INDIAN CLEARING CORPORATION LIMITED

(A Wholly owned Subsidiary of BSE Limited)

ANNUAL REPORT

FINANCIAL YEAR ENDED MARCH 31, 2023

COMPANY INFORMATION

Board of Directors
Dr. Hemant Kumar Manuj, Chairman, Public Interest Director
Dr. Medha Tapiawala, Public Interest Director
Mr. Vikas Gadre, Public Interest Director (Appointed w.e.f. October 14, 2022)
Mr. Prasad Dahapute, Public Interest Director (till October 13, 2022)
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 Business officer (Chief Operating Officer till September 25, 2022, Chief Risk & Regulatory Officer till March 22, 2023)
Mr. Nimeshkumar Mistry, Chief Financial Officer
Ms. Vaisshali Babu, Chief Operating Officer (w.e.f. December 1, 2022)

Company Secretary
Ms. Saumya Bajpai (w.e.f. April 28, 2022)

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

Secretarial Auditors
Shweta Gokarn & Co., Company Secretaries

Internal Auditors
M/s. Rodi Dabir & Co., Chartered Accountants

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

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DIRECTORS' REPORT

The Members,

Indian Clearing Corporation Limited

Your Directors have pleasure in presenting their Sixteenth Annual Report and Audited Accounts for the financial year ended March 31, 2023.

SETTLEMENT – EQUITY CASH SEGMENT

Indian Clearing Corporation Ltd. (ICCL) successfully continued its track record of completing settlements in a timely manner.

During the period under review, 249 rolling settlements were completed.

The average settlement value of securities per settlement was Rs. 1,482.09 crores in 2022-23 compared to Rs.1,825.82 crores in 2021-22.

The average funds pay-in per settlement was Rs.325.83 crores in 2022-23 compared to Rs.347.83 crores in 2021-22.

The average number of shares processed per settlement was about 14.34 crores in 2022-23 compared to 19.02 crores in 2021-22.

Short deliveries Values per settlement averaged around 0.12% in 2022-23 as compared to 0.09% in 2021-22.

The highest trading volume of Rs.16122.88 was observed on Trade Date May 31, 2022 and the highest deliverable value of Rs.2,818.63 crores was observed on Settlement Date September 14, 2022.

Percentage of the number of shares deliverable to the number of shares traded decreased to 24.68% in 2022-23 from 28.82% in 2021-22.

Percentage of the value of shares deliverable to the value of shares traded increased to 19.59% in 2022-23 from 16.35% in 2021-22.

The Core Settlement Guarantee Fund for Equity Segment stood at Rs. 353.59 crores for the month of March 2023.

Table 1
Settlement Statistics for 2022-2023 – Equity Cash Segment *

Month	Quantity of Shares Traded	Quantity of Shares Deliverable (Crores)	% of Shares Deliverable to total shares traded	Value of Shares Traded (Rs. Crores)	Value of Shares Deliverable (Rs. Crores)	% of Delivery to Value of shares traded	% of Short Delivery to Deliverable	Funds-Pay In (Rs. Crores)	No. of settlements
Apr-22	1462.95	349.70	23.90%	202983.25	34009.32	16.75%	0.13	6089.81	19
May-22	978.91	261.79	26.74%	163770.68	26851.68	16.40%	0.08	6358.46	21
Jun-22	878.89	225.23	25.63%	146798.23	22177.07	15.11%	0.07	4799.17	22
Jul-22	850.08	216.98	25.52%	140348.06	24141.94	17.20%	0.09	5085.40	21
Aug-22	1418.60	335.69	23.66%	191122.11	34555.39	18.08%	0.09	6966.56	20
Sep-22	1661.89	412.30	24.81%	223857.53	43844.16	19.59%	0.07	9683.79	22
Oct-22	1086.36	256.30	23.59%	121486.91	26905.62	22.15%	0.09	6349.74	19
Nov-22	1375.54	332.36	24.16%	153459.54	38556.24	25.12%	0.12	8683.89	21
Dec-22	2238.51	435.69	19.46%	166187.80	38989.22	23.46%	0.14	9410.26	22
Jan-23	1078.78	261.80	24.27%	117895.49	28674.31	24.32%	0.17	7113.98	22
Feb-23	762.04	220.45	28.93%	115014.59	23801.29	20.69%	0.25	4768.94	20
Mar-23	1026.38	261.55	25.48%	160353.73	26534.27	16.55%	0.13	5820.87	21

* Net settlement value at Clearing Member level
- Values provided are based on trades across Exchanges which are settled at ICCL under inter-operability framework.

Securities Lending and Borrowing scheme (SLBS)

ICCL is an Approved Intermediary (AI) for SLBS with SEBI.

In FY 2022-23, the volumes in SLBS decreased by 28.57% from Rs.6,190.94 crores in 2022-23 to Rs.4421.94 crores.

As compared to the previous year, during FY 2022-23, number of securities traded in SLBS increased from 107 to 122.

As on March 31, 2023, there are 299 participants and 8 custodian-cum-participants registered in SLBS.

Settlement – Equity Derivatives Segment

The period April 2022 - March 2023 witnessed an increase in the total amount settled. The total value of Equity Derivatives settlement increased to Rs. 38,615.65 crores in 2022-23 from Rs. 22,480.26 crores in 2021-22. The highest monthly settlement was Rs. 4,559.18 crores in the month of May 2022.

April 2022 witnessed the highest monthly trading volumes of Rs. 4,50,16,036.02 crores with a total of 49,30,07,731 contracts (in lots) being traded.

The Core Settlement Guarantee Fund for Equity Derivatives segment stood at Rs. 92.10 crores for the month of March 2023.

The details of turnover & month-wise settlement values during the year April 01, 2022, to March 31, 2023 are tabulated below in Table No. 02:

Table 2:
Settlement* Statistics for 2022-2023 – Equity Derivatives Segment

Month - year	No. of Contracts Traded (in lots)	**Turnover (in Rs. crores)	MTM Settlement	Premium Settlement	Total settlement (Amount in Rs. crores)
Apr-22	49,30,07,731	4,50,16,036.02	2,582.55	704.38	3,286.94
May-22	40,44,64,719	4,01,91,424.17	3,818.82	740.35	4,559.18
Jun-22	40,48,18,616	3,86,06,535.29	2,542.34	879.02	3,421.36
Jul-22	39,36,46,318	3,67,14,353.21	1,551.87	766.12	2,317.99
Aug-22	33,70,61,144	3,22,26,450.73	1,826.59	934.30	2,760.89
Sep-22	32,82,30,848	3,06,25,505.97	3,158.28	1,049.62	4,207.90
Oct-22	28,38,21,801	2,74,99,403.55	2,315.07	836.95	3,152.02
Nov-22	30,78,55,455	2,56,22,731.52	1,754.84	713.98	2,468.82
Dec-22	28,80,62,151	2,47,74,718.97	2,757.12	981.89	3,739.01
Jan-23	25,55,09,069	2,39,50,617.67	1,894.46	746.51	2,640.97
Feb-23	25,40,32,196	2,16,37,807.57	2,122.99	897.77	3,020.76
Mar-23	19,38,77,605	1,77,75,773.09	2,045.96	993.85	3,039.81

* Net settlement at Clearing Member level
** Derivatives segment Turnover includes value of futures contracts + value of notional turnover (premium + strike price) in case of options contracts.
- Values provided are based on trades across Exchanges which are settled at ICCL under inter-operability framework.

Table No. 03:
The month-wise details of Delivery settlements in Equity Derivatives segment for the period from April 2022 to March 2023 are tabulated below in Table No. 03:

Equity Derivatives delivery settlement data

Contract Expiry Month/Year	Delivery Settlement in Equity Derivatives (Rs. in crore)	Value of Funds Settlement (Rs. in crore)
Apr-22	271.36	103.54
May-22	279.03	149.81
Jun-22	319.84	101.01
Jul-22	340.19	80.55
Aug-22	329.8	33.72
Sep-22	346.46	88.27
Oct-22	401.63	142.23
Nov-22	509.65	122.66
Dec-22	405.43	212.82
Jan-23	341.46	131.24
Feb-23	258.5	92.40
**Mar-23	0.00	0.00

**With effect from March 2023 expiry, all the delivery obligations (funds and securities) are netted off with that of the Equity Cash Segment.

Settlement – Currency Derivatives Segment

The period April 2022 - March 2023 witnessed an increase of 65% in the total amount settled. The total value of Currency Derivatives settlement (inclusive of interest rate derivatives) increased to Rs. 9,508.74 crores from Rs. 3,689.09 crores in 2021-22.

The highest monthly settlement was Rs. 1,270.21 crores in the month of October 2022.

November 2022 witnessed the highest monthly trading volumes of Rs. 25,92,482.67 crores with a total of 20,77,79,581 contracts (in lots) being traded.

The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at Rs. 250.20 crores for the month of March 2023.

The details of turnover & month-wise settlement values during the year April 01, 2022, to March 31, 2023, are tabulated below in Table No. 04:

Table 4:

Settlement Statistics* for 2022-2023 – Currency Derivatives Segment

Month - year	No. of Contracts Traded (in lots)	**Turnover (in Rs. crores)	MTM Settlement	Final Settlement	Premium Settlement	Total settlement (Amount in Rs. Crores)
Apr-22	14,65,77,241	17,87,528.18	307.65	37.59	67.88	413.12
May-22	13,76,36,872	17,65,493.52	423.57	42.40	73.99	539.97
Jun-22	12,49,51,647	16,49,308.77	685.10	93.84	42.67	821.61
Jul-22	13,30,10,062	16,99,596.02	904.56	101.90	59.54	1,066.00
Aug-22	13,24,59,271	16,74,403.16	431.54	30.58	45.58	507.71
Sep-22	17,75,20,304	22,85,311.39	944.57	85.72	51.26	1,081.55
Oct-22	17,11,11,114	22,50,792.93	1,046.79	139.32	84.10	1,270.21
Nov-22	20,77,79,581	25,92,482.67	1,044.63	121.62	86.53	1,252.78
Dec-22	16,56,42,260	20,83,770.28	750.22	76.68	58.78	885.68
Jan-23	19,84,72,854	24,59,993.00	572.19	36.84	54.41	663.45
Feb-23	13,41,12,789	16,54,520.37	453.35	41.13	62.32	556.80
Mar-23	15,52,47,964	18,92,476.06	334.64	48.87	66.36	449.87

* Net settlement at Clearing Member level

** Derivatives segment Turnover includes value of futures contracts + value of notional turnover (premium + strike price) in case of options contracts.

- Values provided are based on trades across exchanges which are settled at ICCL under inter-operability framework.

Settlement – Commodity Derivatives Segment

ICCL settled contracts in various commodity traded in Commodity Derivatives Segment on BSE platform. In the year 2022-23, the total Traded Contract (Lots) was 147351 and total value was Rs. 8365.2* Crores.

ICCL designated warehouses and vaults at various delivery centre for the delivery settlement of commodity. The delivery settlement in Gold Mini, Almond (In Shell), Cotton J34 & Steel Billets to the tune of Rs. 89.86 Crores had taken place.

The Core Settlement Guarantee Fund for Commodity Derivatives Segment stood at Rs.18.15 crores as on March 31, 2023.

* Commodity Derivatives Segment Turnover includes value of futures contracts + value of notional turnover (premium + strike price) in case of options contracts.

RISK MANAGEMENT AT ICCL

ICCL undertakes to function as the central counterparty to all the trades executed on the Equity Segment, Equity Derivatives Segment, Currency Derivatives Segment (including Interest Rate Futures), Commodity Derivatives, Electronic Gold Receipts & New Debt Segment, providing full novation, unless specified otherwise.

ICCL employs a robust real-time risk management system in which the permissible exposure for a Clearing Member is based on the collateral deposited by the member with ICCL. The Real-time Risk Management System ("RTRMS") accepts the trades from the trading engine, calculates the margin requirement at client level and blocks it in the collateral system, on a near real-time basis for all segments.

ICCL's Risk Management Framework has been found to be robust and efficient at handling unexpected increases in volumes and volatility on multiple occasions in the past. ICCL continues to maintain the regulatory networth requirements towards credit risk, business risk, orderly wind-down and operational & legal risks to ensure it can continue to operate in a safe and sound manner.

Equity Cash Segment

ICCL follows the Comprehensive Risk Management System as prescribed by SEBI, which provides for the Value at Risk ("VaR") margin model to cover the largest loss that can be encountered on 99% of the days. The variation margins are collected before commencement of next day's trading.
With effect from January 27, 2023, the settlement cycle for the equity cash segment was successfully shortened to T+1.

Equity, Currency, and Commodity Derivatives segments

ICCL uses the portfolio-based SPAN margining system which takes an integrated view of the risk involved in the portfolio of each individual client. The Initial Margin requirement is based on a worst scenario loss of a portfolio of an individual client comprising his positions in all the options and futures contracts across various scenarios of price and volatility changes. Additional margin for highly volatile stocks is levied to ensure that stock specific shocks are integrated into the margining framework. In case of Derivative Segment, the variation margins are collected on T+1 day.

CORPORATE DEBT INSTRUMENTS SETTLEMENT

Over the Counter Trades

The average daily settlement value at ICCL for OTC trades in Corporate Bonds is Rs.973.11 Cr. and in, Commercial Papers (CP) and Certificate of Deposits (CD) is Rs.34.03 Cr. during the financial year 2022-23

The highest settlement value, during this period, of Rs.3777.85 crores (across all corporate debt instruments) was recorded on March 28, 2023

The month-wise settlement statistics for corporate debt instruments are as under:

Month	No. of Settlement Days	Total No. of Trades Settled	Settled Value (in ₹ crores)	Average Daily Settlement Value (in ₹ crores)
Apr-22	18	7996	15247.44	847.08
May-22	20	8182	15595.26	779.76
Jun-22	22	10132	17644.34	802.02
Jul-22	21	11022	17724.99	844.05
Aug-22	19	10477	17105.82	900.31
Sep-22	22	11949	19927.79	905.81
Oct-22	18	9254	14703.75	816.88
Nov-22	21	12666	21310.31	1014.78
Dec-22	22	11646	19652.42	893.29
Jan-23	21	10623	19187.15	913.67
Feb-23	20	11531	22810.86	1140.54
Mar-23	20	17947	44832.18	2241.61

During the financial year 2022-23, ICCL settled Nil repo trades on corporate bonds as compared to Nil repo trades valuing crores settled in the previous year.

BSE StAR MF

As on March 31, 2023, 40 Asset Management Companies with 10805 schemes (active) were registered on BSE StAR MF system.

The figures for subscription and redemption orders settled by ICCL are as given below.

Subscription

The average daily value of funds settled for the subscription of mutual fund units for the period April 1, 2022, to March 31, 2023, was Rs. 818.44 Crores, against the figure of Rs.. 1074 Crores, for the 12 months period in previous financial year. The highest settlement value was Rs. ₹ 4376.99 crores and was conducted on March 31, 2023.

Redemption

The average daily value of funds settled for mutual fund units for the period April 1, 2022, to March 31, 2023, was Rs. 522.89 Crores, against the figure of Rs. 764 crores for the same period in previous financial year. The highest settlement value was Rs. ₹ 4063.98 crores and was observed March 27, 2023.

Other achievements

1. **No disruption of services during the year:** ICCL continued to offer more flexible working model which include hybrid and remote working to its employees. During the year, ICCL further invested in its technology, products, services, and people to build the systems and infrastructures for the future, while upholding strict cost control, ICCL did not experience any technical glitch in the financial year, and the members of ICCL continued to experience smooth operations.

2. **Segregation and Monitoring of Collateral at Client Level:** ICCL implemented Phase I of Segregation and Monitoring of Collateral at Client Level with effect from October 1, 2021, under which members were required to report client level collateral data to ICCL daily. Phase 2 of the Circular was implemented from May 1, 2022 in which members are required to allocate the collateral to their clients in the collateral and risk systems of the Clearing Corporations. The change required substantial changes to the collateral and risk management systems at ICCL. ICCL provided a simulation environment to members for more than 2 months before the final implementation, as well as conducted 3 market-wide mock sessions to ensure that members were able to test their systems and did not face any issues at the time of implementation of the new system. The rollout of the new system went smoothly.

3. **Introduction of T+1 rolling settlement:** In one of the most significant changes in Indian capital markets, India took leadership in compressing the settlement cycle to T+1 day which enables a quicker settlement cycle and reduces the overall risk in the system. The rollout, under the guidance of SEBI, was undertaken in a phased manner, with every month, some securities moving to T+1 settlement cycle; the securities being chosen in ascending order of market capitalization. A phased roll out meant that ICCL systems capably handled both T+1 and T+2 settlement cycles at the same time; ICCL was able to ensure seamless implementation of the T+1 settlement for its members by ensuring that the changes to members' systems was kept at a minimum.

OPPORTUNITIES AND INCREASED COVERAGE

Clearing Members

New Clearing Members have been added as below:

Segments	Self Clearing Members (SCM)	Trading cum Clearing Members (TCM)
Equity Cash	15	NIL
Equity Derivatives	19	2
Currency Derivatives	14	1
Commodity Derivatives	2	NIL
New Debt	5	1
Electronic Gold Receipts	6	2

Custodian Clearing Members & Professional Clearing Members (PCM)

No new custodian clearing members and professional clearing members were added during the year.

Participants & custodians in SLB segment

229 participants, 8 custodian-cum-participants are registered in SLB segment as on March 31, 2023.

Multiple Depositories / Banks

ICCL is electronically connected to both the depositories viz. Central Depository Services (India) Limited (CDSL) and National Securities Depositories Limited (NSDL) for securities settlement and 22 clearing banks, namely Axis Bank Limited, Bank Of Baroda, Bank Of India, Canara Bank, Central Bank of India, Citibank N.A., Corporation Bank, Deutsche Bank AG, HDFC Bank Limited, Hong Kong and Shanghai Banking Corporation Limited, ICICI Bank Limited, IDBI Bank Limited, IndusInd Bank Limited, Kotak Mahindra Bank Limited, Punjab National Bank, Standard Chartered Bank, State Bank Of India, Union Bank of India, Yes Bank Limited, J P Morgan Chase Bank N.A., City Union Bank Ltd. and DBS Bank India Limited for funds settlement.

TECHNOLOGY AT ICCL

At ICCL, Technology is a key driver of our business initiatives and to maintain competitive position. We believe technology initiatives are crucial to our sustainable business operations, market competitiveness, compliance and risk management leading to overall success.

ICCL continuously thrives to improve its technology solutions in order to facilitate IT related applications in a secured and seamless manner thereby retaining the trust of the market participants and stakeholders. The business, operations and functional requirements are continuously met with integrated process of development and quality assurance.

ICCL's technology solutions are developed and enhanced to support customers' needs across various products, services, and segments. The information delivery mechanism is aligned to meet uniform needs of the market participants keeping in view the dynamics of market needs and nature of business.

Noteworthy technological enhancements

<u>Implementation of SaaS Portability for Risk management system</u>

Leveraging the operating modalities of interoperability implemented few years back and to further enhance the Business Continuity of the Risk Management System of the Clearing Corporation (CC), the regulator suggested to build temporary portability of Risk management system. In case of a software failure, this temporary portability will help. This model of portability of risk management system is denoted as SaaS, whereby Software as a Service and redundancy is provided to one CC by the other CC.

Therefore, the overall model is known as SaaS portability.

This is one of its kind model implemented in India and probably across globe between two CCs. The operating model of the SaaS portability is that:

- Risk management system of one CC will be run by the software provided by the other CC. This system is continuously running and performing the computations. The computations performed by this SaaS portability will be used when SaaS portability is invoked in crisis.
- During the implementation of the SaaS model, a tremendous amount of planning and co-ordination was required across CC's, to consider business load and performance. Post initial implementation, the SaaS portability risk management system was opened-up to market

participants for their testing and feedback during scheduled mock drills.

Extending Application Programming Interface (API) to other modules

As per the new SEBI requirement on segregation of client collateral, it was required that CCs shall provide a facility to Clearing Members (CMs) for upfront segment-wise allocation of collateral to Trading Member (TM) / client or CM's own account. The CCs shall use such collateral allocation information to ensure that the collateral allocated to a client is used towards the margin obligation of that client only.

Accordingly, ICCL has provided a mechanism to trading member to report the collateral segregation either through API mechanism or through file upload in Extranet module.

