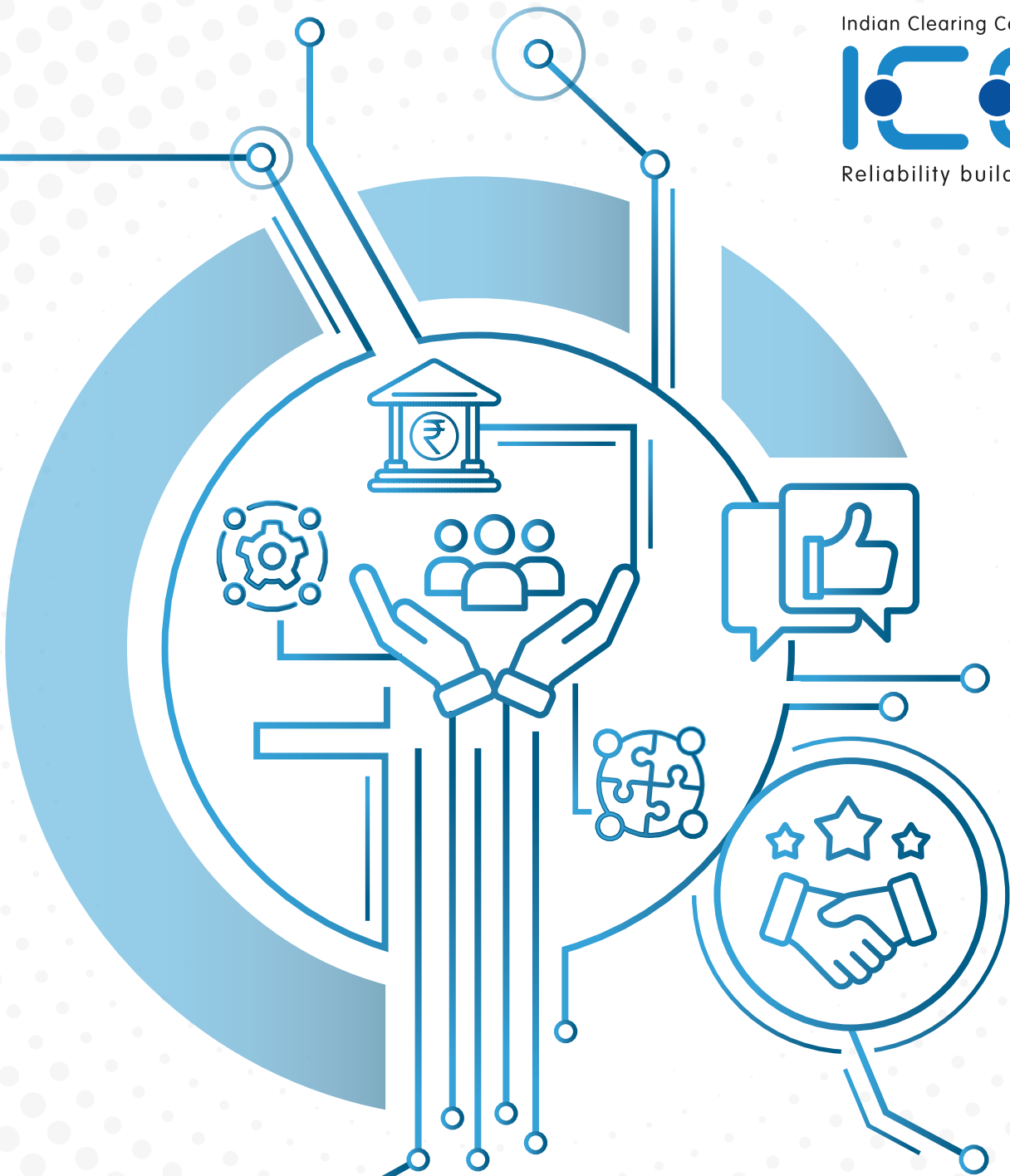


Indian Clearing Corporation Limited



Reliability builds relationships



Annual Report
2023 - 24

TECHARGING GROWTH





ABOUT THE COVER

The cover captures the essence of our vision for the future. The blend of technological elements with symbols of trust, collaboration, and growth illustrates our belief that technological advancements, when coupled with strong interpersonal relationships and teamwork, drive substantial business growth and innovation. The silhouette of the iconic Mumbai skyline grounds our ambitions in the vibrant heart of India's financial capital, reflecting our commitment to progress and excellence. The cover represents our dedication to fostering reliable relationships and leveraging technology to recharge growth.

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COMPANY INFORMATION

Dr. Hemant Kumar Manuj
Chairman, Public Interest
Director

Dr. Medha Tapiawala
Public Interest Director

Mr. Vikas Gadre
Public Interest Director

**Ms. Hemalatha
Sivasubramanian**
Public Interest Director

Mr. Arun Mehta
Public Interest Director

Ms. Kamala Kantharaj
Non - Independent Director

Mr. Sameer Patil
Non - Independent Director

Ms. Vaishshali Babu
Managing Director & CEO

Company Secretary
Ms. Saumya Bajpai

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

Secretarial Auditors
Dhruvil M. Shah & Co. LLP
Practicing 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**
KFin Technologies Limited
(formerly known as KFin
Technologies Private Limited)

Website
www.icclindia.com

Corporate Identity Number
U67120MH2007PLC170358

Message from the Chairman

Dear Valued Stakeholders,

It is with great pride and enthusiasm that I present this year's annual report for Indian Clearing Corporation Limited. Over the past year, we have witnessed substantial progress and transformative developments that have reinforced our position as a pivotal entity in the financial markets.

The cornerstone of our success lies in our unwavering commitment to operational excellence and regulatory adherence. This year, we successfully implemented several key initiatives which has not only enhanced our efficiency but also solidified our commitment to providing seamless and reliable services.

"Commitment to excellence and regulatory adherence."

– Chairman, Indian Clearing Corporation Limited

We can't do it alone.

Our achievements this year are a result of the collective efforts of our dedicated team, supportive members, and the trust of our stakeholders. We take immense pride in the resilience and dedication of our employees, who have consistently delivered exceptional results. We are here to make a difference, ensuring that every action we take contributes positively to the financial ecosystem.

Looking ahead, we are focused on harnessing technological advancements and expanding our business operations to meet the evolving needs of the market. We are committed to maintaining the highest standards of service and continuing to play a key role in ensuring market stability and efficiency. I extend my heartfelt gratitude and offer a sincere thank you to all for their support and continued motivation.

Together, with the collective strength of our people and partners, we will continue to drive progress and uphold the trust and confidence placed in us by our stakeholders. I look forward with confidence & optimism to future journey's together.

"We are here to make a difference".

Dr. Hemant Kumar Manuj

Chairman

Indian Clearing Corporation Limited



Message from the Managing Director & CEO

Dear Shareholders,

As we unveil the Indian Clearing Corporation Limited's Annual Report, I am pleased to highlight the remarkable achievements of 2023, a year marked by innovation and resilience. Our journey under the ICCL 2.0 initiative has brought significant advancements, demonstrating our commitment to efficiency, and market integrity.

This year, our most remarkable achievements include successful implementation of beta version of the T+0 settlement cycle on an optional basis in the Equity Cash segment, the roll-out of upstreaming of client funds by stockbrokers to the Clearing Corporation (CC), UPI block mechanism in secondary market and similar other significant steps that make the Indian capital market vibrant. We have also standardized CC to member interface files in UDiFF and have successfully deployed unique live SaaS instances - ICCL@NCL and NCL@ICCL.

Our commitment towards nation building via our StarMF platform is a testimony of our capabilities in serving ever-increasing investors from mutual fund segment. Introduction of electronic bank guarantees and the expansion of the E-FDR facility to additional Banks demonstrates our dedication towards ease of doing business.

"Progress through innovation and resilience."

The successes of 2023 are a testament to the steadfast support of our members along with dedication and hard work of our talented team. Our technology team has demonstrated exceptional diligence, and our customer service team has remained committed to client satisfaction.

Looking ahead, we will be further enhancing our technological capabilities and expanding our business operations to better serve our stakeholders and drive continued growth.

"We are excited about the future and look forward to reaching new milestones and strengthening the trust of our stakeholders".

Thank you for your continued support.

Ms. Vaishali Babu
 Managing Director & CEO
 Indian Clearing Corporation Limited





Board of Directors



Dr. Hemant Kumar Manuj
Chairman, Public Interest
Director



Dr. Medha Tapiawala
Public Interest Director



Mr. Vikas Gadre
Public Interest Director



**Ms. Hemalatha
Sivasubramanian**
Public Interest Director



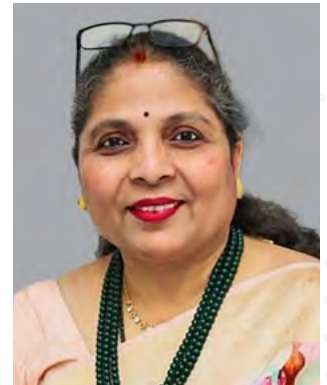
Mr. Arun Mehta
Public Interest Director



Ms. Kamala Kantharaj
Non - Independent Director



Mr. Sameer Patil
Non - Independent Director



Ms. Vaishali Babu
Managing Director & CEO

Management Team



Ms. Vaishali Babu
Managing Director & CEO



Mr. Nimeshkumar Mistry
Chief Financial Officer



Ms. Anita Bhatia
Chief Regulatory &
Compliance Officer



Mr. Sushant Majhi
Chief Risk Officer



Mr. Akshat Chaturvedi
Head - Operations



Mr. Rahul Pandey
Chief Information Officer



Mr. Gurpreet Singh Bansal
Chief Information Security
Officer

Directors' Report

The Members, Indian Clearing Corporation Limited

Your Directors have pleasure in presenting their Seventeenth Annual Report and Audited Accounts for the financial year ended March 31, 2024.

SETTLEMENT – EQUITY CASH SEGMENT

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

During the period under review, 246 rolling settlements were completed.

The average settlement value of securities per settlement was ₹2,843.79 crore in FY 2023-24 compared to ₹1,482.09 crore in FY 2022-23.

The average funds pay-in per settlement was ₹643.40 crore in FY 2023-24 compared to ₹325.83 crore in FY 2022-23.

The average number of shares processed per settlement was about 24.30 crore in FY 2023-24 compared to 14.34 crore in FY 2022-23.

Short deliveries values per settlement averaged around 0.15% in FY 2023-24 as compared to 0.12% of in FY 2022-23.

The highest trading volume of ₹25,826.77 crore was observed on Trade Date Feb 02, 2024 and the highest deliverable value of ₹7,270.09 crore was observed on Settlement Date June 28, 2023.

The percentage of the number of shares deliverable to the number of shares traded decreased to 21.04% in FY 2023-24 from 24.68% in FY 2022-23.

The percentage of the value of shares deliverable to the value of shares traded increased to 21.04% in FY 2023-24 from 19.59% in FY 2022-23.

The Core Settlement Guarantee Fund for Equity Segment increased to ₹390.68 crore in March 2024 from ₹358.38 crore for the month of March 2023.

TABLE 1

Settlement Statistics for 2023-2024 – Equity Cash Segment *

Month	Quantity of Shares Traded (in ₹ crore)	Quantity of Shares Deliverable (in crore)	% of Shares Deliverable to total shares traded	Value of Shares Traded (in ₹ crore)	Value of Shares Deliverable (in ₹ crore)	% of Delivery to Value of shares traded	% of Short Delivery to Deliverable	Funds-Pay In (in ₹ crore)	No. of settlements
Apr-23	978.21	206.29	21.09%	1,94,367.30	23,563.88	12.12%	4.34%	4,768.94	17
May-23	1,318.74	286.14	21.70%	2,38,040.82	39,268.87	16.50%	4.22%	4,530.35	22
Jun-23	1,587.60	381.08	24.00%	2,35,960.37	53,431.52	22.64%	2.93%	14,702.30	21
Jul-23	1,806.85	412.98	22.86%	2,58,914.18	50,730.46	19.59%	4.20%	9,399.10	21
Aug-23	2,247.21	545.10	24.26%	2,81,570.63	70,517.37	25.04%	2.84%	21,601.08	22
Sep-23	2,614.26	583.59	22.32%	3,07,030.76	71,515.38	23.29%	1.65%	24,688.09	19
Oct-23	1,778.33	459.99	25.87%	2,31,699.25	49,489.79	21.36%	2.63%	11,488.17	21
Nov-23	2,228.61	522.74	23.46%	2,64,408.13	51,569.15	19.50%	8.29%	9,790.55	21
Dec-23	2,635.26	633.37	24.03%	3,52,682.72	73,377.67	20.81%	2.12%	14,611.61	20
Jan-24	3,427.66	799.27	23.32%	4,10,670.10	82,475.83	20.08%	4.03%	13,203.36	22
Feb-24	2,995.44	708.78	23.66%	4,06,410.32	82,172.26	20.22%	2.14%	14,917.43	21
Mar-24	1,573.29	436.05	27.72%	2,76,578.27	52,307.99	18.91%	2.71%	11,163.22	19

* 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 2023-24, the volumes in SLBS decreased by 23.64%, from ₹4,421.94 crore in FY 2023-24, to ₹3,376.42 crore.

As compared to the previous year, during FY 2023-24, securities traded in SLBS increased to 123 from 122 in FY 2022-23.

As on March 31, 2024, there are 299 participants and eight custodian-cum-participants registered in SLBS.

The details of turnover & month-wise settlement values during the year April 01, 2023, to March 31, 2024 are tabulated below in Table No. 02:

TABLE 2:

Settlement* Statistics for FY 2023-24 – Equity Derivatives Segment

Month - year	No. of Contracts Traded (in lots)	**Turnover (in ₹ crore)	MTM Settlement	Premium Settlement	Total settlement (Amount in ₹ crore)
Apr-23	42,02,59,789.00	3,93,85,655.87	979.48	783.09	1,762.57
May-23	53,83,60,000.00	5,22,78,850.16	1,516.01	993.36	2,509.37
Jun-23	52,90,19,155.00	5,14,80,292.95	1,440.22	1,015.16	2,455.39
Jul-23	69,29,78,076.00	6,24,53,381.23	1,479.89	993.62	2,473.51
Aug-23	89,56,90,142.00	6,60,29,680.85	1,652.44	980.69	2,633.12
Sep-23	94,85,93,150.00	7,13,29,539.39	2,635.98	1,058.59	3,694.58
Oct-23	92,63,98,687.00	6,86,47,498.91	2,613.10	932.40	3,545.50
Nov-23	88,99,30,777.00	6,58,75,339.52	1,840.05	841.02	2,681.07
Dec-23	98,45,17,207.00	7,77,93,760.34	3,341.07	1,402.29	4,743.36
Jan-24	1,10,17,68,995.00	8,75,03,872.07	3,332.94	1,459.92	4,792.85
Feb-24	99,79,92,728.00	8,05,62,434.86	3,057.67	1,802.77	4,860.44
Mar-24	83,98,13,181.00	6,84,49,452.56	3,057.12	1,282.83	4,339.94

* 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 – Currency Derivatives Segment

The period April 2023 – March 2024 the total value of Currency Derivatives settlement (inclusive of interest rate derivatives) decreased to ₹4,075.21 crore in 2023-24 from ₹9,508.74 crore in 2022-23.

The highest monthly settlement was ₹476.56 crore in the month of November 2023.

Settlement – Equity Derivatives Segment

The period April 2023 – March 2024 witnessed an increase in the total amount settled. The total value of Equity Derivatives settlement increased to ₹40,491.70 crore in FY 2023-24 from ₹38,615.65 crore in FY 2022-23. The highest monthly settlement was ₹4,860.43 crore in the month of Feb 2024.

Jan 2024 witnessed the highest monthly trading volumes of ₹8,75,03,872.07 crore with a total of 1,10,17,68,995 contracts (in lots) being traded.

The Core Settlement Guarantee Fund for Equity Derivatives segment stood at ₹104.35 crore for the month of March 2024.

The details of turnover & month-wise settlement values during the year April 01, 2023, to March 31, 2024 are tabulated below in Table No. 02:



The details of turnover & month-wise settlement values during the year April 01, 2023, to March 31, 2024, are tabulated below in Table No. 03:

TABLE 3:

Settlement Statistics* for FY 2023-24 – Currency Derivatives Segment

Month - year	No. of Contracts Traded (in lots)	**Turnover (in ₹ crore)	MTM Settlement	Premium Settlement	Total settlement (Amount in ₹ Crore)
Apr-23	10,53,30,183	8,68,623.54	248.40	59.05	307.45
May-23	13,49,26,267	11,16,899.02	263.39	42.47	305.86
Jun-23	12,47,07,257	10,31,347.72	304.01	37.47	341.48
Jul-23	14,08,68,405	11,65,495.32	331.07	48.13	379.19
Aug-23	13,38,00,500	11,13,774.67	292.22	56.73	348.94
Sep-23	14,45,09,523	12,05,398.76	379.48	53.37	432.86
Oct-23	9,29,26,810	7,77,490.63	343.83	34.83	378.66
Nov-23	9,11,41,374	7,62,876.21	435.85	40.72	476.56
Dec-23	10,39,89,323	8,69,408.34	322.82	46.77	369.59
Jan-24	11,20,73,055	9,36,387.88	232.76	41.68	274.45
Feb-24	8,18,02,369	6,83,319.63	85.22	31.16	116.38
Mar-24	9,56,49,672	7,97,677.52	293.90	49.89	343.79

* 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 commodities traded in Commodity Derivatives Segment on BSE platform. During FY 2023-24, the total Traded Contract (Lots) was 517 and total value was ₹35.77* crore.

ICCL designated warehouses and vaults at various delivery centres for the delivery settlement of commodity. The delivery settlement in Almond (In Shell) to the tune of ₹31.64 lakh had taken place.

The Core Settlement Guarantee Fund for Commodity Derivatives Segment stood at ₹15.15 crore as on March 31, 2024. *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 March 28, 2024, the beta version of T+0 rolling settlement cycle was introduced on an optional basis for select scrips in addition to the existing T+1 settlement cycle in Equity Cash Markets.

Equity, Currency, and Commodity Derivatives segments

ICCL uses the portfolio-based SPAN¹ 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

¹ SPAN is a registered trademark of the Chicago Mercantile Exchange used herein under License.

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 ₹936.18 crore and in, Commercial Papers (CP) and Certificate of Deposits (CD) is ₹85.49 crore during FY 2023-24.

The highest settlement value, during this period, of ₹2,673.26 crore (across all corporate debt instruments) was recorded on March 28, 2024.

The Core Settlement Guarantee Fund for Debt Segment stood at ₹2.00 crore for the month of March 2024.

