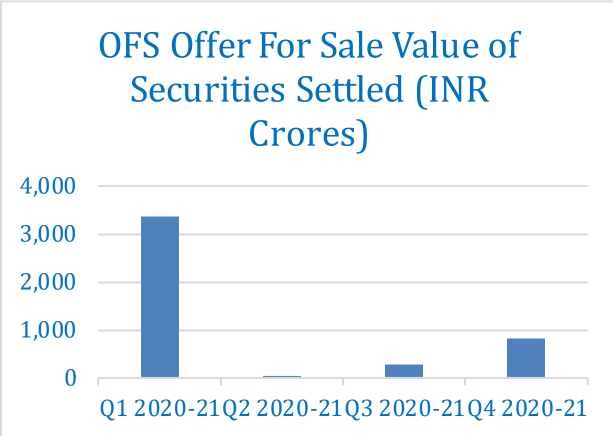


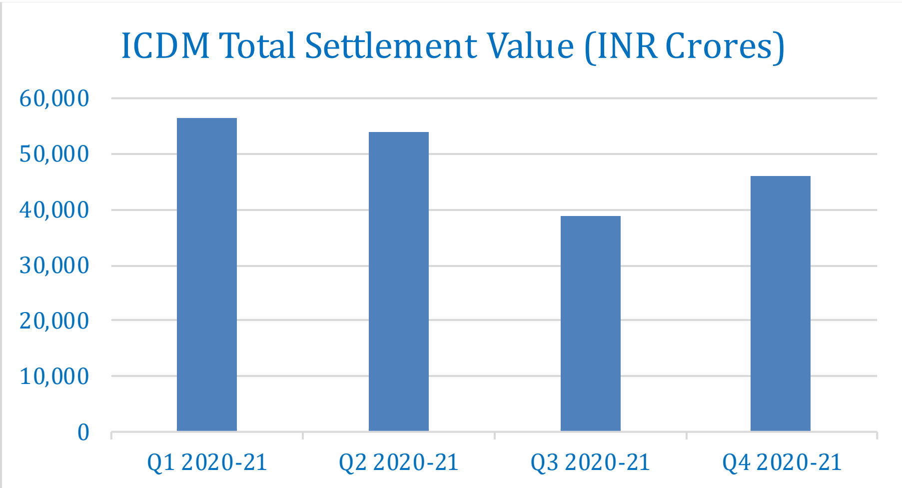







OTB Offer To Buy Total Settlement Value (INR Crores)
30,000
20,000
10,000
0
Q1 2020-21
Q2 2020-21
Q3 2020-21
Q4 2020-21


OFS Offer For Sale Value of Securities Settled (INR Crores)
4,000
3,000
2,000
1,000
0
Q1 2020-21
Q2 2020-21
Q3 2020-21
Q4 2020-21


ICDM Total Settlement Value (INR Crores)
60,000
50,000
40,000
30,000
20,000
10,000
0
Q1 2020-21
Q2 2020-21
Q3 2020-21
Q4 2020-21

INDEPENDENT AUDITOR'S REPORT
To the Members of Indian Clearing Corporation Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Indian Clearing Corporation Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the Ins AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2021 and its profit including total Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

We also provide those charges 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 in terms of section 143(11) of the Companies Act, 2013 we give in the "**Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   e) On the basis of the written representations received from the directors as on 31st March 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in **"Annexure B"**.
   g) In our opinion and to best of our knowledge and explanation provided to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    I. The Company has disclosed the impact of any pending litigations as at 31 March 2021 on its financial position – Refer Note to the significant accounting policies attached to the financial statements
    II. The Company does not have any outstanding long-term contracts including derivative contracts as at the year end. Hence the question of any material foreseeable losses does not arise.
    III. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No 116765
Mumbai, 27th April 2021.
UDIN: 21116765AAAACW4800

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in "Report on Other Legal and Regulatory Requirements" of the Independent Auditors' Report of even date to the members of on the financial statements for the year ended 31st March, 2021:

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 program 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. According to the information and explanations given to us, the company does not hold any immovable properties. Hence reporting under paragraph 3(i)(c)of the order is not applicable to the company

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

iii In our opinion 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'). Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

iv To the best of our knowledge and according to the information and explanations given to us, the company has not made investments made or provided any guarantee or security in terms of provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under paragraph 3(iv) of the order is not applicable.

V The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

vii a According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable is respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

b According to the information and explanation given to us, there are no dues of income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except those reported below:

Name of the Statute	Nature of Dues	Period to which it relates	Amount involved (INR in lakh)	Forum where dispute pending
Income Tax Act, 1961	Income Tax	A.Y. 2013-14	29	CIT (A)
Income Tax Act, 1961	Income Tax	A.Y. 2014-15	59	CIT (A)
Income Tax Act, 1961	Income Tax	A.Y. 2015-16	732	CIT (A)
Chapter V of Finance Act, 1994	Service Tax	F.Y. 2015-16 & F.Y. 2016-17 & F.Y.2017-18 (upto June'2017)	1683	Commissioner of Service Tax

viii In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from financial institutions, or banks or from the government and has not issued any debentures. Hence reporting under paragraph 3(viii) of the Order is not applicable. 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 Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi In our opinion and according to the information and explanations given to us, the Company has paid/provided any managerial remuneration is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

xv Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected to its directors and thus provisions of Section 192 of the Companies Act. 2013 are not applicable. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Dalal Doctor & Associates
Chartered Accountants
Firm's Registration No. 120833W