Agility in DR operations

When it comes to BCP/DR SEBI had been very proactive in setting improved guidelines on a regular basis. This year the regulator had established a series of joint exercise between all MII's where multiple coordinated intraday switchovers were performed.

The purpose of these coordinated exercise was to prepare all MIIs as well as market participants to be agile in its operations in case a DR switchover was triggered by any MII during Live trading. Several scenarios were tested during these mocks.

Capacity enhancements

During the year, ICCL initiated capacity improvements to meet increased load. To meet this load, software optimisations were also implemented.

Cyber Security Technology absorption

The securities market has witnessed rapid technologies developments adopted by various stakeholders to meet their customer needs and demands. However, this necessitates the need for maintaining robust cyber security and cyber resilience framework to protect the integrity of data and guard against breaches of privacy.

ICCL has adopted and implemented best in class 24X7 Next Generation Information and Cyber Security Operation Centre (SOC) as it is involved in providing significant functions in clearing and settlement of securities and related services. The SOC implemented has undergone a technology refresh during the year and major technologies were implemented.

HUMAN RESOURCES

Following developments have taken place in Human Resource / Employee Relations in the FY 22-23.

Stress Management - Constant stress and anxiety due to performance pressure can hamper our productivity instead of unlocking our potential. A virtual session on Stress Management was organised for all our employees which dealt with how to eliminate the stress related factors which could not only affect one's health but also hamper the overall work environment and also train one's mind to attract the results each one of us desire. This session also included various breathing exercises which are helpful in relieving stress.

Lego Serious Play Workshop – Very helpful to change the thought process of every individual with a perspective of a better interactions within the employees. It not only helps to improve creative thinking and communication but also focuses on complex adaptive system theory. This workshop has been helpful in increasing the efficiency level of employees which is very fruitful from an organisational perspective in the long run.

Training on basic fire safety and security awareness to all employees –Fire safety training reduces the likelihood of fire accident and gives employees the confidence to deal with emergencies. Employees that have fire safety training will be able to act accordingly to keep themselves and others safe. An in-depth fire training was provided to all employees which was very effective. Apart from conducting fire training sessions at regular intervals, 2 to 3 fire extinguishers have been installed on each floor of the workplace.

Succession Planning Program - We work in a dynamic world today where we are witnessing frequent and unpredictable changes often. It is important for us as an organization to always be prepared and ensure continuity of business. In this context having a Succession plan for all key roles is an important aspect of our business continuity plans. A critical aspect is therefore the readiness of our leadership talent to take on higher responsibilities and take charge when required. With this intent, our organization has put in place a very structured Talent Assessment and Development process to nurture and groom leaders to be successful. A detailed program on Succession Planning was conducted for our employees which not only helps in qualifying best qualified future leaders but also helps the company plan for the long run and it also helps to maintain the brand identity.

LEARNING & DEVELOPMENT AND BEHAVIOURAL TRAINING PROGRAMMES

Learning and Development is a huge factor in not just retention but the overall employee experience. Every year we try to reinforce the importance of learning and development through various webinars as well as seminars. During the pandemic there were couple of learning and development webinars conducted online.

The main objective of conducting such programme is to change or develop the behaviour of the employee, sharing knowledge that will enable them to do their work better and to cultivate attitude which could be beneficial in building their performance at work.

EMPLOYEE STRENGTH

As on March 31, 2023, the Company had 111 Employees.

Gender	Total Number
Number of Men	65
Number of Women	46

FINANCIAL RESULTS

The financial results for the year ended March 31, 2023, are as follows:

(RS. In Lakh)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Income		
Income from Operations	19,559	13,005
Income from Investments and Deposits	1,875	1,727
Other Income	142	62

Total Income (A)	**21,576**	**14,794**
B. Expenditure		
Employee Benefits Expenses	1,436	1,340
Other Operating Expenses	12,078	6,174
Depreciation and Amortisation	551	142
Finance Cost	2,748	2,215
Total Expenditure (B)	**16,813**	**9,871**
Profit before Exceptional Items &Tax (A-B)	**4,763**	**4,923**
Less Exceptional Items	-	-
Profit before Tax	**4,763**	**4,923**
Less: Provision for Tax	1,453	1,438
Net profit for the year	**3,310**	**3,485**
Other Comprehensive Income	10	8
Total comprehensive income for the year	**3,320**	**3,493**
Basic and diluted EPS (₹)	**0.09**	**0.10**

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,
- Electronic Gold Receipts 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 systems for market participants.

ICCL is one of the four CCPs that clear exchange listed products and has been designated as a FMI by SEBI. Being a CCP, the entity is systemically important in the financial sector as it bears the counterparty credit risk of both the trading parties. The recognition of its growing importance is exhibited by the increasing regulatory scrutiny by SEBI and the continuing regulatory developments led by SEBI.

ICCL is a wholly owned subsidiary of BSE and continues to remain integrated with the parent in terms of technology and other infrastructure.

ICCL's business operations are closely monitored by SEBI in line with the strong regulatory framework stipulated by SEBI over the last few years with guidelines on stress testing, Core Settlement Guarantee Fund (Core SGF) and Default Waterfall, to ensure that its operations are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures (PFMI) issued by CPMI-IOSCO. The FMI principles include standards regarding participant default rules and procedures, minimum financial resources to cover credit and liquidity exposure of central counterparties and testing (stress testing, reverse stress testing, back testing). ICCL has also been recognized as a Qualifying CCP (QCCP) with its operational systems subject to regular scrutiny by SEBI.

SHARE CAPITAL

The Company has a paid-up share capital of Rs. 3,54,00,00,000/- as on March 31, 2023.

DIVIDEND

The Board of Director of company have not declared any dividend for financial year 2022-23.

TRANSFER TO RESERVES

The Company has not transferred any amount of profits to reserves for FY 2022-23 and entire amount of profits were transferred in the profit and loss account.

MAJOR EVENTS OCCURRED DURING THE YEAR

a) 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 of the Company to which the financial statements relate and the date of the report.

b) Change in nature of business

   The Company has not undergone any change in the nature of business during the FY 2022-23.

c) Significant and material orders passed by the regulators or courts or tribunals

   During the year, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

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.

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. ICCL has prescribed various margins like Initial Margin [(VaR)/ SPAN}, Extreme Loss Margin, Current Exposure Margin, Intraday Volatility Margin, Pre-Expiry Margin, Additional Margin, Special Margin, etc. which are monitored on a real time basis. ICCL has a comprehensive margin and collateral risk management system with 50% of the margins and collateral required in the form of cash and cash equivalents to manage its liquidity risk in a stress environment. In case of shortfall of margin, risk management system generates various alerts at different collateral utilization levels, puts the member in risk reduction mode at 90% of collateral utilisation. On 100% collateral utilization, a member’s terminal is put under suspension and, disabled when the collateral utilization exceeds 100%. ICCL conducts daily stress testing for credit risk using the standardized stress testing methodology prescribed for each segment.

ICCL maintains a dedicated Core Settlement Guarantee Fund (“Core SGF”) and Default Waterfall for each Segment. In case of default by clearing members, ICCL follows the defined waterfall mechanism to recover money and mitigate the counterparty risk. In the event of a default, ICCL would set aside higher of Rs. 100 Crore or the capital requirement towards orderly winding down of critical operations and services as a part of its recovery and resolution for covering operational cost for 1-year, legal cost, regulatory cost, and other labilities. ICCL has a transparent governance structure with a Board of Directors consisting of atleast 50% Public Interest Directors (“PIDs”).

ICCL has a well-developed structure with strong liquidity buffers providing the required cushion to its risk exposures. ICCL also has additional buffer in the form of counterparty default insurance in the amount of Rs.492 crore.

The adequacy of margins is computed and monitored on a real-time basis, given that the collateral and margin are the first line of defense in the waterfall structure. Further, as required by SEBI, Core SGF adequacy is reviewed on a monthly basis through various stress scenarios.

The Company’s internal control systems 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.

The 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, thereby eliminating counterparty risk for the members. 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 Rs. 856 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, 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**

   Two of the leading credit rating agencies in India, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd. have reaffirmed ICCL's Issuer Rating at 'AAA' with a Stable Outlook.

DIRECTORS

As per the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Governing Board of every recognized Clearing Corporation shall include (a) Public Interest Directors; (b) Shareholder Directors; and (c) Managing Director.

Dr. Hemant Kumar Manuj (Chairman) (DIN: 08246131), Dr. Medha Tapiawala (DIN : 09277265) and Mr. Vikas Gadre (DIN: 06746818) are Public Interest Directors of the Company. Mr. Prasad Dahapute (DIN: 03471995) tenure as Public Interest Director was till October 13, 2022.

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. The Managing Director is included in the category of 'Shareholder Director'. However, she is not liable to retire by rotation during her tenure as Managing Director.

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 26, 2023, has recommended the re-appointment of Mr. Sameer

Patil as a Shareholder Director.

The composition of the Board is in conformity with the Companies Act, 2013 and SECC Regulations, enjoining a specified combination of Executive, Non-Executive and Public Interest Directors with at least one-Woman Director. The Chairman of the Board is a Non- Executive Director and is not related to the Managing Director in conformity with SEBI Listing Regulations.

The Board of Directors are of an opinion and declare that the Independent Director/Public Interest Director reappointed during the year have requisite qualifications, knowledge, experience, and expertise and are eligible to act as an Independent Director of the Company and holds highest standards of integrity.

Directors E-KYC

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

MEMBERSHIP

During the FY 2022-23, ICCL received 46 applications for admission as Clearing Members. Of these, 14 applications were received for the Equity Cash Segment, 21 for the Equity Derivatives Segment, 15 for the Currency Derivatives Segment, 2 for the Commodity Derivatives Segment, 4 for the New Debt Segment and 8 for the Electronic Gold Receipts Segment (EGR). There were members who had applied in multiple segments.

	As on March 31, 2023					
Type	**Equity Cash Segment**	**Equity Derivative Segment**	**Currency Derivative Segment**	**Debt Segment**	**Commodity Segment**	**EGR**
SCM	1239	95	64	23	19	5
TCM	80	68	47	22	16	3
PCM	8	10	5	3	4	0
Total	**1327**	**173**	**116**	**48**	**39**	**8**
Custodian	17 – Cash Segment					

During the FY 2022-23, total 44 applications were received for surrender / cancellation of Clearing Membership with ICCL. Out of these, 28 were for the Equity Cash Segment, 6 for the Equity Derivatives Segment, 4 for the Currency Derivatives Segment, 1 for the New Debt Segment and 1 for the Securities Lending & Borrowing Segment. There were members who had applied for surrender in multiple segments. All these applications were approved by ICCL.

DETAILS OF INSPECTIONS CONDUCTED DURING THE FINANCIAL YEAR 2022-23

ICCL carries out inspections of its Clearing Members as per its Inspection Policy. ICCL had conducted inspections of 13 Clearing Members, for the period 2021-22, during the financial year 2022-23.

FAMILIARISATION PROGRAMME FOR PUBLIC INTEREST DIRECTORS

The Public Interest Directors of the Company periodically undergo structured familiarisation program which aims to provide significant insight into the operations of the Company and about the overall securities market and 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

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 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.

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 amended, a copy of the annual return can be accessed on the website of the Company (www.icclindia.com) under tab "Info for Shareholders".

✓ **Section 164 of the Companies Act, 2013**

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

✓ **Number of Board Meetings**

During the FY 2022 - 23, Six Board Meetings were convened and held. The maximum gap between any two meetings was less than one hundred and twenty days. For further details of meetings of the Board, please refer to the Corporate Governance Section, which forms part of this Annual report.

Details of the composition of Committees of the Board, meetings held, attendance of the Directors at such Meetings and other relevant details are given in the Corporate Governance Report forming part of this 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 that:-

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 and 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 of 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 and 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 laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f. 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.

✓ **Statement on declarations by Independent Directors**

As per SECC Regulations, SEBI has the power to nominate PIDs on the Board of Clearing Corporations. PID means an Independent Director, representing the interests of investors in the securities market and who is not having any association, directly or indirectly, which is in conflict with his / her role. PIDs have a fixed tenure and their appointment is not approved by the shareholders.

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") as well as confirmation that he/ she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence and that he/she is independent of management and a confirmation that he/ she has read and understood the Company's code of conduct, as applicable to the Board of Directors of the Company and that he/ she affirm compliance with the said code of conduct during the financial year 2022-23.

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.

Based on the confirmation/declaration received from the Independent Directors, that he/she was not aware of any circumstances that are contrary to the declarations submitted by him/her, the Board acknowledged the veracity of such confirmation and takes the same on record.

In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and they hold the highest standards of integrity

✓ **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 2022 - 23. The Report of the Secretarial Audit is annexed herewith as **Annexure - A.**

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

a) Pursuant to Schedule II Part A of the SECC Regulations, 2015: Code of Conduct for the Public Interest Directors Point (b), the Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues. It is observed that Company did not hold any meeting of its Public Interest Directors during the first half of Financial Year 2022-23 i.e. from April 1, 2022, till September 30, 2022 - a period of six consecutive months.

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

Company has not given any loan or guarantee to any person during the year. The investments made by Company during the year are in accordance with the provisions of the Companies Act, 2013 and as per the guidelines issued by SEBI time to time. The particulars of Investments made during the financial year are disclosed and part of the Financial Statement for financial year 2022-23.

- ✓ **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 during the financial year were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required Shareholders' approval under Regulation 23 of the Listing Regulations. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022-23 and hence does not form part of this report**.**

- ✓ **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 of the Company to which the financial statements relate and the date of the report.

- ✓ **Manner in which the formal annual evaluation of performance by the Board of its own performance and that of its committees, individual directors and independent external persons was carried out**

As per the provisions of the Companies Act, 2013, the Nomination & Remuneration Committee (NRC) specifies the manner for effective evaluation of the performance of Board, its Committees, individual directors and independent external persons to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance. Accordingly, the evaluation of the performance of the Board, its Committees, its individual directors and independent external persons are carried out in accordance with the Board Evaluation Policy put in place and other requirements stipulated by SEBI in this regard.

During the year under review, the Company actioned the feedback from the Board evaluation process conducted in the year 2022-23.

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

a) Performance evaluation of the Board

The performance of the Board of Directors is evaluated on the basis of various governance and business related parameters which include, inter-alia, corporate governance standards adopted by the Board such as board composition, board diversity, independence in functioning and decision making, commitment to highest ethical standards of integrity and probity, provision for entrepreneurial leadership, effective guidance for setting up and achieving the strategic aims and financial goals of the Company, implementation and periodic review of policies and procedures for risk management, financial controls and statutory compliance, number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company, accountability for decisions taken, stakeholder relationship management, engagement with executive management (formal or informal) on issues/concerns having effect on the Company's functioning and adequacy on flow of information to the Board and ensuring necessary financial and human resource support to achieve Company's objectives, etc.

b) Performance evaluation of the Committees

The performances of the Committees are evaluated based on following parameters.

- Mandate and composition
- Effectiveness of the Committees
- Structure of the Committees and their meetings
- Independence of the Committees from the Board
- Contribution to the decisions of the Board

c) Performance evaluation of the Directors and independent external persons

The performance of the Individual Directors is largely evaluated based on his/her level of participation and contribution to the performance of the Board/Committee(s) in respect of the above areas and on the basis of various governance and business related parameters which include, inter- alia, Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in an independent and objective manner; Understanding of objectives, values, vision and business of the Company; Level of participation and devotion of time to Board meetings/Committee meetings, if any, skills, knowledge, experience, application of subject matter expertise, adherence to Code of Conduct and Code of Ethics of the Company, disclosure of conflict of interest or material pecuniary relationships with the Company or any proposed contract or arrangement and Engagement with executive management for efficient discharge of responsibilities, etc.

If the individual director whose performance is to be evaluated is a Public Interest Director (PID), the NRC, while evaluating the performance of such PID, shall also keep in mind the policy, if any, framed for performance review of PIDs guiding criteria of performance review, evaluation mechanism, the recommendation to SEBI for extension of term of PID, etc. as laid down by SEBI in its circular No. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019.

- ✓ **Change in the Nature of Business**

The Company has not undergone any changes in the nature of the business during the Financial Year 2022 - 23.

- ✓ **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:**

Appointment

Mr. Vikas Gadre was appointed as Public Interest Director of the Company for the period of three years commencing from October 14, 2022 to October 13, 2025, pursuant to SEBI approval dated October 11, 2022.

Cessation

Mr. Prasad Dahapute's tenure as Public Interest Director ended on October 13, 2023.

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 16th Annual General Meeting and being eligible has offered himself for re-appointment.

Details of Key Management Personnel of the Company under SECC Regulations 2018

Following served as Key Management Personnel of the Company pursuant to Regulation 2 (j) of SECC Regulations 2018 during the FY 2022- 23

	Name of Officer	Designation
1.	Ms. Devika Shah	MD & CEO
2.	Mr. Tushar Ambani	Chief Business officer (Chief Operating Officer till September 25, 2022, Chief Risk & Regulatory Officer till March 22, 2023)
3.	Mr. Anand Shaha	Chief Regulatory & Compliance Officer (w.e.f. March 23, 2023)
4.	Mr. Nimeshkumar Mistry	Chief Financial Officer
5.	Mr. Piyush Chourasia	Chief Risk and Regulatory Officer & Head Strategy (till September 9, 2022)
6.	Ms. Vaisshali Babu	Chief Operating Officer (w.e.f. December 1, 2022)
7.	Mr. Sanjay Narvankar	Additional General Manager (till December 28, 2022)
8.	Mr. Suresh Haraniya	Additional General Manager
9.	Mr. Hitesh Shah	Deputy General Manager
10.	Mr. Ajay Chimanlal Darji	Deputy General Manager
11.	Ms. Trupti Tirodkar	Senior Manager
12.	Ms. Roanna Lewis	Senior Manager
13.	Mr. Jaymin Purohit	Senior Manager
14.	Mr. Gurpreet Singh Bansal	Associate Manager – CISO
15.	Ms. Sanaiya Ghadially	Assistant General Manager (w.e.f. December 19, 2022)

16.	Mr. Jigar Shah	Senior Manager
17.	Mr. Mehul Parikh	Additional General Manager (w.e.f. September 1, 2022)

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. Anand Shaha, looks after the regulatory functions of the Company. Also, Ms. Sanaiya Ghadially heads the Risk Management.

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 November 1, 2022 and January 25, 2023, 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. Also, the Company did not become a part of any Joint Venture during the year. As at the end of the year as on March 31, 2023, and also 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, the Company has not accepted any fixed 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, 2023, 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, 2023, there has been no non-compliance with the requirements of the Act.

✓ **Changes in Share Capital**

There was no change in Share Capital of the Company during the FY 2022-23

- ✓ **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. The Policy, as on date, provides a mechanism to the Directors and employees of the Company for reporting instances of unethical conduct, actual or suspected fraud or violation of the Company's Code of conduct or Ethics policy or law to the Chairman of Audit Committee (cases of financial nature) / Regulatory Oversight Committee (other cases) as the case may be. Complete protection will be given to whistleblowers against any unfair practice. No Personnel has been denied access to the relevant Committee.

  As per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, whistle blower policy is provided in the Company's website for the information of the shareholders at the following location:

  ICCL India - Indian Clearing Corporation Limited

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

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

- ✓ **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 Act, Rule 5(1) and Rule 5(2) 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 - B**

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

  The Company 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 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, 2023, 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:

We regularly replace high energy consuming electrical equipment with modern efficient devices such as replacing the fluorescent lights with LED lights. We conserve energy by switching off lights & other equipment when they are not required using sensing technology wherever feasible. Our offices are painted in brighter color to maximize lighting efficiency besides using natural light in most places. The Company continuously strives to optimize its energy usage and efficiency.

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 111 lakh (Previous Year INR 34 lakh) (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), 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, 2023, do not contain any reservation, qualification, or adverse remark.

Reporting of Frauds by Auditors

During the year under review, the Statutory 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 on March 31, 2023, forms part of this Annual Report and is enclosed as **Annexure - C**

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 – D**

- ✓ **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.