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 ₹ crore)	Average Daily Settlement Value (in ₹ crore)
Apr-23	17	8,814	14,797.29	870.43
May-23	21	10,619	20,305.22	966.92
Jun-23	21	10,329	18,648.58	888.03
Jul-23	21	11,455	15,090.18	718.58
Aug-23	21	12,108	18,369.61	874.74
Sep-23	20	9,468	17,471.89	873.59
Oct-23	20	12,091	19,857.01	992.85
Nov-23	20	10,495	18,149.41	907.47
Dec-23	20	11,838	24,226.92	1,211.35
Jan-24	21	13,910	19,155.57	912.17
Feb-24	20	9,231	18,865.14	943.26
Mar-24	18	9,797	19,745.38	1,096.97

During the financial year 2023-24, ICCL settled Nil repo trades on corporate bonds as compared to Nil repo trades valuing crore settled in the previous year.

BSE StAR MF

As on March 31, 2024, 43 Asset Management Companies with 11,450 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, 2023, to March 31, 2024, was ₹1,192.88 crore, against the figure of ₹818.44 crore, for the 12 months period in previous financial year. The highest settlement value was ₹2,532.95 crore and was conducted on January 10, 2024.

Redemption

The average daily value of funds settled for mutual fund units for the period April 1, 2023, to March 31, 2024, was ₹697.43 crore, against the figure of ₹522.89 crore for the same period in previous financial year. The highest settlement value was ₹2,800.32 crore and was observed March 26, 2024.

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	6	Nil
Equity Derivatives	15	Nil
Currency Derivatives	4	Nil
Commodity Derivatives	1	Nil
New Debt	3	1
Electronic Gold Receipts	Nil	3

Custodian Clearing Members & Professional Clearing Members (PCM)

In EGR segment one Professional Clearing Member added during the year. No new custodian clearing members added during the year.

Participants & custodians in SLB segment

223 participants, eight custodian-cum-participants are registered in SLB segment as on March 31, 2024.

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 25 clearing banks, namely Axis Bank Limited, Bank Of Baroda, Bank Of India, Canara Bank, Central Bank of India, Citibank N.A., Citi Union Bank Ltd, DBS Bank India Ltd, Deutsche Bank AG, HDFC Bank Limited, Hong Kong and Shanghai Banking Corporation Limited, ICICI Bank Limited, IDBI Bank Limited, Indian Overseas Bank, IndusInd Bank Limited, J P Morgan Chase Bank N.A, Kotak Mahindra Bank Limited, Punjab National Bank, SBM Bank (India) Ltd, Standard Chartered Bank, State Bank Of India, Union Bank of India and Yes Bank Limited for funds settlement.



TECHNOLOGY AT ICCL

In the on-going growth of ICCL, the key contributor has been technologies that ICCL has adopted to streamline its processes and an enhanced experience to all its stakeholders. ICCL has been continuously working to deliver an efficient platform for its core activities, namely the Risk management and Clearing & Settlement system. The focus is also on cost-effective and resilient solutions in today's complex and evolving market demands.

One of the most significant implementations at ICCL has been implementation of SaaS (Software-as-a-Service) model of risk management in arrangement with other Clearing Corporation (CC). ICCL is committed to regulatory compliance and market integrity. The technology implementation and the value it delivers are the focal areas that ICCL has been continuously thriving to upgrade the stakeholder's experience. During the year, ICCL has implemented many a path-breaking initiatives taken by the regulator. These include introduction ASBA in secondary market, and reduction in settlement to T+0. These major implementations involved adoption of cost-effective technologies and integration with multiple stakeholders.

The year witnessed significant focus and demand on adoption of automation and digitization. ICCL has plans to invest and implement artificial intelligence, and robotic process automation technologies across various sections of its operational activities.

Noteworthy technological enhancements

Implementation of SaaS Portability for Risk management system

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.

The year witnessed a year-long hectic activity in performing the mock drills of SaaS portability of risk management in

association with other CC and market participants. On 2nd March 2024, a live run was performed during a planned special trading session. ICCL SaaS instance was invoked and it was a successful run.

Extending Application Programming Interface (API) to other modules

API-fication is the key word in ICCL's technology implementation. Previously, in the SEBI mandated segregation of client collateral, extensive use of API mechanism has been implemented for exchange of information that ensures seamless connectivity and un-interrupted flow of information with controls.

During the year, same has been extended to other complex requirements, especially for ASBA in secondary market. ASBA in secondary market demanded integration with multiple external entities such as trading members, sponsor banks, payment gateways, etc. Use of API has been one of the successful factors in timely implementation of this project.

Agility in DR operations

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

The purpose of these coordinated exercises 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. Some of these were:

- 1) All exchanges switching to DR at the same time, namely, intra-day switch-over
- 2) Graceful and non-graceful shutdown at PR
- 3) Test risk management basis the invocation of SaaS
- 4) Maintaining the prescribed RTO and RPO

ICCL was able to consistently showcase its ability switchover with prescribed RTO and RPO. Overall, ICCL was able to perform all the mandated tests successfully.

The testament of effectiveness of the DR setup is that the ICCL was able to successfully demonstrate by invoking its SaaS instance when other MIIs were operating from their DR site. Trading and CC operations/ process ran normally during the Special Live Trading session held on Saturday March 2, 2024.

Further, like the previous years, as per the regulatory mandate, ICCL had successfully completed two full-day Live DR sessions twice this year.

Capacity enhancements

ICCL witnessed increased business volumes. The important contributing factor was relaunch of Sensex and Bankex Derivatives on 15th May 2023 and 16th Oct 2023 respectively by BSE Limited. At BSE, this led to significant increase in trading volumes in the Equity & Equity derivatives segment. The impact of increased trading volumes in these segments were also positively contributed to ICCL's increased business volumes.

In alignment to the above increased volumes, time to time basis pro-active measures were taken to manage the capacity and processing of increased volumes.

The significant changes are as below:

- 1) Capacity increase by inducting new servers and network devices both at PR and DR.
- 2) Code level optimizations for handling additional loads and increased throughput.
- 3) Segregation of load and critical functions to separate servers/ processes.
- 4) Increasing the processing threads and concurrent receipt of information from multiple channels to facilitate load across.

Cyber Security Technology absorption

Cyber Security threats are ever growing, and new threat vectors are ever evolving. To ensure ICCL's information assets are resilient to such information and cyber security threats, 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 like SOAR (Security Orchestration, Automation and Response), Technology for Phishing Simulation & employee awareness training, Key Management Solution using HSM based security and Threat Intel Platform were implemented.

HUMAN RESOURCES

Following activities have taken place in Human Resource in the FY 2023-24:

Trainings/Workshops

- Learning & Development programs are vital for nurturing employee growth and enhancing organizational performance. These programs aim to equip employees with the skills, knowledge, and attitudes necessary to excel in their roles and adapt to changing work environments.
- We have conducted various sessions on Advanced Excel, Powerpoint Presentation, Personal Effectiveness, Stress Management and Digital Data Protection. Investing in training for the employees not only benefits individual career progression but also contributes towards overall success and competitiveness.
- A special workshop was done by "LEGO SERIOUS PLAY" to focus on constructionism, constructivism and complex adaptive system theory to change the thought process with a perspective for better interaction and collaborations amongst the employees.
- ICCL conducted session towards Induction Programme for Newly Recruited Officers of SEBI 2024 which was coordinated by NISM & BSE Institute.



Employee Engagement initiatives

- As a part of Nari Shakti initiative, cancer awareness session was scheduled for all our women employees on occasion of Women's day by Dr. Shilpa Lad (Radiologist).



Celebrations at ICCL



Medical Checkup Camp



EMPLOYEE STRENGTH

As on March 31, 2024, the Company had 143 employees.

Gender	Total Number
Number of Men	91
Number of Women	52

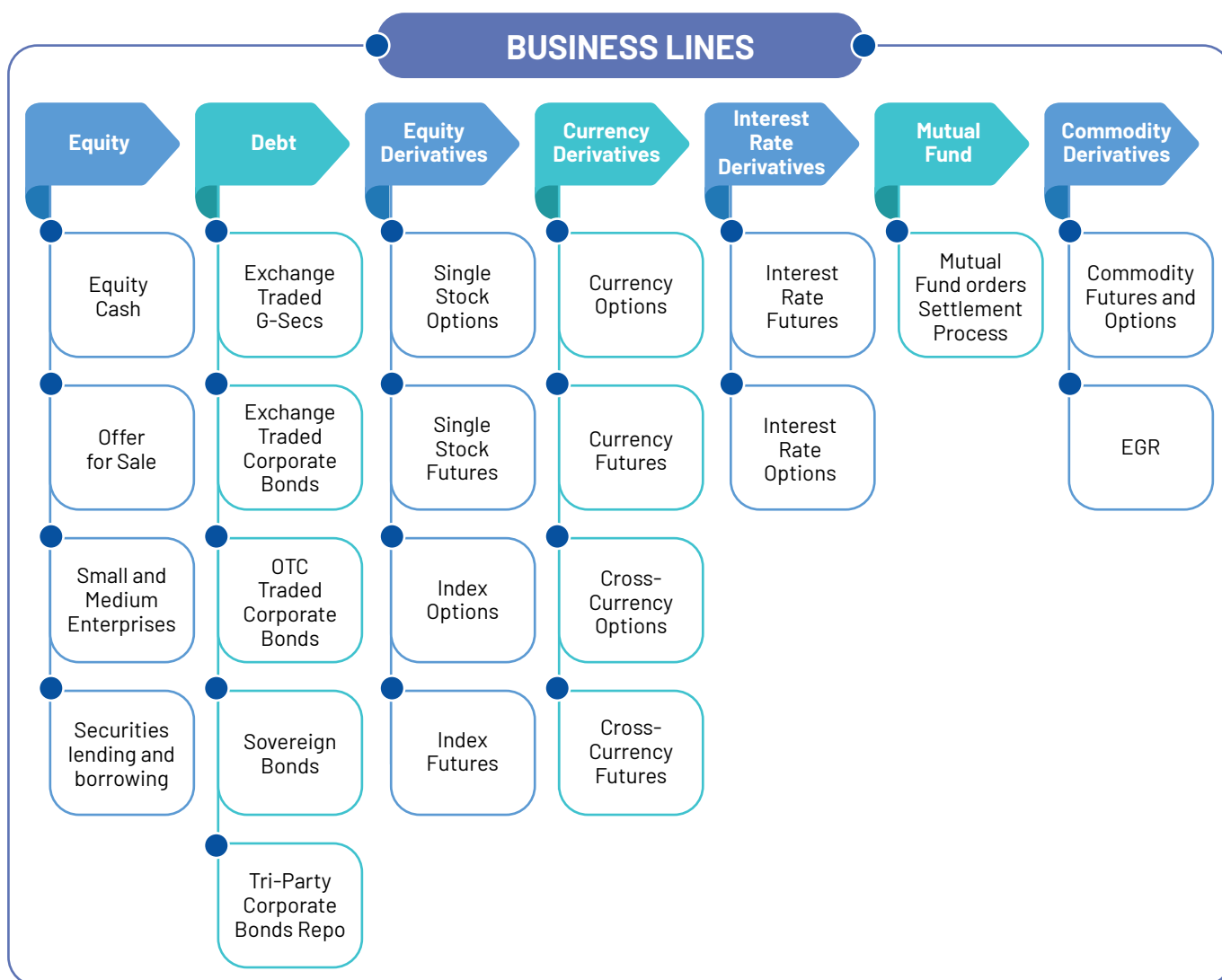
FINANCIAL RESULTS

The financial results for the year ended March 31, 2024, are as follows:

(₹ In lakh)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Income		
Income from Operations	38,620	19,559
Income from Investments and Deposits	2,206	1,875
Other Income	69	142
Total Income (A)	40,895	21,576
B. Expenditure		
Employee Benefits Expenses	2,002	1,436

Other Operating Expenses	19,223	12,078
Depreciation and Amortisation	1,657	551
Finance Cost	1,504	2,748
Total Expenditure (B)	24,386	16,813
Profit before Exceptional Items & Tax (A-B)	16,509	4,763
Less Exceptional Items	-	-
Profit before Tax	16,509	4,763
Less: Provision for Tax	5,132	1,453
Net profit for the year	11,377	3,310
Other Comprehensive Income	7	10
Total comprehensive income for the year	11,384	3,320
Basic and diluted EPS (₹)	0.32	0.09



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 two 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. The Framework ensures 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 ₹3,54,00,00,000/- as on March 31, 2024.

DIVIDEND

The Company has declared and paid interim dividend of ₹0.08474 per equity share of ₹1 each aggregating to ₹3,000 lakh for FY 2023-24.

TRANSFER TO RESERVES

The Company has not transferred any amount of profits to reserves for FY 2023-24 and the entire amount of profits was 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 2023-24.

- 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 ₹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 one-year, legal cost, regulatory cost, and other liabilities. ICCL has a transparent governance structure with a Board of Directors consisting of at least 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 ₹500 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 are routinely tested and are commensurate with the nature of its business and, the size and complexity of its operations. 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 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.

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 and Research Pvt. Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd. have reaffirmed ICCL's Issuer Rating at 'AAA' with a Stable Outlook. The ratings factor in ICCL's robust risk management practices including counterparty and operational risk framework, strong capital levels & nil gearing and a well-funded default fund.

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) Non-Independent Directors; and (c) Managing Director.

Dr. Hemant Kumar Manuj (Chairman) (DIN: 08246131), Dr. Medha Tapiawala (DIN : 09277265), Mr. Vikas Gadre (DIN: 06746818), Ms. Hemalatha Sivasubramanian (DIN: 10071530) and Mr. Arun Mehta (DIN: 00073422) are Public Interest Directors of the Company.

Ms. Kamala Kantharaj (DIN: 07917801) and Mr. Sameer Patil (DIN: 08103042) are Non - Independent Directors of the Company, representing BSE Limited. Mr. Neeraj Kulshrestha (DIN: 02994647) was as Non - Independent Director till June 14, 2023.

Ms. Vaisshali Babu (DIN: 02297874) is the Managing Director & CEO of the Company. The Managing Director is included in the category of 'Non - Independent Director' as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. However, she is not liable to retire by rotation during her tenure as Managing Director. Ms. Devika Shah's (DIN: 07980301) tenure as Managing Director & CEO was till December 31, 2023.

Pursuant to Articles of Association of the Company read with applicable provisions of Companies Act, 2013, Ms. Kamala Kantharaj, Non - Independent Director, would retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. The Board at its meeting dated April 25, 2024, has recommended the re-appointment of Ms. Kamala Kantharaj as a Non - Independent Director.

The composition of the Board is in conformity with the Companies Act, 2013 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, 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 Directors/Public Interest Directors appointed during the year have requisite qualifications, knowledge, experience, and expertise and are eligible to act as an Independent Directors 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 FY 2023-24, ICCL received 43 applications for admission as Clearing Members. Of these, 16 applications were received for the Equity Cash Segment, 15 for the Equity Derivatives Segment, 4 for the Currency Derivatives Segment, 1 for the Commodity Derivatives Segment, 4 for the New Debt Segment and 3 for the Electronic Gold Receipts Segment (EGR). There were members who had applied in multiple segments:

Type	As on March 31, 2024							Total
	Equity Cash Segment	Equity Derivative Segment	Currency Derivative Segment	IRF	Debt Segment	Commodity Segment	EGR	
SCM	1195	108	65	60	27	19	5	1479
TCM	73	64	46	44	19	15	5	266
PCM	8	10	5	5	3	3	1	35
TOTAL	1276	182	116	109	49	37	11	1780
Custodian	17 – Cash Segment							

During FY 2023-24, total 71 applications were received for surrender/ cancellation of Clearing Membership with ICCL. Out of these, 54 were for the Equity Cash Segment, 5 for the Equity Derivatives Segment, 5 for the Currency Derivatives Segment, 3 for Commodity derivatives, 9 for Interest rate Derivatives and 1 for the New Debt Segment and 5 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 2023-24

ICCL carries out inspections of its Clearing Members as per its Inspection Policy. ICCL had conducted inspections of 15 Clearing Members, for the period 2022-23, during the financial year 2023-24.

FAMILIARISATION PROGRAMME FOR PUBLIC INTEREST DIRECTORS

The Public Interest Directors of the Company periodically undergo structured familiarization 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 FY 2023 - 24, Eight 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 for the financial year 2023-24, the applicable accounting

standards have been followed and there are no material departures;

- (b) We have 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 of the Company for the financial year;
- (c) We have taken proper and sufficient care to the best of our knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. We confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) We have prepared the annual accounts on a going concern basis.
- (e) We have 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 Public Interest Directors on the Board of Clearing Corporations. Public Interest Director 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. Public Interest Directors 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 2023-24.

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 Dhruvil M. Shah & Co. LLP, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2023 - 24. The Report of the Secretarial Audit is annexed herewith as **Annexure - A**.

The Secretarial Audit report for the financial year 2023 - 24 has no qualifications, observations or adverse remarks.

Further, following had a major bearing on the Company's affairs in pursuance of the Laws, Rules, Regulations and Guidelines:

- a) The Company at their Extra Ordinary General Meeting held on October 27, 2023, approved an increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013 from ₹8,000 crore to ₹12,000 crore.
- b) Pursuant to receipt of a letter from SEBI in the matter of SEBI Circular dated November 27, 2018, regarding interoperability among clearing corporations, Company has filed a settlement application without admission or denial of guilt and stating that it is willing to pay a fair amount to settle the proceedings. Meanwhile, a show cause notice has also been issued to the Company. SEBI has indicated an amount of Rs. 8,62,50,000/- as a probable settlement amount which is still under discussion with SEBI.

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

The Company has not given any loan or guarantee to any person during the year. The investments made by the 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 2023-24.

✓ **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 2023-24 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 2023-24.

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 2023 - 24.

✓ **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**

Ms. Hemalatha Sivasubramanian was appointed as Public Interest Director of the Company for a period of three years commencing from May 17, 2023 to May 16, 2026, pursuant to SEBI approval dated May 10, 2023.

Mr. Arun Mehta was appointed as Public Interest Director of the Company for a period of three years commencing from August 11, 2023 to August 10, 2026, pursuant to SEBI approval dated August 7, 2023

Ms. Kamala Kantharaj was appointed as Non - Independent Director of the Company with effect from August 23, 2023.

Cessation

Mr. Neeraj Kulshrestha was a Non - Independent Director till June 14, 2023.

Ms. Devika Shah's tenure as a Managing Director & CEO ended on December 31, 2023.

Retirement by Rotation

In accordance with the provisions of Companies Act, 2013 and the Company's Articles of Association, Ms. Kamala

Kanharaj (DIN: 07917801), Non – Independent Director of the Company, is due to retire by rotation at the ensuing

17th Annual General Meeting and being eligible has offered herself for re-appointment.