Amol Khanolkar
Partner
Membership No 116765
Mumbai, 27th April 2021.
UDIN: 21116765AAAACW4800

Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Section 143(3)(i) 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 on 31st March 2021 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal Doctor & Associates
Chartered Accountants
Firm's Registration No. 120833W

Amol Khanolkar
Partner
Membership No 116765
Mumbai, 27th April 2021.
UDIN: 21116765AAAACW4800

INDIAN CLEARING CORPORATION LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

₹ In Lakh

	Particulars	Note No	As at March 31, 2021	As at March 31, 2020
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	3	50	68
	(b) Other Intangible assets	4	254	233
	(c) Intangible assets under development	4	-	36
	(d) Financial Assets			
	(i) Investments	5	11,383	11,348
	(ii) Loans	6	8	14
	(iii) Others	7	7,750	9,802
	(e) Non Current Tax Assets (Net)		2,801	2,303
	(f) Deferred tax assets (net)	8	3,200	3,559
	(g) Other non-current assets	9	177	4
	Sub-total - A		**25,623**	**27,367**
2	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	5	1,034	12,916
	(ii) Trade receivables	10	2,828	1,397
	(iii) Cash and cash equivalents	11	27,110	65,460
	(iv) Bank balances other than (iii) above	12	1,03,989	59,355
	(v) Loans	6	6	7
	(vi) Others	7	227	245
	(b) Other current assets	9	842	842
	Sub-total - B		**1,36,036**	**1,40,222**
	Total Assets (A+B)		**1,61,659**	**1,67,589**
II.	**EQUITY AND LIABILITIES**			
3	**Equity**			
	(a) Equity Share capital	13	35,400	35,400
	(b) Other Equity	14	31,306	26,700
	Sub-total - A		**66,706**	**62,100**
4	**Liabilities**			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Other financial liabilities	16	70	60
	(b) Other non-current liabilities	17	24,601	16,549
	(c) Provisions		64	60
	Sub-total - B		**24,735**	**16,669**
5	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	15		
	A) Total outstanding due of Micro & Small Enterprises Payable to service providers		-	
	B) Total outstanding due of Creditors other than Micro & Small Enterprises Payable to service providers		339	413
	C) Others		-	-
	(ii) Other financial liabilities	16	68,657	88,288
	(b) Other current liabilities	17	1,135	30
	(c) Provisions	18	87	89
	Sub-total - C		**70,218**	**88,820**
	Total Equity and Liabilities (A+B+C)		**1,61,659**	**1,67,589**

See accompanying notes forming part of financial statements

For and on behalf of the Board of Directors

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

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Amol Khanolkar
Partner
Membership No.: 116765
Place: Mumbai
Date: April 27, 2021

Nimeshkumar Mistry
Chief Financial Officer

Shilpa Karde
Company Secretary

INDIAN CLEARING CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ In Lakh

	Particulars	Note No	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
I	**REVENUES**			
	(a) Revenue From Operations	19	6,522	4,185
	(b) Revenue From Investments And Deposits	20	1,633	1,852
	(c) Other Income	21	8	51
	Total Revenue		**8,163**	**6,088**
II	**EXPENSES**			
	(a) Employee Benefits Expenses	22	1,159	1,127
	(b) Other Operating Expenses	23	2,695	1,985
	(c) Depreciation And Amortisation	3&4	145	121
	(d) Finance Cost - Interest		997	237
	Total Expenses		**4,996**	**3,470**
III	Profit Before Exceptional, Extraordinary Items And Tax	I - II	3,167	2,618
IV	Exceptional Items		-	-
V	Profit Before Extraordinary Items And Tax	III - IV	3,167	2,618
VI	Extraordinary Items		-	-
VII	Profit Before Tax	V - VI	**3,167**	**2,618**
VIII	Tax Expense:			
	Current Tax		537	413
	Deferred Tax		359	(398)
IX	Profit From Continuing Operations	VII - VIII	**2,271**	**2,603**
X	Profit From Discontinuing Operations		-	-
XI	Profit For The Year	IX + X	**2,271**	**2,603**
XII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans;		4	(5)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1)	1
	Total other comprehensive income for the year		**3**	**(4)**
XIII	**Total Comprehensive Income for the year**		**2,274**	**2,599**
XIV	Earning Per Equity Share:			
	Basic And Diluted		0.06	0.07
	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 **Dalal Doctor & Associates**
Chartered Accountants
Firm Reg. No.: 120833W

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Amol Khanolkar
Partner
Membership No.: 116765

Nimeshkumar Mistry
Chief Financial Officer

Shilpa Karde
Company Secretary

Place: Mumbai
Date: April 27, 2021

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, 2019	35,400	24,188	-2,005	-5	57,578
Transferred to Core SGF		74	-	-	74
Profit for the year			2,603	-	2,603
Other comprehensive income for the year			-	-4	-4
Income Transferred to Core SGF		1,849		-	1,849
Balance as at March 31, 2020	**35,400**	**26,111**	**598**	**-9**	**62,100**
Profit for the year			2,271	-	2,271
Other comprehensive income for the year			-	3	3
Transferred to Core SGF		619	-	-	619
Income Earned during the year		1,713	-	-	1,713
Balance as at March 31, 2021	**35,400**	**28,443**	**2,869**	**-6**	**66,706**