ICCL is covered under the purview of Section 135 of the Companies Act, 2013 and hence it needs to spend 2% of the average net profit for the identified CSR purposes. The Companies (Corporate Social Responsibility Policy) Rules, 2014 further elaborates in detail the formulation of the policy, the roles and responsibilities 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 - E**

- ✓ **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

Dr. Hemant Kumar Manuj
Chairman

Place: Mumbai
Date: April 26, 2023

SHWETA GOKARN & CO.
COMPANY SECRETARIES
1405, 14th Floor, Haware Infotech Park, Opp. Inorbit Mall, Sector 30A, Vashi, Navi Mumbai 400 705
shweta@shwetagokarn.com | Tel:+9122 4964 2406 | www.shwetagokarn.com | Peer Review Reg.: 1693/2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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,
25th Floor, 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, papers, 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 March 31, 2023 ('**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 March 31, 2023 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. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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**;
5. 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**;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - **Not applicable to the Company**;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company**;
   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 - **Not applicable to the Company**;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company**;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Company as the Company is not registered as Registrar and Share Transfer Agent**;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **-Not applicable to the Company**;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company** and

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 & SS-2);

b) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('**SECC Regulations**') and

c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - applicable to the extent of 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 the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

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 observation: -*

a) Pursuant to Schedule II Part A of the SECC Regulations, 2015: Code of Conduct for the Public Interest Directors Point (b), the Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues. It is observed that Company did not hold any meeting of its Public Interest Directors during the first half of Financial Year 2022-23 i.e. from April 1, 2022, till September 30, 2022 - a period of six consecutive months.

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 members of the Board dissented on any resolution passed at the meeting of the Board.
- Based on the Compliance and Exception Report as placed before and taken on record by the Board of Directors in their Meetings, I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period no event other than what is reported below, has occurred, which has major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards etc :

- The Company at its Extraordinary General Meeting held on January 25, 2023, approved an increase in borrowing limits under Section 180 (1) (c) of the Companies Act, 2013, from Rs. 4,600 Crores (Rupees Four Thousand and Six Hundred Crores Only) to Rs. 8,000 Crores (Rupees Eight Thousand Crores Only).

For Shweta Gokarn & Co.
Company Secretaries
Peer Review Regn.: 1693/2022

Date: April 24, 2023
Place: Navi Mumbai

Ms. Shweta Gokarn
ACS: 30393
CP No:11001
UDIN: A030393E000182347

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

My report of even date is to be read along with this letter. This is to state that:

1. Maintenance of secretarial records 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 for the financial year ended on March 31, 2023 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
Peer Review Regn.: 1693/2022

Date: April 24, 2023
Place: Navi Mumbai

Ms. Shweta Gokarn
ACS: 30393
CP No:11001
UDIN: A030393E000182347

Annexure - B

(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	Total Experience in years	Previous Employment
1.	@Shri Tushar Ambani	59	25-09-1984	1,23,62,795.00	24.83	Chief Operating Officer	L.L.B.(General) and B.Com	39	BSE Ltd
2.	@Smt Devika Shah	60	01-01-2018	1,00,97,409.00	20.28	MD and CEO	F.C.A. and B.Com	37	BSE Ltd
3.	@Shri Nimeshkumar Mistry	48	01-10-2007	52,98,351.00	10.64	Chief Financial Officer	A.C.A. and B.Com	21	BSE Ltd
4.	@Shri Hitesh Shah	53	01-04-1991	55,38,560.00	11.12	Dy. General Manager - Collateral Management	B. Com, MFM	32	BSE Ltd.
5.	@Shri Ajay Darji	55	08-06-1992	42,66,584.00	8.57	Deputy General Manager – Clearing and Settlement	B. Com., Advance Diploma in Computer Software and System Analysis and CFM (Certificate course in Financial Market)	31	BSE Ltd

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	Total Experience in years	Previous Employment
6.	@Shri Jayeshkumar Ashtekar	57	12-07-1993	41,43,484.00	Non KMP	Assistant General Manager – Operations Mutual Fund Segment	Graduate with CA Intern + MFM	32	BSE Ltd.
7.	Shri Rajeev Ranjan	43	06-07-2018	40,86,280.00	Non KMP	Deputy General Manager – Operations Commodity Segment	M.com and PGDBA	18	MCX
8.	Smt. Roanna Lewies	40	01-02-2021	23,04,449.00	4.63	Senior Manager	B.Com, JAIIB	17.10	Metropolitan Clearing Corporation Ltd.
9.	Shri Jaymin Purohit	39	01-04-2021	20,20,070.00	4.06	Senior Manager	PGDM	12	Aditya Birla Capital
10.	Shri Suresh Haraniya	60	01-08-1989	56,72,238.00	11.39	Additional General Manager	BCom and DMS	34	BSE Ltd.
11.	Smt. Trupti Tirodkar	38	18-11-2019	21,26,969.00	4.27	Senior Manager	Master's in financial management	14	National Commodity Clearing Limited
12.	Shri Jigar Shah	37	20-09-2012	17,75,261.00	3.56	Senior Manager	Inter CA	19	JRM & Associates
13.	Ms. Sanaiya Ghadially	33	19-12-2022	9,32,805.00	1.87	Assistant General Manager	International CFA Level 3	9	NA
14.	Shri Gurpreet Singh Bansal	34	01-11-2021	17,37,854.00	3.49	Associate Manager	BSC (IT)	13	BSE technologies Pvt. Ltd.

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	Total Experience in years	Previous Employment
15.	Shri Mehul Ulhas Parikh	48	01-09-2022	24,66,856.00	4.95	Additional General Manager	B.com, MFM	25	JM Financial
16.	Smt. Vaisshali Babu	55	01-12-2022	25,07,580.00	5.04	General Manager	B.com, M.com, PGDBA, Master class for independent directors	32	BNP Paribas
17.	Shri Piyush Chourasia	39	01-10-2011	69,43,056.00	13.94	Senior General Manager - Chief Risk Officer and Head Strategy	PGDM (IIM Ahmedabad) and B.Tech (NIT Nagpur)	13	United Stock Exchange of India Ltd. (USEIL)
18.	Mr. Sanjay M. Narvankar	59	01-02-2007	68,41,000.00	13.74	Additional General Manager – Operations Mutual Fud	BSc – Graduate	38	Bank of India
19	Mr. Anand Shaha	57	23-03-2023	-	-	General Manager – Regulatory & Compliance Officer	BCOM & Chartered Accountant	32	Axis Securities Limited

- *Total Remuneration considered stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years' which has been paid during the financial year 2022-23 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- Except Jayeshkumar Ashtekar and Rajeev Ranjan, all others are designated as Key Management Personnel under SEBI SECC Regulations 2018.
- @Date of Joining in BSE (Subsequently transferred to ICCL)

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

Hemant Kumar Manuj
Chairman

Place: Mumbai
Date: April 26, 2023

Annexure - C

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2023

- **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.

ICCL, a wholly owned subsidiary of BSE Ltd, was incorporated in 2007 with an objective of promoting financial stability, integrity and expanding its capacities to support an efficient securities market.

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 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.

- **BOARD OF DIRECTORS**

Profile of Board of Directors

Dr. Hemant Kumar Manuj is an Associate Professor in the Finance Area at SPJIMR since 2017. He teaches courses in Finance including Corporate Finance, Securities & Portfolio Management, Derivatives, and Financial Risk Management. Prior to this he has worked in the industry for over two decades in leading financial institutions of India. He has worked in the areas of Securities Regulation, Fund Management, Risk Management, Loan Portfolio Management, and Stressed Assets Management.

He is a B.Tech from IIT (ISM) Dhanbad and an Associate of the institute of Cost & Works Accountants of India. He is a Fellow in Management from Indian Institute of Management, Kolkata and a certified Financial Risk Manager (FRM) from Global Association of Risk Professionals (GARP).

He was a part of the founding team at the Securities & Exchange Board of India (SEBI) and was principally involved in setting up the desk for foreign institutional investors (FIIs) in the early 1990's. Subsequently, he had been the Head of Research and the Investment Strategist at a prominent Financial Institution and a Mutual Fund, managing domestic and offshore equity and debt assets.

For two decades he was engaged in leadership roles in Market Risk, Asset Liability Management (ALM), Loan Portfolio Management, Stressed Assets Management, and Early Warning Signals (EWS) for IDFC Ltd and IDFC Bank.

Apart from his current teaching role, he also engages in consulting with prominent corporates.

He researches and publishes frequently on the current topics in Securities Markets, Risk Management, and Stressed Assets Management.

Dr. Medha Tapiawala is a Dean of Faculty of Humanities at SNDT Women's University, Churchgate, Mumbai. She was a professor at Mumbai School of Economics and Public Policy, University of Mumbai. She has been in academics for more than 30 years with rich experience of teaching students at various management and think institutions. She has organised and participated many international and national level conferences. Her area of expertise is Development Economics in broad and gender economics and Economics of climate change in specific. However, her doctorate is in Banking Productivity.

She has published books and many research papers in reputed journals and edited books in the areas of her interest like Women Entrepreneurship, Gender Budgeting, Waste Management, New education Policy etc. Her latest book is on 'Covid 19, Climate Change and Environmental Governance'. She has completed research projects funded by national institutions like ICSSR, UGC and also by University of Mumbai. Her project to measure "Happiness Index" for an educational institution, is an innovative project in the said area.

She has worked as Director of University of Mumbai's Garware Institute of Career Education, which is the only institution at university campus to enhance vocational skills. She is on the panel of Lokseva Ayog(UPSC), New Delhi.

She is on the Board of studies and subject boards of colleges affiliated to University of Mumbai and on the board of studies of Sardar Patel University of Balaghat (MP). She has media appearances in programmes related to women like "Sakhi" and "Mahacharcha", which is on political economy, on Sahyadri Channel.

She has been awarded Nari shakti award in 2019.

Mr. Vikas Gadre is a senior professional with over 47 years of experience in Industry, Academics, and Consultancy.

During the last 5 years, he has been working as Senior Adjunct Faculty at NMIMS University, School of Business Management, Mumbai. He teaches subjects related to Technology Applications to Business and Business Analytics. He is on various committees of the NMIMS University and involved in student activities such as summits, for mentoring/ guiding them in industry projects.

Mr. Gadre was chosen as one of the top 50 CIOs in the World by Information Week through an independent survey conducted by them in 2007- 2008. He was previously nominated by Central Government for 4 years as a member of the Board of Governors of NITTTR Bhopal (a central govt institution) and currently on the Academic Council of Presidency University.

He worked as a Director General in Bombay Chamber of Commerce and Industry and contributed to maintain financial stability, vibrancy and agility and improved its brand image. He has also worked as a global CIO of Tata chemicals and was responsible for Information Technology strategy, projects and budgets and successfully re-implemented SAP and initiated IFRS conversion. Prior to Tata Chemicals, he worked with Rallis India Limited from 2002 -2007 as Vice President of IT and with Eureka Forbes from 1997-2002 as Vice President of Corporate Planning and IT.

He has a B Tech in Chemical Engineering from Indian Institute of Technology Bombay, Business

Management from Indian Institute of Management Bangalore and is a Company Secretary from Institute of Company Secretaries of India. He is also a certified Quality Analyst and Examiner for Tata Business Excellence Model and a Certified Mediator from the Bombay High Court.

Mr. Neeraj Kulshrestha heads the regulatory functions of BSE 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 bachelor's in computer science from Delhi University and a MBA (Finance) from Indore University.

Mr. Sameer Patil heads the Business Development of BSE 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.

He is a board member of INDIA INX Global Access, India International Clearing Corporation (IFSC) Limited, India International Exchange (IFSC) Limited and BSE Sammaan CSR Limited.

He has about 21 years of experience in financial sectors like Commodities, Currency Derivatives, Indices etc and has experience 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 K J Investors Services (I) PVT LTD, an affiliate of Cargill Investors Services, Illinois, Chicago, USA as 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.

Devika Shah has assumed office as the MD & CEO with effect from January 1, 2018.

Devika comes with over 30 years of rich experience with BSE & has deep understanding of the

Exchange and 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 a bachelor's in commerce degree 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:

Skills	Dr. Hemant Kumar Manuj	Dr. Medha Tapiawala	Mr. Vikas Gadre	Mr. Neeraj Kulshrestha	Mr. Sameer Patil	Devika Shah
Accounting & Finance	✓					✓
Economics		✓				✓
Knowledge of Capital Markets	✓			✓	✓	✓
Technology	✓		✓	✓		✓
Leadership	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓
Regulatory	✓		✓	✓		✓

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					
Dr. Hemant Kumar Manuj	6	6	Yes	-	-
Dr. Medha Tapiawala	6	6	No	-	-
Mr. Prasad Dahapute (till October 13, 2022)	3	3	Yes	-	-
Mr. Vikas Gadre (w,e.f. October 14, 2022)	3	3	NA	-	-
Shareholder Directors					

Mr. Neeraj Kulshrestha	6	5	Yes	-	-
Mr. Sameer Patil	6	6	Yes	-	-
Managing Director and CEO					
Ms. Devika Shah	6	6	Yes	-	-

Note: All Public Interest Directors are Independent, Non-Executive Directors. Shareholder Directors are Non- Executive Directors. 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.	Dr. Hemant Kumar Manuj	1	NIL
2.	Mr. Vikas Gadre	Nil	NA
3.	Dr. Medha Tapiawala	Nil	NA
4.	Mr. Neeraj Kulshrestha	8	Nil
5.	Mr. Sameer Patil	6	Nil
6.	Ms. Devika Shah	Nil	NA

None of the Directors is a member of the Board of more than twenty Companies or a Member of more than eight listed entities and none of the Independent Director is a whole time Director/managing Director of more than three listed entities.

None of the Directors are inter-se related.

Certification from Company Secretary in Practice

A certificate has been received from M/s Dhrumil M Shah & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such statutory authority. The Certificate is part of the Annual Report.

Board Meetings

During the financial year 2022-23, Six Board Meetings were convened and held on April 28, 2022, June 18, 2022, July 27, 2022, November 1, 2022, January 25, 2023 and March 8, 2023.

The dates of the Board / Committee and the Annual General Meeting are proposed in advance. The Company Secretary attends all Board meetings and generally assists Directors in the discharge of their duties and also ensures good information flow within the Board and between the Board and Senior Management. In addition, the Company Secretary attends to secretarial and Board governance matters and is responsible for ensuring that Board procedures are followed.

Voting on a resolution in the meeting of the Governing Board is valid only when the number of PIDs that have cast their vote on such resolution is equal to or more than the number of Shareholder Directors who have cast their vote on such resolution.

Board Agenda

The Board agenda is prepared by the Company Secretary and are finalized in consultation with the MD. The Board agenda and notes thereof are ordinarily sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, if required.

The agenda of the Board meetings is managed in such a way that it allows for flexibility when it is needed. Directors are provided with complete information related to agenda items in a timely manner. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted after obtaining permission of the Chairman of the Board/Meeting and with the concurrence of Independent Directors.

The Board has chosen to receive all its agenda papers electronically for all its Board and Committee meetings and has eliminated the need for hard copy of Agenda Papers. However, hard copy of the Board agenda papers is sent to the Directors at specific request. The agenda papers for Board and Committee meetings are uploaded onto a secure portal which can be accessed digitally.

At the quarterly Board meetings, the MD gives a comprehensive update on ICCL's business and operations. The CFO presents the financial performance and significant financial highlights. Certain business heads provide an update on their areas of business and Key Management Personnel are present at Board meetings, when required.

For any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board / Committee Meeting for noting. The Chairpersons of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meeting. Any feedback or observations made by the Board, wherever necessary, form part of the action taken report for their review at the subsequent meetings.

The Company also provides regular updates to Board members on material changes to regulatory requirements applicable to the Directors periodically.

The minutes of Board meetings are prepared with details of the matters considered by the Board and are reviewed by the Managing Director before being circulated to the other Directors for their comments.

Following the Board and Committee meetings, an effective post meeting follow-up, review and reporting process is undertaken for the decisions taken by them. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments.

Board Induction and Training

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

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

Remuneration of Directors and Key Managerial Personnel

a) 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 Managing Director and Chief Executive Officer during the financial year 2022 -23 is as under:

Particulars of Remuneration	**Amount (₹)**
Ms. Devika Shah, Managing Director CEO	
(a) Basic Salary (b) Allowances & perquisites (c) Variable pay based on performance (d) PF Contribution	18,00,000 58,64,208 22,17,201 2,16,000
Total	**1,00,97,409**
Total remuneration stated above is excluding 50% of total variable to be paid on deferred basis after 3 years and including variable pay of the prior years which has been paid during the financial year 2022-23 as per the SECC Regulations	
As per SECC Regulations, MD being a Key Management Personnel and is not entitled to any stock options	

b) Remuneration to other directors

Particulars of Remuneration	**Name of Independent Directors**				**Total Amount (₹)**
	Mr. Hemant Kumar Manuj	Ms. Medha Paresh Tapiawala	Mr. Vikas Gadre	Mr. Prasad Dahapute	
Fees for attending Board, Committee Meetings	17,40,000	16,80,000	8,30,000	5,50,000	48,00,000
Commission	0	0	0	0	0
Others, please specify	0	0	0	0	0
Total	**17,40,000**	**16,80,000**	**8,30,000**	**5,50,000**	**48,00,000**

c) Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Particulars of Remuneration	**Key Managerial Personnel Amount (₹)**	
	Company Secretary	**CFO**
(a) Basic Salary (b) Allowances & perquisites (c) Variable pay based on performance (d) PF Contribution	1,70,500 4,33,797 - 20,460	3,45,048 44,42,280 4,69,623 41,406
Total	**6,24,757**	**52,98,357**
Total remuneration stated above is excluding 50% of total variable to be paid on deferred basis after 3 years and including variable pay of the prior years which has been paid during the financial year 2022-23 as per the SECC Regulations		

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 2022-23:

Sr. No	Name of Public Interest Directors	Sitting Fees
1.	Dr. Hemant Kumar Manuj	Rs. 17,40,000/-
2.	Dr. Medha Tapiawala	Rs. 16,80,000/-
3.	Mr. Vikas Gadre (w.e.f. October 14, 2022)	Rs. 8,30,000/-
4.	Mr. Prasad Dahapute (till October 13, 2022)	Rs. 5,50,000/-
	Total	**Rs. 48,00,000/-**

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

Further, the tenure of Mr. Prasad Dahapute ended on October 13, 2022 as per SEBI SECC regulations and there was no material reason involved.

- **COMMITTEES FOR CLEARING CORPORATION**

The committees of Clearing Corporation are governed under Companies Act, 2013, SECC Regulations 2018 and SEBI Listing Regulations. The Company, in addition to statutory committees has also constituted voluntary committees.

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" and Companies Act, 2013, following Statutory Committees of the Company are constituted:

Sr. No.	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, 2023, 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, 2023, the composition of Member and Core Settlement Guarantee Fund Committee was as follow:

- Mr. Vikas Gadre , Public Interest Director – Chairman
- Dr. Hemant Kumar Manuj, Public Interest Director
- Dr. Medha Tapiawala, Public Interest Director
- Ms. Devika Shah, Managing Director & 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 2022-23, Four (4) Member and Core Settlement Guarantee Fund Committee Meetings were held on April 28, 2022; July 27, 2022; November 1, 2022 and January 25, 2023.

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 2022 – 23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. Vikas Gadre (w.e.f. October 14, 2022)	2	2
2	Mr. Prasad Dahapute (till October 13, 2022)	2	2
3	Dr. Hemant Kumar Manuj	4	4
4	Dr. Medha Tapiawala	4	4
5	Ms. Devika Shah	4	4

Nomination & Remuneration Committee:

As per SECC Regulations, the Nomination & Remuneration Committee (NRC) shall consist of Public Interest Directors and shall be chaired by a Public Interest Director. However, Independent External Person(s) may be part of the Committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the Independent External Persons.

Further, as per requirements of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board. The NRC was constituted by the Board for the purpose of discharging its functions required under both the Companies Act, 2013 and under SEBI requirements.

As on March 31, 2023, the composition of Nomination & Remuneration Committee was as follow:

- Dr. Medha Tapiawala, Public Interest Director - Chairperson
- Dr. Hemant Kumar Manuj, Public Interest Director
- Mr. Vikas Gadre, 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 key management personnel 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 key management personnel, 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 2022-23, Seven (7) Nomination & Remuneration Committee Meetings were held on April 28, 2022; June 18, 2022; July 27, 2022; November 1, 2022; January 25, 2023; March 8, 2023 and March 20, 2023.