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

Following served as Key Management Personnel ('KMP') of the Company pursuant to Regulation 2 (j) of SECC Regulations 2018 during the FY 2023- 24

Sr. No.	Name of Employee	Designation
1.	Ms. Vaishshali Babu	MD & CEO w.e.f. January 1, 2024 (Prior to January 1, 2024, a KMP in the capacity of Chief Operating Officer / Chief Risk Officer)
2.	Mr. Nimeshkumar Mistry	Chief Financial Officer
3.	Mr. Gurpreet Singh Bansal	Chief Information Security Officer
4.	Ms. Anita Bhatia	Chief Regulatory & Compliance Officer (w.e.f. January 18, 2024)
5.	Mr. Rahul Pandey	Chief Information Officer w.e.f. March 11, 2024
6.	Ms. Saumya Bajpai	Company Secretary (KMP w.e.f. August 27, 2023)
7.	Mr. Suresh Haraniya	Chief Information Officer till March 10, 2024 and Head – Information Officer w.e.f. March 11, 2024
8.	Mr. Akshat Chaturvedi	Head – Operations (w.e.f. September 1, 2023)
9.	Mr. Sushant Majhi	Chief Risk Officer (w.e.f. November 22, 2023)
10.	Ms. Devika Shah	MD & CEO (tenure ended on December 31, 2023)
11.	Mr. Tushar Ambani	Chief Business Officer (tenure ended on May 31, 2023)
12.	Mr. Anand Shaha	Chief Regulatory & Compliance Officer till January 17, 2024 and Head – Compliance till February 29, 2024
13.	Mr. Hitesh Shah	Deputy General Manager (KMP till August 26, 2023)
14.	Mr. Ajay Chimanlal Darji	Deputy General Manager (KMP till August 26, 2023)
15.	Ms. Trupti Tirodkar	Senior Manager (KMP till August 26, 2023)
16.	Ms. Roanna Lewis	Senior Manager (tenure ended August 18, 2023)
17.	Mr. Jaymin Purohit	Senior Manager (KMP till August 26, 2023)
18.	Ms. Sanaiya Ghadially	Assistant General Manager (KMP till August 26, 2023)
19.	Mr. Jigar Shah	Senior Manager (KMP till August 26, 2023)
20.	Mr. Mehul Parikh	Additional General Manager (KMP till August 26, 2023)

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 under Vertical 2:

- Risk management
- Member registration
- Compliance
- Inspection
- Enforcement
- Member default
- Investor protection and service.

Ms. Anita Bhatia, Chief Regulatory & Compliance Officer,

looks after the regulatory functions of the Company. Also, Mr. Sushant Majhi, Chief Risk Officer, heads the Risk Management as on March 31, 2024.

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

Moreover, Public Interest Directors in their separate meeting held twice in the financial year on April 25, 2023 and October 26, 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, 2024, 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, 2024, 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, 2024, 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 2023-24

✓ **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.

The Company is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended 31 March, 2024 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	₹35 lakh (Previous Year ₹111 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, 2024, do not contain any reservation, qualification, or adverse remark

apart from a comment regarding audit trail feature of one of the software which was not enabled for a part of the year.

The Board of Directors have appointed subject to Shareholders approval, M/s. KKC & Associates LLP, Chartered Accountants, Mumbai (FRN: 105146W), to hold office as Statutory Auditors of the Company for the following tenures:

1. From April 26, 2024, till conclusion of 22nd Annual General Meeting
2. From conclusion of 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting

The Board also approved a remuneration amounting to ₹15 lakh plus applicable taxes as per quote received from M/s. KKC & Associates LLP for Financial Year 2024-25. The fees quoted covers fees for Statutory Audit, three limited reviews i.e. for June, September and December quarters in financial year 2024-25, Audit of the internal Financial Controls of the Company and Tax Audit.

Reporting of Frauds by Auditors

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

✓ Cost Records and Cost Audit

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

✓ Corporate Governance

Pursuant to the SECC Regulations, Listing Regulations and the Companies Act, 2013, report on Corporate Governance as on March 31, 2024, 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 ₹ Five hundred crore or more, or turnover of ₹ One thousand crore or more or a net profit of ₹ Five crore 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

Place: Mumbai
 Date: April 25, 2024

Dr. Hemant Kumar Manuj
 Chairman

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Indian Clearing Corporation Limited
C in: U67120MH2007PLC170358
25th Floor, P. J. Towers Dalal Street,
Mumbai 400001.

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) 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 as there was no reportable event during the financial year under review**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not applicable as there was no reportable event during the financial year under review**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - **Not applicable as there was no reportable event during the financial year under review**
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not applicable as there was no reportable event during the financial year under review**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as there was no reportable event during the financial year under review**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **Not applicable as there was no reportable event during the financial year under review**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not applicable as there was no reportable event during the financial year under review**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 : **to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018;** and

- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- Not applicable as there was no reportable event during the financial year under review

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations 2018 which is specifically applicable to the Company.

We have also examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Public Interest Directors (Independent Directors) and Woman 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 the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where consent of the directors was received for scheduling meeting at a shorter notice, 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 Board Meetings and Committee Meetings were 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.

We further report that based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, we are 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 applicable laws, rules, regulations and guidelines.

We further report that the following event has occurred during the year which has a major bearing on the Company's affairs in pursuance of the Laws, Rules, Regulations, Guidelines Standards etc. referred to above.

- a) The Company at their Extra Ordinary General Meeting held on October 27, 2023, approved an increase in borrowing limits under section 180(1) (c) of the Companies Act, 2013 from ₹8,000 crore to ₹12,000 crore.
- b) Pursuant to receipt of a letter from SEBI in the matter of SEBI Circular dated November 27, 2018, regarding interoperability among clearing corporations, Company has filed a settlement application without admission or denial of guilt and stating that it is willing to pay a fair amount to settle the proceedings. Meanwhile, a show cause notice has also been issued to the Company. SEBI has indicated an amount of ₹8,62,50,000/- as a probable settlement amount which is still under discussion with SEBI.

For Dhrumil M. Shah & Co. LLP
 Practicing Company Secretaries
 ICSI URN: **L2023MH013400**
 PRN: **3147/2023**

Place: **Mumbai**
 Date: **April 25, 2024**

Dhrumil M. Shah
 Partner
FCS 8021 | CP 8978
 UDIN: **F008021F000229682**

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

Annexure I

(To the Secretarial Audit Report)

To,
**The Members,
Indian Clearing Corporation Limited**

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
- 4) Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Dhrumil M. Shah & Co. LLP
Practicing Company Secretaries
ICSI URN: **L2023MH013400**
PRN: **3147/2023**

Place: **Mumbai**
Date: **April 25, 2024**

Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: **F008021F000229682**

Annexure - B

(1) 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	Date of Joining	Total Remuneration* (Rs)	Ratio of compensation paid to each KMP, vis-à-vis median of compensation paid to all employees of the Company	Designation/ Nature of Duties	Educational Qualifications	Experience in years	Previous Employment
1.	Ms. Devika Shah	61	01-01-2018	1,81,00,036.00	23.80	Managing Director & CEO till December 31, 2023	Chartered Accountant	37	BSE Limited
2.	Ms. Vaishali Babu	56	01-12-2022	95,20,431.00	12.52	MD & CEO w.e.f. January 1, 2024 (Prior to January 1, 2024, a KMP in the capacity of Chief Operating Officer / Chief Risk Officer)	Post Graduation Diploma in Finance	31.5	BNP Paribas
3.	Mr. Anand Kumar Shaha	58	23-03-2023	60,60,209.00	7.97	Chief Regulatory & Compliance Officer till January 17, 2024 and Head - Compliance till February 29, 2024	Chartered Accountant	29	Axis Securities Ltd.
4.	Mr. Tushar Ambani	60	01-04-2011	58,78,407.00	7.73	Chief Business Officer till May 31, 2023	Bachelor of Legislative Law	39	BSE Limited
5.	Mr. Nimeshkumar Mistry	49	01-10-2007	55,46,257.00	7.29	Chief Financial Officer	Chartered Accountant	24	BSE Limited
6.	Mr. Akshat Chaturvedi	47	01-09-2023	27,63,544.00	3.63	Head - Operations	Master of Business Administration in Finance	21	Julius Baer
7.	Mr. Gurpreet Singh Bansal	35	01-11-2021	25,99,296.00	3.42	Chief Information Security Officer	Bachelor of Science in Information Technology	13	BSE Technology
8.	Mr. Sushant Majhi	40	22-11-2023	19,57,624.00	2.57	Chief Risk Officer	PGDM, FRM, PRM	16	Gravitas - Linedata
9.	Ms. Anita Bhatia	56	18-01-2024	13,13,603.00	1.73	Chief Regulatory and Compliance Officer effective January 18, 2024	Masters in Finance Management	34	Credit Suisse Business Analytics Pvt. Ltd.

S/ N	Name	Age	Date of Joining	Total Remuneration* (Rs)	Ratio of compensation paid to each KMP, vis-à-vis median of compensation paid to all employees of the Company	Designation/ Nature of Duties	Educational Qualifications	Experience in years	Previous Employment
10.	Mr. Rahul Pandey	43	12-03-2024	3,99,327.00	0.53	Chief Information Officer w.e.f. March 11, 2024	Senior Executive Master of Business Administration	21	Mitsubishi UFJ Financial Group Inc.
11.	Mr. Suresh Haraniya	61	01-11-2021	57,00,324.00	7.50	Chief Information Officer till March 10, 2024 and Head – Information Officer w.e.f. March 11, 2024	Diploma in Management Studies	38	BSE Limited
12.	Ms. Saumya Bajpai	30	20-04-2022	11,09,829.00	1.46	Company Secretary	Company Secretary	5	Piramal Enterprises Limited
13.	Mr. Hitesh Shah	54	01-04-2013	53,95,003.00	7.10	Deputy General Manager	Bachelor of Commerce	32	Zenith Projects Pvt. Ltd.
14.	Mr. Mehul Parikh	48	01-09-2022	49,06,042.00	6.45	Additional General Manager	Bachelor of Commerce	23	JM Finance
15.	Mr. Rajeev Ranjan	44	06-07-2018	43,06,798.00	5.66	Deputy General Manager	Post Graduate Diploma in Business Analytics - Finance	18	Multi Commodity Exchange of India Ltd.
16.	Mr. Jayeshkumar Ashtekar	58	12-07-1993	42,97,300.00	5.65	Deputy General Manager	Inter Chartered Accountant	30	BISL
17.	Ms. Sanaiya Ghadially	34	19-12-2022	28,90,645.00	3.80	Assistant General Manager	Chartered Financial Analyst	9	Citicorp Services India Private Limited
18.	Mr. Jaymin Purohit	40	01-04-2021	23,18,680.00	3.05	Assistant General Manager	Post Graduate Diploma in Management	12	Aditya Birla Capital
19.	Mr. Jigar Shah	38	20-09-2012	20,92,675.00	2.75	Senior Manager	Inter Chartered Accountant	18	JRM & Associates
20.	Mr. Ajay Darji	36	01-04-2013	36,13,747.00	4.75	Deputy General Manager till October 31, 2023	Bachelor of Commerce	31	BSE Limited
21.	Ms. Trupti Tirodkar	39	18-11-2019	27,99,890.00	3.68	Assistant General Manager till March 6, 2024	Masters in Finance Management	17	IDBI
22.	Ms. Roanna Lewis	41	01-02-2021	12,23,898.00	1.61	Senior Manager August 18, 2023	Bachelor of Commerce	18	Metropolitan Clearing Corporation of India Limited



- *Excludes the variable pay of the prior years which has been paid in the current year based on Securities Contract (Regulations)(Stock Exchanges and Clearing Corporations) Regulations 2012.
- Except, Jayeshkumar Ashtekar and Rajeev Ranjan, all others are designated as Key Management Personnel under SEBI SECC Regulations 2018.
- Ms. Roanna Lewis is a non- KMP w.e.f. August 18, 2023. Mr. Hitesh Shah, Mr. Mehul Parikh, Mr. Ajay Darji, Ms. Trupti Tirodkar, Ms. Sanaiya Ghadially, Mr. Jaymin Purohit and Mr. Jigar Shah are non- KMP w.e.f. August 28, 2023.

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

Place: **Mumbai**
Date: **April 25, 2024**

Dr. Hemant Kumar Manuj
Chairman

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 Limited, 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 a Professor & Executive Dean at Jindal School of Banking & Finance, Sonapat. Prior to the current role, he was an Associate Professor and Chair of the Finance & Economics Department at SPJIMR. He has taught courses in Finance including Corporate Finance, Securities & Portfolio Management, Derivatives, and Financial Risk Management. Prior to his teaching profession 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 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 NITTTTR 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.

Ms. Hemalatha Sivasubramanian is an accomplished legal and compliance professional with an experience of three decades. She has proven track record of handling complex legal & regulatory matters.

Ms. Hemalatha runs Lex Consociates, a Law Firm. In the past, she was the Chief Compliance Officer at National Commodity Clearing Limited and has headed legal and compliance functions at Edelweiss Agri Value Chain (Edelweiss Group), National Commodity & Derivatives Exchange Ltd, was the Zonal Law Officer at Corporation Bank. She was also a Practicing Advocate at the Madras & Bombay High Courts. As practicing lawyer, she was associated with the office of the Asst Central Government Standing Counsel, and has handled varied subject matters of litigation pertaining to different government departments including, military, navy, customs, post and telegraph, telecommunication, information and broadcasting.

She played a pivotal role in legislative landscape by contributing to the Warehouseman bill (now the WDRA Act) and The Forward Contracts (Regulation) Amendment Ordinance 2008. She actively participated in contribution to Concept paper on integration of internal markets by the Subgroup to Planning Commission under the aegis of the Forward Markets Commission, Ministry of Consumer Affairs. She also served as an Exchange Representative in Options Committee constituted by Ministry of Consumer Affairs.

She was a part of incubation teams involved in setting up of NCDEX E Markets Limited (NeML). She also played a significant role in the conceptualisation and operationalisation of Electronic Warehouse Receipt (WR) infrastructure and related policy guidelines and process to aide in robust commodity delivery. Furthermore, she has contributed to the setting up of National Collateral Management Services Limited, now NCML, a leading warehouse service provider for Commodity Markets.

Mr. Arun Mehta is a seasoned corporate leader with over 37 years of experience in business and financial strategies & new business building. He has held senior positions at several corporations, including CFO and CEO before joining the board of key organisations.

In his prior responsibilities with different corporates, he was responsible for all aspects of the company's financial

and business operations. He oversaw the development and implementation of the company's business and financial strategies, managed the company's investments and treasury functions. He was also responsible for the overall performance of the company and played a key role in the company's Mergers and Acquisitions activities. During his leadership stint he drove the company through a long period of significant growth and profitability. He was often known for his problem-solving skills and his work as a 'troubleshooter'.

Mr. Mehta is a frequent speaker at industry events. Recently, he was awarded with 'Ambassador of green planet earth 2022' at an event organised in Jan 23, under the auspices of NITI Aayog, for his contribution on EV mobility. Besides his experience as a CFO and CEO, Mr. Arun Mehta has also served as a board member of various companies including Independent Director at India International Clearing Corporation (IFSC), Gift City Ahmedabad (2017-2020).

Mr. Arun Mehta holds a Bachelor's degree in Commerce. He is a Fellow member of the Institute of Chartered Accountants of India (since 1985) and also an Associate member of Institute of Cost Accountants of India (since 1986) and currently the CEO of Arun Mehta & Associates.

Ms. Kamala Kantharaj is the Chief Regulatory Officer heading the Regulatory functions of BSE Limited including Membership and Listing Compliance, Surveillance and Investigation, Inspection and Enforcement.

At BSE Limited Ms. Kamala was earlier heading the Enterprise Risk Management across various vectors of risk as Chief Risk officer. She has rich and diverse experience of more than 33 years in the area of Finance. She has been long associated with financial markets in general and MII space in particular performing various roles. She has worked in multiple organisations like PFC, IIM-B, BgSE, BgSE Financials, Invest smart, NSE, Edelweiss Group. She has also been part of various reforms in capital market, actively participating in policy making through various Committees constituted by Regulators and Stock Exchanges.

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

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. Currently, INDIA INX has more than 90% market share.

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.

Ms. Vaishshali Babu has assumed office as the Managing Director & CEO, Indian Clearing Corporation Limited (ICCL) effective 1st January 2024.

Ms. Vaishshali Babu has been working as a Chief Operating Officer at ICCL from December 01, 2022. She is a capital market veteran with overall capital market experience of above 30 years spread across various functions like Product Management, Relationship Management, Risk Management, Operations, Business Development etc. Prior to joining ICCL, she has held several positions including leadership roles in BNP Paribas, BoFA (Merryl Lynch), State Street, Stock Holding Corporation, United India Insurance Co. and Bombay Port Trust. Her area of expertise is in clearing house operations, custodian business, products and relationship management, operations management, project management including risk, compliance and audit.

Ms. Vaishshali holds a master's degree in commerce from Mumbai University with a Business Administration qualification from Symbiosis. She has credentials of executive programmes from IIM Bangalore, IIM Rohtak and IIM Calcutta and is member of Institute of Directors. She was recognised as "India's top 100 women in Finance" by AIWMI in 2019 and awarded "Best in Custody" at the Women in Finance Asia Awards in 2022.

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	Ms. Hemalatha Sivasubramanian	Mr. Arun Mehta	Ms. Kamala Kantharaj	Mr. Sameer Patil	Ms. Vaishshali Babu
Finance and accountancy	✓				✓	✓		✓
Economics		✓						
Capital markets	✓			✓	✓	✓	✓	✓
Technology	✓	✓	✓					
Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓	✓	✓
Legal and regulatory	✓		✓	✓		✓		✓
Risk management	✓					✓		✓
Management/ Administration		✓				✓	✓	✓

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	8	8	Yes	-	-
Dr. Medha Tapiawala	8	8	Yes	-	-
Mr. Vikas Gadre	8	8	Yes	-	Note 1
Ms. Hemalatha Sivasubramanian (w.e.f. May 17, 2023)	7	7	Yes	-	Note 1
Mr. Arun Mehta (w.e.f. August 11, 2023)	5	5	NA	-	-
Non-Independent Directors					
Mr. Neeraj Kulshrestha (till June 14, 2023)	1	1	NA	-	-
Ms. Kamala Kantharaj (w.e.f. August 23, 2023)	5	5	NA	-	-
Mr. Sameer Patil	8	7	Yes	-	-
Managing Director and CEO					
Ms. Devika Shah (till December 31, 2023)	6	5	Yes	-	-
Ms. Vaishshali Babu (w.e.f. January 1, 2024)	2	2	NA	-	-

Note 1:

- Mr. Vikas Gadre is an Independent External Person in Risk Management Committee of BSE Limited
- Ms. Hemalatha Sivasubramanian is an Independent External Person in Regulatory Oversight Committee of National E-Repository Limited

Note 2:

All Public Interest Directors are Independent, Non-Executive Directors. Non - Independent 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	NIL	NA
2.	Dr. Medha Tapiawala	NIL	NA
3.	Mr. Vikas Gadre	NIL	NA
4.	Ms. Hemalatha Sivasubramanian	NIL	NA
5.	Mr. Arun Mehta	NIL	NA
6.	Ms. Kamala Kantharaj	4	1
7.	Mr. Sameer Patil	5	NIL
8.	Ms. Vaishshali Babu	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 Dhrumil M. Shah & Co. LLP, 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 2023-24, Eight Board Meetings were convened and held on April 26, 2023, June 17, 2023, July 27, 2023, August 26, 2023, October 27, 2023, December 19, 2023, January 24, 2024 and March 14, 2024.