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

Amol Khanolkar
Partner
Membership No.: 116765

Place: Mumbai
Date: April 27, 2021

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Nimeshkumar Mistry
Chief Financial Officer

Shilpa Karde
Company Secretary

INDIAN CLEARING CORPORATION LIMITED
AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

₹ In Lakh

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit After Tax	2,271	2,603
	Adjustments For:		
	Adjustments for Income tax expense	896	15
	Amortisation Of Bonds Premium / Discount On Bonds	(27)	(24)
	Finance Cost	997	237
	Depreciation On Fixed Assets	145	121
	Provision for Compensated absence	88	74
	Provision for Gratuity	15	10
	(Profit) / Loss On Sale / Redemption Of Mutual Funds	(85)	-
	Impairment loss allowance on receivable	(96)	-
	Interest Income	(1,516)	(1,610)
	Dividend Income	(5)	(218)
		412	(1,395)
	Operating Profit Before Working Capital Changes	2,683	1,208
	Change in assets and liabilities		
	Trade Receivables	(1,439)	(1,203)
	Loans and other financial assets	(17,844)	465
	Other Assets	5	(170)
	Trade Payable	(74)	274
	Other financial liabilities	(19,621)	32,274
	Other liabilities & Provisions	1,004	(28)
		(37,969)	**31,612**
	Taxes Paid	(1,035)	(807)
	Net Cash From / (Used In) Operating Activities	**(36,321)**	**32,013**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment towards Property, Plant, Equipment and Intangible assets	(112)	(296)
	Investment in Government Securities	-	(3,408)
	Net Proceed (Purchase) towards Investments in Mutual Fund	4,342	(5,372)
	Profit /(Loss) on Sale / Redemption of Mutual Funds	80	-
	Investment in Fixed Deposits With Banks	(19,723)	(14,502)
	Proceeds received from Fixed Deposits With Banks	14,580	15,527
	Interest Income	1,491	1,575
	Dividend From Mutual Funds	5	218
	Net Cash From / (Used In) Investment Activities	**663**	**(6,258)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance Cost	(997)	(237)
	Net Cash From / (Used In) Financing Activities	**(997)**	**(237)**

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
D.	**Net (Decrease) / Increase In Cash And Cash Equivalents**	**(36,655)**	**25,518**
	Cash And Cash Equivalents At The End Of The Year		
	In Current Account	16,544	19,767
	In Deposit Account	10,480	43,912
		27,024	**63,679**
	Cash And Cash Equivalents At The Beginning Of The Year	**63,679**	**38,161**
	Changes In Cash & Cash Equivalents	**(36,655)**	**25,518**
	Cash And Cash Equivalents At The End Of The Year	**27,024**	**63,679**

See accompanying notes forming part of financial statements

1. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard - 7 “Cash Flow Statement”.
2. Movement in Core SGF liabilities and assets of company are not considered.
3. Previous years’ figures have been regrouped wherever necessary.

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

Amol Khanolkar
Partner
Membership No.: 116765
Place: Mumbai
Date: April 27, 2021

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Nimeshkumar Mistry
Chief Financial Officer

Shilpa Karde
Company Secretary

Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021.

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 as at and For the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2. Basis of preparation and presentation

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortized cost 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.

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 116, 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.

2.3. Use of Estimates and Judgment:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

Impairment of investments:
The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment:
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. The useful life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets:
The Company’s tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities including the amount expected to be paid or recovered in connection with uncertain tax positions. The

Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under respective head.

Impairment of trade receivables:
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.

Fair value measurement of financial instruments:
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under relevant head

The principal accounting policies are set out below.

2.3.1 Revenue Recognition:

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Company has adopted Ind AS 115 using the cumulative effect method.

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.

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

2.3.2 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

2.3.3 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).

2.3.4 Operating 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. Lease payments under operating leases are recognized as an income / expense on a straight-line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.3.5 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.

2.3.6 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

2.3.7 Cost recognition

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

2.3.8 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.

2.3.9 Property, plant and equipment

Depreciation on tangible assets is provided on the 'Written Down Value' basis 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.

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

2.3.10 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.

2.3.11 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.

2.3.12 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 (FVTPL) 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 2.3.12.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.

2.3.13 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.

2.3.14 Settlement Obligation:

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

2.3.15 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.

2.3.16 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.

2.3.17 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.

2.3.18 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.

2.3.19 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 to guarantee the settlement of trades executed in the respective segment. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (ICCL), Stock exchange (BSE Ltd – BSE, National Stock Exchange of India Limited – NSE, Metropolitan Stock Exchange of India Ltd MSEI) 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.

2.3.20 Estimation uncertainty relating to the global health pandemic on COVID-19:

In assessing the recoverability of receivables, intangible assets and investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The company do not foresee any significant impact on operation of the company on account of COVID-19.