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 2022 – 23 is given below:

Sr. No.	**Members**	**No. of Meetings eligible for attendance**	**No. of Meetings attended**
1	Dr. Medha Tapiawala	7	7
2	Dr. Hemant Kumar Manuj	7	7
3	Mr. Vikas Gadre (w.e.f. October 14, 2022)	4	4
4	Mr. Prasad Dahapute (till October 13, 2022)	3	3

Standing Committee on Technology

As on March 31, 2023, the composition of Standing Committee on Technology is as follow:

- Mr. Vikas Gadre, Public Interest Director - Chairman
- Dr. Medha Tapiawala, 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 system, such as hanging/ slowdown/ breakdown.
- Ensure that transparency is maintained in disseminating information regarding slowdown/break down risk management / clearing & settlement system.
- 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 2022 - 23, Four (4) Standing Committee on Technology Meetings were held i.e. on April 28, 2022; July 27, 2022; November 1, 2022 and January 25, 2023.

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 2022 – 23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. Vikas Gadre (w.e.f. October 14, 2022)	2	2
2	Mr. Prasad Dahapute (till October 13, 2022)	2	2
3	Dr. Medha Tapiawala	4	4
4	Mr. Pravir Vohra	4	4
5	Mr. Alok Kumar	4	4

Advisory Committee

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

As on March 31, 2023, the composition of Advisory Committee is as follow:

- Dr. Hemant Kumar Manuj, Public Interest Director – Chairman
- Mr. Mahesh Desai, Clearing Member
- Mr. Siddharth Shah, Clearing Member
- Mr. Rajesh Sharma, Clearing Member
- Mr. Milan Suresh Parikh, Clearing Member
- Mr. Ashok Agarwal, Clearing Member
- Mr. Ketan Marwadi, Clearing Member
- Mr. Virendra Mansukhani, Clearing Member
- Mr. Alok Churiwala, Clearing Member
- Mr. Cyrus Khambatta, Clearing Member
- Mr. Uttam Bagri, 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 2022-23, Two (2) Advisory Committee Meeting were held on July 26, 2022 and January 17, 2023.

Attendance of the members of Committee in FY 2022 – 23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1.	Dr. Hemant Kumar Manuj	2	2
2.	Mr. Mahesh Desai	2	2
3.	Mr. Siddharth Shah	2	2
4.	Mr. Rajesh Sharma	2	2
5.	Ms. Vaisshali Babu	1	1
6.	Mr. Sriram Krishnan	1	1
7.	Mr. Milan Suresh Parikh	2	2
8.	Mr. Ashok Agarwal	2	2
9.	Mr. Ketan Marwadi	2	0
10.	Mr. Virendra Mansukhani	2	2
11.	Mr. Alok Churiwala	2	2
12.	Mr. Cyrus Khambatta	2	2
13.	Mr. Uttam Bagri	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, 2023, the composition of Regulatory Oversight Committee is as follow:

- Dr. Hemant Kumar Manuj, Public Interest Director – Chairman
- Mr. Vikas Gadre, Public Interest Director
- Dr. Medha Tapiawala, Public Interest Director

Dr. Alok Mohan Sherry, Independent External Person, was a part of the Committee till March 15, 2023.

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 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 a 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 2022-23, Four (4) Regulatory Oversight Committee Meetings were held i.e. on April 28, 2022; July 27, 2022; November 1, 2022, and January 25, 2023.

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 2022 – 23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Hemant Kumar Manuj	4	4
2	Mr. Vikas Gadre (w.e.f. October 14, 2022)	2	2
3	Mr. Prasad Dahapute (till October 13, 2022)	2	2
4	Dr. Medha Tapiawala	4	4
5	Dr. Alok Mohan Sherry	4	4

Risk Management Committee

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The Board has constituted Risk Management Committee to formulate risk (settlement related risks) management policy and to monitor its implementation, to review the strategic, cyber, and business risk (non- settlement risks) and to advise the Board with respect to the same.

As on March 31, 2023, the composition of Risk Management Committee is as follow:

- Dr. Hemant Kumar Manuj, Public Interest Director – Chairman
- Dr. Medha Tapiawala, Public Interest Director
- Mr. Vikas Gadre, 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 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 2022-23, Four (4) Risk Management Committee meetings were held on July 27, 2022; November 1, 2022; January 25, 2023 and March 8, 2023

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 2022-23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Hemant Kumar Manuj	4	4
2	Dr. Medha Tapiawala	4	4
3	Mr. Vikas Gadre (w.e.f. October 14, 2022)	3	3
4	Mr. Prasad Dahapute (till October 13, 2022)	1	1
5	Dr. Ajit Ranade	4	4
6	Mr. Kausick Saha	4	4

Audit Committee:

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls, which the management and the Board of Directors have established, financial reporting and the compliance process. The Committee maintains open communication with statutory auditors, internal auditors, and operational auditors. The Internal Auditors report directly to the Audit Committee. The Audit Committee reviews the reports of the internal auditors, operational auditors, statutory auditors, and secretarial auditors. The terms of reference of Audit Committee is as per the provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As on March 31, 2023, the composition of Audit Committee is as follow:

- Dr. Hemant Kumar Manuj, Public Interest Director - Chairman
- Dr. Medha Tapiawala, Public Interest Director
- Mr. Neeraj Kulshrestha, 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;
- o Recommending the appointment of statutory auditors and internal auditors and fixation of their remuneration.
- o Reviewing the Company's financial and risk management policies.

During the FY 2022-23, Six (6) Audit Committee Meetings were held on April 28, 2022; June 18, 2022; July 27, 2022; November 1, 2022; January 25, 2023 and March 8, 2023

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 2022 – 23 is given below:

Sr. No.	**Members**	**No. of Meetings eligible for attendance**	**No. of Meetings attended**
1	Dr. Hemant Kumar Manuj	6	6
2	Dr. Medha Tapiawala	6	6
3	Mr. Neeraj Kulshrestha	6	5

Corporate Social Responsibility Committee

The Committee was constituted, inter alia, to formulate and recommend to the Board a Corporate Social Responsibility Policy, to recommend the amount of expenditure to be incurred on the activities, and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

As on March 31, 2023, the composition of Corporate Social Responsibility Committee is as follow:

- Dr. Medha Tapiawala, Public Interest Director – Chairperson
- Mr. Vikas Gadre, Public Interest Director
- Mr. Neeraj Kulshrestha, Shareholder Director
- Ms. Devika Shah, Managing Director

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.

Meetings held during the year and attendance thereat:

During the FY 2022-23, two (2) Corporate Social Responsibility Committee Meetings were held on November 1, 2022, and March 8, 2023.

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 2022 – 23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Medha Tapiawala	2	2
2	Mr. Vikas Gadre (w.e.f. October 14, 2022)	2	2
3	Mr. Prasad Dahapute (till October 13, 2022)	NA	NA
4	Mr. Neeraj Kulshrestha	2	1
5	Ms. Devika Shah	2	2

Public Interest Directors

Based on the disclosures received from all the Public Interest Directors and also in the opinion of the Board, the Public Interest Directors fulfil the conditions specified in the Act and SEBI Regulations and are independent of the Management.

Meeting of Public Interest Directors

Dr. Hemant Kumar Manuj, Dr. Medha Tapiawala and Mr. Vikas Gadre are the Public Interest Directors of the Company.

At the Public Interest Directors meeting, they shall review –

- Status of compliance with SEBI letters/circulars;
- 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.

Meetings held during the year and attendance thereat:

During the FY 2022 - 23, Two (2) Public Interest Director meetings were held on November 1, 2022 and January 25, 2023.

Attendance of the meeting of the Public Interest Directors in FY 2022 – 23 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Hemant Kumar Manuj	2	2
2	Dr. Medha Tapiawala	2	2
3	Mr. Vikas Gadre (w.e.f. October 14, 2022)	2	2
4	Mr. Prasad Dahapute (till October 13, 2022)	NA	NA

- **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:

Annual General Meeting				
Financial year	**Date & Time**	**Venue**	**Special Resolution Passed**	**Names of the Directors who attended the General Meetings**
2021 -22	June 22, 2022, 11:30 AM	Through Video Conference	• Reappointment of Mr. Neeraj Kulshrestha (DIN:02994647) as shareholder director • Increase in remuneration of Ms. Devika Shah, Managing Director and Chief Executive Officer • Fitment in remuneration of Ms. Devika Shah, Managing Director and Chief Executive Officer	• Dr. Hemant Kumar Manuj • Mr. Prasad Dahapute • Mr. Sameer Patil • Mr. Neeraj Kulshrestha • Ms. Devika Shah
2020-21	July 29, 2021, 3:00 PM	Through Video Conference	• Appointment of Ms. Devika Shah as Managing Director & Chief Executive Officer • Increase in borrowing limits of the Company • Increase in remuneration of Ms. Devika Shah, Managing Director & Chief Executive Officer	• Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Sameer Patil • Ms. Devika Shah • Mr. Neeraj Kulshrestha
2019-20	July 22, 2020, 9:30 AM	Through Video Conference	• There was 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
Extra Ordinary General Meeting				
2022 - 23	January 25, 2023, 5:00 PM	15th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.	• Increase in the Borrowing Limits of the Company	• Dr. Hemant Kumar Manuj • Mr. Vikas Gadre • Dr. Medha Tapiawala • Mr. Sameer Patil • Ms. Devika Shah • Mr. Sameer Patil (Also as a proxy for Mr. Neeraj Kulshrestha)

2022-23	April 28, 2022, 3:00 PM	15th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.	• Increase in remuneration payable to Ms. Devika Shah, Managing Director and Chief Executive Officer • Fitment in remuneration payable to Ms. Devika Shah, Managing Director and Chief Executive Officer and one time compensation for FY 2019 - 20	• Dr. Hemant Kumar Manuj • Mr. Prasad Dahapute • Dr. Medha Tapiawala • Mr. Sameer Patil • Mr. Neeraj Kulshrestha • Ms. Devika Shah
2021-22	January 6, 2022, 2.45 PM	Through Video Conference	• Increase in the Borrowing Limits of the Company	• Dr. Hemant Kumar Manuj • Mr. Prasad Dahapute • Dr. Medha Tapiawala • Mr. Sameer Patil • Ms. Devika Shah • Mr. Neeraj Kulshrestha

During the previous three financial years (2021 – 22, 2020 – 21 and 2019 – 20) and in the current financial year 2022-23, 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 2022 - 23 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	Not applicable
3.	Number of cases pending as on end of the financial year	Not applicable

- **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.)
D. Evaluation of Independent External Persons of respective committees

The evaluation 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, 2023, 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:
ICCL India - Indian Clearing Corporation Limited

Details of total fees paid to Statutory Auditors

M/s Dalal Doctor and Associates, Chartered Accountants are the Statutory Auditors of the Company. Total fees paid for Financial Year 2022 – 2023 are as follows:

Particulars	Amount
Services as statutory auditors (including quarterly audits)	5,80,000/-
Services for tax matters – Tax Audit Fees	1,90,000/-
Other matters	1,00,000/-
Re-imbursement of out-of-pocket expenses	37,750/-
Total	**9,07,750/-**

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.

Further, no application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

Secretarial Standards

The Company is in compliance with relevant Secretarial Standards issued by the Institute of Company Secretaries of India.

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 2022- 23 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, 2023.

- **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 16th Annual General Meeting	:	Date: July 27, 2023 Time: 3:00 p.m. Venue: Conference Room, 15th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001
• Financial Year	:	April 01, 2022 – March 31, 2023
• 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 – C1**
• 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. Saumya Bajpai, Tel No.: +9122 2272 8988, Email ID: saumya.bajpai@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: [ICCL India - Indian Clearing Corporation Limited]
• Web link where policy for determining 'material' subsidiaries is disclosed	:	[ICCL India - Indian Clearing Corporation Limited]
• 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	:	The Company paid a penalty of Rs. 50,00,000 to SEBI on February 3, 2023 which was imposed vide the Order dated December 28, 2022 passed by the Adjudicating Officer of Securities and Exchange Board of India ("SEBI") in the matter of Show Cause Notice issued by SEBI to ICCL for violation of the SEBI Circular dated December 17, 2018 titled "Early Warning Mechanism to prevent diversion of client securities". Apart from the above, there have been no other penalties, strictures imposed by SEBI or any other statutory authority during the past three years, for any non-compliance.

Annexure – C1

Distribution of Shareholding as on March 31, 2023

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.	Vishal Bhatt – Nominee of BSE Limited	1	0
7.	Sameer Patil – 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 2022-23.

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 26, 2023
Place: Mumbai

Devika Shah
Managing Director & CEO

Annexure C

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Indian Clearing Corporation Limited
25th Floor, P.J. Towers
Dalal Street, Mumbai - 400 001

I have examined the compliance of conditions of Corporate Governance by **M/s. Indian Clearing Corporation Limited** ('the **Company**') for the year ended March 31, 2023, 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 ('**Listing Regulations**') as per the requirement of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, for the period from April 1, 2022 to March 31, 2023. I 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. My examination was limited to procedures and implementation thereof, adopted by the Company 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 Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing Regulations.

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

For Shweta Gokarn & Co.
Company Secretaries
Peer Review Regn:1693/2022

Date: April 24, 2023
Place: Navi Mumbai

Ms. Shweta Gokarn
ACS: 30393
CP No: 11001
UDIN: A030393E000182369

Annexure D

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Indian Clearing Corporation Limited
25th Floor, P.J. Towers
Dalal Street, Mumbai 400 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indian Clearing Corporation Limited having CIN: U67120MH2007PLC170358 and having registered office at 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2023 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, or any such other Statutory Authorities.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Neeraj Kulshrestha	02994647	27/04/2016
2.	Mr. Prasad Dahapute[1]	03471995	29/04/2016
3.	Ms. Devika Sandeep Shah	07980301	01/01/2018
4.	Mr. Sameer Giridhar Patil	08103042	12/02/2020
5.	Dr. Hemant Kumar Manuj	08246131	25/08/2021
6.	Dr. Medha Paresh Tapiawala	09277265	25/08/2021
7.	Mr. Vikas Ganesh Gadre[2]	06746818	14/10/2022

1) Mr. Prasad Dahapute ceased to be the Public Interest Director with effect from October 13, 2022.

2) Mr. Vikas Ganesh Gadre was appointed as Public Interest Director (Independent Director) for his first term of three years with effect from October 14, 2022 to October 13, 2025 vide SEBI approval letter no. SEBI/HO/MRD/RAC2/P/OW/2022/51854/1 dated October 11, 2022.

Ensuring the eligibility of appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

For Dhrumil M. Shah & Co. LLP
Practising Company Secretaries
ICSI URN: L2023MH013400
PR: 3147/2023

Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021E000520698

Place: Mumbai
Date: April 26, 2023

Annexure E

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 RS. 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.	Dr. Medha Tapiawala	Public Interest Director, Chairperson of the Committee	2	2
2.	Mr. Vikas Gadre	Public Interest Director (appointed as a PID w.e.f. October 14, 2022)	2	2
3.	Mr. Prasad Dahapute	Public Interest Director (PID till October 13, 2022)	NA	NA
4.	Mr. Neeraj Kulshrestha	Shareholder Director	2	2
5.	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.
   icclindia.com

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). 3569.33 Lakhs

7. (a)Two percent of average net profit of the company as per section 135(5) 71.39 Lakhs

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

(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). 71.39 Lakhs

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

Total Amount Spent for the Financial Year. (In Rs.)	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).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
71,39,000	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	Prime Minister's National Relief Fund	VII. Contribution to Prime Minister's National Relief Fund	No	-	-	71,39,000	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): 71,39,000

(g) Excess amount for set off if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	71,39,000
(ii)	Total amount spent for the Financial Year	71,39,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	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. .	Preceding Financial ar.	Amount transferred to Unspent CSR Account under section 135 (6) Rs.)	Amount spent in the reporting Financial Year Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if y.			Amount remaining to be spent in succeeding financial years. (In Rs.)
				Name	Amount	Date of	

				of the Fund	(in Rs).	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	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project 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.
NA								

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

Dr. Medha Tapiawala
Chairperson of the Committee

Date: April 26, 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC OUTLOOK

A. Economic Environment

As per the World Economic Outlook April 2023, global growth is expected to be at 2.8% in 2023 before rising modestly to 3% in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7% this year and 4.9% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. In a plausible alternative scenario with further financial sector stress, global growth is expected to decline to ~2.5% in 2023–the weakest growth since the global downturn of 2001, barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009––with advanced economy growth falling below 1%.

Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are rising, with labor markets tight in several economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers have taken forceful actions to stabilize the banking system.

In parallel, the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard, most notably China, appear to be recovering, easing supply-chain disruptions. Despite the incentives from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil.

Risks to the outlook are heavily skewed downside, as financial sector stress could amplify, and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. The war in Ukraine could intensify and lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out more persistent than anticipated, requiring even more monetary tightening to tame. Central banks are expected to remain steady with their tighter anti-inflation stance, but also be ready to adjust to address financial stability concerns as developments demand.

- Inflation, although declining, Remains Elevated

Global headline inflation has been declining since mid-2022 at a three-month seasonally adjusted annualized rate. A fall in fuel and energy commodity prices, particularly for the United States, Euro Area, and Latin America, has contributed to this decline. To dampen demand and reduce underlying (core) inflation, the lion's share of central banks around the world have been raising interest rates since 2021.

As of early 2023, however, financial markets anticipated that less policy tightening would be needed than central banks suggested, leading to a divergence that raised the risks for a significant market repricing.

- High Debt – Public and Private

As a result of the pandemic and economic upheaval over the past three years, private and public debt have reached levels not seen in decades in most economies and remain high, despite their fall in 2021–22 on the back of the economic rebound from COVID-19 and the rise in inflation. Monetary policy tightening has led to sharp increases in borrowing costs, raising concerns about the sustainability of some economies' debts. Among the group of emerging market and developing economies, the average level and distribution of sovereign spreads increased markedly in the summer of 2022, before coming down in early 2023. The effects of the latest financial market turmoil on emerging market and developing economy sovereign spreads have been limited so far, but there is a tangible risk of a surprise increase in coming months should global financial conditions tighten further. The share of economies at high risk of debt distress remains high in historical context, leaving many of them susceptible to unfavorable fiscal shocks in the absence of policy actions.

- Unwinding Commodity Shocks

The shock of Russia's invasion of Ukraine in February 2022 continues to resonate around the world. Economic activity in Europe in 2022 was more resilient than expected given the large negative terms-of-trade fallout from the war and associated economic sanctions. Large budgetary support measures for households and firms in the European Union were deployed to help them weather the energy crisis. Oil and gas prices also began trending downward from their peaks in mid-2022. Together, these actions and channels have dampened the negative effects of the energy crisis in Europe, with better-than-expected levels of consumption and investment in the Q3 of 2022. Beyond Europe, a broad decline in food and energy prices in the Q4 of 2022—although prices are still high—has brought some relief to consumers and commodity importers, contributing to the fall in headline inflation. Sustaining lower prices this year will depend on the absence of further negative supply shocks.

- China's reopening economy

The evolution of especially contagious SARS-CoV-2 variants kindled a surge in COVID-19 around the world in 2022. Eventually, these variants made their way to China, which had hitherto escaped much of the disease's spread, partly through strict containment measures. As the country's COVID restrictions were ultimately lifted, multiple large outbreaks led. to declines in mobility and economic activity in the Q4 of 2022 due to the disease's direct effects on human health and heightened fears of contagion. Supply disruptions also returned to the fore, even if temporarily, leading to a rise in supplier delivery times. The surge in infections compounded the headwinds from property market stresses in China. The Chinese authorities have responded with a variety of measures, including additional monetary easing, tax relief for firms, new vaccination targets for the elderly, and measures to encourage the completion and delivery of unfinished real estate projects. As COVID-19 waves subsided in January of this year, mobility normalized, and high-frequency economic indicators—such as retail sales and travel bookings— started picking up.

With China absorbing about a quarter of exports from Asia and between 5-10% from other geographic regions, the reopening and growth of its economy will likely generate positive spillovers, with even greater spillovers for countries with stronger trade links and reliance on Chinese tourism.

A Challenging Outlook for 2023

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades.