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 Non-Independent Directors who have cast their vote on such resolution.

Board Agenda

The Board agenda is prepared by the Company Secretary and are finalised in consultation with the MD & CEO. 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 2023 -24 is as under:

(Amount in ₹)

Particulars of Remuneration	Devika Shah	Vaishali Babu
Managing Director & CEO	Retired on 31.12.2023	w.e.f. 01.01.2024
a) Basic Salary	13,50,000	4,50,000
b) Allowances & perquisites	13,940,238 26,47,798	23,08,500 0
c) Variable pay based on performance.	1,62,000	54,000
d) PF Contribution		
Total	1,81,00,036	28,12,500

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 2023-24 as per the SECC Regulations

As per SECC Regulations, MD being a Key Management Personnel and is not entitled to any stock options

Notes:

- Ms. Devika Shah's tenure as the Managing Director and Chief Executive Officer of ICCL ended on December 31, 2023.
- Ms. Vaishali Babu was appointed as the Managing Director and Chief Executive Officer of ICCL w.e.f. January 01, 2024.

b) Remuneration to other directors

Particulars of Remuneration	Name of Independent Directors					Total Amount (₹)
	Dr. Hemant Kumar Manuj	Dr. Medha Tapiawala	Mr. Vikas Gadre	Ms. Hemalatha Sivasubramanian	Mr. Arun Mehta	
Fees for attending Board, Committee Meetings	22,60,000	18,60,000	20,00,000	13,90,000	11,30,000	86,40,000
Commission	0	0	0	0	0	0
Others, please specify	0	0	0	0	0	0
Total	22,60,000	18,60,000	20,00,000	13,90,000	11,30,000	86,40,000

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

Particulars of Remuneration	Key Managerial Personnel Amount (₹)	
	Company Secretary	CFO
Basic Salary	1,80,000	3,45,048
Allowances & perquisites	8,44,283	44,01,408
Variable pay based on performance	63,946	7,58,401
PF Contribution	21,600	41,400
Total	11,09,829	55,46,257

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 2023-24 as per the SECC Regulations

Non – Executive Directors:

There is no pecuniary relationship or transaction between Non – Executive Directors (Public Interest Directors and Non-Independent 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 2023-24:

Sr. No	Name of Public Interest Directors	Sitting Fees (₹)
1.	Dr. Hemant Kumar Manuj	22,60,000
2.	Dr. Medha Tapiawala	18,60,000
3.	Mr. Vikas Gadre	20,00,000
4.	Ms. Hemalatha Sivasubramanian (w.e.f. May 17, 2023)	13,90,000
5.	Mr. Arun Mehta (w.e.f. August 11, 2023)	11,30,000
	Total	86,40,000

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 Non-Independent Directors as they are nominee of BSE Limited
- No Directors of the Company hold any shares or convertible securities in the Company



COMMITTEES FOR CLEARING CORPORATION

The Committees of Clearing Corporation are governed under Companies Act, 2013, SECC Regulations 2018 and SEBI Listing Regulations. 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 [Omitted by the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations)(Amendment) Regulations, 2023, w.e.f. 28-08-2023]	
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 Directors 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, 2024, 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, 2024, the composition of Member and Core Settlement Guarantee Fund Committee was as follow:

- Dr. Medha Tapiawala, Public Interest Director – Chairperson
- Ms. Hemalatha Sivasubramanian, Public Interest Director
- Mr. Arun Mehta, Public Interest Director
- Ms. Vaishali Babu, 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 measures 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 FY 2023-24, Five (5) Member and Core Settlement Guarantee Fund Committee meetings were held on April 25, 2023; July 26, 2023; October 26, 2023, January 23, 2024 and February 22, 2024.

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 2023 – 24 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Medha Tapiawala	5	5
2	Mr. Vikas Gadre (till October 9, 2023)	2	2
3	Dr. Hemant Kumar Manuj (till June, 17, 2023)	1	1
4	Ms. Hemalatha Sivasubramanian (w.e.f. June 18, 2023)	4	4
5	Mr. Arun Mehta (w.e.f. October 10, 2023)	3	3
6	Ms. Vaishshali Babu (w.e.f. January 24, 2023)	1	1
7	Ms. Devika Shah (till December 31, 2023)	3	3

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 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, 2024, the composition of Nomination & Remuneration Committee was as follow:

- Mr. Vikas Gadre, Public Interest Director – Chairperson
- Dr. Hemant Kumar Manuj, Public Interest Director
- Dr. Medha Tapiawala, Public Interest Director
- Ms. Hemalatha Sivasubramanian, 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 2023-24, Fourteen (14) Nomination & Remuneration Committee meetings were held on April 5, 2023; April 25, 2023; May 29, 2023; June 17, 2023; June 18, 2023; June 29, 2023; July 4, 2023; July 16, 2023; July 26 2023; August 26, 2023; October 26, 2023; December 19, 2023; January 23, 2024; and March 14, 2024.

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 2023 – 24 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. Vikas Gadre	14	14
2	Dr. Hemant Kumar Manuj	14	14
3	Dr. Medha Tapiawala	14	14
4	Ms. Hemalatha Sivasubramanian (w.e.f. June 18, 2023)	10	10
5	Mr. Samir Shah (IEP w.e.f. May 8, 2023 till August 26 2023)	6	5
6	Mr. Karnam Sekar (IEP w.e.f. May 8, 2023 till August 26 2023)	6	6

Standing Committee on Technology

As on March 31, 2024, the composition of Standing Committee on Technology is as follow:

- Mr. Vikas Gadre, Public Interest Director – Chairman
- Dr. Hemant Kumar Manuj, Public Interest Director
- 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 2023 - 24, Five (5) Standing Committee on Technology meetings were held i.e. on April 25, 2023; July 26, 2023; October 26, 2023 January 12, 2024 and January 23, 2024.

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 2023 - 24 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. Vikas Gadre	5	5
2	Dr. Hemant Kumar Manuj (w.e.f. June 18, 2023)	4	4
3	Dr. Medha Tapiawala	5	4
4	Mr. Pravir Vohra	5	4
5	Mr. Alok Kumar	5	5

Regulatory Oversight Committee

As on March 31, 2024, the composition of Regulatory Oversight Committee is as follow:

- Ms. Hemalatha Sivasubramanian, Public Interest Director – Chairperson
- Dr. Hemant Kumar Manuj, Public Interest Director
- Mr. Vikas Gadre, Public Interest Director
- Mr. Arun Mehta, Public Interest Director
- Ms. Jyoti Sharma, Independent External Person

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

- Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
- Oversee SEBI inspection observations on membership related issues.
- Estimate adequacy of resources dedicated to member regulation
- Monitor the disclosures made under Reg.35 of SCR(SECC) Regulations, 2018
- Review the actions taken to implement the suggestions of SEBI’s Inspection Reports and place it before the Board of 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 FY 2023-24, Four (4) Regulatory Oversight Committee meetings were held i.e. on April 25, 2023; July 26, 2023; October 26, 2023 and January 23, 2024.

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 2023 – 24 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Ms. Hemalatha Sivasubramanian (w.e.f. June 18, 2023)	3	3
2	Dr. Hemant Kumar Manuj	4	4
3	Dr. Medha Tapiawala (till June 17, 2023)	1	1
4	Mr. Vikas Gadre	4	4
5	Mr. Arun Mehta (w.e.f. October 10, 2023)	2	2
6	Ms. Jyoti Sharma	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, 2024, the composition of Risk Management Committee is as follow:

- Dr. Hemant Kumar Manuj, Public Interest Director – Chairman
- Mr. Vikas Gadre, Public Interest Director
- Mr. Arun Mehta, Public Interest Director
- Dr. 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 FY 2023-24, Four (4) Risk Management Committee meetings were held on April 25, 2023; July 26, 2023; October 26, 2023 and January 23, 2024.

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 2023-24 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 (till October 9, 2023)	2	2
3	Mr. Vikas Gadre	4	4
4	Ms. Hemalatha Sivasubramanian (w.e.f. June 18, 2023 till October 9, 2023)	1	1
5	Mr. Arun Mehta (w.e.f. October 10, 2023)	2	2
6	Dr. Ajit Ranade	4	4
7	Dr. 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, 2024, the composition of Audit Committee is as follow:

- Mr. Arun Mehta, Public Interest Director – Chairman
- Dr. Hemant Manuj, Public Interest Director
- Mr. Vikas Gadre, Public Interest Director
- Ms. Kamala Kantharaj, Non – Independent Director

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

- To review compliance with internal control systems;
- To review the findings of the Internal Auditor relating to various functions of the Company;
- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;

- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including statutory & Internal Audit Reports;
- Recommending the appointment of statutory auditors and internal auditors and fixation of their remuneration; and
- Reviewing the Company’s financial and risk management policies.

During FY 2023-24, Six (6) Audit Committee meetings were held on April 26, 2023; June 17, 2023; July 27, 2023; October 27, 2023; January 24, 2024 and March 14, 2024.

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 2023 – 24 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Mr. Arun Mehta (w.e.f. October 10, 2023)	3	3
2	Dr. Hemant Kumar Manuj	6	6
3	Dr. Medha Tapiawala (till June 17, 2023)	2	2
4	Mr. Vikas Gadre (w.e.f. June 18, 2023)	4	4
5	Mr. Neeraj Kulshrestha (till June 14, 2023)	1	1
6	Ms. Kamala Kantharaj (w.e.f. October 10, 2023)	3	3
7	Mr. Sameer Patil (w.e.f. June 18, 2023 till October 9, 2023)	1	1

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, 2024, the composition of Corporate Social Responsibility Committee is as follow:

- Dr. Medha Tapiawala, Public Interest Director – Chairperson
- Ms. Hemalatha Sivasubramanian, Public Interest Director

- Mr. Sameer Patil, Non – Independent Director
- Ms. Vaishshali Babu, Managing Director and CEO

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

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

Meetings held during the year and attendance thereat:

During FY 2023-24, two (2) Corporate Social Responsibility Committee meetings were held on October 26, 2023, and January 23, 2024.

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 2023 – 24 is given below:

Sr. No.	Members	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Medha Tapiawala	2	2
2	Ms. Hemalatha Sivasubramanian (w.e.f. June 18, 2023)	2	2
3	Mr. Vikas Gadre (till June 17, 2023)	0	0
4	Mr. Neeraj Kulshrestha (till June 14, 2023)	0	0
5	Mr. Sameer Patil (w.e.f. June 18, 2023)	2	2
6	Ms. Devika Shah (till December 31, 2023)	1	1
7	Ms. Vaishshali Babu (w.e.f. January 24, 2024)	0	0

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, Mr. Vikas Gadre, Ms. Hemalatha Sivasubramanian and Mr. Arun Mehta 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; and
- 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 2023 - 24, Two (2) Public Interest Director meetings were held on April 25, 2023 and October 26, 2023.

Attendance of the meeting of the Public Interest Directors in FY 2023 – 24 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	2	2
4	Ms. Hemalatha Sivasubramanian (w.e.f. May 17, 2023)	1	1
5	Mr. Arun Mehta (w.e.f. August 11, 2023)	1	1

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
2022 -23	July 27, 2023, 3:00 PM	15 th Floor, P.J. Towers Dalal Street, Mumbai-400001	None	<ul style="list-style-type: none"> • Dr. Hemant Kumar Manuj • Dr. Medha Tapiawala • Mr. Vikas Gadre • Ms. Hemalatha Sivasubramanian • Mr. Sameer Patil • Ms. Devika Shah
2021-22	June 22, 2022, 11:30 AM	Through Video Conference	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Mr. S. Sundareshan • Prof. T. Ramabhadran • Mr. Prasad Dahapute • Mr. Sameer Patil • Ms. Devika Shah • Mr. Neeraj Kulshrestha

Extra Ordinary General Meeting				
Financial year	Date & Time	Venue	Special Resolution Passed	Names of the Directors who attended the General Meetings
2023 - 24	January 24, 2024, 1:00 PM	25 th Floor, Board Room P.J. Towers, Dalal Street, Fort, Mumbai - 400001.	<ul style="list-style-type: none"> Appointment of Mr. Deepak Goel as Non- Independent Director on the Board of the Company 	<ul style="list-style-type: none"> Dr. Hemant Kumar Manuj Dr. Medha Tapiawala Mr. Vikas Gadre Ms. Hemalatha Sivasubramanian Mr. Arun Mehta Ms. Kamala Kantharaj Mr. Sameer Patil Ms. Vaishshali Babu
2023-24	December 27, 2023, 2:45 PM	15 th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.	<ul style="list-style-type: none"> Appointment of Ms. Vaishshali Babu as Managing Director and Chief Executive Officer of the Company 	<ul style="list-style-type: none"> Dr. Hemant Kumar Manuj Mr. Vikas Gadre Mr. Arun Mehta Ms. Kamala Kantharaj Ms. Devika Shah
2023-24	October 27, 2023, 4.30 PM	25 th Floor, Board Room, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001	<ul style="list-style-type: none"> Increase in Remuneration Payable to Ms. Devika Shah, Managing Director & Chief Executive Officer Increase in the Borrowing Limits of the Company 	<ul style="list-style-type: none"> Dr. Hemant Kumar Manuj Mr. Sameer Patil Ms. Devika Shah

During the previous three financial years (2022 - 23, 2021 - 22 and 2020 - 21) and in the current financial year 2023-24, 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 2023 - 24 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:

- Evaluation of Board as a whole
- Evaluation of Committees of the Board
- Evaluation of Individual Directors and Chairperson (including Chairperson, MD & CEO, Independent Directors, Non-independent directors, etc.)
- 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, 2024, 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 2023 – 2024 are as follows:

Particulars	Amount in ₹
Statutory Audit Fees	6,50,000.00
Tax Audit	2,00,000.00
Other Services	2,37,000.00
TOTAL	10,87,000.00

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, 2024.



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 17 th Annual General Meeting	Date: June 28, 2024 Time: 1:00 p.m. Venue: Through Video Conferencing
Financial Year	April 01, 2023 - March 31, 2024
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	25 th 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	KFin Technologies 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	<p>The Company paid a penalty of ₹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".</p> <p>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.</p>

ANNEXURE C1



Distribution of Shareholding as on March 31, 2024

S/n	Entity	Equity Shares	% Equity
1.	BSE Limited (Recognized Stock Exchange)	3,53,99,99,994	100
2.	Mr. Deepak Goel - Nominee of BSE Limited	1	0
3.	Mr. Subhash Kelkar - Nominee of BSE Limited	1	0
4.	Mr. Girish Joshi - Nominee of BSE Limited	1	0
5.	Ms. Kamala Kantharaj - Nominee of BSE Limited	1	0
6.	Mr. Vishal Bhat - Nominee of BSE Limited	1	0
7.	Mr. 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 2023-24.

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 25, 2024
 Place: Mumbai

Vaishali Babu
Managing Director & CEO



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Indian Clearing Corporation Limited
CIN: U67120MH2007PLC170358
25th Floor, P. J. Towers Dalal Street,
Mumbai 400001.

We have examined all the relevant records of **Indian Clearing Corporation Limited** (hereinafter referred to as "**the Company**") for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") for the year ended **March 31, 2024**. In terms of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised clearing corporation. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

For Dhrumil M. Shah & Co. LLP
Practicing Company Secretaries
ICSI URN: **L2023MH013400**
PRN: **3147/2023**

Place: **Mumbai**
Date: **April 25, 2024**

Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: **F008021F000229682**

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
 CIN: U67120MH2007PLC170358
 25th Floor, P. J. Towers Dalal Street,
 Mumbai 400001

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, Mumbai 400001 (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 Sub 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 ending on March 31, 2024 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 Director	DIN	Date of appointment in Company
1.	Mr. Neeraj Kulshrestha ¹	02994647	27-04-2016
2.	Ms. Devika Shah ²	07980301	01-01-2018
3.	Mr. Sameer Patil	08103042	12-02-2020
4.	Dr. Hemant Kumar Manuj	08246131	25-08-2021
5.	Dr. Medha Tapiawala	09277265	25-08-2021
6.	Mr. Vikas Gadre	06746818	14-10-2022
7.	Ms. Hemalatha Sivasubramanian ³	10071530	17-05-2023

Sr. No.	Name of Director	DIN	Date of appointment in Company
8.	Mr. Arun Mehta ⁴	00073422	11-08-2023
9.	Ms. Kamala Kantharaj ⁵	07917801	23-08-2023
10.	Ms. Vaishali Babu ⁶	02297874	01-01-2024

1. Mr. Neeraj Kulshrestha ceased to be the Shareholder Director with effect from June 14, 2023.
2. Ms. Devika Shah ceased to be the Managing director and CEO with effect from December 31, 2023.
3. Ms. Hemalatha Sivasubramanian was appointed as Public Interest Director (Independent Director) for her first term of three years vide SEBI approval letter SEBI/HO/MRD/RAC2/P/OW/2023/18910/1 dated May 10, 2023. Her term is from May 17, 2023 to May 16, 2026.
4. Mr. Arun Mehta was appointed as Public Interest Director (Independent Director) for his first term of three years vide SEBI approval letter SEBI/HO/MRD/RAC2/P/OW/2023/31677/1 dated August 07, 2023. His term is from August 11, 2023 to August 10, 2026.
5. Ms. Kamala Kantharaj was appointed as Shareholder Director with effect from August 23, 2023 vide SEBI approval letter dated SEBI/HO/MRD/RAC2/P/OW/2023/34144/1 dated August 23, 2023.
6. Ms. Vaishali Babu was appointed as Managing Director and CEO with effect from January 01, 2024 to December 31, 2028 vide SEBI approval letter SEBI/HO/MRD/RAC2/P/OW/2023/50763/1 dated December 15, 2023.