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

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of:		
Computer Equipment	47	64
Furniture, Fixtures	2	3
Office & Electronics Equipments	1	1
Total	**50**	**68**

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Cost				
Balance as at April 01, 2019	109	8	6	123
Additions during the year	70	-	-	70
Deductions / adjustments	2	-	-	2
Balance as at March 31, 2020	**177**	**8**	**6**	**191**
Balance as at April 01, 2020	177	8	6	191
Additions during the year	21	-	-	21
Deductions / adjustments	-	-		-
Balance as at March 31, 2021	**198**	**8**	**6**	**212**

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Accumulated depreciation and impairment				
Balance as at April 01, 2019	77	4	4	85
Depreciation for the year	38	1	1	40
Deductions / Adjustments	2	-	-	2
Balance as at March 31, 2020	**113**	**5**	**5**	**123**
Balance as at April 01, 2020	113	5	5	123
Depreciation for the year	38	1	-	39
Deductions / Adjustments	-	-	-	-
Balance as at March 31, 2021	**151**	**6**	**5**	**162**

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Net Book Value				
As at March 31, 2020	64	3	1	68
As at March 31, 2021	47	2	1	50

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Carrying amount				
Balance as at April 01, 2019	32	4	2	38
Additions during the year	70	-	-	70
Deductions / adjustments	2	-	-	2
Depreciation for the year	38	1	1	40
Deductions / Adjustments	2	-	-	2
Balance as at March 31, 2020	**64**	**3**	**1**	**68**
Balance as at April 01, 2020	64	3	1	68
Additions during the year	21	-	-	21
Deductions / adjustments	-	-	-	-
Depreciation for the year	38	1	-	39
Balance as at March 31, 2021	**47**	**2**	**1**	**50**

4. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of:		
Software	254	233
Intangible assets under development	-	36
Total	**254**	**269**

₹ in Lakh

Particulars	Software
Cost	
Balance as at April 01, 2019	453
Additions during the year	220
Deductions / adjustments	-
Balance as at March 31, 2020	**673**
Balance as at April 01, 2020	673
Additions during the year	127
Deductions / adjustments	-
Balance as at March 31, 2021	**800**

₹ in Lakh

Particulars	Software
Accumulated depreciation and impairment	
Balance as at April 01, 2019	359
Amortisation for the year	81
Deductions / Adjustments	-
Balance as at March 31, 2020	**440**
Balance as at April 01, 2020	440
Depreciation for the year	106
Deductions / Adjustments	-
Balance as at March 31, 2021	**546**

Particulars	Software
Net Book Value	
As at March 31, 2020	233
As at March 31, 2021	254

Particulars	Software
Carrying amount	
Balance as at April 01, 2019	94
Additions during the year	220
Deductions / adjustments	-
Depreciation for the year	81
Balance as at March 31, 2020	**233**
Balance as at April 01, 2020	233
Additions during the year	127
Deductions / adjustments	-
Depreciation for the year	106
Balance as at March 31, 2021	**254**

5. INVESTMENTS

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
A. Non Current Investment		
Unquoted - Investments in Equity Instruments - at Cost		
2,500 Shares of BSE CSR Integrated Foundation of ₹ 10/- each fully paidup	-	
Quoted - Investment in Govt Securities at Amortised cost		
Core SGF	5,995	5,987
Earmarked - Augmentation	5,388	5,361
Sub-Total - A	**11,383**	**11,348**
B. Current Investment		
Quoted - Investment in Units of Mutual Funds - at Fair Value through profit & loss		
Own Fund		
Units of Growth Oriented Liquid Schemes of Mutual Funds	351	-
Units of Dividend Oriented Liquid Schemes of Mutual Funds	-	904
Clearing and Settlement Fund		
Units of Dividend Oriented Liquid Schemes of Mutual Funds	-	7,544
Earmarked - Augmentation		
Units of Dividend Oriented Liquid Schemes of Mutual Funds	-	4,468
Units of Growth Oriented Liquid Schemes of Mutual Funds	683	-
Sub-Total - B	**1,034**	**12,916**
Total	**12,417**	**24,264**

Scrip-wise Details of Investment

Particulars	Units	As at March 31, 2021	Units	As at March 31, 2020
Investment in Govt Securities at at Amortised cost				
Core SGF				
6.84% Govt Sec 19-Dec-2022	20,00,000	1,967	20,00,000	1,950
7.37% Govt Sec 16-Apr-2023	15,00,000	1,501	15,00,000	1,502
7.17% Govt Sec 08-Jan-2028	15,00,000	1,502	15,00,000	1,502
7.32% Govt Sec 28-Jan-2024	10,00,000	1,025	10,00,000	1,033
Earmarked - Augmentation				
6.84% Govt Sec 19-Dec-2022	20,00,000	1,963	20,00,000	1,945
7.17% Govt Sec 08-Jan-2028	35,00,000	3,425	35,00,000	3,416
Sub Total - A	**1,15,00,000**	**11,383**	**1,15,00,000**	**11,348**
Aggregate value of Govt Securities		**11,383**		**11,348**
Market value of Govt Securities		**12,045**		**11,983**
Investment in Units of Mutual Funds - at Fair Value through profit & loss				
Own Fund				
Mirae Asset Cash Management Fund Dir DR	15,499	339	84,041	904
Baroda Liquid Fund Dir Growth	499	12		
Clearing and Settlement Fund				
Sundaram Money Fund Direct DDR	-	-	4,49,75,173	4,544
Nippon India Overnight Fund-Dir-DDR	-	-	29,99,894	3,000
Earmarked - Augmentation				
Baroda Liquid Fund Dir Growth	8,413	199	-	-
Mirae Asset Cash Management Fund DDR	22,396	484	4,15,299	4,468
Sub Total - B	**46,807**	**1,034**	**4,84,74,407**	**12,916**
Aggregate value of Mutual Funds		**1,034**		**12,916**
Market value of Mutual Funds		**1,034**		**12,916**