- A severe tightening in global financial conditions

In many countries, the financial sector will remain highly vulnerable to the realized rise in real interest rates in the coming months, both in banks and in nonbank financial institutions. In a severe downside scenario in which risks stemming from bank balance sheet fragilities materialize, bank lending in the United States and other advanced economies could sharply decline, with macroeconomic effects amplified by several channels. Household and business confidence would deteriorate, leading to higher household precautionary saving and lower investment. Depressed activity in the most affected economies would spill over to the rest of the world through lower demand for imports and lower commodity prices. As in past episodes of global financial stress, a broad-based outflow of capital from emerging market and developing economies could occur, causing further dollar appreciation, which would worsen vulnerabilities in economies with dollar-denominated external debt. The dollar appreciation would further depress global trade, as many products are invoiced in dollars. In an environment of elevated financial fragility, contagion could occur, with a sharp loss of investor appetite spreading across geographic regions and asset types. The market for safe assets (such as US or German government bonds) could also seize up, with reduced ease of trading amid a rush out of riskier assets.

- Sharper monetary policy impact amid high debt:

The interaction between rising real interest rates and historically elevated corporate and household debt is another source of downside risk, as debt servicing costs rise amid weaker income growth. This can lead to debt overhang, with lower-than-expected investment and consumption, higher unemployment, and widespread bankruptcies, especially in economies with elevated house prices and high levels of household debt issued at floating rates.

- Stickier inflation:

With labor markets remaining exceptionally tight in many countries, the incipient decline in headline and core inflation could stall before reaching target levels, amid stronger-than-expected wage growth.

An even-stronger-than-predicted economic rebound in China could, with an escalation of the war in Ukraine, reverse the expected decline in commodity prices, raise headline inflation, and pass through into core inflation and inflation expectations. Such conditions could prompt central banks in major economies to tighten policies further and keep a restrictive stance for longer, with adverse effects on growth and financial stability.

- Systemic sovereign debt distress:

Several emerging market and developing economies still face sovereign credit spreads above 1,000 basis points. The easing in spreads since October 2022, which partly reflects the depreciation of the US dollar and lower import bills from declining commodity prices, has provided some relief. About 56% of low-income developing countries are estimated to be either already in debt distress or at high risk of it, and ~25% of emerging market economies are also estimated to be at high risk. While the level of external debt as a share of gross national income is on average one-third lower today than in the 1980s and 1990s, some vulnerabilities are more acute. A higher share of external debt is now issued at variable interest rates and in US dollars, implying greater exposure to monetary tightening in advanced economies.

- Faltering growth in China:

With a substantial share of economies' exports absorbed by China, a weaker-than-expected recovery in China would have significant cross-border effects, especially for commodity exporters and tourism-dependent economies. Risks to the outlook include the ongoing weakness in the Chinese real estate market, which could pose a larger-than-expected drag on growth and potentially lead to financial stability risks.

- Escalation of the war in Ukraine:

An escalation of Russia's war in Ukraine––now in its second year––could trigger a renewed energy crisis in Europe and exacerbate food insecurity in low-income countries. For the winter of 2022–23, a gas crisis was averted, with ample storage at European facilities thanks to higher liquefied natural gas imports, lower gas demand amid high prices, and atypically mild weather. The risks of price spikes, however, remain for next winter. A possible increase in food prices from a failed extension of the Black Sea Grain Initiative would weigh further on food importers, particularly those that lack fiscal space to cushion the impact on households and businesses. Amid elevated food and fuel prices, social unrest might increase.

- Fragmentation:

Barriers to trade are steadily increasing. They range from the imposition of export bans on food and fertilizers in response to the commodity price spike following Russia's invasion of Ukraine to restrictions on trade in microchips and semiconductors and on green investment that are aimed at preventing the transfer of technology and include local-content requirements. Further geoeconomic fragmentation risks not only lower cross-border flows of labor, goods, and capital but also reduced international action on vital global public goods, such as climate change mitigation and pandemic resilience. Some countries may benefit from an associated rearrangement in global production, but the overall impact on economic well-being would likely be negative, with costs particularly high in the short term, as replacing disrupted flows takes time.

B. India Economic Outlook

I. Economic Performance in FY 2022-23

The economy is estimated to have grown by 6.8% in fiscal year 2023. Despite global headwinds, expansion benefited from strong growth in private consumption by an estimated 7.3%, and in investment, up by an estimated 11.2%. On the supply side, GDP growth was supported by agriculture, up by 3.3%, and services, up by 8.8%. Trade, hotels, transport, and communication grew robustly by an estimated 14.0%. Manufacturing growth moderated yet remained positive at 0.6%, reflecting a slowdown in global growth and high input costs.

Headline inflation exceeded the inflation target range of 2%–6%, averaging 6.8% in the first 10 months of FY2022. At its highest, it reached 7.8% in April 2022. Global prices for oilseed, fertilizer, and fuel were elevated by the Russian invasion of Ukraine, an Indonesian ban on palm oil exports, a shortfall in global production of edible oil, and such domestic factors as disappointing wheat production and an unseasonably hot March spiking vegetable prices. These factors pushed food inflation to an average of 6.9% in the first 10 months of FY2022, while fuel inflation remained in double digits, averaging 10.6%. Inflation in both rural and urban areas was high in January 2023.

The government and the Reserve Bank of India undertook several measures to control inflation and its impact. The government banned exports of wheat and broken rice in 2022 to tamp down domestic price fluctuation and ensure food security. The ban on exports of broken rice was lifted in November 2022 but the ban on wheat remains. Further, the government increased fertilizer subsidies by about half to INR 2.25 trillion, the highest ever from the central government. The central bank has tightened monetary policy in a series of hikes since April 2022, raising its policy rate by 250 basis points to 6.50% in February 2023, higher than the pre-pandemic rate of 5.15%. As a result, the lending rate for fresh rupee loans increased by 137 basis points from April 2022 to reach 9.00% in January 2023.

Bank credit growth nevertheless picked up in 2022. Excluding public sector loans for buying crops from farmers, growth in bank credit almost doubled from 8.7% year on year in March 2022 to 16.7% in January 2023, exceeding expected nominal GDP growth at 15.2%. Bank credit for agriculture and allied activities grew by 14.4% and for services by 21.5%, but for industry by only 8.7%. Personal loans grew by 20.4%, pushing up growth in consumption. However, continued double-digit contraction of export credit reflected weakening exports.

Nonperforming loans (NPLs) declined to a 7-year low of 5.0% of all loans and advances at the end of September 2022. The decline is attributed to earlier regulatory reform undertaken by the government: enacting and implementing the Insolvency and Bankruptcy Code in 2016 and reforming public sector banks starting in 2018. A publicly owned asset-reconstruction company set up in 2021 aims to reduce NPLs on banks' balance sheets by acquiring stressed assets from banks and speeding their resolution. High nominal GDP growth helped reduce corporate debt stress by accelerating growth in corporate revenue and thus making it easier for them to service debt.

The central government fiscal deficit shrank from the equivalent of 6.8% of GDP in FY2021 to an estimated 6.4%. Expenditure cuts in areas other than energy, transport, and rural development left the government's fiscal position better than what was budgeted.

Gross tax revenue is expected to greatly surpass the budget target of 2% with growth at 12.3%, which is still lower than nominal GDP growth. The current account deficit is expected to equal 2.9% of GDP in FY2022, its widest since FY2012. The main reasons are rising oil prices and a slowdown in global demand.

Despite weaker capital inflow, foreign exchange reserves remain comfortable. Foreign direct investment inflow declined from $43.17 billion in the first 9 months of FY2021 to $36.7 billion a year later as financial conditions tightened. Foreign portfolio investment outflow in FY2022 reflected higher policy interest rates in the US and rising global tensions. The Indian rupee had depreciated by 7.4% Y/Y at the end of January 2023, reaching a record low of INR 83.2 per dollar in October 2022. To keep the rupee from depreciating further, the central bank sold $30.5 billion in international reserves. As of end of January 2023, foreign exchange reserves worth $575.3 billion provided cover for an estimated 9.2 months of imports.

II. Economic Prospects for FY 2023-24

According to Asian Development Outlook (ADO) – April 2023 Update, India is expected by 6.8% in FY2024. Despite global headwinds, expansion benefited from strong growth in private consumption by an estimated 7.3%, and in investment, up by an estimated 11.2%. On the supply side, GDP growth was supported by agriculture, up by 3.3%, and services, up by 8.8%. Trade, hotels, transport, and communication grew robustly by an estimated 14.0%. Manufacturing growth moderated yet remained positive at 0.6%, reflecting a slowdown in global growth and high input costs.

Private consumption will be the main driver of growth. India's large domestic consumption base will mitigate the impact of a global growth slowdown. A robust labor market and rising consumer confidence are indicators of relatively strong growth in consumption in FY2024 and FY2025. Further, a higher tax rebate and a raised income threshold for tax exemption, announced in the most recent budget, may increase disposable income for the middle class, also boosting private consumption.

However, public consumption is likely to grow only slowly, as central government expenditure shifts toward investment. Private investment growth is likely to be lower in FY2024 given tightened monetary policy, high lending rates, global uncertainty, and moderating optimism on business conditions. However, FY2025 should bring fast growth in investment because of strong macroeconomic fundamentals; lower nonperforming loans in banks than in recent years, which supports banks' ability to lend; and significant corporate deleveraging, which has improved corporations' ability to borrow. Several government policies aiming to improve transport infrastructure, logistics, and the business ecosystem will induce greater private investment. However, the contribution of net exports to growth will be small as growth in both exports and imports of goods moderates in tandem with a slowing global economy, even as India's service exports remain relatively robust.

Manufacturing growth will be slow in FY2024 but pick up in FY2025 due to weak global demand but is expected to benefit as input price inflation moderates while relatively high prices persist for outputs. Production incentives introduced in April 2021 to boost manufacturing productivity and export competitiveness have attracted investment amounting to US$ 5.6 billion. Electronics was one of the first industries covered by these schemes and is likely to see increased production and exports this fiscal year.

However, other beneficiary industries may not see significant impact on output as early as FY2024. Manufacturing growth will likely be tepid in FY2024, given the global growth slowdown, but it is seen picking up in FY2025 as expected improvement in global economic conditions lifts private investment.

Services will strongly grow this fiscal year as business outlook remains positive and will be helped by recovery in tourism and other contact services as COVID-19 impact dissipate. Further, relatively resilient service exports despite the global slowdown will continue to boost growth in the sector. The value of transactions through the Unified Payments Interface, the public digital retail payment system, grew by 68% in FY2023 to February 2023, further driving service growth. India's introduction of a central bank digital currency is likely to accelerate the adoption of digital payment. Nevertheless, the contribution of services to GDP growth will be lower than in FY2022 as the high base effect from normalization after COVID-19 dissipates.

Inflation

Consumer inflation is forecast to moderate to 5% in FY2024, assuming moderation in oil and food prices. This will bring the rate back within the monetary policy target of 2%–6%. Inflation in FY2025 is expected to slow further to 4.5% as inflationary expectations are tamped down and global inflationary pressures subside. Monetary policy in FY2024 is expected to become progressively less accommodative as core inflation, which excludes fuel and food prices, persists because of high inflation expectations and high input costs. Policy will become more accommodative in FY2025 in tandem with expected actions by the US Federal Reserve.

Fiscal Deficit

Fiscal policy will remain supportive of growth even as fiscal consolidation continues. The budget targets narrowing the central government's fiscal deficit to the equivalent of 6.4% of GDP in FY2023 and 5.9% in FY2024. The central government has reiterated that it is committed to bringing its fiscal deficit below 4.5% by FY2026. The projected deficit for general government, combining central and state governments, under the current fiscal consolidation plan is 7.5% of GDP by 2026, down from 10.4% in 2022.

India's public debt is on a sustainable path. After general government debt increased from 75% of GDP in 2020 to 89% in 2021 as the authorities responded to the pandemic, it declined to 84% in FY2023 and is expected to continue to decline gradually over the medium term. As it undertakes fiscal consolidation, the central government will still increase capital spending to support growth. This is important because capital spending is especially effective in India at spurring overall demand. Increased capital spending by the states is also important to garner more growth from public capital expenditure. However, the ability of states to contribute may be stymied unless their financial vulnerabilities are addressed.

Risks to Growth:

Risks to the growth outlook arise from both global and domestic factors. If global conditions do not deteriorate as much as anticipated, higher global demand will likely spur growth in India. However, any worsening of geopolitical tensions is likely to exert further downward pressure on global demand and increase uncertainty, tamping down India's growth rate and pushing up inflation.

Domestically, weather shocks to agricultural production, including abnormal rainfall or higher temperatures, could spur food inflation, thereby putting further pressure on the central bank to raise interest rates.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

A. Capital Market

Fiscal 2022-2023 was a volatile year for Indian equity markets. It had a poor performance in the first half of the fiscal 2022-23, gained momentum in the second half and remained volatile due to allegations on large Indian conglomerate.

Exchanges are organized markets designed to provide centralized facilities for the listing and trading of financial instruments, including securities issued by companies, sovereigns, and other entities to raise capital. Exchanges are crucial market intermediaries and are supervised by the SEBI. In certain cases, exchanges may also act as a self-regulatory organization responsible for supervising their members, corporates, and market participants. To give an overview of the dimension of the capital markets in India, as of FY 2021-22 there were 3 Stock Exchanges in the Equity Cash, Equity derivatives and Currency Derivatives Segment and 4 in the Commodities Derivatives Segment, 4 clearing corporations, 2 depositories, 11,081 Foreign Portfolio Investors (FPIs), and 17 custodians, with a market capitalization of all listed companies at ₹ 258 trillion.

B. Major Policy Developments for FY 2022-23

In the last year, SEBI has come out with major reforms like pledge - re-pledge to make sure that the security given for margin remains in client accounts, upfront margin requirements for all trades, Peak margin system to avoid over leverage, and segregation of client funds and securities. SEBI has been proactive in introducing several regulatory reforms in 2022, namely easing the norms for preferential allotment, bringing in mutual funds under the radar of insider trading, notifying rules for social stock exchanges, bringing in guidelines for online bond platforms, etc. The regulator ended FY 2023 by approving the new buyback norms, a governance framework for market infrastructure institutions, and empowering debenture holders. A series of regulatory changes introduced in relation to access to client funds has boosted transparency and improved risk management for the stock market ecosystem. Some of the Key regulations include the T+1 Settlement, Margin Pledge System, Block Mechanism in the DEMAT Account and Settlement of running account.

<u>Guidelines relating to brokers from using one client's collateral to fund another's margins:</u> With effect from May 2, 2022, brokers have to segregate and report collateral at client level, failing which they will be slapped with heavy penalties. This is a follow on step from September 2020, when the regulator replaced the erstwhile power of attorney (PoA) system with the so-called margin pledge and re-pledge mechanism. The move followed widespread misuse of client funds by brokers. In October 2021, Sebi directed exchanges, clearing corporations, and brokers to disclose cash collateral of clients on T+1 (trading day plus one day) basis. The regulatory guidelines of collateral segregation framework have been designed with the intent and aim of providing transparency and traceability of collateral to the investors, providing individual collateral segregation and protection for all investors; and improving portability and quick return of collateral.

Block mechanism in the DEMAT account: On 16 July 2022, SEBI introduced a block mechanism in the DEMAT account of the clients who are undertaking sale transactions. The concept was introduced to ease the clearing corporation's operations of the Early Pay-in mechanism and the process of movement of shares back to the client's demat account in case the trade is not executed. The facility of the block mechanism shall be mandatorily applied to all the Early Pay-in transactions. As the shares stay in your demat account till the payin date, unlike in earlier cases, where they will be moved from demat to pool account well before payin date, all corporate action benefits, if any, will be directly credited to your bank / demat account.

Settlement of running accounts of clients' funds: SEBI also came out with new guidelines on settlement of running accounts of clients' funds lying with stockbrokers, which were applicable from October 1, 2022. Under the guidelines, the settlement of the running account of funds of the client will be done by the trading member after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter for all the clients. Earlier, brokers settled the client's unused funds lying in the trading accounts at least once in 90 days (every quarter) or 30 days. This was referred to as 'running account settlement' where the aim was to prevent misuse of excess cash by brokers. The new norms bring uniformity and ensure that the entire industry has one single day to work towards the settlement process. The intent of the online system is to discourage trading members from retaining excess funds of clients after settlement of running account, by considering all the client obligations across exchanges. SEBI has also floated a consultation paper for the public on strengthening safeguards to customer funds with various stockbrokers and clearing members.

T+1 settlement: A revolutionary move which changed the settlement cycle to 'T+1' from 'T+2' settlement. The move to shift to T+1 settlement came after two decades. Most major developed markets around the world still follow the T+2 system, with India taking the lead and setting the trend. With the UPI gateway functioning seamlessly on real-time basis, there should not be any problem in fund transfer from brokers to clients, and vice-versa. Reducing the number of days for settlement will help provide better liquidity to investors and thereby enhance trade and participation. This will also help investors in reducing the overall capital requirements with the margins getting released on T+1 day and thereby boosting operational efficiency as the rolling of funds and stocks will be quicker. Quick settlement could help avert the default risk of pay-in/pay-out for such voluminous transactions.

Major Announcements by SEBI:

Date	Title
29-Mar-23	Cyber Security and Cyber Resilience framework for Portfolio Managers
29-Mar-23	Review of time limit for disclosure of NAV of Mutual fund schemes investing overseas
27-Mar-23	Streamlining the onboarding process of FPIs
23-Mar-23	E-wallet investments in Mutual Funds
16-Mar-23	Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination
6-Mar-23	Framework for Adoption of Cloud Services by SEBI Regulated Entities (REs)
15-Feb-23	Maintenance of a website by stockbrokers and depository participants
15-Feb-23	Introduction of Issue Summary Document (ISD) and dissemination of issue advertisements
8-Feb-23	Entities allowed to use e-KYC Aadhaar Authentication services of UIDAI in Securities Market as sub-KUA

3-Feb-23	Manner of achieving minimum public shareholding
1-Feb-23	Transaction in Corporate Bonds through Request for Quote (RFQ) platform by Alternative Investment Funds (AIFs)
12-Jan-23	Participation of AIFs in Credit Default Swaps
11-Jan-23	Allowing stock exchanges to launch multiple contracts on the same commodity in commodity derivatives segment
10-Jan-23	Introduction of future contracts on Corporate Bond Indices
10-Jan-23	Change in control of Portfolio Managers providing Co-investment services
10-Jan-23	Comprehensive Framework on Offer for Sale (OFS) of Shares through Stock Exchange Mechanism
9-Jan-23	Standard Operating Procedure for handling of Stock Exchange Outage and extension of trading hours thereof
9-Jan-23	Mode of settlement for trades executed on the Request for Quote (RFQ) platform
30-Dec-22	Introduction of Investor Risk Reduction Access (IRRA) platform in case of disruption of trading services provided by the Trading Member (TM)
9-Dec-22	Foreign investment in Alternative Investment Funds (AIFs)
30-Nov-22	Inclusion of Equity Exchange Traded Funds as list of eligible securities under Margin Trading Facility
29-Nov-22	Introduction of credit risk based single issuer limit for investment by mutual fund schemes in debt and money market instruments
25-Nov-22	Framework to address the 'technical glitches' in Stockbrokers' Electronic Trading Systems
14-Nov-22	Registration and regulatory framework for Online Bond Platform Providers
28-Oct-22	Reduction in denomination for debt securities and non-convertible redeemable preference shares
19-Oct-22	Request for Quote (RFQ) platform for trade execution and settlement of trades in listed Non-convertible Securities, Securitised Debt Instruments, Municipal Debt Securities and Commercial Paper
13-Oct-22	Governing Council for Social Stock Exchange ("SSE")
30-Sep-22	Two-Factor Authentication for transactions in units of Mutual Funds
22-Sep-22	Issue and listing of Commercial Paper by listed REITs
22-Sep-22	Issue and listing of Commercial Paper by listed InvITs
19-Sep-22	Framework on Social Stock Exchange
19-Aug-22	Participation as Financial Information Providers in Account Aggregator framework
18-Aug-22	Block Mechanism in demat account of clients undertaking sale transactions
17-Aug-22	Guidelines for overseas investment by Alternative Investment Funds (AIFs) / Venture Capital Funds (VCFs)
4-Aug-22	Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence
29-Jul-22	Framework for automated deactivation of trading and demat accounts in cases of inadequate KYCs
27-Jul-22	Settlement of Running Account of Client's Funds lying with Trading Member (TM)
24-Jun-22	Introduction of Unified Payments Interface (UPI) mechanism for Infrastructure Investment Trusts (InvITs)
24-Jun-22	Introduction of Unified Payments Interface (UPI) mechanism for Real Estate Investment Trusts (REITs)
30-May-22	Processing of ASBA applications in Public Issue of Equity Shares and Convertibles

C. Indian Capital Markets Performance and Outlook

The Indian equity market was muted due to decadal high inflation, aggressive monetary policy stance by global central banks and Russia-Ukraine crisis, saw the Indian equity markets remain muted. In the year under review, the S&P BSE Sensex gained 0.72%.