Ensuring the eligibility for the 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
 Practicing Company Secretaries
 ICSI URN: **L2023MH013400**
 PRN: **3147/2023**

Dhrumil M. Shah
 Partner
FCS 8021 | CP 8978
 UDIN: **F008021F000229682**

Place: **Mumbai**
 Date: **April 25, 2024**



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 ₹5 crore. 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:

Sr. No.	Members	Designation / Nature of Directorship	No. of Meetings eligible for attendance	No. of Meetings attended
1	Dr. Medha Tapiawala	Public Interest Director, Chairperson of the Committee	2	2
2	Ms. Hemalatha Sivasubramanian (w.e.f. June 18, 2023)	Public Interest Director	2	2
3	Mr. Vikas Gadre (till June 17, 2023)	Public Interest Director	0	0
4	Mr. Neeraj Kulshrestha (till June 14, 2023)	Non-Independent Director	0	0
5	Mr. Sameer Patil (w.e.f. June 18, 2023)	Non-Independent Director	2	2
6	Ms. Devika Shah (till December 31, 2023)	Managing Director & CEO	1	1
7	Ms. Vaishshali Babu (w.e.f. January 24, 2024)	Managing Director & CEO	0	0

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

6. Average net profit of the company as per section 135(5): **₹4,284.33 lakh**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹85.68 lakh**

(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): **₹85.68 lakh**

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

Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)				
	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
85,68,667	NIL		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 ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	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 ₹)	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	-	-	85,68,667	Yes	NA	NA

(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): ₹85,68,667

(g) Excess amount for set off if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	85,68,667
(ii)	Total amount spent for the Financial Year	85,68,667
(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. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In ₹)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
NA							



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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (In ₹)	Amount spent on the project in the reporting Financial Year (In ₹)	Cumulative amount spent at the end of reporting Financial Year (In ₹)	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).

- Date of creation or acquisition of the capital asset(s): **NIL**
- Amount of CSR spent for creation or acquisition of capital asset: **NIL**
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **NA**
- 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

Dr. Medha Tapiawala
Chairperson of the Committee

Date: April 25, 2024

Management Discussion and Analysis Report

1) ECONOMIC OUTLOOK

A. Economic Environment - Global outlook

Global growth is projected at 3.1 % in 2024 and 3.2 % in 2025, with the 2024 forecast 0.2% point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024-25 is, however, below the historical (2000-2019) average of 3.8 %, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 % in 2024 and to 4.4 % in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks--including continued attacks in the Red Sea--and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and--where wage and price pressures are clearly dissipating--adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than

expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favourable supply side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Key Factors Shaping the Outlook

Growth resilient in major economies -

Economic growth is estimated to have been stronger than expected in the 2nd half of CY2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight--though easing--labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labor force participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment.

Inflation subsiding faster than expected -

Amid favourable global supply developments, inflation has been falling faster than expected, with recent readings near the pre-pandemic average for both headline and underlying (core) inflation. Global headline inflation in the 4th quarter of 2023 is estimated to have been about 0.3 % point lower than predicted in the October 2023 WEO on a quarter over quarter seasonally adjusted basis. Diminished inflation reflects the fading of relative price shocks notably those to energy prices--and their associated pass-through to core inflation.

High borrowing costs cooling demand -

To reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment. But with inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets. Still, long-term borrowing costs remain high in both advanced and emerging market and developing economies, partly because government debt has been rising. In addition, central banks' policy rate decisions are becoming increasingly asynchronous. In some countries with falling inflation--including Brazil and Chile, where central banks tightened policy earlier than in other countries--interest rates have been declining since

the 2nd half of 2023. In China, where inflation has been near zero, the central bank has eased monetary policy. The Bank of Japan has kept short-term interest rates near zero.

Fiscal policy amplifying economic divergences-

Governments in advanced economies eased fiscal policy in 2023. The United States, where GDP had already exceeded its pre pandemic path, eased policy more than did euro area and other economies in which the recovery was incomplete. In emerging market and developing economies, in which output has on average fallen even further below the pre pandemic trend, on average the fiscal stance is estimated to have been neutral. The exceptions include Brazil and Russia, where fiscal policy eased in 2023. In FY 2023-24, the fiscal policy stance is expected to tighten in several advanced and emerging market and developing economies to rebuild budgetary room for manoeuvre and curb the rising path of debt, and this shift is expected to slow growth in the near term.

B. Indian Economic Outlook

I : Economic Performance in FY 2023-24

As per the India Economic Survey, the real GDP grew by a robust 7.7 % in H1 of FY 2023-24, following a 7.6 % growth in Q2. On the back of strong performance in Q2, the RBI has raised its growth forecast to 7 % for the full year. Resilient consumption and investment have driven up the growth rate in H1. The urban component has strengthened consumption while rural demand is beginning to pick up. The government capex has increased the investment rate while private investment is showing promise. The strong domestic demand has consequently induced a significant increase in manufacturing and services value-add.

Geopolitical tensions persist and have exacerbated the weakness in global trade emerging from the slowing of the global output. Merchandise exports and imports of India have thus contracted in H1 of FY 2023-24 but in a manner that has improved the merchandise trade deficit. Seen with a growing surplus on the services trade account, the current account deficit is expected to narrow in H1 of FY 2023-24. The Foreign Portfolio Investments (FPIs) further fuelled optimism as they became net buyers during H1 of FY 2023-24, in contrast to being net sellers during H1 of FY 2022-23

The Foreign Direct Investment (FDI) inflow into India net of repatriation has declined in H1 in line with the global pattern of FDI flows. Notwithstanding these short-term developments, FDI inflows are expected to resurrect in the medium term as strong government support, a stable macroeconomic environment and rising growth in India are enabling conditions for boosting FDI inflows. Evidence to this effect is seen in a sharp rebound in FDI in October 2023.

Amidst the fiscal risks prevailing globally, the government has been carefully monitoring public spending to achieve fiscal consolidation. To this end, expenditures have been re-prioritised towards the immediate requirement of safeguarding the vulnerable. Re-prioritisation, however, has not compromised the government’s longer-term objective of strengthening productive capital spending. Such a prudent fiscal policy is expected to support the country’s economic growth prospects.

Core inflation at 3.53% in January 2024 was at a 47-month low.

It has fallen by 269 basis points from its recent peak in January 2023. This decline is primarily attributed to disinflationary monetary policy and softening in input prices. Consumer Price Inflation (CPI) has been fluctuating between 5% and 6% since September 2023, which is within the inflation target of 2% to 6% set by the RBI. Recurring food price shocks poses risks to ongoing disinflation. Wholesale Price Inflation (WPI) continued to be in the positive territory after remaining in the deflationary phase since the beginning of the FY 2023-24. Increase in WPI inflation is attributed to higher food prices.

On the employment front, labour markets have fully recovered their pre-pandemic levels. High frequency indicators further reflect an improvement in the overall employment situation across sectors. Formal sector employment also showed robust growth, as indicated by a steep rise in the subscription base of the Employees Provident Fund Organisation (EPFO). The PMI Manufacturing and services employment sub-indices showcase a broad-based improvement in employment generation. The outlook for the employment sector appears bright, with employers intending to maintain or expand their workforce.

High Frequency Indicators (HFIs) in India for October and November 2023 reflect robust economic activity in Q3 of FY 2023-24, which is likely to continue in Q4 as well. Downside risks to growth arise from smouldering inflationary pressures in advanced countries and supply-chain disruptions re-emerging from persistent geopolitical stress, while geopolitics is an independent source of risk in itself. However, India’s domestic economic momentum and stability, low-to-moderate input cost pressures and anticipated policy continuity are significant buffers against those risks.

II : Economic Prospects of FY 2024-25

Despite significant global headwinds, Indian economy has remained the fastest growing major economy in 2023, backed by strong capex push and upswing in the manufacturing sector. However, going forward, this momentum will moderate in FY 2024-25. On the external front, unlike in FY 2021-22 and FY 2022-23, where exports contributed noticeably to the growth print, decelerating global economy with stagnant or falling growth among India’s major export destinations will continue to impede exports prospects in coming fiscal. Overall, exports are not expected to contribute significantly to GDP growth in FY 2024-25.

On the investment front, while public capex may witness moderation to stick to the fiscal consolidation target, general election- induced uncertainty and tighter lending conditions would also keep private investments restrained in the first half of FY 2023-24. Nevertheless, with the bottoming out of global growth, expected interest rate cuts and post-election clarity, private capex could pick up in later half of FY 2023-24. This optimism is bolstered by factors such as elevated capacity utilization levels, sizable order books, and cleaner corporate and bank balance sheets.

Private final consumption expenditure (PFCE) which contributes significantly to India’s GDP noted a moderation in growth the 2nd quarter. Private final consumption expenditure (PFCE), which captures domestic consumption demand, grew by 3.1% in 2nd quarter of FY 2023-24. The revival in consumption since pandemic shock has not been able to maintain a sustained momentum. In the current fiscal, while urban consumption demand has remained buoyant as evident

from domestic air passenger traffic, passenger vehicle sales and household credit offtake, rural demand has had a sluggish pace due to weak agriculture sector performance and high food inflation, particularly in cereals which are a staple food for many people in the rural areas.

On the inflation front, the Reserve Bank of India (RBI) has kept its forecast for retail price inflation in FY 2023-24 unchanged at 5.4%. It has brought down the estimate for the January-March 2024 quarter to 5% from 5.2% in the previous meeting. Assuming normal monsoon in the next fiscal, the RBI has projected inflation to close at 4.5% in FY 2024-25, with the April-June 2024 quarter noting an inflation of 5%, July-September 2024 quarter penciling an inflation of 4%, the October-December 2024 quarter observing an inflation of 4.6% and the January-March 2025 quarter noting an inflation of 4.7%.

In the coming months, upside and downside factors persist, expectations are of a subdued recovery in consumption demand. On the upside, expected ease in inflation rates, election-injected income spur and pick-up in private investments bode well for consumption growth. On the downside, in case of rural demand, muted agriculture performance is expected to weigh on consumption and sentiments. In case of urban demand, lagged impact of RBI's policy rate hikes and RBI's recent regulatory measures in terms of increasing the risk weights associated with unsecured retail loans are expected to soften the growth in such loans and hence impact consumption.

2) INDUSTRY STRUCTURE & DEVELOPMENT

A. Capital Markets

In FY 2023-24, the Indian equity market witnessed a phenomenal performance as benchmark indices soared to unprecedented all-time highs, with the benchmark Sensex Index scaling milestone of 74,245 mark. The Indian corporate earnings began to show improvement, with companies benefiting from a softening in commodity prices, leading to enhanced profitability and margins.

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 2023-24 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, 11,211 Foreign Portfolio Investors (FPIs), and 17 custodians, with a market capitalization of all listed companies at ₹387 trillion.

A stock exchange is a catalyst for nation building and not just a trading platform. A vibrant capital market is a large job creator with the number of intermediaries required to support each trade. The Exchange ecosystem supports various intermediaries' including brokers, sub brokers, corporates, banks, depositories, depository participants, custodians, and investors. The Stock Exchange industry in India has evolved rapidly in the past few years and spans multi asset classes - equities, equity derivatives, currency derivatives, commodity derivatives, ETF, mutual funds, debt, interest rate derivatives and power trading.

B. Major Policy development for FY 2023-24

T+ 0: The Securities and Exchange Board of India or SEBI has stated that it has been decided to put in place a framework for introduction of the Beta version of T+0 settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash market, for a limited set of 25 scrips and with a limited number of brokers. All investors are eligible to participate in the segment for the T+0 settlement cycle, if they can meet the timelines, process and risk requirements as prescribed by the Mills. Further, T+0 prices will not be considered in index calculation and settlement price computation. Also, there shall be no separate close price for securities based on trading in the T+0 segment. The surveillance measures as applicable in the T+1 settlement cycle shall apply to scrips in the T+0 settlement cycle. SEBI had earlier allowed for introduction of T+1 rolling settlement cycle. All stock exchanges, clearing corporations and depositories jointly decided to shift to T+1 settlement cycle in a phased manner, which was fully implemented w.e.f. January 27, 2023.

IPO listing time reduced to T + 3: Companies launching their public offering from December 1, 2023 had to ensure that the listing happens within three days of the IPO close. The reduction in the timeline for listing is aimed at benefiting both issuers and investors. The reduced listing time means that the issuers would receive their funds in a much shorter time period, and the same is with allottees, who would get their securities within the stipulated 3 days. Also, subscribers who were not allotted shares would receive their money back quickly. This ensures that when two or three IPOs collide on the Street, investors will have funds at their disposal where they can participate in multiple issues in parallel. The mandatory T+3 listing means that HNI (high net worth individual) clients opting for IPO funding will experience a reduction in interest payment duration, down from around 7 days to a mere 4 days.



Major Announcements by SEBI:

Date	Title
Mar 21, 2024	Introduction of Beta version of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets
Mar 20, 2024	Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode
Mar 19, 2024	Entities allowed to use e-KYC Aadhaar Authentication services of UIDAI in Securities Market as sub-KUA
Mar 13, 2024	Repeal of circular(s) outlining procedure to deal with cases where securities are issued prior to April 01, 2014, involving offer / allotment of securities to more than 49 but up to 200 investors in a financial year
Mar 12, 2024	Simplification and streamlining of Offer Documents of Mutual Fund Schemes - Extension of timelines
Mar 11, 2024	Measures to instill trust in securities market – Expanding the framework of Qualified Stock Brokers (QSBs) to more stock brokers
Mar 05, 2024	Notification for List of goods notified under SCRA, 1956
Feb 20, 2024	Centralization of certifications under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at KYC Registration Agencies (KRAs)
Feb 08, 2024	Revised Pricing Methodology for Institutional Placements of Privately Placed Infrastructure Investment Trust (InvIT)
Feb 06, 2024	Guidelines for returning of draft offer document and its resubmission
Jan 25, 2024	Streamlining of Regulatory Reporting by Designated Depository Participants (DDPs) and Custodians
Jan 25, 2024	Extension of timeline for verification of market rumours by listed entities
Jan 23, 2024	Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism
Jan 12, 2024	Guidelines for AIFs with respect to holding their investments in dematerialised form and appointment of custodian
Jan 12, 2024	Ease of doing business- Changes in reporting
Jan 12, 2024	Ease of Doing Investments by Investors- Facility of voluntary freezing/ blocking of Trading Accounts by Clients
Jan 11, 2024	Foreign investment in Alternative Investment Funds (AIFs)
Jan 05, 2024	Framework for Short Selling
Dec 28, 2023	Settlement of Running Account of Client's Funds lying with Trading Member (TM)
Dec 28, 2023	Modifications to provisions of Chapter XXI of NCS Master Circular dealing with registration and regulatory framework for Online Bond Platform Providers (OBPPs)
Dec 28, 2023	Framework on Social Stock Exchange
Dec 27, 2023	Extension of timelines for providing 'choice of nomination' in eligible demat accounts and mutual fund folios
Dec 20, 2023	Business Continuity for Clearing Corporations through Software as a Service (SaaS) Model
Dec 20, 2023	Amendment to Circular dated July 31, 2023 on Online Resolution of Disputes in the Indian Securities Market
Dec 19, 2023	Principles of Financial Market Infrastructures (PFMIs)
Dec 18, 2023	Simplification of requirements for grant of accreditation to investors
Dec 12, 2023	Upstreaming of clients' funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)
Dec 11, 2023	Credit of units of AIFs in dematerialised form
Dec 06, 2023	Revised framework for computation of Net Distributable Cash Flow (NDCF) by Infrastructure Investment Trusts (InvITs)
Dec 06, 2023	Revised framework for computation of Net Distributable Cash Flow (NDCF) by Real Estate Investment Trusts (REITs)
Dec 01, 2023	Extension of timeline for implementation of provisions of circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 on Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform.
Nov 17, 2023	Simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and nomination
Nov 13, 2023	Most Important Terms and Conditions

Date	Title
Nov 08, 2023	Procedural framework for dealing with unclaimed amounts lying with Real Estate Investment Trusts (REITs) and manner of claiming such amounts by unitholders
Nov 08, 2023	Procedural framework for dealing with unclaimed amounts lying with Infrastructure Investment Trusts (InvITs) and manner of claiming such amounts by unitholders
Nov 08, 2023	Procedural framework for dealing with unclaimed amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors
Nov 01, 2023	Simplification and streamlining of Offer Documents of Mutual Fund Schemes
Oct 31, 2023	Revision in manner of achieving minimum public unitholding requirement – Infrastructure Investment Trusts (InvITs)
Oct 20, 2023	Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Qualified RTAs (QRTAs)
Oct 19, 2023	Ease of doing business and development of corporate bond markets – revision in the framework for fund raising by issuance of debt securities by large corporates (LCs)
Oct 13, 2023	Amendment to the Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money-laundering Act, 2002 and Rules framed there under.
Oct 10, 2023	Extension in timeline for compliance with qualification and experience requirements under Regulation 7(1) of SEBI (Investment Advisers) Regulations, 2013
Oct 07, 2023	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reg.
Oct 06, 2023	Requirement of Base Minimum Capital Deposit for Category 2 Execution Only Platforms
Oct 06, 2023	Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Oct 03, 2023	Centralized mechanism for reporting the demise of an investor through KRAs
Sep 30, 2023	Extension of timeline for verification of market rumours by listed entities
Sep 27, 2023	Nomination for Mutual Fund Unit Holders – Extension of timelines
Sep 26, 2023	Extension of timelines (i) for nomination in eligible demat accounts and (ii) for submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts
Sep 20, 2023	Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform
Sep 14, 2023	Regulatory Reporting by AIFs
Sep 11, 2023	Board nomination rights to unitholders of Real Estate Investment Trusts (REITs)
Sep 11, 2023	Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs)
Sep 06, 2023	Clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund
Sep 04, 2023	Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs)
Sep 04, 2023	Change in mode of payment w.r.t. SEBI Investor Protection and Education Fund Bank A/c
Sep 04, 2023	New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/or Non-convertible Redeemable Preference Shares
Aug 29, 2023	Guidelines for MIs regarding Cyber security and Cyber resilience
Aug 24, 2023	Modification in Cyber Security and Cyber Resilience framework of Stock Exchanges, Clearing Corporations and Depositories
Aug 24, 2023	Mandating additional disclosures by Foreign Portfolio Investors (FPIs) that fulfil certain objective criteria
Aug 11, 2023	Simplification of KYC process and rationalisation of Risk Management Framework at KRAs
Aug 10, 2023	Procedure for seeking prior approval for change in control with respect to Merchant Bankers and Bankers to an Issue
Aug 09, 2023	Reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days
Aug 08, 2023	Facility to remedy erroneous transfers in demat accounts
Aug 07, 2023	Transactions in Corporate Bonds through Request for Quote (RFQ) platform by FPIs