6. LOANS

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Unsecured, considered good		
Other Loans - Loans to Employee	8	14
Current		
Unsecured, considered good		
Other Loans - Loans to Employee	6	7
Total	**14**	**21**

7. OTHERS FINANCIAL ASSETS

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Deposit with Others	31	27
In Deposit with Bank		
Own	107	284
Clearing and Settlement	333	5,247
Core SGF	7,221	1,988
Earmarked Augmentation	58	2,256
Sub-Total - A	**7,750**	**9,802**
Current		
Deposit with Others	-	5
Unamortised Cost	1	-
Others Receivable from defaulter member	-	104
Impairment allowance for doubtful debts	-	(104)
Accrued interest :		
Deposits		
Own Fund	-	
Clearing and Settlement Fund	2	14
Core SGF	-	2
G - Sec		
Own Fund	97	97
Core SGF	127	127
Sub-Total - B	**227**	**245**
Total (A+B)	**7,977**	**10,047**

8. DEFERRED TAX ASSETS (NET)

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets:		
Provision for Bad & Doubtful Debts	15	42
Provision for Compensated Absences	38	38
MAT Credit Entitlement	3,166	3,505
Less : Deferred Tax Liabilities		
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets	19	26
Net Deferred Tax Assets	**3,200**	**3,559**

9. OTHER ASSETS

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Assets		
Gratuity Asset (net)	2	-
Prepaid Expenses	1	4
Others - Core SGF (Refer Note below)	174	-
Sub-Total - A	**177**	**4**
Current Assets		
Prepaid Expenses	381	181
Cenvat Credit Receivable	457	647
Others	-	10
Advances for rendering of services (Other than Capital Advances)	4	4
Sub-Total - B	**842**	**842**
Total	**1,019**	**846**

Note: Other Non Current Assets represent the tax deducted on the Core SGF investments.

10. TRADE RECEIVABLES

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Secured and Considered Good	17	72
Unsecured, considered good	2,566	1,045
Less: Provision for doubtful Debts	(50)	(42)
Holding Company	295	322
Total	**2,828**	**1,397**

11. CASH AND CASH EQUIVALENTS

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	-	
Balances with banks		
In Current accounts		
Own Fund	92	28
Clearing and Settlement Fund	16,452	19,739
Core SGF	86	25
In Deposit accounts		
Clearing and Settlement Fund	10,480	43,912
Core SGF	-	1,756
Total	**27,110**	**65,460**

12. BANK BALANCES OTHER THAN (III) ABOVE

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
In Deposit accounts		
Own Fund	2,460	900
Clearing and Settlement Fund	43,172	12,747
Core SGF	39,441	32,775
Earmarked Augmentation	18,916	12,933
Total	**1,03,989**	**59,355**

Notes:

- Balances in Deposits with Banks of ₹ 5,448 Lakh (As at March 31, 2020 ₹ 8,099 Lakh), are pledged against bank over draft.

13. EQUITY SHARE CAPITAL

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
5,00,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2020: 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, 2020: 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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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. Each shareholder is entitled to one vote per share.

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 March 31, 2021	As at March 31, 2020
Core Settlement Guarantee Fund - Core SGF		
Opening Balance	26,111	24,188
Add : Contribution for the year	619	74
Add : Income Earned during the year	1,713	1,849
Sub-Total - A	**28,443**	**26,111**
Retained earnings		
Opening Balance	589	(2,010)
Add : Profit for the year	2,274	2,599
Sub-Total - B	**2,863**	**589**
Total (A+B)	**31,306**	**26,700**

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.

13. TRADE PAYABLES

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
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	339	413
iii) Payable to Holding Company	-	-
Total	**339**	**413**

Note - The Company has received information from some "Suppliers" regarding their status under the Micro, Small, and Medium Enterprises Development Act, 2006. Based on the information received, there are no amounts unpaid as at the year end.

16. OTHER FINANCIAL LIABILITIES

₹ In lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Accrued Employee Benefits Expense	70	60
Sub-Total - A	**70**	**60**
Current		
Deposit from Clearing Banks & Warehouses	13,361	13,359
Deposit and Margins from Members & Others	41,697	56,150
Settlement Obligation Payable	6,690	1,192
Clearing and Settlement - Others	6,652	17,364
Accrued Employee Benefits Expense	154	145
Others	103	78
Sub-Total - B	**68,657**	**88,288**
Total (A+B)	**68,727**	**88,348**

17. OTHER CURRENT LIABILITIES

₹ In lakh

Particulars		As at March 31, 2021	As at March 31, 2020
Non Current			
Core Settlement Guarantee Fund (Refer to Note 2.3.19 & 31) (Exchange Contribution and Others Contributions)		24,601	16,549
	Sub-Total - A	**24,601**	**16,549**
Current			
Statutory dues payable		1,135	30
	Sub-Total - B	**1,135**	**30**
Total (A+B)		**25,736**	**16,579**