The biggest macro factors influencing the markets include the shift in the power dynamics fueled by China's aggression towards Taiwan, ongoing U.S.-China conflict for supremacy, the continuing Russia-Ukraine war, the U.S. banking crisis and a looming recession. The impact of macro factors are expected to be mitigated by positive domestic factors acting as tailwinds for investors including the near completion of the earnings cycle, lower-than-expected inflation, and a pause on rate hikes by the Reserve Bank of India.

Private weather forecasting agency Skymet has predicted below-average rainfall, while the India Meteorological Department (IMD) has predicted 2023 rainfall at 96% of the long-period average, with a model error of ±5%. This prediction is considered a "normal" year based on early estimates, with a threat of El Nino making an impact. While it is highly unlikely India will witness the El Nino effect which is predicted to form by June, if it does, it could have a severe impact on India's food grain production. The market is expected to closely monitor El Nino as it could have an impact on various fronts such as inflation, interest rates, low industrial production (due to water availability), and lower tax collections, which could impact the markets.

Going into FY 2024, corporate earnings would be key among the many factors that will decide the market mood. Other major factors to impact Indian capital markets in the coming year include resurrection in consumption demand, growth led by policy reforms, move towards digitization and monetary stance of central banks of major economies, and economic and trade policies. Coupled with strong demographic dividend and economic growth, consumer demand conditions in the country will remain strong for a long period. Additionally, stable fiscal situation, moderate inflation rate, exports growth, rising FDI inflows point towards fundamental stability in the economy, which augurs well for the capital markets.

It is widely expected that the equity markets to remain vibrant as the country remains one among the top investment destinations. Among financial assets, majority of household savings in India are still concentrated in the form of cash deposits, gold, and real estate. This is in sharp contrast to developed economies where households rely on a mix of equities, pension products, insurance, and other financial products. As financial literacy levels improve and per capita savings increase, the allocation of savings into more financial products such as insurance, mutual funds and equities is expected to further increase.

- **NEW INITIATIVES AND DEVELOPMENTS**

1. Handling of Clients' Securities by Trading Members (TM) / Clearing Members (CM)

In order to streamline the process of handling of unpaid securities by TM/CM and also to prevent any kind of misuse of such unpaid securities, the following implementations have been made by ICCL as per SEBI guidelines.

i. All the securities received in pay-out, are transferred to the demat account of the respective clients directly from the pool account of the TM/CM within one working day of the pay-out

ii. With regard to the unpaid securities, such securities are transferred to respective client's demat account followed by creation of an auto-pledge with the reason "unpaid", in favor of a "client unpaid securities pledgee account", which are opened by TM/CM

iii. Profits and losses on the sale of unpaid securities with the UCC of the respective client is transferred by TM to their client account.

iv. ICCL has put in place the appropriate systems to ensure compliance of this requirement.

2. Validation of Instructions for Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations

SEBI vide Circular no. SEBI Circular (SEBI/HO/MIRSD/DoP/P/CIR/2022/119) has given guidelines for client level net delivery obligations on T Day which enables Depositories to keep block on the securities in client's demat account in respect of Intra or Inter depository transfer and to transfer blocked securities.

ICCL has put in place appropriate systems to ensure compliance of the provisions of this circular

3. Modification to Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default

i. ICCL has implemented the requirements of modified clause 4.25 of SEBI circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 1, 2020, in order to provide equitable distribution of funds amongst investors within 30 trading days from crystallization of balances.

ii. ICCL has brought the provisions of this Circular to the notice of their members / participants and also disseminated the same on ICCL website. ICCL has communicated the status of the implementation of the provisions of this Circular in their monthly development report to SEBI.

4. Amendment to Securities Lending Scheme, 1997

With reference to SEBI Circular (SEBI/HO/MRD/MRD-POD-2/P/CIR/2023/41), ICCL has modified Annexure – B of Securities Lending Scheme, 1997 by adding the following:

a) Point 7 under Annexure-B (Schedule of Fees) stands modified and be read as follows:

"7. Approved intermediaries are requested to send the fee payable, as stated above by way of direct credit into the bank account through NEFT/RTGS/IMPS or online payment using the SEBI payment gateway or any other mode as may be specified by SEBI from time to time"

b) Point 8 under Annexure-B stands modified and read as follows:

"8. A receipt shall be sent to the approved intermediaries after the realization of the payment through any of the modes specified at Point 7"

i. ICCL has taken all necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;

ii. ICCL has brought the provisions of this circular to the notice of their members and also disseminated the same on ICCL website.

5. Changes to the Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments

i. As per the Clause (i) of Annexure to SEBI Circular (SEBI/HO/MRD/MRD-POD-2/P/CIR/2023/41), ICCL has sent snapshots of client wise margin requirement to TMs/CMs for them to know the intra-day margin requirement per client in each segment.

ii. As per the requirement of the said circular calculation of margin requirements in Derivatives Segment is done by ICCL on the basis of fixed Beginning of Day (BOD) margin parameters which includes all SPAN margin parameters as well as ELM requirements

iii. ICCL has brought the provisions of this Circular to the notice of their members / participants and also disseminated the same on ICCL website.

iv. ICCL has communicated the status of the implementation of the provisions of this Circular in their monthly development report to SEBI

6. Framework for Orderly Winding Down of Critical Operations and Services of a Clearing Corporation

As per the requirement of SEBI Circular (SEBI/HO/MRD/MRD-PoD-3/P/CIR/2022/173), ICCL has framed the policy framework for orderly winding down of their critical operations and services and disseminated the same on ICCL Website

7. System and Network Audit of Market Infrastructure Institutions (MIIs)

i. In order to keep pace with the technological advancements in the securities market. the existing System Audit Framework has been reviewed by ICCL as given in SEBI Circular (SEBI/HO/MRD1/MRD1_DTCS/P/CIR/2022/58)

ii. As per the requirement of the circular RSM Astute Consulting Private Limited (Known as RSM India) has been appointed by ICCL to conduct a System and Network Audit as mandated by SEBI.

iii. ICCL's, System and Network Audit is carried for the Audit Period 01st April 2022 till 30th September 2022.

iv. ICCL has conducted System and Network Audit as per the framework and Terms of Reference (TOR) and maintained a list of all the relevant SEBI circulars/ directions/ advices, etc. pertaining to technology and compliance thereof, and the same has been included under the scope of System and Network Audit.

- **CCPs IN INDIA AND REGULATORY DEVELOPMENTS**

In India, there are five Central Counterparties ("CCPs"), four 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 CCP is solely regulated by the RBI.

Financial markets react to all kinds of events, which may include those that are politically, economically, or environmentally driven. These events expose them to systemic risk. In times of crises, the impact is amplified and often felt across large parts of the global financial markets and the global economy. The war in Ukraine, resurgent strains in China-US relations, and continuing instabilities caused by the pandemic posed challenges to the financial markets in FY2022-23. CCPs actively adapted to this changing environment and the centrally cleared markets have proven, once again, to be a safe haven for market participants during periods of extreme stress.

CCPs continued to observe significant increases in clearing activity due to the observed market movements but were able to process the transactions 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.

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 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 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.

Market infrastructures have their own, stability-fostering role in the event a financial institution faces a crisis. The purpose of system-specific rules and practices is to safeguard the settlement of fund transfers and securities transactions even when the largest counterparties connected to the system are unable to fulfil their obligations.

CCPs, as they do today, must continue to review their margin models, stress testing methodologies and default management protocols to be prepared for the next crisis., It is important for CCPs' to enhance their risk management practices, as appropriate, to address evolving market conditions. CCPs must maintain the flexibility to make these enhancements, leveraging their risk management expertise.

CCPs are a critical component of supporting financial markets, providing financial markets with resilience, safety, and stability by offering market participants an effective and efficient place to manage their risks.

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

- Warehousing norms for Agricultural and Agri-processed goods and non-agricultural goods (only base and industrial metals)
- Cross Margin in Commodity Index Futures and its underlying constituent futures or its variants

- Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of "Financial Disincentives" thereof
- Segregation and Monitoring of Collateral at Client Level
- Penalty for Repeated Delivery Default
- Calendar Spread margin benefit in commodity futures contracts
- Introduction of T+1 rolling settlement on an optional basis
- Revised Position Limits for Currency Derivatives Contracts
- Disclosure of Complaints against the Clearing Corporation
- Cut-off Time for generation of last Risk Parameter File (RPF) for client's margin collection purpose and modification in framework to enable verification of upfront collection of margins from clients in commodity derivatives segment
  Options on Commodity Futures -Product Design and Risk Management Framework– Modification in exercise mechanism
- Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds, Two Factor Authentication ('2FA') for redemption and other related requirements: Extension of timeline

- Introduction of Options on Commodity Indices - Product Design and Risk Management Framework
- Comprehensive Risk Management Framework for Electronic Gold Receipts (EGR) segment

- **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.

As a QCCP, ICCL is subject to a high level of regulatory oversight. Half of ICCL's Board comprises of independent directors. ICCL has a multitude of Committees chaired by Independent Directors which overlook the regulatory, 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, 2022, ICCL's Board of Directors had six members, out of which three are Public Interest Directors, two Shareholders Directors, and the MD&CEO.

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 MM, which comes above the Default Fund of the CCP, in the Default Waterfall.

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.

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 a comprehensive collateral management system with 50% of the margins and collateral required in the form of cash and cash equivalents to manage its liquidity risk in a stress environment. Initial margins are calculated with atleast a 99% confidence interval and are applied on a real-time basis.

In case of shortfall of margin, risk management system generates various alerts at different collateral utilisation levels, puts the member in risk reduction mode at 90% and disables the trading terminal of a member when the collateral utilisation exceeds 100%. On 100% collateral utilisation, member's terminal is put under suspension.

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. 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.

ICCL carries out daily stress tests for credit risk, liquidity stress test to assess the adequacy of liquidity arrangements, reverse stress tests and 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.

Key Strategies

Technology Leadership

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 (BSE Electronic Filing System) (for member filing), which enable the members to add/update their membership and other details online. ICCL has now developed and implemented the IEFS (ICCL Electronic Filing System) portal for net worth submission and monitoring purposes. IEFS will further be developed to include other peripheral member submissions.

In addition to the above, ICCL has also developed ICCL CTRS (Central Transaction Repository System) as a database for all ICCL member information.

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.

Product Leadership

ICCL clears and settles trades in Equity Cash Segment, Equity Derivatives Segment, Currency Derivatives Segment and Offer for Sale for BSE, MSEI and NSE on an interoperable basis.

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 other segments of BSE, including BSE

SME, Offer to Buy, the Commodity Derivatives Segment and Electronic Gold Receipt (“EGR”) 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 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

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, 2023, the Company had 111 Employees.

- **INTERNAL CONTROL, RISKS AND CONCERNS**

  Internal Financial Control Systems and their Adequacy

  The Company has maintained adequate internal financial controls over financial reporting. These includes policies and procedures:

  1. pertaining to the maintenance of records that is reasonably detailed, accurately, and fairly reflects the transactions and dispositions of the assets of the Company
  2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and Directors of the Company, and
  3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of March 31, 2023.
  4. The Statutory Auditors of company have conducted a review of internal financial controls as per guidelines issued.

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. 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 one more clearing corporation 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 2022-23, the total revenue of INR 21,576 lakh increased by 46% from INR 14,794 lakh in FY 2021-22. The increase in revenue was mainly due to (a) increase in Income from Operation by 50% to INR 19,559 lakh (FY 2021-22 INR 13,005 lakh) mainly due to increase in Income from clearing & settlement service charges (b) increase in investment income by 9% to INR 1,875 lakh (FY 2021-22 INR 1,727 lakh) (c) increase in other income by 129% to INR 142 lakh (FY 2021-22 INR 62 lakh).

  The total expenditure during FY 2022-23 has increased by 70% from INR 9,871 lakh for FY 2021-22 to INR 16,813 lakh for FY 2022-23. This increase was mainly due to
  (a) increase in depreciation cost by 288% to INR 551 lakh (FY 2021-22 INR 142 lakh)
  (b) increase in admin cost by 121% to INR 4,944 lakh (FY 2021-22 INR 2,242 lakh)
  © increase in CORE SGF Contribution by 89% to INR 5,496 lakh (FY 2021-22 INR 2,905 lakh) on account of higher interoperability turnover
  (d) increase in Computer technology related expenses by 59% to INR 1,638 lakh (FY 2021-22 INR 1,027 lakh)
  (e) increase in Finance cost by 24% to INR 2,748 lakh (FY 2021-22 INR 2,215 lakh)
  (f) increase in employee cost by 7% to INR 1,436 lakh (FY 2021-22 INR 1,340 lakh)

  The total Profit before tax for the FY 2022-23 was INR 4,763 lakh as against INR 4,923 lakh for FY 2021-22.

The total Profit after tax for FY 2022-23 was INR 3,310 lakh as against INR 3,485 lakh for FY 2021- 22, decrease of approximately 5%.

Financial Statement as on March 31, 2023

Share Capital

The total paid up capital of the Company as on March 31, 2023, is INR 35,400 Lakh (FY 2021-22 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, 2023, is INR 50,260 Lakh (FY 2021-22 INR 39,342 lakh) comprising of Core Settlement Guarantee Fund ("Core SGF") of INR 40,584 lakh (FY 2021-22 INR 32,986 lakh) and statement of profit & loss of INR 9,676 lakh (FY 2021-22 INR 6356 lakh).

Liabilities

Total liabilities stood at INR 1,84,694 lakh (FY 2021-22 INR 2,11,690 Lakh). The details are as under:

1. Non-Current Liabilities: INR 34,275 lakh (FY 2021-22 INR 30,351 lakh). The increase in other long-term liabilities is due to contribution received towards Core SGF.

2. Current Liability

   a) Trade Payable: INR 1,677 lakh (FY 2021-22 INR 1,634 lakh).
   b) Other Financial Liabilities: INR 1,47,284 lakh (FY 2021-22 INR 1,78,037 lakh).
   c) Other current liabilities: INR 1,366 lakh (FY 2021-22 INR 1,601 lakh).
   d) Provisions: increase to INR 92 lakh (FY 2021-22 INR 67 lakh)

Assets

Total assets stood at INR 2,70,354 lakh (FY 2021-22 INR 2,86,432 lakh). The major components are given below:

a) Property, Plant and Equipment, Intangible assets: Total Gross Block as on March 31, 2023, is INR 4,483 Lakh (FY 2021-22 INR 1,058 lakh) and total Accumulated depreciation up to March 31, 2023, is INR 1,401 Lakh (FY 2021-22 INR 850 lakh). Thus, Net Fixed Assets is INR 3,082 lakh (FY 2021-22 INR 208 lakh). In addition, intangible under development is INR NIL (FY 2021-22 INR 565 lakh).
b) Investment: INR 11,990 lakh (FY 2021-22 INR 18,577 lakh).
c) Loans: INR 7 lakh (FY 2021-22 INR 8 lakh).
d) Trade Receivable: INR 3,913 lakh (FY 2021-22 INR 988 lakh)
e) Cash and cash equivalents: INR 43,894 lakh (FY 2021-22 INR 79,790 lakh)
f) Bank balances other than (e) above: INR 1,55,401 lakh (FY 2021-22 INR 1,72,415 lakh).
g) Other Financial Assets: INR 44,513 lakh (FY 2021-22 INR 6,055 Lakh).
h) Tax: INR 5,696 lakh (FY 2021-22 INR 6,647 lakh).
i) Other Assets: INR 1,858 lakh (FY 2021-22 INR 1,179 Lakh).

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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, 2023, 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, 2023 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.

Emphasis of Matter
We draw attention to Note no 31.

Regarding provision against recoverable was made of Rs 1,500 Lakhs against the excess refund made to the investors in Mutual Fund segment for reasons stated therein.

Our opinion is not modified in respect of this matter.

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, 2020 ("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 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 31,2023 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 2023 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.

IV. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note to the financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

V. No dividend has been declared or paid during the year by the Company.

For Dalal Doctor & Associates
Chartered Accountants
FRN: 120833W

Amol Khanolkar
Partner
Membership No 116765
Mumbai, 26th April 2023.
UDIN:

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,2023:

i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

b. The Company has a regular program of physical verification of its Property, Plant and Equipment by which they are verified once every year. The Property, Plant and Equipment 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.

d. According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

e. To the best of our knowledge and according to the information and explanations given to us , no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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

b. The company has been sanctioned overdraft facility in excess of five crores rupees against fixed deposits and as per the information and explanation provided to us, the terms of such facility do not require the company to submit any quarterly returns or statements to such banks or financial statements.

iii a. (A) To the best of our knowledge and according to the information and explanations given to us, the company has not granted as loan or advances and guarantees or security to subsidiaries, joint ventures and associates

(B) To the best of our knowledge and according to the information and explanations given to us, the aggregate amount of bank guarantees provided to parties other than those mentioned in clause 3 (iii)(a)(B) during the year is Rs. 3000 crores (outstanding as on 31st March 2023). No loan or advance or securities have been given to them.

b. The guarantees provided and the terms and conditions of such guarantees provided are not prejudicial to the company's interest.

c. The company has not made any loans and advances in the nature of loan and hence reporting under paragraph 3(iii)(c), (d) and (e) is not applicable.

iv To the best of our knowledge and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments made or provided any guarantee or security provided by them.

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, 2023 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 (refer note 25 of notes to financials):

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. 2012-13	7	CIT (A)
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)
Income Tax Act, 1961	Income Tax	A.Y. 2016-17	1	CIT (A)
Income Tax Act, 1961	Income Tax	A.Y. 2017-18	170	CIT (A)
Income Tax Act, 1961	Income Tax	A.Y. 2018-19	539	CIT (A)
Income Tax Act, 1961	Dividend Distribution Tax	A.Y. 2019-20	137	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 To the best of our knowledge and according to the information and explanations given to us, there are no unrecorded transactions in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. To the best of our knowledge and according to the explanations given to us, the Company has not taken any loans or borrowings from any financial institution, banks, government or has not issued any debentures. Hence reporting under paragraph 3 (ix) of the Order is not applicable to the Company.

In respect of temporary overdraft facility availed by the company, to the best of our knowledge and according to the information and explanations given to us, there was no default in repayment.

x. 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 (x) of the Order are not applicable to the Company and hence not commented upon.

xi. 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.

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 a. The company has an internal audit system commensurate with the size and nature of its business

b. we have considered the reports of the Internal Auditors for the period under audit

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 a. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934

b. To the best of our knowledge and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c. To the best of our knowledge and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d. To the best of our knowledge and according to the information and explanations given to us, the Group does not have any CIC as part of the Group.

xvii The company has not incurred cash losses in the financial year and immediately preceding financial year

xviii No resignation of the statutory auditors has been taken during the year.

xix On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx a. As per information and explanation provided to us, there are no ongoing projects as on 31st March 2023 and hence the company is not required to transfer any amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act.

b. As per information and explanation provided to us, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, that has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act

xxi Being standalone financials, this clause is not applicable to the company

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

Amol Khanolkar
Partner
Membership No 116765
Mumbai, 26th April 2023.
UDIN:

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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 2023 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.