Date	Title
Aug 04, 2023	Validity period of approval granted by SEBI to Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) for overseas investment
Jul 27, 2023	Mandating Legal Entity Identifier (LEI) for all non - individual Foreign Portfolio Investors (FPIs)
Jul 27, 2023	Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund
Jul 27, 2023	Framework for Corporate Debt Market Development Fund (CDMDF)
Jul 20, 2023	New category of Mutual Fund schemes for Environmental, Social and Governance (“ESG”) Investing and related disclosures by Mutual Funds
Jul 19, 2023	Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) - Extending framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level to all listed companies in a phased manner
Jul 07, 2023	Roles and responsibilities of Trustees and board of directors of Asset Management Companies (AMCs) of Mutual Funds
Jul 04, 2023	Appointment of Director nominated by the Debenture Trustee on boards of issuers
Jun 30, 2023	Implementation of circular on upstreaming of clients’ funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)
Jun 23, 2023	Trading Supported by Blocked Amount in Secondary Market
Jun 21, 2023	Standardised approach to valuation of investment portfolio of Alternative Investment Funds (AIFs)
Jun 21, 2023	Modalities for launching Liquidation Scheme and for distributing the investments of Alternative Investment Funds (AIFs) in-specie
Jun 21, 2023	Trading Preferences by Clients
Jun 16, 2023	Adherence to provisions of regulation 51A of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by Online Bond Platform Providers on product offerings on Online Bond Platforms
Jun 16, 2023	Amendment to Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under
Jun 13, 2023	Regulatory framework for Execution Only Platforms for facilitating transactions in direct plans of schemes of Mutual Funds
Jun 08, 2023	Upstreaming of clients’ funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)
Jun 08, 2023	Participation of Mutual funds in repo transactions on Corporate Debt Securities
Jun 02, 2023	Transactions in corporate bonds through Request for Quote platform by Stock Brokers (SBs)
May 30, 2023	Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories
May 25, 2023	Model Tripartite Agreement between the Issuer Company, Existing Share Transfer Agent and New Share Transfer Agent as per Regulation 7(4) of SEBI (LODR) Regulation, 2015
May 23, 2023	Revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment
May 19, 2023	Risk disclosure with respect to trading by individual traders in Equity Futures & Options Segment
May 12, 2023	Investment in units of Mutual Funds in the name of minor through guardian
May 10, 2023	Direct Market Access (DMA) to SEBI registered Foreign Portfolio Investors (FPIs) for participating in Exchange Traded Commodity Derivatives (ETCDs)
May 09, 2023	Registration with the FINNET 2.0 system of Financial Intelligence Unit - India (FIU-India)
May 05, 2023	Testing Framework for the Information Technology (IT) systems of the Market Infrastructure Institutions (MIIs)
May 03, 2023	Introduction of Legal Entity Identifier (LEI) for issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments and security receipts
Apr 26, 2023	Procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 - Directions to stock exchanges and registered intermediaries
Apr 25, 2023	Modifications in the requirement of filing of Offer Documents by Mutual Funds
Apr 25, 2023	Bank Guarantees (BGs) created out of clients’ funds

Date	Title
Apr 21, 2023	Procedure for seeking prior approval for change in control of Vault Managers
Apr 17, 2023	Dispute Resolution Mechanism for Limited Purpose Clearing Corporation (LPCC)
Apr 13, 2023	Contribution by eligible Issuers of debt securities to the Settlement Guarantee Fund of the Limited Purpose Clearing Corporation for repo transactions in debt securities
Apr 11, 2023	Formulation of price bands for the first day of trading pursuant to Initial Public Offering (IPO), re-listing etc. in normal trading session
Apr 10, 2023	Direct plan for schemes of Alternative Investment Funds (AIFs) and trail model for distribution commission in AIFs
Apr 10, 2023	Guidelines with respect to excusing or excluding an investor from an investment of AIF
Apr 05, 2023	Advertisement code for Investment Advisers (IA) and Research Analysts (RA)

C. Indian Capital Market Performance

The Indian stock market has delivered stellar returns to investors in FY 2023-24. BSE Sensex logged to the tune of 25% rise, 2nd largest gain in last 5 years. It touched an all-time high of 74,119.39 points on March 7, 2024. The increase has been relatively broad-based, driven by sectors which noted high consumer demand, such as FMCG, auto, energy and realty.

The biggest macro factors influencing the markets include the strong economic growth prospects, solid corporate results, strong inflows from both domestic and foreign institutional investors, favourable government policies and confidence of domestic investors in our economic strength and growth prospects.

The outlook for Indian equities market in FY 2024-25 appears promising, supported by various factors such as economic recovery, stable government, increased focus on reforms, and rise foreign investments. However, it will be crucial to remain vigilant and monitor potential risks, such as global financial conditions and domestic policy changes, as it may have a significant impact in the Indian markets.

India is likely to embrace abundant rainfall during monsoon this year, under the reduced influence of El Niño and significant La Niña conditions in the Pacific region after May, according to the Indian Meteorological Department (IMD). A shift from El Niño to La Niña generally brings positive implications for consumption-based companies in India as rainfall improves. This will lead to a boost in demand on account of better disposable income and favourable agricultural yield. Higher disposable income should boost the subdued demand outlook for rural India which will provide a significant boost to companies which are struggling on account of weak rural demand. The market is expected to closely monitor this shift as it will have an impact on various fronts such as inflation, interest rates, increase in spending, improved profit margins, which might provide India a much-needed volume growth.

Going into FY 2024, corporate earnings would be key among the many factors that will decide the market movement. 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.

3) CAPITAL MARKETS

A: Overview

BSE is the world's fastest Stock Exchange and the largest stock exchange in terms of number of companies listed. As of March 31, 2024, BSE is ranked #7 by market capitalization among global stock exchanges, and the largest in India. As of March 31, 2023, BSE was ranked #8 globally.

C: Secondary Market

I: Equity Cash Segment ("ECM")

The S&P BSE SENSEX ended FY 2023-24 at 73,651.35 compared to 58,991.52 at year end of FY 2022-23, an increase of 25 % over the year. The average daily value of equity turnover on BSE in FY 2023-24 was ₹6,622 crore, a Y-o-Y increase of about 60% from ₹4,132 crore in FY 2022-23. The total turnover for year stood at ₹16.3 lakh crore.

II: Equity Derivatives Segment ("EDX")

In EDX, the daily average value was ₹34,60,746.77 crore in FY 2023-24 as compared to ₹1,37,813 crore in FY 2022-23. BSE Derivatives has recorded the highest turnover of ₹3,56,89,004 crore during the year.

III: Currency Derivatives Segment ("CDX")

In CDX, the daily average turnover was ₹9,733.67 crore for FY 2023-24 as compared to ₹25,599 crore for FY 2022-23, a decline of 62%.



IV: Interest Rate Derivatives (“IRD”)

In IRD, the daily average turnover was C122 crore for FY 2023-24 as compared to ₹96 crore in FY 2022-23.

V: Commodity Derivative

In the commodity derivatives segment, the daily average turnover was ₹5 crore for FY 2023-24 as compared to ₹32 crore for FY 2022-23.

4) COMPETITIVE STRENGTHS AND OPPORTUNITIES

A: Strengths

I : Strong brand recognition

Established in 1875, BSE is Asia’s oldest Stock Exchange and one of the most identifiable brand names in India with high levels of recognition among investors, intermediaries, and the public. In fact, today BSE is the world’s fastest exchange with a speed of 6 micro2nds.

The BSE building is a symbol of the Indian growth story and is one of the most recognizable icons of India. It is one of the few structures in India that has been trademarked.

In addition, the benchmark index, the S&P BSE SENSEX, an index based on 30 BSE-listed large, well-established, and financially sound companies across key sectors of the Indian economy, serves as the primary global barometer for India’s financial markets and is comparable in recognition to other global indices such as the S&P 500, the Dow Jones Industrial Average, the FTSE 100, the DAX, and the Hang Seng Index. Since it was first compiled in 1986, the Sensex has come to be known as the market bellwether.

BSE brand is further strengthened due to over four thousand seminars/education sessions conducted every year. These events are investor awareness programmes that are conducted in association with BSE IPF (Investor Protection Fund), or events organized with industry associations like FICCI, CII, Assocham, PHD Chamber of Commerce & Industry, BSE Brokers Forum etc.

II: Sound corporate governance and regulatory framework

As a Stock Exchange, we are subject to a high level of regulatory oversight. We are committed to working with national and international Regulators, Exchanges, Clearing Corporations, Depositories and Market Participants to ensure an orderly, informed and fair market for the benefit of investors. We are also committed to strong and effective internal governance and regulation and believe that regulatory integrity benefits investors, strengthens our brand and attracts companies seeking to list securities on our markets.

In furtherance of these goals, we have a dedicated surveillance department to keep a close and daily watch on the price movement of securities, detect potential market manipulation, monitor prices and volumes which are not consistent with normal trading patterns.

III : Technological Prowess

Use of Open-source technologies

The Company’s core Trading system and other mission critical systems are based on open-source technologies.

Strategically the Company has been careful in selection of open-source technologies and its applicability. Every year the adoption has been growing, given the fact the opportunity open-source technologies offer both in terms of technology flexibility and cost effectiveness. Use of open-source technologies gives the Company freedom to choose relevant technologies. Application development can be agile and highly customisable. All this provides the Company a competitive edge.

The Company now has its Trading system, Databases, Identity and Access Management, Business Intelligence, Log Management and Analysis, Infrastructure monitoring and several other systems/ applications built on mostly open-source technologies. These systems are highly flexible, robust, and scalable.

Inspiring the capabilities of Big Data

The Company has strengthened its position as a market leader in implementation of Big Data and leveraging the benefits of implementation of RegTech initiatives by use of Artificial Intelligence (AI) and Machine Learning (ML) in certain key areas of surveillance and monitoring.

As part of the Exchange trading and settlement process, tons of data are processed daily, and all of these are time bound activity. AI facilitates ‘thinking’ and Automation facilitates ‘doing’. By processing daily data ‘intelligently’ with use of AI, it can ease the human element for need to intervene and instead augment decision making process as also help in surveillance.

Opportunities

- I. Gold Spot Exchange
- II. Index Business
- III. Co-Location
- IV. Gold Spot Exchange – Domestic Zone
- V. Insurance Distribution Platform
- VI. Power Exchange

5) THREATS :

A: Industry Activity Level Decline

The Company’s performance is dependent upon the volume and value of trades executed on its trading platform, the number of new/ further listings and the amount of capital raised through such issues, the number of active traders in the market, etc. While the Company’s efforts can influence these activity levels, many factors that can have an impact on these are beyond the control of the Company. Adverse macro-economic developments and political uncertainty may dampen the sentiments of the capital markets and negatively affect the business.

B: Regulatory Changes Impact Our Ability to Compete

The competitive landscape for the securities transactions business in India continues to be challenging. The Company’s

ability to compete in this environment and ensure that regulations continue to allow competition on a level playing field, will be a major factor in ensuring sustained growth and profitability. Regulatory decisions relating to the BSE ownership structure, the ownership structure of its subsidiaries and associate companies, compensation policies and restrictions on how Exchanges distribute their profit will continue to impact competitiveness.

6) KEY STRATEGIES

A. Diversify our product and service offerings and maintain new product innovation and development

BSE currently operates in a wide array of segments and offers a bouquet of products including equity, debt, derivatives in equity, currency, commodity and interest rate, mutual fund, insurance, SME, and start-ups segment. In addition to our ongoing strength in service offering, we intend to target the investors' needs for all financial products through innovative product and service offerings.

B. Strengthen our position as the Exchange of choice in India and expand our cross-border reach by entering into strategic alliance

C. Focus on increasing our market share of derivative products

7) RISKS AND CONCERNS

A : Business Risks

- Our performance relies upon the volume and value of trades executed on the trading platform, number of orders processed on the Mutual Fund Distribution platform, the number of active investors in the market, the number of new/further listings and the amount of capital raised through such listings.
- Adverse economic conditions could negatively affect our business, financial condition and result of operations.
- Our industry is highly competitive, and we compete globally with a broad range of market participants for listings, clearing, trading and settlement volumes, and distribution of financial products.
- We operate in a highly regulated industry and may be subject to censures, fines, and other legal proceedings if we fail to comply with our legal and regulatory obligations. Changes in government policies could adversely affect trading volumes of instruments traded on BSE.
- 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 our performance.
- Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Although the exchange is fully prepared for business continuity, meeting all obligations, and ensuring safety of our staff, it is possible that our ability to deliver satisfactory services to our customers may be affected.
- Our business, financial condition and result of operations are highly dependent upon the levels of activity on the exchange; and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, and volume of financial products distributed. Moreover, they are dependent on, liquidity and similar factors that affect, either directly or indirectly, the trading, listing, clearing and settlement transaction-based fees.
- Integral to our growth is the relative attractiveness of the financial assets traded on the exchange; and the relative attractiveness of the exchange as a market on which to trade these financial assets. All of these variables are primarily influenced by economic, political and market conditions in India as well as, to a lesser degree, the rest of Asia, the United States, Europe and elsewhere in the world.
- Weak economic conditions of the country may adversely affect listing, trading, clearing and settlement volumes as well as the demand for market data. If the return on investments in Indian companies are generally lower than the return on investments in companies based in other countries, we may be unsuccessful in attracting foreign and local investors to our markets.
- Bullion, Base metals and Energy products are linked to international market, currency and government duties etc.
- Agri commodities are linked to crop production, monsoon, demand, and Government policies.
- Other factors beyond our control, that may materially adversely affect our business, financial condition and result of operations include:
 - broad trends in business and finance, including industry-specific circumstances, capital market trends and the mergers and acquisitions environment.
 - social and civil unrest, terrorism and war.
 - concerns over inflation and the level of institutional or retail confidence.
 - changes in government monetary policy and foreign currency exchange rates.
 - the availability of short-term and long-term funding and capital.
 - the availability of alternative investment opportunities.
 - changes and volatility in the prices of securities.
 - changes in tax policy (including transaction tax) and tax treaties between India and other countries.
 - the level and volatility of interest rates.
 - legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets.
 - the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and
 - unforeseen market closures or other disruptions in trading.

- We operate in a business environment that has undergone, and continues to experience, significant and rapid technological change. To remain competitive, we must continue to enhance and improve the responsiveness, functionality, capacity, accessibility, and features of our trading and clearing platforms, software, systems and technologies. Our success will depend, in part, on our ability to:
 - develop and license leading technologies.
 - enhance existing trading and clearing platforms and services.
 - anticipate the demand for new services and respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis.
 - continue to attract and retain a workforce highly skilled in technology and to develop and maintain existing technology; and
 - respond and adapt to competition from and opportunities of emerging technologies such as Fintech innovation.

NEW INITIATIVES AND DEVELOPMENTS

This section highlights the key initiatives and developments we have undertaken over the past one year, reflecting our commitment to innovation & strategic growth.

1. Implementation of Upstreaming of Client Funds by Stockbrokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)

- With a view to safeguarding clients' funds placed with stock brokers (SBs)/clearing members (CMs), SEBI mandated the upstreaming of all client funds received by SBs/CMs to CCs wherein no client's funds will be retained by SBs/CMs on the end of day basis. The clients' funds need to be upstreamed to CCs only in the form of either cash, FDR, or pledge of units of Mutual Fund Overnight Schemes.
- This reform has positioned India as front-runner in financial technology by prioritising client security and operational efficiency. By eliminating the need for stock brokers to retain client funds, India has showcased its commitment to protecting investor interests and aligning with international best practices for funds management.
- ICCL upgraded its systems to improve the deposit & withdrawal processes of collaterals. These enhancements allowed more efficient utilisation of surplus collateral towards fulfilling fund payment obligations. Another key feature of this upgrade is the adjustment of margin blocked in the form of cash, towards client's fund pay-in obligations.

2. Implementation of UPI (Unified Payments Interface) Block mechanism in Equity cash segment

- Effective January 01, 2024, SEBI & the stock exchanges permitted trading in the cash segment, on an optional basis, through UPI block mechanism. UPI for Secondary market is an ASBA (Application Supported by Blocked Amount) like service, where an investor can block their amount used for buying stocks in the secondary market, in their bank accounts, instead of transferring it to the broker's account. The amount will only be debited by the

CC's upon trade confirmation during settlement. CC's will directly process payouts to these clients on a T+1 basis.

- Implementation of the UPI Block mechanism has revolutionized the way securities transactions are conducted.
- This measure has fortified transactional security and expedited the transfer of funds while ensuring compliance with regulatory standards.
- Our adoption of UPI Block mechanism marks a significant step towards integrating cutting-edge payment technologies with securities transactions. This allows for real time blocking of funds, ensuring transactional security and immediacy which is pivotal in boosting investor confidence.

3. Standardisation of CC to Member Interface files in Unified Distilled File Formats (UDiFF)

- The Market Data Advisory Committee (MDAC) of SEBI observed that the formats of existing standardized data files generated by all MIs in all segments are different and there was a need for these formats to be standardized and harmonized in conformance to the ISO standards, which will facilitate ease of doing business in the Indian securities market. In light of this, rationalisation of both files & fields was carried for Equity cash & Derivatives segment.
- The adoption of Unified Distilled File Formats (UDiFF) has streamlined the communication between Clearing Corporations and market participants. This uniformity allows for seamless integration into various back-office systems, significantly improving operational efficiency.
- This initiative aligns India with International standards making the Indian financial market more interoperable with global systems and attractive to foreign investors.
- New UDiFF files have been disseminated to market participants in phased manner. This standardization facilitates smoother data handling, reduces errors & improves the overall efficiency of our systems.

4. Successful Live Market deployment of ICCL at NCL & NCL @ ICCL SaaS (Software As A Service) instance

- The implementation of SaaS solutions between clearing corporations represents a significant innovation. SaaS is a two-way portability function that allows clearing corporations, to transfer trades or positions seamlessly across various CC's, between whom the SaaS functionality has been established in case of software failure of any CC's. This project has been initiated by SEBI for Risk management in the current phase for Equity cash, Equity derivatives & Currency derivatives segment.
- In the event of a software outage at one CC, members can swiftly transition to another without interrupting their operations, thus maintaining business continuity.
- SaaS portability is a testament to India's commitment to create an agile, resilient and efficient financial ecosystem. This forward-thinking approach not only benefits local

members with enhanced flexibility but also positions India at the forefront of financial technology innovation on a global stage.

- Infrastructure & Operation set-up towards implementation of ICCL@NCL & NCL@ICCL SaaS instance for Risk Management was established successfully.
- Live market instance of ICCL@NCL, & NCL@ICCL was conducted on March 2, 2024, & May 18, 2024, respectively for the Equity cash & Equity derivatives segments marking a successful deployment.

5. Introduction of Beta version of T+0 Settlement Cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Segment

- The T+0 settlement cycle represents a major leap in trade settlements, allowing the completion of transactions within the same trading day. Beta version offers an option for investors to transact in 25 securities in T+0 settlement. Designed to settle trades on the same day they are executed, the T+0 settlement facilitates quicker receipt of funds and securities in investor accounts thereby reducing the risks associated with the time lag.
- This rapid settlement process enhances member's cash flow management by enabling quicker turnover of funds and reducing the holding period for capital.
- India has distinguished itself as the first country in the world to implement the T+0 settlement cycle in its financial markets. This groundbreaking move showcases India's dedication to innovation and leadership in financial services. By introducing same-day settlement, India sets a new global benchmark, enhancing the efficiency and security of market transactions. This initiative significantly reduces systemic risk and promotes better capital utilization, offering a competitive edge that could attract more international investors and solidify India's reputation as a dynamic and responsive market. This bold step reflects India's commitment to fostering a robust financial ecosystem and driving global trends in financial market operations.
- ICCL had achieved a significant milestone with the Successful implementation of T+0 settlement cycle with effect from 28 March 2024 in Equity cash segment.