18. PROVISIONS

₹ In lakh

Particulars		As at March 31, 2021	As at March 31, 2020
Non Current			
Provision for Employee Benefits			
Other Provision			
Provision for Compensated Absences		64	60
	Sub-Total - A	**64**	**60**
Current			
Provision for Employee Benefits			
Other Provision			
Provision for Compensated Absences		87	74
Provision for Gratuity		-	15
	Sub-Total - B	**87**	**89**
Total (A+B)		**151**	**149**

19. REVENUE FROM OPERATIONS

₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<u>**Sale of services**</u>		
Clearing and Settlement Services	3,414	1,763
Auction Fees	55	53
Others	41	76
<u>**Other Operating Revenue**</u>		
Treasury Income from Clearing and Settlement Funds		
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	2,897	2,189
B. Income earned on financial assets that are mandatorily measured as at fair value through profit or loss:		
Net gain on sale of financial assets mandatorily measured at FVTPL	111	-
Dividend From Mutual Funds measured at FVTPL	4	104
Total	**6,522**	**4,185**

20. REVENUE FROM INVESTMENTS AND DEPOSITS

₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	1,128	1,240
G Sec	415	394
B. Income earned on financial assets that are mandatorily measured as at fair value through profit or loss:		
Net gain on sale of financial assets mandatorily measured at FVTPL	85	-
Dividend From Mutual Funds measured at FVTPL	5	218
Total	**1,633**	**1,852**

21. OTHER INCOME

₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Miscellaneous Income	8	51
Total	**8**	**51**

22. EMPLOYEE BENEFITS EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries, Allowances and Bonus	1,010	984
Contribution to Provident and Other Funds	47	42
Provision for Compensated Absence	88	74
Staff Welfare Expenses	14	27
Total	**1,159**	**1,127**

23. OTHER OPERATING EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Auditors' Remuneration	9	8
Bad debts written off	79	-
Bank Charges & Commission	352	116
Business Promotion Expenses	-	19
Contribution to Corporate Social Responsibility	56	79
Electricity Charges	14	13
Rent	288	319
Computer Technology Related Expenses	712	719
Contribution to Core SGF	619	74
Insurance	180	169
Rates and taxes, excluding taxes on income	8	32
Clearing House Charges	9	17
Directors' Sitting Fees	17	9
Legal Fees	5	-
Membership & Subscription Fees	-	8
Maintenance Expenses	6	7
Professional Fees	325	275
Impairment loss allowance on receivable	(96)	-
Stamp Duty, Registration Charges & Regulatory Fees	47	6
Travelling Expenses	2	45
Committee Meeting Sitting Fees	54	43
Miscellaneous Expenses	9	27
Total	**2,695**	**1,985**

23.1 Auditors' Remuneration ₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Auditors' Remuneration Includes:		
Statutory Audit Fees	7	6
Tax Audit Fees	1	1
Other services	1	1
Reimbursement of expenses	-	-
Total	**9**	**8**

23.2 Contribution to Corporate Social Responsibility ₹ In Lakh

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
The gross amount required to be spent by company during the year	56	79

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, 2021	As at March 31, 2020
(a)	Estimated amount of unexecuted capital contracts	-	-

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

₹ in lakh

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Claims against the company not acknowledged as debts in respect of :		
	- Income tax matters	990	990
	- Service tax matters	1,683	-
	(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.)		
(b)	Guarantee given by the company	1,00,000	50,000

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.	BSE Technologies Private Ltd (erstwhile known as Marketplace Technologies Private Ltd) - Fellow Subsidiary
3.	BSE Tech Infra Services Private Limited (erstwhile known as Marketplace Tech Infra Services Private Limited) - Fellow Subsidiary
4.	BFSI Sector Skill Council of India (Section 8 Company) - Fellow Subsidiary
5.	BIL - Ryerson Technology Startup Incubator Foundation (BRTSIF) (Section 8 Company) - Fellow Subsidiary
6.	BSE CSR Integrated Foundation - Fellow Subsidiary (Being a Section 8 company under companies Act, 2013)
7.	BSE Institute Limited – Fellow Subsidiary
8.	BSE Investments Limited – Fellow subsidiary
9.	BSE Sammaan CSR Limited – Fellow subsidiary
10.	India International Exchange (IFSC) Limited - Fellow subsidiary
11.	India International Clearing Corporation (IFSC) Limited – Fellow subsidiary

Sr.	Name of Related Party & Relationship
12.	BSE Institute of Research Development & Innovation (Section 8 Company) (w.e.f. December 5, 2019) – Fellow subsidiary
13.	Indian INX Global Access IFSC Limited – Fellow subsidiary
14.	Pranurja Solution Limited – Associate of Holding Company
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 S. Sundareshan – Chairman
26.	Shri Ramabhadran S Thirumalai – Public Interest Director
27.	Shri Prasad Dahapute – Public Interest Director
28.	Shri Nehal Vora – Shareholder Director (till September 18, 2019)
29.	Shri Sameer Patil – Shareholder Director (w.e.f. February 12, 2020)
30.	Shri Neeraj Kulshreshtha – Shareholder Director
31.	Shri Nimeshkumar Mistry – Chief Financial Officer (w.e.f. November 07, 2019)

2. **Transactions with Related Parties**

(a) BSE Ltd (Holding Company):

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income		
Clearing and settlement fees	1,240	896
Warehouse Service Charges	2	49
Rental Income	-	4
Expenditure		
Computer Technology Related Expenses	58	135
Rent	205	214
Electricity Charges	13	11
Property Tax	4	4
Staff welfare	8	11
Other Expenses	19	14