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, 2023, 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, 26th April 2023
UDIN:

INDIAN CLEARING CORPORATION LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

₹ In Lakh

	Particulars	Note No	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	3	1,433	60
	(b) Other Intangible Assets	4	1,649	148
	(c) Intangible Assets Under Development	4	-	565
	(d) Financial Assets			
	(i) Investments	5	7,333	7,452
	(ii) Loans	6	4	6
	(iii) Others	7	43,084	4,694
	(e) Non Current Tax Assets (Net)		3,409	4,028
	(f) Deferred Tax Assets (Net)	8	2,287	2,619
	(g) Other Non-Current Assets	9	551	437
	Sub-total - A		**59,750**	**20,009**
2	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	5	4,657	11,125
	(ii) Trade Receivables	10	3,913	988
	(iii) Cash and Cash Equivalents	11	43,894	79,790
	(iv) Bank Balances Other Than (iii) Above	12	1,55,401	1,72,415
	(v) Loans	6	3	2
	(vi) Others	7	1,429	1,361
	(b) Other Current Assets	9	1,307	742
	Sub-total - B		**2,10,604**	**2,66,423**
	Total Assets (A+B)		**2,70,354**	**2,86,432**
II.	**EQUITY AND LIABILITIES**			
3	**Equity**			
	(a) Equity Share capital	13	35,400	35,400
	(b) Other Equity	14	50,260	39,342
	Sub-total - A		**85,660**	**74,742**
4	**Liabilities**			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	16	85	75
	(b) Other Non-Current Liabilities	17	34,133	30,158
	(c) Provisions	18	57	118
	Sub-total - B		**34,275**	**30,351**
5	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	15		
	A) Total Outstanding Due of Micro & Small Enterprises Payable to Service Providers		53	43
	B) Total Outstanding Due of Creditors Other Than Micro & Small Enterprises Payable to Service Providers		1,624	1,591
	(ii) Other Financial Liabilities	16	1,47,284	1,78,037
	(b) Other Current Liabilities	17	1,366	1,601
	(c) Provisions	18	92	67
	Sub-total - C		**1,50,419**	**1,81,339**
	Total Equity and Liabilities (A+B+C)		**2,70,354**	**2,86,432**

See accompanying notes forming part of financial statements

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 26, 2023

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Devika Shah
Managing Director & CEO

Nimeshkumar Mistry
Chief Financial Officer

Saumya Bajpai
Company Secretary

Indian Clearing Corporation Limited

ICCL

Reliability builds relationships

INDIAN CLEARING CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakh

	Particulars	Note No	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
I	**REVENUES**			
	(a) Revenue From Operations	19	19,559	13,005
	(b) Revenue From Investments And Deposits	20	1,875	1,727
	(c) Other Income	21	142	62
	Total Revenue		**21,576**	**14,794**
II	**EXPENSES**			
	(a) Employee Benefits Expenses	22	1,436	1,340
	(b) Other Operating Expenses	23	12,078	6,174
	(c) Depreciation And Amortisation	3&4	551	142
	(d) Finance Cost - Interest		2,748	2,215
	Total Expense		**16,813**	**9,871**
III	Profit Before Exceptional, Extraordinary Items And Tax	I - II	4,763	4,923
IV	Exceptional Items		-	-
V	Profit Before Extraordinary Items And Tax	III - IV	4,763	4,923
VI	Extraordinary Items		-	-
VII	Profit Before Tax	V - VI	**4,763**	**4,923**
VIII	Tax Expense:			
	Current Tax		1,088	857
	Deferred Tax		329	581
	Tax Adjustment For Earlier Years		36	-
IX	Profit From Continuing Operations	VII - VIII	**3,310**	**3,485**
X	Profit From Discontinuing Operations		-	-
XI	Profit For The Year	IX + X	**3,310**	**3,485**
XII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit plans;		16	11
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(6)	(3)
	Total other comprehensive income for the year		**10**	**8**
XIII	**Total Comprehensive Income for the year**		**3,320**	**3,493**
XIV	Earning Per Equity Share:			
	Basic And Diluted		0.09	0.10
	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

Hemant Kumar Manuj
Chairman

Devika Shah
Managing Director & CEO

Amol Khanolkar
Partner
Membership No.: 116765

Nimeshkumar Mistry
Chief Financial Officer

Saumya Bajpai
Company Secretary

Place: Mumbai
Date: April 26, 2023

INDIAN CLEARING CORPORATION LIMITED

AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ In Lakh

	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit After Tax	3,310	3,485
	Adjustments For:		
	Adjustments for Income tax expense	1,453	1,438
	Amortisation Of Bonds Premium / Discount On Bonds	(27)	(29)
	Finance Cost	2,748	2,215
	Depreciation On Fixed Assets	551	142
	Provision for Compensated absence	84	109
	Bad debts written off	6	-
	Provision for Gratuity	16	16
	(Profit) / Loss On Sale / Redemption Of Mutual Funds	(277)	(165)
	Impairment loss allowance on receivable	1,493	-
	Interest Income	(1,733)	(1,652)
		4,314	2,074
	Operating Profit Before Working Capital Changes	**7,624**	**5,559**
	Change in assets and liabilities		
	Trade Receivables	(2,925)	1,815
	Loans and other financial assets	(10,798)	(51,904)
	Other Assets	(708)	101
	Trade Payable	43	1,070
	Other financial liabilities	(30,749)	1,09,610
	Other liabilities & Provisions	(360)	383
		(45,497)	**61,075**
	Taxes Paid (net of refunds)	(502)	(2,084)
	Net Cash From / (Used In) Operating Activities	**(38,375)**	**64,550**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment towards Property, Plant, Equipment and Intangible assets	(2,861)	(611)
	Net Proceed (Purchase) in Government Securities	107	-
	Net Proceed (Purchase) towards Investments in Mutual Fund	4,889	(5,993)
	Profit /(Loss) on Sale / Redemption of Mutual Funds	396	36
	Investment in Fixed Deposits With Banks	(46,403)	(25,900)
	Proceeds received from Fixed Deposits With Banks	47,274	21,088
	Interest Income	1,837	1,641
	Net Cash From / (Used In) Investment Activities	**5,239**	**(9,739)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance Cost	(2,748)	(2,215)
	Net Cash From / (Used In) Financing Activities	**(2,748)**	**(2,215)**

	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
D.	**Net (Decrease) / Increase In Cash And Cash Equivalents**	**(35,884)**	**52,596**
	Cash And Cash Equivalents At The End Of The Year		
	In Current Account	10,845	15,330
	In Deposit Account	32,891	64,290
		43,736	**79,620**
	Cash And Cash Equivalents At The Beginning Of The Year	**79,620**	**27,024**
	Changes In Cash & Cash Equivalents	**(35,884)**	**52,596**
	Cash And Cash Equivalents At The End Of The Year	**43,736**	**79,620**

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 period 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 26, 2023

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Devika Shah
Managing Director & CEO

Nimeshkumar Mistry
Chief Financial Officer

Saumya Bajpai
Company Secretary

Statement of change in Equity

A. Equity Share Capital

1. For the Year ended March 31, 2023

₹ in Lakh

Balance as at April 01, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the April 01, 2022	Changes in equity share capital during the current year	Balance as at March 31, 2023
35,400	-	35,400	-	35,400

2. For the year ended March 31, 2022

₹ in Lakh

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the April 01, 2021	Changes in equity share capital during the current year	Balance as at March 31, 2022
35,400	-	35,400	-	35,400

B. Other Equity

1. For the Year ended March 31, 2023

₹ in Lakh

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Remeasurements of the net defined benefit liability/assets, net of tax effect (Actuarial Gain/Loss)	Money received against share warrants	Total (A+ B)
			Core Settlement Guarantee Fund (Core SGF)	Securities Premium	Retained Earnings			
Balance as at April 01, 2022	-	-	32,986	-	6,354	2	-	39,342
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the April 01, 2022	-	-	32,986	-	6,354	2	-	39,342
Total Comprehensive Income for the current year	-	-	-	-	3,310	10	-	3,320
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Transferred to Core SGF	-	-	5,496	-	-	-	-	5,496
Income Transferred to Core SGF	-	-	2,102	-	-	-	-	2,102
Balance at the March 31, 2023	**-**	**-**	**40,584**	**-**	**9,664**	**12**	**-**	**50,260**

2. For the year ended March 31, 2022

₹ in Lakh

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Remeasurements of the net defined benefit liability/assets, net of tax effect (Actuarial Gain/Loss)	Money received against share warrants	Total (A+ B)
			Core Settlement Guarantee Fund (Core SGF)	Securities Premium	Retained Earnings			
Balance as at April 01, 2021	-	-	28,443	-	2,869	-6	-	31,306
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the April 01, 2021	-	-	28,443	-	2,869	-6	-	31,306
Total Comprehensive Income for the current year	-	-	-	-	3,485	8		3,493
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	
Transferred to Core SGF	-	-	2,905	-	-	-	-	2,905
Income Transferred to Core SGF	-	-	1,638	-	-	-	-	1,638
Balance at the March 31, 2022	**-**	**-**	**32,986**	**-**	**6,354**	**2**	**-**	**39,342**

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

Hemant Kumar Manuj
Chairman

Devika Shah
Managing Director & CEO

Amol Khanolkar
Partner
Membership No.: 116765

Nimeshkumar Mistry
Chief Financial Officer

Saumya Bajpai
Company Secretary

Place: Mumbai
Date: April 26, 2023

Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2023.

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, 2023, 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 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.

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
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 marketplace.

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 FVTPL.

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 - MSE) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core

SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor's funds. Penalties and fines levied by the Company are directly transferred to Core SGF as Other Contributions.

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

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of:		
Computer Equipment	1,427	57
Furniture, Fixtures	3	2
Office & Electronics Equipments	3	1
Total	**1,433**	**60**

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Cost				
Balance as at April 01, 2021	198	8	6	212
Acquistion through Business Combinations	-	-	-	-
Change due to revaluation	-	-	-	-
Additions during the year	45	1	-	46
Balance as at March 31, 2022	**243**	**9**	**6**	**258**
Balance as at April 01, 2022	243	9	6	258
Acquistion through Business Combinations	-	-	-	-
Change due to revaluation	-	-	-	-
Additions during the year	1,668	2	2	1,672
Deductions / adjustments	-1	-	-	-1
Balance as at March 31, 2023	**1,910**	**11**	**8**	**1,929**

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Accumulated depreciation and impairment				
Balance as at April 01, 2021	151	6	5	162
Depreciation for the year	35	1	-	36
Balance as at March 31, 2022	**186**	**7**	**5**	**198**
Balance as at April 01, 2022	186	7	5	198
Depreciation for the year	297	1	-	298
Balance as at March 31, 2023	**483**	**8**	**5**	**496**

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Net Book Value				
As at March 31, 2022	57	2	1	60
As at March 31, 2023	1,427	3	3	1,433

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Carrying amount				
Balance as at April 01, 2021	47	2	1	50
Additions during the year	45	1	-	46
Deductions / adjustments	-	-	-	-
Depreciation for the year	35	1	-	36
Balance as at March 31, 2022	**57**	**2**	**1**	**60**
Balance as at April 01, 2022	57	2	1	60
Additions during the year	1,668	2	2	1,672
Deductions / adjustments	-1	-	-	-1
Depreciation for the year	297	1	-	298
Balance as at March 31, 2023	**1,427**	**3**	**3**	**1,433**

4. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of:		
Software	1,649	148
Intangible assets under development	-	565
Total	**1,649**	**713**

₹ in Lakh

Particulars	Amount
Cost	
Balance as at April 01, 2021	800
Acquistion through Business Combinations	-
Change due to revaluation	-
Additions during the year	-
Deductions / adjustments	-
Balance as at March 31, 2022	**800**
Balance as at April 01, 2022	800
Acquistion through Business Combinations	-
Change due to revaluation	-
Additions during the year	1,754
Deductions / adjustments	-
Balance as at March 31, 2023	**2,554**

₹ in Lakh

Particulars	Amount
Accumulated depreciation and impairment	
Balance as at April 01, 2021	546
Amortisation for the year	106
Deductions / Adjustments	-
Balance as at March 31, 2022	**652**
Balance as at April 01, 2022	652
Depreciation for the year	253
Deductions / Adjustments	-
Balance as at March 31, 2023	**905**

₹ in Lakh

Particulars	Amount
Net Book Value	
As at March 31, 2022	148
As at March 31, 2023	1,649

₹ in Lakh

Particulars	Amount
Carrying amount	
Balance as at April 01, 2021	254
Additions during the year	-
Deductions / adjustments	-
Depreciation for the year	106
Balance as at March 31, 2022	**148**
Balance as at April 01, 2022	148
Additions during the year	1,754
Deductions / adjustments	-
Depreciation for the year	253
Balance as at March 31, 2023	**1,649**

Intangible assets under development aging schedule

As on March 31, 2023

₹ in Lakh

Intangible assets under development	**Amount in CWIP for a period of**				**Total**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	-	-	-	-	**-**
Projects temporarily suspended	-	-	-	-	**-**

As on March 31, 2022

₹ in Lakh

Intangible assets under development	**Amount in CWIP for a period of**				**Total**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	565	-	-	-	**565**
Projects temporarily suspended	-	-	-	-	**-**

Note - There are no CWIP whose completion is overdue or has exceeded it's cost compared to it's original plan as on 31.03.2023 & 31.03.2022

5. INVESTMENTS

₹ In Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
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	1,996	4,019
Earmarked Augmentation (EA)	5,337	3,433
Sub-Total - A	**7,333**	**7,452**
B. Current Investment		
Quoted - Investment in Govt Securities at Amortised cost		
Core SGF	2,508	1,985
Earmarked Augmentation (EA)	-	1,984
Quoted - Investment in Units of Mutual Funds - at Fair Value through profit & loss		
Own Fund		
Units of Growth Oriented Liquid Schemes of Mutual Funds	1,558	357
Clearing and Settlement Fund (C&S Fund)		
Units of Growth Oriented Liquid Schemes of Mutual Funds	-	6,315
Earmarked Augmentation (EA)		
Units of Growth Oriented Liquid Schemes of Mutual Funds	591	484
Sub-Total - B	**4,657**	**11,125**
Total (A+B)	**11,990**	**18,577**

Scrip-wise Details of Investment

Particulars	Units	As at March 31, 2023	Units	As at March 31, 2022
Investment in Govt Securities at at Amortised cost				
Core SGF				
6.84% Govt Sec 19-Dec-2022 - Core SGF	-	-	20,00,000	1,986
7.37% Govt Sec 16-Apr-2023 - Core SGF	15,00,000	1,500	15,00,000	1,501
7.17% Govt Sec 08-Jan-2028 - Core SGF	15,00,000	1,501	15,00,000	1,501
7.32% Govt Sec 28-Jan-2024 - Core SGF	10,00,000	1,008	10,00,000	1,016
7.26% Govt Sec 22-Aug-2032 - Core SGF	5,00,000	495	-	-
Earmarked - Augmentation				
6.84% Govt Sec 19-Dec-2022 - EA	-	-	20,00,000	1,984
6.54% Govt Sec 17-Jan-2032 - EA	20,00,000	1,894	-	-
7.17% Govt Sec 08-Jan-2028 - EA	35,00,000	3,443	35,00,000	3,433
	1,00,00,000	**9,841**	**1,15,00,000**	**11,421**
Aggregate value of Govt Securities		**9,841**		**11,421**
Market value of Govt Securities		**9,894**		**11,803**
Investment in Units of Mutual Funds - at Fair Value through profit & loss				
Own Fund				
Mirae Asset Cash Management Fund Dir Growth	65,541	1,558	2,520	69
Edelweiss Liquid Fund Direct Growth - Own Fund	-	-	10,491	288
Clearing and Settlement Fund				
Edelweiss Liquid Fund Direct Growth - C&S Fund	-	-	2,29,827	6,315
Earmarked - Augmentation				
Mirae Asset Cash Management Fund DDR - EA	24,865	591	22,084	484
	90,406	**2,149**	**2,64,922**	**7,156**
Aggregate value of Mutual Funds		**2,149**		**7,156**
Market value of Mutual Funds		**2,149**		**7,156**

6. LOANS

₹ In lakh

Particulars		As at March 31, 2023	As at March 31, 2022
Non Current Loans			
Unsecured, considered good			
Other Loans - Loans & Advances to Employee		4	6
	Sub-Total - A	**4**	**6**
Current Loans			
Unsecured, considered good			
Other Loans - Loans & Advances to Employee		3	2
	Sub-Total - B	**3**	**2**
Total (A+B)		**7**	**8**

7. OTHERS FINANCIAL ASSETS

₹ In lakh

Particulars		As at March 31, 2023	As at March 31, 2022
Non Current Others Financial Assets			
Deposit with Others		30	32
Bank deposits with more than 12 months maturity			
Own		85	74
Clearing and Settlement		26,931	1,393
Core SGF		15,121	2,975
Earmarked Augmentation		549	211
Accrued Interest			
Own		14	5
Clearing and Settlement		267	1
Core SGF		87	3
	Sub-Total - A	**43,084**	**4,694**
Current Others Financial Assets			
Unamortised Cost		1	-
Accrued interest			
Deposits			
Clearing and Settlement Fund		22	29
G - Sec			
Own Fund		85	97
Core SGF		92	127
Others			
Settlement Obligation Receivable (Refer note 31)		2,772	1,158
Less: Impairment loss allowance on receivable (Refer note 31)		(1,543)	(50)
	Sub-Total - B	**1,429**	**1,361**
Total (A+B)		**44,513**	**6,055**

8. DEFERRED TAX ASSETS (NET)

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets:		
Provision for Bad & Doubtful Debts	449	15
Provision for Compensated Absences	29	38
MAT Credit Entitlement	1,909	2,617
Less : Deferred Tax Liabilities		
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets	96	12
Financial assets measured at FVTPL	4	39
Net Deferred Tax Assets	**2,287**	**2,619**

9. OTHER ASSETS

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Assets		
Others	126	-
Prepaid Expenses	19	2
Others - Core SGF (Refer Note below)	406	435
Sub-Total - A	**551**	**437**
Current Assets		
Prepaid Expenses	1,103	667
Cenvat Credit Receivable	198	72
Advances for rendering of services (Other than Capital Advances)	6	3
Sub-Total - B	**1,307**	**742**
Total	**1,858**	**1,179**

Note: Other Non Current Assets represent the tax deducted on the Core SGF investments and penalties receivable from members.

10. TRADE RECEIVABLES

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Secured and Considered Good	4	2
Unsecured, considered good	2,463	542
Holding Company	1,446	444
Total	**3,913**	**988**

Trade Receivable ageing schedule ₹ In lakh

Particular	Not Due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	
Undisputed – considered good								
As at March 31, 2023	826	1,821	1,263	1	2	-	-	**3,913**
As at March 31, 2022	211	743	33	1	-	-	-	**988**
Disputed – considered good								
As at March 31, 2023	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-	-	-

11. CASH AND CASH EQUIVALENTS

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balances with banks		
In Current accounts		
Own Fund	98	184
Clearing and Settlement Fund	10,747	15,146
Core SGF	158	170
In Deposit accounts		
Clearing and Settlement Fund	32,891	64,290
Total	**43,894**	**79,790**

12. BANK BALANCES OTHER THAN (III) ABOVE

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
In Deposit accounts		
Own Fund	5,386	6,269
Clearing and Settlement Fund	74,164	90,849
Core SGF	52,448	52,028
Earmarked Augmentation	18,624	18,962
Accrued Interest		
Own Fund	742	843
Clearing and Settlement Fund	2,136	2,062
Core SGF	1,901	1,402
Total	**1,55,401**	**1,72,415**

Notes:

- Balances in Deposits with Banks of ₹ 64,481 Lakh (As at March 31, 2022 ₹ 5,647 Lakh), are pledged against bank over draft.