6. Electronic Bank Guarantee (eBG) through NeSL DDE Platform

- ICCL in collaboration with National E-governance Service Ltd. (NeSL) has operationalised the facility for accepting Electronic Bank Guarantees (e-BG) with three leading banks in December 2023 qtr. In pipeline for other banks.

7. Expansion of E-FDR facility

- ICCL, which already has the E-FDR facility with our four leading major banks, have extended his facility to Indian Bank in the last year, enhancing our financial partnerships and operational capabilities.

8. Launch of Options on Futures in Commodity segment

- ICCL has expanded its commodity segment by launching Options on Futures for key commodities.
 - WTI Crude oil
 - Brent Crude oil
 - Gold
 - Silver

9. Advancements in Mutual Fund

A. Additional Modes for UPI Autopay Implementation

- ICCL has successfully implemented UPI Autopay, allowing members to initiate SIP orders seamlessly through UPI mandates. This additional mode for receiving funds from clients enhances business growth.
- It will Facilitate smooth processing for SIPs of ₹250 or less & is expected to increase SIP business manifold.

B. Early Release of Redemption Proceeds

- The process for releasing redemption proceeds has been overhauled, enabling to release proceeds by 9:00 AM.
- Funds can now be utilized for cash margins or fresh purchases, improving liquidity and flexibility for our clients.

C. Consolidation of Banks for Subscription

- To streamline operations and enhance efficiency, ICCL has consolidated several banks for subscription services into HDFC Bank.
- This consolidation enables extending the purchase cutoff time to 2:40 PM on a best effort basis.

D. Lumpsum Business by New Banks as MFD

- Several new banks have commenced business as Mutual Fund Distributors (MFDs) namely Kotak Bank, Bank of India, Karur Vysya Bank, Bank of Baroda and Union Bank allowing ICCL to service a diverse range of players including Fintech, National Brokers, MFDs, RIAs, and Banks, providing customized solutions tailored to their specific requirements.

CCPs IN INDIA AND REGULATORY DEVELOPMENTS

In India, there are the below Central Counterparties ("CCPs"),

1. The Clearing Corporation of India Limited (CCIL),
2. Indian Clearing Corporation Limited (ICCL),
3. NSE Clearing Limited (NSCCL),
4. Multi Commodity Exchange Clearing Limited (MCXCCL),
5. National Commodity Clearing Limited (NCCL),
6. India International Clearing Corporation (IFSC) Limited (IICC) and
7. NSE IFSC Clearing Corporation Limited (NICCL).

These CCPs clear exchange listed products while one CCP (CCIL) 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.

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 with other MIs and SEBI has been involved in various initiatives to safeguard, enhance and develop the Securities Market like:-

1. To prevent exposure of client funds to market risks, SEBI directed members to wind down existing Bank Guarantees and discouraged new Bank Guarantees, both created out of client funds.
2. In light of the turnover and the open interest observed at the stock exchanges in the recent times, SEBI allowed Clearing Corporations (CCs) to align the Core SGF in Commodity Derivatives in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 thereby releasing the then earmarked additional funds to other business use.
3. With a view to ensure orderly functioning of the securities market and to protect the interest of investors in securities market, to safeguard clients’ funds placed with members, SEBI decided to require the upstreaming of all client funds received by members to the Clearing Corporations (CCs), end of day. To facilitate ease of doing business, the clients may request release of funds to members at any time during the day.
4. In its continuing endeavour to provide protection to the investors from the default of member(s), SEBI introduced a supplementary process for trading in secondary market based on blocked funds in investor’s bank account, instead of transferring them upfront to the member, thereby providing enhanced protection of cash collateral - funds shall remain in the account of client but will be blocked in favour of the CCs till the expiry date of the block mandate or till block is released by the CCs, or debit of the block towards obligations arising out of the trading activity of the client, whichever is earlier.
5. In furtherance of the interests of investors, the existing dispute resolution mechanism in the Indian securities market is being streamlined under the aegis of Market Infrastructure Institutions (MIs), by expanding their scope and by establishing a common Online Dispute Resolution Portal (“ODR Portal”) which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. ICCL has additionally received its SCORES credentials after SEBI has added a new category of ‘Clearing Corporations’ in SCORES. The redressal of investor grievances will be through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform.
6. In order to strengthen the Business Continuity

framework of MIs particularly from the perspective of handling major software malfunction, each CC designed a system to run its risk management and related operations, using the related software components of another CC. This was done with a view that the Disaster Recovery Site (DRS) which is meant to ensure Business Continuity of the MIs in case of any disaster, may have limited utility for any major malfunction of software, as software deployed at Primary Site as well as at DRS remains identical. This contingency measure in place under Software as a Service (SaaS) model.

7. Based on the recommendations of Working Group consisting of MIs, public comments, and recommendations of Risk Management Review Committee of SEBI, a framework for introduction of the Beta version of T+0 settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash market, for a limited set of 25 scrips and with a limited number of brokers was introduced on March 28, 2024. This mechanism is soon to be offered for wider range of scrips and to more brokers.
8. The cross margin benefit between index futures position and constituent stock futures position in derivatives segment as well as in respect of offsetting positions in correlated equity indices are provided if both the correlated indices or an index and its constituents, as the case may be, have same expiry day. SEBI Risk Management Review Committee, in discussion with the CCs, decided to extend the cross margin benefit on offsetting positions having different expiry dates.
9. Currently, CCs credit the pay-out of securities in the pool account of the broker, who then credit the same to the respective client’s demat accounts. To enhance operational efficiency and reduce the risk to clients’ securities by ensuring that the stock broker segregates securities of the client so that they are not vulnerable to misuse, SEBI has proposed making the process of direct pay-out of securities to the client’s account mandatory.

Additionally, SEBI’s latest amendment introduces Regulation 38A after Regulation 38 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. This new regulation empowers recognized stock exchanges to administer and supervise specified intermediaries with prior approval from the SEBI board. This marks a significant step towards refining the regulatory landscape governing stock exchanges and clearing corporations in India. By delegating certain administrative and supervisory functions to recognized stock exchanges, SEBI aims to streamline operations and ensure robust oversight of specified intermediaries. This development underscores SEBI’s commitment to fostering a fair, transparent, and efficient securities market ecosystem.

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, instability in the energy market, the insolvency of some US banks in mid-March, the Middle East conflict between Israel and Palestine in

the Gaza Strip posed challenges to the financial markets in FY 2023-24. 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.

CCP Standards and Regulations

CCPs are continuously enhancing their services' and products' offering to meet the risk management needs of their participants. With the aim to strengthen and preserve financial stability, CPMI and IOSCO released the Principles for Financial Market Infrastructures (PFMIs) – the international standards for financial market infrastructures ("FMIs"), e.g. CCPs. The standards cover all important aspects of FMIs, such as general organisation, credit and liquidity risk management settlement and custody, default management, general business and operational risk management, access, efficiency, and transparency.

Market stakeholders, including CCPs and market participants, recognize the importance of markets remaining open. The continuity of services has always been a cornerstone of the CCP offering and consistently considered in CCPs' processes and planning to provide for business continuity in times of stress. These processes are appropriately tailored to the different characteristics of CCPs. CCPs around the globe have set up Business Continuity Plans (BCPs) to prepare for different types of events that could disrupt their operations, which are tailored according to their needs and can be implemented to minimize or negate any impact on business services. Consistent with the 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.

CCPs in India (i.e. ICCL and NSCCL) have set up an inter-CCP resiliency framework under Software as a Service (SaaS) model which provides a business continuity mechanism in addition to redundancies in the primary data centre and other disaster recovery mechanisms. In the event of a business disruption due to non-functioning of the primary systems of a clearing corporation, and if the relevant authority decides to activate the SaaS setup; then during the disruption such clearing corporation will use the SaaS setup provided by the other clearing corporation to continue its business. 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.

A CCP recovery is a process addressing default and non-default events with the aim to restore the CCP's financial soundness and to enable the continuation of its critical functions. A CCP resolution occurs when its authorities conclude that the CCP in distress should not go through normal insolvency proceedings as it would cause financial instability. Regulation in India mandates that CCs shall have standard operating procedures (SOPs) outlining how their essential services will be performed orderly so as not to cause any disruption to the financial system should any voluntary or involuntary termination be triggered.

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 2026; 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, 2024, ICCL's Board of Directors had members, out of which five are Public Interest Directors, two Non-Independent 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 and Research Pvt. 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 at least 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 1,300 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, 2024, the Company had 143 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 include policies and procedures:

- a) pertaining to the maintenance of records that is reasonably detailed, accurately, and fairly reflects the transactions and dispositions of the assets of the Company
- b) 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
- c) 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, 2024.
- d) The Statutory Auditors of the 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 2023-24, the total revenue of ₹40,895 lakh increased by 90% from ₹21,576 lakh in FY 2022-23. The increase in revenue was mainly due to (a) increase in Income from Operation by 97% to ₹38,620 lakh (FY 2022-23: ₹19,559 lakh) mainly due to increase in Income from clearing & settlement service charges (b) increase in investment income by 18% to ₹2,206 lakh (FY 2022-23: ₹1,875 lakh) (c) decrease in other income by 51% to ₹69 lakh (FY 2022-23: ₹142 lakh).

The total expenditure during FY 2023-24 has increased by 45% from ₹16,813 lakh for FY 2022-23 to ₹24,386 lakh for FY 2023-24. This increase was mainly due to:

- increase in depreciation cost by 200% to ₹1,657 lakh (FY 2022-23: ₹551 lakh)
- increase in admin cost by 53% to ₹7,544 lakh (FY 2022-23: ₹4,928 lakh)
- increase in CORE SGF Contribution by 67% to ₹9,170 lakh (FY 2022-23: ₹5,496 lakh) on account of higher interoperability turnover
- increase in Computer technology related expenses by 52% to ₹2,509 lakh (FY 2022-23 ₹1,654 lakh)
- decrease in Finance cost by 45% to ₹1,504 lakh (FY 2022-23: ₹2,748 lakh)
- increase in employee cost by 39% to ₹2,002 lakh (FY 2022-23: ₹1,436 lakh)

The total profit before tax for FY 2023-24 was ₹16,509 lakh as against ₹4,763 lakh for FY 2022-23.

The total profit after tax for FY 2023-24 was ₹11,377 lakh as against ₹3,310 lakh for FY 2022-23, an increase of approximately 244%.

Financial Statement as on March 31, 2024

Share Capital

The total paid up capital of the Company as on March 31, 2024, is ₹35,400 lakh (FY 2022-23: ₹35,400 lakh) divided into 3,54,00,00,000 equity shares of ₹1 each.

Reserves & Surplus

The total Reserves & Surplus as on March 31, 2024, is ₹70,870 lakh (FY 2022-23: ₹50,260 lakh) comprising of Core Settlement Guarantee Fund ("Core SGF") of ₹52,810 lakh (FY 2022-23: ₹40,584 lakh) and statement of profit & loss of ₹18,060 lakh (FY 2022-23: ₹9,676 lakh).

Thus, the total Net worth of the Company as on March 31, 2024, is ₹1,06,270 lakh (FY 2022-23: ₹85,660 lakh).



Liabilities

Total liabilities stood at ₹4,01,925 lakh (FY 2022-23: ₹1,84,714 lakh). The details are as under:

1. Non-Current Liabilities: ₹41,711 lakh (FY 2022-23: ₹34,275 lakh). The increase in other long-term liabilities is due to the contribution received towards Core SGF.
2. Current Liability
 - a) Trade Payable: ₹2,468 lakh (FY 2022-23: ₹1,677 lakh).
 - b) Other Financial Liabilities: ₹3,56,021 lakh (FY 2022-23: ₹1,47,304 lakh).
 - c) Other current liabilities: ₹1,642 lakh (FY 2022-23: ₹1,366 lakh).
 - d) Provisions ₹83 lakh (FY 2022-23: ₹92 lakh)

Assets

Total assets stood at ₹5,08,195 lakh (FY 2022-23: ₹2,70,374 lakh). The major components are given below:

- a) Property, Plant and Equipment, Intangible assets: Total Gross Block as on March 31, 2024, is ₹6,748 lakh (FY 2022-23: ₹4,483 lakh) and total Accumulated depreciation up to March 31, 2024, is ₹3,048 lakh (FY 2022-23: ₹1,401 lakh). Thus, Net Fixed Assets is ₹3,700 lakh (FY 2022-23: ₹3,082 lakh). In addition, intangible under development is NIL (FY 2022-23: Nil).
- b) Investment: ₹23,668 lakh (FY 2022-23: ₹11,990 lakh).
- c) Loans: ₹4 lakh (FY 2022-23: ₹7 lakh).
- d) Trade Receivable: ₹10,648 lakh (FY 2022-23: ₹3,913 lakh)
- e) Cash and cash equivalents: ₹2,02,952 lakh (FY 2022-23: ₹43,894 lakh)
- f) Bank balances other than (e) above: ₹1,26,260 lakh (FY 2022-23: ₹1,55,401 lakh).
- g) Other Financial Assets: ₹1,34,648 lakh (FY 2022-23: ₹44,513 lakh).
- h) Tax: ₹3,919 lakh (FY 2022-23: ₹5,712 lakh).
- i) Other Assets: ₹2,396 lakh (FY 2022-23: ₹1,862 lakh).

Audit Certificate



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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 31st March 2024, 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 Ind 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 31st March 2024 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. 32, regarding the receipt of Show Cause Notice from SEBI in respect of certain non-compliances pertaining to "Interoperability among Clearing Corporations" as per SEBI circular dated November 27, 2018, for which the Company has determined and provided an amount of ₹863 lakh

as settlement in terms of the SEBI (Settlement Proceedings) Regulations, 2018.

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; the company is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account and relevant documents are taken on daily basis and has been kept in servers physically located in India.
 - 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 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls 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 31st March 2024 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 31st March 2024 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. The company had paid dividend of ₹3,000 lakh during the year and is in compliance with section 123 of the Companies Act, 2013.
 - VI. Based on our examination which included test checks, the company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for in respect one of the accounting software, wherein the particular accounting software did not have the audit trail feature enabled throughout the year. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the other softwares except for the transactions recorded between 1st April 2023 to 5th July 2023 in the aforementioned accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Dalal Doctor & Associates
 Chartered Accountants
 FRN: **120833W**

Amol Khanolkar
 Partner
 Membership No: **116765**
Mumbai, 25th April 2024
 UDIN: **24116765BKBJT9397**

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 March 31, 2024:

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| <p>i a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(B) The Company has maintained proper records showing full particulars of Intangible Assets.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 to the Company.</p> <p>b. The company has been sanctioned overdraft facility in excess of Five crore 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.</p> <p>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.</p> <p>(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</p> | <p>than those mentioned in clause 3 (iii)(a)(B) during the year is ₹770,000 lakh (outstanding as on 31st March 2024). No loan or advance or securities have been given to them.</p> <p>b. The guarantees provided and the terms and conditions of such guarantees provided are not prejudicial to the company's interest.</p> <p>c. The company has not made any loans and advances in the nature of loan and hence reporting under paragraph 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.</p> <p>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.</p> <p>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.</p> <p>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. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.</p> <p>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.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2024 for a period of more than six months from the date on when they become payable.</p> |
|---|--|

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 (₹ 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	59	CIT (A)
Income Tax Act, 1961	Income Tax	A.Y. 2014-15	68	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	2,303	CIT (A) & High Court
Income Tax Act, 1961	Income Tax	A.Y. 2017-18	1,708	CIT (A) & High Court
Income Tax Act, 1961	Income Tax	A.Y. 2018-19	540	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)	1,675	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. a. 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 defaults in repayment.

b. To the best of our knowledge and according to the explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. Based upon the audit procedures performed and the information and explanations given to us by the management, the Company did not have any term loans outstanding during the year, hence the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

d. To the best of our knowledge and according to the explanations given to us and based on audit procedures performed, the Company did not raise any funds during the year hence, the requirement to report on clause (ix) (d) of the Order is not applicable to the Company.

e. Based upon the audit procedures performed and the information and explanations given to us by the management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

f. To the best of our knowledge and according to the explanations given to us and based on audit procedures performed, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

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

b. The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. a. 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.

b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed

- by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii In our opinion, the Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the provisions of clause 3(xii)(a), (b) and (c) 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 disclosed in note 39, 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 2024 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 of the Order is not applicable to the Company.