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
Prepaid Expenses	1	-
Receivable (net)	295	322
Liability		
Contribution towards Core SGF (excluding income earned thereon)	10,627	11,728

(b) BSE Technologies Private Ltd. (erstwhile known as Marketplace Technologies Private Ltd.) (Fellow Subsidiary):

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income		
Rental Income	-	1
Expenditure		
Computer Technology Expenses	347	288
Purchase of Intangible Assets	91	226

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
Prepaid Expenses	3	4
Liability		
Payable (net)	98	49

(c) BSE CSR Integrated Foundation (Fellow Subsidiary)

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenditure		
CSR Contribution	56	65

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
Investment (25,000 Equity shares of ₹ 1/- each)	-	-

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

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income		
Rental Income	-	1

(e) BSE Institute Limited – Fellow Subsidiary

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income		
Rental Income	-	1

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

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenditure		
Administrative & Other Expenses	5	7

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
Deposits (Asset)	5	5
Prepaid Expenses	1	2

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

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income		
Rental Income	-	1
Expenditure		
Rent	7	7

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

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Net defined benefit assets		
ICCL Employee's Gratuity Fund	184	164

(i) Key Management Personnel (KMP):

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Smt. Devika Shah (Managing Director & CEO) Gross remuneration and other benefits paid *	77	75
Shri Nimeshkumar Mistry (Chief Financial Officer) Gross remuneration and other benefits paid *	36	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, 2021	For the year ended March 31, 2020
Profit after tax (₹ in lakh)	2,271	2,603
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**	**0.07**

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

₹ in Lakh

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Software Expenses	25	25
Travel Expenses	-	6
Membership Fees	-	7
Regulatory Fees	43	-
Others	2	2

30. During the year from July 2020, ICCL has started collecting stamp duty as per Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 notification, dated December 10, 2019 issued by Ministry of Finance (Department of Revenue) to regulate the centralised mechanism for the collection of the stamp duty across the country.

31. a. As per SEBI circular no. SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 08, 2021, ICCL has received the contribution from National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Ltd (MSEI) during year towards contribution to Core SGF.

b. 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) to guarantee the settlement of trades executed in respective segment. Accordingly, an amount ₹ 28,443 lakh as at March 31, 2021 (₹ 26,111 lakh as at March 31, 2020) 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 ₹ 14,488 lakh as at March 31, 2021 (₹ 15,072 lakh as at March 31, 2020) including income earned thereon 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. The contribution made by NSE to said Core SGF amounts to ₹ 7,102 lakh as at March 31, 2021 (Nil as at March 31, 2020) including income earned thereon and also the contribution made by MSEI to said Core SGF amounts to ₹ 76 lakh as at March 31, 2021 (Nil as at March 31, 2020) including income earned thereon. Further, Other Contribution represent an amount ₹ 2,935 lakh as at March 31, 2021 (₹ 1,477 lakh as at March 31, 2020) 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 and Commodity Derivatives respectively, (iii) fines & penalties collected from members by ICCL and income earned thereon.

₹ in lakh

	Contribution					Total
Particulars	**BSE**	**ICCL**	**NSE**	**MSEI**	**Other**	
Equity Segment	5,400	17,524	4,398	-	1,747	29,069
Equity Derivative Segment	553	1,667	445	-	285	2,950
Currency Derivative Segment	6,560	8,278	2,259	76	874	18,047
Commodity Derivative Segment	805	804	-	-	29	1,638
Debt	-	170	-	-	-	170
Others	1,170	-	-	-	-	1,170
Grand Total	**14,488**	**28,443**	**7,102**	**76**	**2,935**	**53,044**

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

32.1. 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, 2021 and March 31, 2020.

₹ in lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Change in benefit obligations		
Benefit obligations at the beginning	179	147
Current Service Cost	14	10
Interest on defined benefit obligation	11	10
Re-measurements - Actuarial Loss / (Gain)	(8)	3
Benefits Paid	(14)	(12)
Liability assumed on acquisition/(Settled on Divestiture)	-	21
Closing Defined Benefit Obligation	182	179
Change in plan assets		
Opening Fair Value of Plan Assets	164	145
Contributions by Employer	29	22
Interest on Plan Assets	5	9
Re-measurements - Actuarial Loss / (Gain)	-	-
Benefits Paid	(14)	(12)
Closing Fair Value of Plan Assets	184	164
Funded status	184	164

b. Amount For the year ended March 31, 2021 and year ended March 31, 2020.

₹ in lakh

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	14	10
Interest on net defined benefit obligations / (asset)	1	-
Total Included in “Employee Benefit Expense”	15	10

c. Amount For the year ended March 31, 2021 and year ended March 31, 2020 recognised in the statement of other comprehensive income:

₹ in lakh

Particulars	March 31, 2021	March 31, 2020
Opening amount recognised in “Other Comprehensive Income”	(9)	(4)
Re-measurement for the year – Obligation gains / (losses)	8	(5)
Re-measurement for the year – Plan asset gains / (losses)	(5)	-
Total amount recognised in “Other Comprehensive Income”	(6)	(9)

d. Principle actuarial assumption

Assumptions	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.25%	6.45%
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 increase 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, 2021	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-2.71%	-2.85%
Impact of decrease in 50 bps on defined benefit obligation	2.86%	3.00%

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, 2021**
Expected benefits for year 1	10
Expected benefits for year 2	11
Expected benefits for year 3	57
Expected benefits for year 4	44
Expected benefits for year 5	7
Expected benefits for year 6 to year 10	78
Expected benefits for year 10 and above	63

The weighted average duration to the payment of these cash flows is 5.51 years.

g. Composition of Plan Assets

₹ in lakh

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Insurer Managed Funds	184	164
Others	-	-

Actual return on the assets for the year ended March 31, 2021 and year ended March 31, 2020 were ₹ 5 lakh and ₹ 9 lakh respectively.