13. EQUITY SHARE CAPITAL

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
5,00,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2022: 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, 2022: 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, 2023		As at March 31, 2022	
	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
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, 2023		As at March 31, 2022	
	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). List of shares held by holding company

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	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(d). Shareholding of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
BSE Limited	3,54,00,00,000	100%	3,54,00,00,000	100%
% Change during the year	NIL		NIL	

2(d) 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(d) 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, 2023	As at March 31, 2022
Core Settlement Guarantee Fund - Core SGF			
Opening Balance		32,986	28,443
Add : Contribution for the year		5,496	2,905
Add : Income Earned during the year		2,102	1,638
	Sub-Total - A	**40,584**	**32,986**
Retained earnings			
Opening Balance		6,356	2,863
Add : Profit for the year		3,320	3,493
	Sub-Total - B	**9,676**	**6,356**
Total (A+B)		**50,260**	**39,342**

Notes:

Core Settlement Guarantee Fund:

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

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

Retained earnings:

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

15. TRADE PAYABLES

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
i) Total outstanding due of Micro & Small Enterprises Payable to service providers	53	43
ii) Total outstanding due of Creditors other than Micro & Small Enterprises Payable to service providers	1,624	1,591
Total	**1,677**	**1,634**
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(a) Principal amount and interest thereon remaining unpaid at the end of year	53	43
(b) Interest due and payable for delay during the year	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-

Trade Payable ageing schedule

As At March 31, 2023 ₹ In lakh

Particular	Not Due	Unbilled	Outstanding for following periods from due date of: Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	Total
Undisputed – considered good								
MSME	2	51	-	-	-	-	-	**53**
Others	399	1,217	-	3	5	-	-	**1,624**
Disputed – considered good								
MSME	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-

As At March 31, 2022 ₹ In lakh

Particular	Not Due	Unbilled	Outstanding for following periods from due date of: Less Than 6 Months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More Than 3 Years	Total
Undisputed – considered good								
MSME	8	31	3	-	-	-	-	**42**
Others	962	625	4	-	-	-	-	**1,591**
Disputed – considered good								
MSME	-	-	-	-	-	-	1	**1**
Others	-	-	-	-	-	-	-	-

16. OTHER FINANCIAL LIABILITIES

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Accrued Employee Benefits Expense	85	75
Sub-Total - A	**85**	**75**
Current		
Deposit from Clearing Banks & Warehouses	13,859	13,611
Deposit and Margins from Members & Others	91,871	1,35,924
Settlement Obligation Payable	5,331	10,453
Clearing and Settlement - Others	36,045	17,819
Accrued Employee Benefits Expense	178	230
Sub-Total - B	**1,47,284**	**1,78,037**
Total (A+B)	**1,47,369**	**1,78,112**

17. OTHER LIABILITIES

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Core Settlement Guarantee Fund (Refer to Note - 2.3.19 & 32) (Exchanges Contribution and Others Contributions)	34,133	30,158
Sub-Total - A	**34,133**	**30,158**
Current		
Statutory dues payable	1,366	1,601
Sub-Total - B	**1,366**	**1,601**
Total (A+B)	**35,499**	**31,759**

18. PROVISIONS

₹ In lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Provisions		
Provision for Employee Benefits		
Other Provision		
Provision for Compensated Absences	57	118
Sub-Total - A	**57**	**118**
Current Provisions		
Provision for Compensated Absences	92	66
Provision for Gratuity	-	1
Sub-Total - B	**92**	**67**
Total (A+B)	**149**	**185**

19. REVENUE FROM OPERATIONS

₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of services		
Clearing and Settlement Services	11,091	7,280
Auction Fees	93	154
Others	53	58
Other Operating Revenue		
Treasury Income from Clearing and Settlement Funds		
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	8,160	5,394
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	162	119
Total	**19,559**	**13,005**

20. REVENUE FROM INVESTMENTS AND DEPOSITS

₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	1,353	1,264
G Sec	407	417
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	115	46
Total	**1,875**	**1,727**

21. OTHER INCOME

₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income on Income Tax Refund	115	58
Miscellaneous Income	27	4
Total	**142**	**62**

22. EMPLOYEE BENEFITS EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, Allowances and Bonus	1,254	1,147
Contribution to Provident and Other Funds	49	47
Provision for Compensated Absence	84	109
Staff Welfare Expenses	49	37
Total	**1,436**	**1,340**

23. OTHER OPERATING EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Auditors' remuneration	9	9
Bad debts written off	6	-
Bank Charges & Commission (Refer note 26)	935	598
Business Promotion Expenses	13	-
Contribution to Corporate Social Responsibility (refer details below)	71	52
Electricity Charges	17	19
Rent	398	324
Computer Technology Related Expenses	1,638	1,027
Contribution to Core SGF	5,496	2,905
Insurance	167	212
Rates and taxes, excluding taxes on income	11	8
Clearing House Charges	9	11
Directors' Sitting Fees	9	11
Legal Fees	26	35
Maintenance Expenses	7	5
Professional Fees	1,534	878
Impairment loss allowance on receivable (net off reversal)	1,493	-
Stamp Duty, Registration Charges & Regulatory Fees and payments	129	16
Travelling Expenses	21	8
Committee Meeting Sitting Fees	54	47
Miscellaneous Expenses	35	9
Total	**12,078**	**6,174**

23.1 Auditors' Remuneration ₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Auditors' Remuneration Includes:		
Statutory Audit Fees	6	6
Tax Audit Fees	2	2
Other services	1	1
Total	**9**	**9**

23.2 Contribution to Corporate Social Responsibility ₹ In Lakh

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
The gross amount required to be spent by company during the year	71	52
Amount of expenditure incurred	71	52
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Contributions of funds towards Prime Minister's National Relief Fund.	Contributions of funds towards technology incubators located within academic institutions.
Details of related party transactions		
Contribution to BSE CSR Integrated Foundation in relation to CSR expenditure	71	52
Provision, if made (With Movement)	-	-
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, 2023	As at March 31, 2022
(a)	Estimated amount of unexecuted capital contracts	374	-

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

₹ in lakh

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Claims against the company not acknowledged as debts in respect of :		
	- Income tax matters	1,674	1,674
	- Service tax matters	1,683	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)	Bank Guarantee (Refer Note 26)	3,00,000	2,00,000

26. The company has given bank guarantee of ₹ 3,00,000 lakh as on March 31, 2023 (As on March 31, 2022 of ₹ 2,00,000 lakh) towards Inter CCP collateral under Interoperability framework as prescribed by SEBI.

27. 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".

28. Related party Transactions:

1. List of Related Party and Relationships

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 (Section 8 company under companies Act, 2013) - Fellow Subsidiary
7.	BSE Institute Limited - Fellow Subsidiary

Sr.	Name of Related Party & Relationship
8.	BSE Investments Limited - Fellow Subsidiary
9.	India International Exchange (IFSC) Limited - Fellow Subsidiary
10.	India International Clearing Corporation (IFSC) Limited - Fellow Subsidiary
11.	BSE Institute of Research Development & Innovation (Section 8 Company) - Fellow Subsidiary
12.	Indian INX Global Access IFSC Limited - Fellow Subsidiary
13.	BSE Administration & Supervision Limited. - Fellow Subsidiary
14.	BSE E-Agricultural Markets Limited. - Fellow Subsidiary
15.	Hindustan Power Exchange Limited (Formerly known as Pranurja Solutions Limited) - Associate of Holding Company
16.	Central Depository Services (India) Ltd - Associate of Holding Company
17.	CDSL Ventures Limited - Associate of Holding Company
18.	CDSL Insurance Repository Limited - Associate of Holding Company
19.	CDSL Commodity Repository Limited - Associate of Holding Company
20.	India International Depository (IFSC) Limited (Formerly known as CDSL IFSC Limited) - Associate of Holding Company
21.	BSE EBIX Insurance Broking Pvt Limited - Associate of Holding Company
22.	Asia Index Private Ltd. - Joint Venture of Holding Company
23.	BSE EBIX Insuretech Private Limited (Formerly known as Marketplace Ebix Technology Services Private Limited) - Associate of Holding Company
24.	India International Bullion Exchange IFSC Limited. - Associate of Holding Company
25.	Indian International Bullion Holding IFSC Limited. - Associate of Holding Company
26.	BSE Investors Protection Fund - Trust set-up by Holding Company
27.	ICCL Employees Gratuity Fund - Trust set-up by the Company
28.	Shri Prasad Dahapute (till 13.10.2022) - Public Interest Director
29.	Shri Vikas Gadre (w.e.f. 14.10.2022) - Public Interest Director
30.	Dr. Hemant Kumar Manuj – Chairman
31.	Dr. Medha Tapiawala - Public Interest Director
32.	Shri Neeraj Kulshreshtha - Shareholder Director
33.	Shri Sameer Patil - Shareholder Director
34.	Smt Devika Shah - Key Management Personnel - Managing Director & CEO
35.	Shri Nimeshkumar Mistry - Key Management Personnel - Chief Financial Officer
36.	Smt. Saumya Bajpai -Key Management Personnel - Company Secretary (w.e.f. 28.04.2022)

2. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income		
Clearing and settlement fees	3,319	2,734
Account Validation Charges	336	-
Warehouse Service Charges	6	22
Rental Income	2	2

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenditure		
Computer Technology Related Expenses	118	129
Rent	205	205
Electricity Charges	16	18
Property Tax	4	4
Staff welfare	30	29
Other Expenses	16	14

₹ in lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Assets		
Prepaid Expenses	185	21
Receivable (net)	1,446	444
Liability		
Contribution towards Core SGF (excluding income earned thereon)	9,914	10,411

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

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income		
Rental Income	1	-
Expenditure		
Computer Technology Expenses	720	625

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Assets		
Prepaid Expenses	-	3
Liability		
Payable (net)	73	59

(c) BSE CSR Integrated Foundation (Fellow Subsidiary)

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenditure		
CSR Contribution	71	52

₹ in lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Assets		
Investment (2,500 Equity shares of ₹ 10/- each)	-	-

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

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income		
Rental Income	-	-

(e) BSE Institute Limited – Fellow Subsidiary

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income		
Rental Income	-	-

(f) BSE E-Agricultural Markets Limited – Fellow subsidiary

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income		
Rental Income	1	-

(g) Central Depository Services (India) Ltd (Associate of Holding Company):

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenditure		
Administrative & Other Expenses	4	4

₹ in lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Assets		
Deposits (Asset)	5	5
Prepaid Expenses	1	1

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

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenditure		
Rent	9	8

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

₹ in lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Net defined benefit assets		
ICCL Employee's Gratuity Fund	169	185

(j) Key Management Personnel (KMP):

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Smt. Devika Shah (Managing Director & CEO) Gross remuneration and other benefits paid *	101	79
Shri Nimeshkumar Mistry (Chief Financial Officer) Gross remuneration and other benefits paid *	53	46
Smt. Shilpa Pawar (Company Secretary till March 17, 2022) Gross remuneration and other benefits paid *	-	8
Smt. Saumya Bajpai (Company Secretary w.e.f. April 28, 2022) Gross remuneration and other benefits paid *	6	-

* Includes the variable pay and arrear of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made as required by Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2018

29. Earnings per Share:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax (₹ in lakh)	3,310	3,485
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 (₹)	**0.09**	**0.10**

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

₹ in lakh

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Software Expenses	34	21
Regulatory Fees	73	11
Others	4	2

31. SEBI mandated discontinuation of pooling mechanism, third party validation checks and nomination check with effect from July & Oct 2022 under the mutual fund segment which necessitated process changes. This resulted in challenges like incorrect data update, delays in data updates, no updates from Payment Aggregator's (PA) end and error in underlying process. There were also technology constraints at PA end and incorrect updation of bank account details from member's end. These issues led to delays in processing of refunds, clients got refund as well as allotment of units and excess payment by ICCL to clients amounting to ₹ 5,992 lakh out of which ₹ 4,167 lakh has been recovered by the company. Balance of ₹ 1,825 lakh is in process of recovery and the same is included in note 7. The company has made provision against such recoverable amount of ₹ 1,500 lakh in the books of account.

32. **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 (MSE) during year towards contribution to the Core Settlement Guarantee Fund (“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, Commodity Derivative Segment and Electronic Gold Receipts-EGR) to guarantee the settlement of trades executed in respective segment. Accordingly, an amount ₹ 40,584 lakh as of March 31, 2023 (₹ 32,986 lakh as at March 31, 2022) 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 ₹ 15,307 lakh as of March 31, 2023 (₹ 15,029 lakh as at March 31, 2022) including income earned thereon as well as 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 ₹ 9,953 lakh as of March 31, 2023 (₹ 8,766 lakh as at March 31, 2022) including income earned thereon. The contribution made by MSE to said Core SGF amounts to ₹ 253 lakh as of March 31, 2023 (₹ 80 lakh as at March 31, 2022) including income earned thereon. Further, Other Contribution represent an amount ₹ 8,620 lakh as at March 31, 2023 (₹ 6,283 lakh as at March 31, 2022) including (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 clients to ICCL’s Core SGF of Currency Derivative , Equity Derivative and Commodity Derivatives respectively, (iii) fines & penalties collected from members by ICCL and income earned thereon.

₹ in lakh

Particulars	**Contribution**					**Total**
	ICCL	**BSE**	**NSE**	**MSE**	**Other**	
Equity Segment	19,604	5,674	4,875	2	5,682	**35,837**
Equity Derivative Segment	5,181	614	1,933	-	1,716	**9,444**
Currency Derivative Segment	13,953	6,839	3,145	251	1,186	**25,374**
Commodity Derivative Segment	890	890	-	-	35	**1,815**
Debt	189	-	-	-	-	**189**
SLB	-	-	-	-	1	**1**
Electronic Gold Receipts (EGR)	767	255	-	-	-	**1,022**
Unallocated	-	1,035	-	-	-	**1,035**
Grand Total	**40,584**	**15,307**	**9,953**	**253**	**8,620**	**74,717**

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

33.1. 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, 2023 and March 31, 2022.

₹ in lakh

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Change in benefit obligations		
Benefit obligations at the beginning	185	182
Transfer in/(out) plan assets	(2)	1
Current Service Cost	17	16
Interest on defined benefit obligation	12	10
Re-measurements - Actuarial Loss / (Gain)	(20)	(18)
Benefits Paid	(23)	(6)
Closing Defined Benefit Obligation	169	185
Change in plan assets		
Opening Fair Value of Plan Assets	185	184
Transfer in/(out) plan assets	(2)	1
Contributions by Employer	1	2
Interest on Plan Assets	9	4
Re-measurements - Actuarial Loss / (Gain)	-	-
Benefits Paid	(23)	(6)
Closing Fair Value of Plan Assets	170	185
Funded status	170	185

b. Amount For the year ended March 31, 2023 and year ended March 31, 2022.

₹ in lakh

Particulars	March 31, 2023	March 31, 2022
Current Service Cost	17	16
Interest on net defined benefit obligations / (asset)	(1)	(1)
Total Included in "Employee Benefit Expense"	16	15

c. Amount For the year ended March 31, 2023 and year ended March 31, 2022 recognised in the statement of other comprehensive income:

₹ in lakh

Particulars	March 31, 2023	March 31, 2022
Opening amount recognised in "Other Comprehensive Income"	(6)	6
Re-measurement for the year – Obligation gains / (losses)	(20)	(18)
Re-measurement for the year – Plan asset gains / (losses)	4	8
Total amount recognised in "Other Comprehensive Income"	(22)	(6)

d. Principle actuarial assumption

Assumptions	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.30%	6.40%
Salary escalation	7.00%	7.00%

- **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- **Salary Escalation Rate:** The estimates of future salary 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, 2023	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-1.91%	2.01%
Impact of decrease in 50 bps on defined benefit obligation	2.01%	-1.92%

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, 2023
Expected benefits for year 1	66,56,792
Expected benefits for year 2	33,93,166
Expected benefits for year 3	5,96,181

Maturity Profit	As at March 31, 2023
Expected benefits for year 4	21,80,538
Expected benefits for year 5	4,75,587
Expected benefits for year 6 to year 10	42,45,231
Expected benefits for year 10 and above	61,25,313

The weighted average duration to the payment of these cash flows is 3.97 years.

g. Composition of Plan Assets

₹ in lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer Managed Funds	170	185
Others	-	-

Actual return on the assets for the year ended March 31, 2023, and year ended March 31, 2022, were ₹ 9 lakh and ₹ 4 lakh respectively.

33.2. 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, 2023, and for the year ended March 31, 2022 of ₹ 28 lakh and ₹ 26 lakh respectively for provident fund in the statement of profit & loss.

33.3. 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.

34. 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:

34.1. 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.

34.2. 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.

34.3. 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.

34.4. 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.

35. 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., 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 resources 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 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 Management 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 Centre, 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 800 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 networth covers nearly 2 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 of March 31, 2023, and March 31, 2022.

As of March 31, 2023: ₹ in lakh

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	85	-	85
Total Non-Current Liabilities	**-**	**85**	**-**	**85**
Current Liabilities				
Deposits and Margin Received	1,05,730	-	-	1,05,730
Settlement Obligation Payable	5,331	-	-	5,331
Accrued Employee benefit expenses	178	-	-	178
Others Clearing Settlement Liability	36,045	-	-	36,045
Trade Payable	1,672	5	-	1,677
Total Current Liabilities	**1,48,956**	**5**	**-**	**1,48,961**

As at March 31, 2022: **₹ in lakh**

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	75	-	75
Total Non-Current Liabilities	**-**	**75**	**-**	**75**
Current Liabilities				
Deposits and Margin Received	1,49,535	-	-	1,49,535
Settlement Obligation Payable	10,453	-	-	10,453
Accrued Employee benefit expenses	230	-	-	230
Others Clearing Settlement Liability	17,819	-	-	17,819
Trade Payable	1,633	1	-	1,634
Total Current Liabilities	**1,79,670**	**1**	**-**	**1,79,671**

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 default. 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. 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 market share 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			
	2023	2022	2023	2022
i) Financial assets				
(a) Measured at Amortised Cost				
Investment in Govt Securities	9,841	11,421	9,894	11,803
Trade receivable	3,913	988	3,913	988
Cash and cash equivalents	43,894	79,790	43,894	79,790
Bank Balances other than Cash and cash Equivalents	1,55,401	1,72,415	1,55,401	1,72,415
Loans	7	8	7	8
Other financial assets	44,513	6,055	44,513	6,055
(b) Measured at FVTPL				
Investment in Mutual Funds	2,149	7,156	2,149	7,156
ii) Financial Liabilities				
(a) Measured at Amortised Cost				
Trade payables	1,677	1,634	1,677	1,634
Other financial liabilities	1,47,369	1,78,112	1,47,369	1,78,112

Level wise disclosure of fair value measurement of financial instruments

₹ in lakh

Particulars	Fair values as at		Fair Value Hierarchy
	March 31, 2023	March 31, 2022	
Financial assets			
At Amortised Cost			
Investment in Govt Securities	9,894	11,803	Level 1
At FVTPL			
Investment in Mutual Funds	2,149	7,156	Level 1

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

36. 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 assesses 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.

37. Income Tax Expense:

The following are the details of income tax assets as at March 31, 2023 and March 31, 2022.

₹ in lakh

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Net Current tax at the beginning (Assets)	4,028	2,801
Current Income Tax provision including earlier tax adjustment	(1,121)	(857)
Income tax paid (Including TDS)	502	2,084
Balance at the end	**3,409**	**4,028**

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, 2023, and March 31, 2022.

₹ in lakh

Particular	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profit before tax from continuing operations	4,763	4,923
Income tax expense calculated at 29.12% **(A)**	1,387	1,434
Adjustment:		
Effect of expenses that are not deductible in determining taxable profit	(35)	(14)
Others	2	10
Total (B)	**(33)**	**(4)**
Adjustments recognised in the current year in relation to the current tax of prior years **(C)**	33	-
Income tax expense recognised in profit or loss (relating to continuing operations) **(A-B+C)**	1,453	1,438

38. Ratio

The following are analytical ratios for the year ended March 31, 2023, and March 31, 2022

Sr No	Ratio	Numerator	Denominator	March 31		% Change
				2023	2022	
1	Current ratio	Current Assets	Current Liabilities	0.89	1.04	-14.42%
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-
3	Debt Service coverage ratio	Earnings for debt service = Net profit after taxes + non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-
4	Return on Equity ratio %	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	7.62%	8.71%	-12.51%
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	N.A.	N.A.	-
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Accounts Receivable	4.59	3.95	16.20%
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	8.94	8.50	5.18%
8	Net Capital Turnover Ratio	Net sales	Working Capital	-0.70	0.94	-174.47%[2]
9	Net Profit ratio %	Net Profit after tax	Net Sales	29.46%	46.52%	-36.67%[3]
10	Return capital Employed %	Earnings before interest and taxes	Capital Employed = Tangible Net Worth	8.94%	9.64%	-7.26%
11	Return on Investment %	Investment Income	Average Investment	5.56%	5.18%	7.34%

Note:

1. For the purpose of calculation of current assets, current investments related to Core SGF, and Earmarked Augmentation are not considered.
2. Bank deposit with maturity more than 12 months impacted in the working capital resulted the ratio.
3. Higher Contribution to Core SGF and impaired loss impacted the net profit after tax.

39. The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. Hence relevant disclosure is not applicable.

40. The company is not declared as wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India.

41. The Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013.

42. The Company has not invested or traded in the Crypto Currency or Virtual Currency during the financial year.

43. There are no charges or sanctification yet to be registered with the Registrar of the Company beyond statutory period.

44. The financial statements were approved for issue by the board of directors in their meeting held on April 26, 2023.

45. 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**	**For and on behalf of the Board of Directors**	
	Hemant Kumar Manuj Chairman	**Devika Shah** Managing Director & CEO
Partner Membership No.: 116765 Place: Mumbai Date: April 26, 2023	**Nimeshkumar Mistry** Chief Financial Officer	**Saumya Bajpai** Company Secretary