32.2. 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, 2021 and for the year ended March 31, 2020 of ₹ 25 lakh and ₹ 26 lakh respectively for provident fund in the statement of profit & loss.

32.3. 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.

33. Other 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:

33.1. 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.

33.2. 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.

33.3. 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.

33.4. 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 analysing historical payment patterns, customer status, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

34. 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") enables 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 and clearing corporations must make contributions to Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Core Settlement Guarantee Fund, the Company may have to contribute more of profit to the Core 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 the Core 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:

- ❖ Mark to Market Margin payments: Open positions in futures 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 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 600 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 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 which would hypothetically cause the highest loss. 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, 2021 and March 31, 2020.

As at March 31, 2021: **₹ in lakh**

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	70	-	70
Total Non-Current Liabilities	**-**	**70**	**-**	**70**
Current Liabilities				
Deposits and Margin Received	55,058	-	-	55,058
Settlement Obligation Payable	6,690	-	-	6,690
Accrued Employee benefit expenses	154	-	-	154
Others Clearing Settlement Liability	6,652	-	-	6,652

Particulars	< 1 year	1-5 years	> 5 years	Total
Trade Payable	339	-	-	339
Others	103	-	-	103
Total Current Liabilities	**68,996**	**-**	**-**	**68,996**

As at March 31, 2020: **₹ in lakh**

Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current liabilities				
Accrued Employee benefit expenses	-	60	-	60
Total Non-Current Liabilities	**-**	**60**	**-**	**60**
Current Liabilities				
Deposits and Margin Received	69,509	-	-	69,509
Settlement Obligation Payable	1,192	-	-	1,192
Accrued Employee benefit expenses	145	-	-	145
Others Clearing Settlement Liability	17,364	-	-	17,364
Trade Payable	413	-	-	413
Others	78	-	-	78
Total Current Liabilities	**88,701**	**-**	**-**	**88,701**

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, bonds, government securities and various derivatives. 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 an average, every two months and recommends or provides suggestions 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 exchanges' trading platforms, the number of active traders in the market, ICCL's marketshare in clearing, etc.

• 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 other clearing corporations 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 exchanges 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 was implemented in FY 2019-20. 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 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			
	2021	**2020**	**2021**	**2020**
i) Financial assets				
(a) Measured at Amortised Cost				
Investment in Govt Securities	11,383	12,045	11,348	11,983
Trade receivable	2,828	1,397	2,828	1,397
Cash and cash equivalents	27,110	65,460	27,110	65,460

Particulars	Carrying Value		Fair Value	
	As at March 31			
	2021	2020	2021	2020
Bank Balances other than Cash and cash Equivalents	1,03,989	59,355	1,03,989	59,355
Loans	14	21	14	21
Other financial assets	7,977	10,047	7,977	10,047
(b) Measured at FVTPL				
Investment in Mutual Funds	1,034	1,034	12,916	12,916
ii) Financial Liabilities				
(a) Measured at Amortised Cost				
Trade payables	339	413	339	413
Other financial liabilities	68,727	88,348	69,735	88,348

Level wise disclosure of fair value measurement of financial instruments

₹ in lakh

Particulars	Fair values as at		Fair Value Hierarchy
	March 31, 2021	March 31, 2020	
Financial assets			
At Amortised Cost			
Investment in Govt Securities	12,045	11,983	Level 1
At FVTPL			
Investment in Mutual Funds	1,034	12,916	Level 1

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

35. 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.

36. Income Tax Expense:

The following are the details of income tax assets as of March 31, 2021, March 31, 2020.

₹ in lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Net Current tax at the beginning (Assets)	2,303	1,909
Current Income Tax provision including earlier tax adjustment	(537)	(413)
Income tax paid (Including TDS)	1,035	807
Balance at the end	**2,801**	**2,303**

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, 2021 and March 31, 2020.

₹ in lakh

Particular	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax from continuing operations	3,167	2,618
Income tax expense calculated at 29.11% **(A)**	922	762
Adjustment:		
Effect of income that is exempt from taxation	-	94
Effect of expenses that are not deductible in determining taxable profit	(16)	(44)
Effect on deferred tax balances due to the change in income tax rate	-	(12)
Effect of Carried forward losses under tax	42	710
Total (B)	**26**	**748**
Income tax expense recognised in profit or loss (relating to continuing operations) **(A-B)**	896	14

37. The financial statements were approved for issue by the board of directors in their meeting held on April 27, 2021.

38. 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 **Dalal Doctor & Associates**
Chartered Accountants
Firm Reg. No.: 120833W

Partner
Membership No.: 116765
Place: Mumbai
Date: April 27, 2021

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

Devika Shah
Managing Director & CEO

Nimeshkumar Mistry
Chief Financial Officer

Shilpa Karde
Company Secretary