For Dalal Doctor & Associates
 Chartered Accountants
 FRN: **120833W**

Amol Khanolkar
 Partner
 Membership No: **116765**
Mumbai, 25th April 2024
 UDIN: **24116765BKBJT9397**

ANNEXURE "B" TO THE INDEPENDENT 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 2024 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 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal Doctor & Associates

Chartered Accountants
FRN: **120833W**

Amol Khanolkar

Partner
Membership No: **116765**
Mumbai, 25th April 2024
UDIN: **24116765BKBJT9397**

BALANCE SHEET AS AT MARCH 31, 2024

₹ in lakh

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	1,847	1,433
(b) Other Intangible Assets	4	1,853	1,649
(c) Financial Assets			
(i) Investments	5	21,017	7,333
(ii) Loans	6	2	4
(iii) Others	7	1,33,177	43,084
(d) Non Current Tax Assets (Net)		3,540	3,425
(e) Deferred Tax Assets (Net)	8	379	2,287
(f) Other Non-Current Assets	9	447	551
Sub-total - A		1,62,262	59,766
2 Current Assets			
(a) Financial Assets			
(i) Investments	5	2,651	4,657
(ii) Trade Receivables	10	10,648	3,913
(iii) Cash and Cash Equivalents	11	2,02,952	43,894
(iv) Bank Balances Other Than (iii) Above	12	1,26,260	1,55,401
(v) Loans	6	2	3
(vi) Others	7	1,471	1,429
(b) Other Current Assets	9	1,949	1,311
Sub-total - B		3,45,933	2,10,608
Total Assets (A+B)		5,08,195	2,70,374

≡ BALANCE SHEET AS AT MARCH 31, 2024

₹ in lakh

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
II. EQUITY AND LIABILITIES			
3 Equity			
(a) Equity Share capital	13	35,400	35,400
(b) Other Equity	14	70,870	50,260
Sub-total - A		1,06,270	85,660
4 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	16	80	85
(b) Other Non-Current Liabilities	17	41,564	34,133
(c) Provisions	18	67	57
Sub-total - B		41,711	34,275
5 Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	15		
A) Total Outstanding Due of Micro & Small Enterprises Payable to Service Providers		83	53
B) Total Outstanding Due of Creditors Other Than Micro & Small Enterprises Payable to Service Providers		2,385	1,624
(ii) Other Financial Liabilities	16	3,56,021	1,47,304
(b) Other Current Liabilities	17	1,642	1,366
(c) Provisions	18	83	92
Sub-total - C		3,60,214	1,50,439
Total Equity and Liabilities (A+B+C)		5,08,195	2,70,374

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 25, 2024

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Nimeshkumar Mistry
Chief Financial Officer

Vaishshali Babu
Managing Director & CEO

Saumya Bajpai
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakh

Particulars	Note No	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
I REVENUES			
(a) Revenue From Operations	19	38,620	19,559
(b) Revenue From Investments And Deposits	20	2,206	1,875
(c) Other Income	21	69	142
Total Revenue		40,895	21,576
II EXPENSES			
(a) Employee Benefits Expenses	22	2,002	1,436
(b) Other Operating Expenses	23	19,223	12,078
(c) Depreciation And Amortisation	3&4	1,657	551
(d) Finance Cost - Interest		1,504	2,748
Total Expense		24,386	16,813
III Profit Before Exceptional, Extraordinary Items And Tax	I - II	16,509	4,763
IV Exceptional Items		-	-
V Profit Before Extraordinary Items And Tax	III - IV	16,509	4,763
VI Extraordinary Items		-	-
VII Profit Before Tax	V - VI	16,509	4,763

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakh

Particulars	Note No	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
VIII Tax Expense:			
Current Tax		3,483	1,088
MAT Credit Entitlement		1,627	706
Deferred Tax		-	(377)
Tax Adjustment For Earlier Years		22	36
IX Profit From Continuing Operations	VII - VIII	11,377	3,310
X Profit From Discontinuing Operations			
XI Profit For The Year	IX + X	11,377	3,310
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans;		10	16
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3)	(6)
Total other comprehensive income for the year		7	10
XIII Total Comprehensive Income for the year		11,384	3,320
XIV Earning Per Equity Share:			
Basic And Diluted		0.32	0.09
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

Amol Khanolkar

Partner
Membership No.: 116765
Place: Mumbai
Date: April 25, 2024

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Nimeshkumar Mistry
Chief Financial Officer

Vaishshali Babu
Managing Director & CEO

Saumya Bajpai
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax	11,377	3,310
<u>Adjustments For:</u>		
Adjustments for Income tax expense	5,132	1,453
Amortisation Of Bonds Premium / Discount On Bonds	(20)	(27)
Finance Cost	1,504	2,748
Depreciation On Fixed Assets	1,657	551
Provision for Compensated absence	96	84
Bad debts written off	-	6
Provision for Gratuity	18	16
(Profit) / Loss On Sale / Redemption Of Mutual Funds	(980)	(277)
Impairment loss allowance on receivable	69	1,493
Interest Income	(1,934)	(1,733)
	<u>5,542</u>	<u>4,314</u>
Operating Profit Before Working Capital Changes	16,919	7,624
<u>Change in assets and liabilities</u>		
Trade Receivables	(6,735)	(2,925)
Loans and other financial assets	(54,903)	(10,798)
Other Assets	(658)	(708)
Trade Payable	791	43
Other financial liabilities	2,08,712	(30,733)
Other liabilities & Provisions	170	(360)
	<u>1,47,377</u>	<u>(45,481)</u>
Taxes Paid (net of refunds)	(3,339)	(518)
Net Cash From / (Used In) Operating Activities	1,60,957	(38,375)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards Property, Plant, Equipment and Intangible assets	(2,275)	(2,861)
Net Proceed (Purchase) in Government Securities	-	107
Net Proceed (Purchase) towards Investments in Mutual Fund	(494)	4,889
Profit /(Loss) on Sale / Redemption of Mutual Funds	973	396
Investment in Fixed Deposits With Banks	(47,866)	(46,403)
Proceeds received from Fixed Deposits With Banks	50,360	47,274
Interest Income	2,049	1,837
	<u>2,747</u>	<u>5,239</u>
Net Cash From / (Used In) Investment Activities	2,747	5,239
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(3,000)	-
Finance Cost	(1,504)	(2,748)
	<u>(4,504)</u>	<u>(2,748)</u>
Net Cash From / (Used In) Financing Activities	(4,504)	(2,748)

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

₹ in lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
D. Net (Decrease) / Increase In Cash And Cash Equivalents	1,59,200	(35,884)
Cash And Cash Equivalents At The End Of The Year		
In Current Account	44,836	10,845
In Deposit Account	1,58,100	32,891
	2,02,936	43,736
Cash And Cash Equivalents At The Beginning Of The Year	43,736	79,620
Changes In Cash & Cash Equivalents	1,59,200	(35,884)
Cash And Cash Equivalents At The End Of The Year	2,02,936	43,736

- 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.

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 25, 2024

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Nimeshkumar Mistry
Chief Financial Officer

Vaishshali Babu
Managing Director & CEO

Saumya Bajpai
Company Secretary

STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

1. For the year ended March 31, 2024

₹ in lakh

Balance as at April 01, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 01, 2023	Changes in equity share capital during the current year	Balance as on March 31, 2024
35,400	-	35,400	-	35,400

2. 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 as on April 01, 2023	Changes in equity share capital during the current year	Balance as on March 31, 2024
35,400	-	35,400	-	35,400

B. Other Equity

1. For the year ended March 31, 2024

₹ 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 on April 01, 2023	-	-	40,584	-	9,664	12	-	50,260
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restate balance as on April 01, 2023	-	-	40,584	-	9,664	12	-	50,260
Total Comprehensive Income for the current year	-	-	-	-	11,377	7	-	11,384
Interim Dividends	-	-	-	-	-3,000	-	-	-3,000
Transfer to retained earnings	-	-	-	-	-	-	-	-
Transferred to Core SGF	-	-	9,173	-	-	-	-	9,173
Income Transferred to Core SGF	-	-	3,053	-	-	-	-	3,053
Balance as on March 31, 2024	-	-	52,810	-	18,041	19	-	70,870

STATEMENT OF CHANGE IN EQUITY

2. 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

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 25, 2024

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Nimeshkumar Mistry
Chief Financial Officer

Vaishali Babu
Managing Director & CEO

Saumya Bajpai
Company Secretary

MATERIAL ACCOUNTING POLICIES AND NOTES TO ACCOUNTS



Notes annexed to and forming part of Financial Statements for the year ended March 31, 2024.

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 company is a public limited company incorporated and domiciled in India having registered office at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India.

2. Material Accounting Policies

2.1 Statement of Compliance

The financial statements as at and for the year ended March 31, 2024, have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

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 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- (i) Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- (ii) Defined benefit and other long-term employee benefits.

2.4 Functional and presentation currency

The financial statements of the Company are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian Rupee has been rounded to the nearest lakh except share and per share data in terms of Schedule III unless otherwise stated.

2.5 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 is 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 material accounting policies are set out below.

2.5.1 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 rateably 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.

2.5.2 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.

2.5.3 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).

2.5.4 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.

2.5.5 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.

2.5.6 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.

2.5.7 Cost recognition

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

2.5.8 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.

2.5.9 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 or 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

2.5.10 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.

2.5.11 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.

2.5.12 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 2.5.12.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 lifetime 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 parts 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.

2.5.13 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, which 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.

2.5.14 Settlement Obligation:

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

2.5.15 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.

2.5.16 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.

2.5.17 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.

2.5.18 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, 2024	As at March 31, 2023
Carrying amount of:		
Computer Equipment	1,843	1,427
Furniture, Fixtures	2	3
Office & Electronics Equipments	2	3
Total	1,847	1,433

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Cost				
Balance as at April 01, 2022	243	9	6	258
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
Balance as at April 01, 2023	1,910	11	8	1,929
Additions during the year	1,390	1	-	1,391
Deductions / adjustments	-2	-6	-3	-11
Balance as at March 31, 2024	3,298	6	5	3,309

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Accumulated depreciation and impairment				
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
Balance as at April 01, 2023	483	8	5	496
Depreciation for the year	974	1	1	976
Deductions / Adjustments	-2	-5	-3	-10
Balance as at March 31, 2024	1,455	4	3	1,462

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Net Book Value				
As at March 31, 2023	1,427	3	3	1,433
As at March 31, 2024	1,843	2	2	1,847

₹ in Lakh

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Carrying amount				
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
Deductions / Adjustments for Depreciation	-	-	-	-
Balance as at March 31, 2023	1,427	3	3	1,433

Particulars	Computer Equipment	Furniture, Fixtures	Office & Electronics Equipments	Total
Balance as at April 01, 2023	1,427	3	3	1,433
Additions during the year	1,390	1	-	1,391
Deductions / adjustments	-2	-6	-3	-11
Depreciation for the year	-974	-1	-1	-976
Deductions / Adjustments for Depreciation	2	5	3	10
Balance as at March 31, 2024	1,843	2	2	1,847

4. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of:		
Software	1,853	1,649
Total	1,853	1,649

₹ in Lakh

Particulars	Amount
Cost	
Balance as at April 01, 2022	800
Additions during the year	1,754
Balance as at March 31, 2023	2,554
Balance as at April 01, 2023	2,554
Additions during the year	885
Balance as at March 31, 2024	3,439

₹ in Lakh

Particulars	Amount
Accumulated depreciation and impairment	
Balance as at April 01, 2022	652
Depreciation for the year	253
Balance as at March 31, 2023	905
Balance as at April 01, 2023	905
Depreciation for the year	681
Balance as at March 31, 2024	1,586

₹ in Lakh

Particulars	Amount
Net Book Value	
As at March 31, 2023	1,649
As at March 31, 2024	1,853

₹ in Lakh

Particulars	Amount
Carrying amount	
Balance as at April 01, 2022	148
Additions during the year	1,754



Particulars	Amount
Depreciation for the year	-253
Balance as at March 31, 2023	1,649
Balance as at April 01, 2023	1,649
Additions during the year	885
Depreciation for the year	-681
Balance as at March 31, 2024	1,853

5. INVESTMENTS

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
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		
Own Fund	5,357	-
Core SGF	15,660	1,996
Earmarked Augmentation (EA)	-	5,337
Sub-Total - A	21,017	7,333
B. Current Investment		
Quoted - Investment in Govt Securities at Amortised cost		
Core SGF	-	2,508
Quoted - Investment in Units of Mutual Funds - at Fair Value through profit & loss		
Own Fund		
Units of Growth Oriented Liquid Schemes of Mutual Funds	2,650	1,558
Clearing and Settlement Fund (C&S Fund)		
Units of Growth Oriented Liquid Schemes of Mutual Funds	1	-
Earmarked Augmentation (EA)		
Units of Growth Oriented Liquid Schemes of Mutual Funds	-	591
Sub-Total - B	2,651	4,657
Total (A+B)	23,668	11,990

Script-wise Details of Investment

Particulars	Units	As at March 31, 2024	Units	As at March 31, 2023
Investment in Govt Securities at at Amortised cost				
Own				
7.17% Govt Sec 08-Jan-2028 - Own	35,00,000	3,453	-	-
6.54% Govt Sec 17-Jan-2032 - Own	20,00,000	1,904	-	-
Core SGF				
6.22% Govt Sec 16-Mar-2035 - Core SGF	50,00,000	4,587	-	-
7.17% Govt Sec 08-Jan-2028 - Core SGF	15,00,000	1,501	15,00,000	1,501
7.26% Govt Sec 22-Aug-2032 - Core SGF	5,00,000	496	5,00,000	495

Particulars	Units	As at March 31, 2024	Units	As at March 31, 2023
7.32% Govt Sec 28-Jan-2024 - Core SGF	-	-	10,00,000	1,008
7.37% Govt Sec 16-Apr-2023 - Core SGF	-	-	15,00,000	1,500
7.40% Govt Sec 09-Sep-2035 - Core SGF	55,00,000	5,511	-	-
7.41% Govt Sec 19-Dec-2036 - Core SGF	20,00,000	2,017	-	-
7.73% Govt Sec 19-Dec-2034 - Core SGF	15,00,000	1,548	-	-
Earmarked - Augmentation				
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
Sub Total - A	2,15,00,000	21,017	1,00,00,000	9,841
Aggregate value of Govt Securities	21,017	9,841		
Market value of Govt Securities	21,383	9,894		
Investment in Units of Mutual Funds - at Fair Value through profit & loss				
Own Fund				
Mirae Asset Cash Management Fund Dir Growth	19,024	485	65,541	1,558
Edelweiss Liquid Fund Direct Growth	69,421	2,165	-	-
Clearing and Settlement Fund				
Baroda BNP Paribas Liquid Fund - Dir Growth	37	1	-	-
Earmarked - Augmentation				
Mirae Asset Cash Management Fund DDR	-	-	24,865	591
Sub Total - B	88,482	2,651	90,406	2,149
Aggregate value of Mutual Funds	2,651	2,149		
Market value of Mutual Funds	2,651	2,149		

6. LOANS

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Loans		
Unsecured, considered good		
Other Loans - Loans & Advances to Employee	2	4
Sub-Total - A	2	4
Current Loans		
Unsecured, considered good		
Other Loans - Loans & Advances to Employee	2	3
Sub-Total - B	2	3
Total (A+B)	4	7

7. OTHERS FINANCIAL ASSETS

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Others Financial Assets		
Deposit with Others	26	30
Bank deposits with more than 12 months maturity		
Own	10,353	85
Clearing and Settlement	1,02,860	26,931
Core SGF	17,109	15,121
Earmarked Augmentation	-	549
Accrued Interest		
Own	159	14
Clearing and Settlement	2,117	267
Core SGF	553	87
Sub-Total - A	1,33,177	43,084
Current Others Financial Assets		
Unamortised Cost	-	1
Accrued interest		
Deposits		
Clearing and Settlement Fund	964	22
G - Sec		
Own Fund	85	85
Core SGF	141	92
Others		
Settlement Obligation Receivable (Refer note 31)	1,893	2,772
Less: Impairment loss allowance on receivable (Refer note 31)	(1,612)	(1,543)
Sub-Total - B	1,471	1,429
Total (A+B)	1,34,648	44,513

8. DEFERRED TAX ASSETS (NET)

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets:		
Provision for Bad & Doubtful Debts	469	449
Provision for Compensated Absences	29	29
MAT Credit Entitlement	-	1,909
Less : Deferred Tax Liabilities		
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets	113	96
Financial assets measured at FVTPL	6	4
Net Deferred Tax Assets	379	2,287

9. OTHER ASSETS

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Assets		
Others	126	126
Prepaid Expenses	39	19
Others – Core SGF (Refer Note below)	282	406
Sub-Total – A	447	551
Current Assets		
Prepaid Expenses	1,659	1,103
Cenvat Credit Receivable	278	198
Others	6	4
Advances for rendering of services (Other than Capital Advances)	6	6
Sub-Total – B	1,949	1,311
Total	2,396	1,862

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, 2024	As at March 31, 2023
Secured and Considered Good	7	4
Unsecured, considered good	7,947	2,463
Holding Company	2,694	1,446
Total	10,648	3,913

11. CASH AND CASH EQUIVALENTS

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balances with banks		
In Current accounts		
Own Fund	1,060	98
Clearing and Settlement Fund	43,776	10,747
Core SGF	16	158
In Deposit accounts		
Clearing and Settlement Fund	1,58,100	32,891
Total	2,02,952	43,894

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, 2024	2,596	1,490	6,556	1	2	2	1	10,648
As at March 31, 2023	826	1,821	1,263	1	2	-	-	3,913
Disputed - considered good								
As at March 31, 2024	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-	-	-	-

12. BANK BALANCES OTHER THAN (III) ABOVE

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
In Deposit accounts		
Own Fund	11,797	5,386
Clearing and Settlement Fund	50,732	74,164
Core SGF	57,495	52,448
Earmarked Augmentation	-	18,624
Accrued Interest		
Own Fund	482	742
Clearing and Settlement Fund	2,636	2,136
Core SGF	3,118	1,901
Total	1,26,260	1,55,401

Notes:

- Balances in Deposits with Banks of ₹ 14,505 lakh (As at March 31, 2023 ₹ 64,481 lakh), are pledged against bank over draft.

13. EQUITY SHARE CAPITA

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
5,00,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2023: 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, 2023: 3,54,00,00,000 Equity Shares of ₹ 1/- each)"	35,400	35,400
Total	35,400	35,400

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

Particulars of issue	As at March 31, 2024		As at March 31, 2023	
	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

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

Name of Shareholders	As at March 31, 2024		As at March 31, 2023	
	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

13(c). List of shares held by holding company

Name of Shareholders	As at March 31, 2024		As at March 31, 2023	
	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

13(d). Shareholding of Promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023	
	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		

13(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.

13(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, 2024	As at March 31, 2023
Core Settlement Guarantee Fund - Core SGF		
Opening Balance	40,584	32,986
Add : Contribution for the year	9,173	5,496
Add : Income earned during the year	3,053	2,102
Sub-Total - A	52,810	40,584
Retained earnings		
Opening Balance	9,676	6,356
Add : Profit for the year	11,384	3,320
Less : Interim Dividend Paid	3,000	-
Sub-Total - B	18,060	9,676
Total (A+B)	70,870	50,260

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, 2024	As at March 31, 2023
Current		
Total outstanding due of Micro & Small Enterprises	83	53
Total outstanding due of Creditors other than Micro & Small Enterprises	2,385	1,624
Total	2,468	1,677
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	83	53
(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, 2024

₹ In Lakh

Particular	Not due	Unbilled	Outstanding for following periods from due date of					Total
			Less than 6 months	6 months to 1 year	1-2 years	2 - 3 years	More than 3 years	
Undisputed - considered good								
MSME	-	59	24	-	-	-	-	83
Others	119	1,959	211	88	1	7	-	2,385
Disputed - considered good								
MSME	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-

As at March 31, 2023

₹ In Lakh

Particular	Not due	Unbilled	Outstanding for following periods from due date of					Total
			Less than 6 months	6 months to 1 year	1-2 years	2 - 3 years	More than 3 years	
Undisputed - considered good								
MSME	2	51	-	-	-	-	-	53
Others	399	1,217	-	3	5	-	-	1,624
Disputed - considered goods								
MSME	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-

16. OTHER FINANCIAL LIABILITIES

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Accrued Employee Benefits Expense	80	85
Sub-Total - A	80	85
Current		
Deposit from Clearing Banks & Warehouses	14,851	13,859
Deposit and Margins from Members & Others	2,31,492	91,871
Settlement Obligation Payable	13,724	5,331
Clearing and Settlement - Others	95,673	36,061
Accrued Employee Benefits Expense	281	182
Sub-Total - B	3,56,021	1,47,304
Total (A+B)	3,56,101	1,47,389

17. OTHER LIABILITIES

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Core Settlement Guarantee Fund (Refer to Note - 2.5.18 & 33) (Exchanges Contribution and Others Contributions)	41,564	34,133
Sub-Total - A	41,564	34,133
Current		
Statutory dues payable	1,642	1,366
Sub-Total - B	1,642	1,366
Total (A+B)	43,206	35,499

18. PROVISIONS

₹ In Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current Provisions		
Other Provision		
<u>Provision for Employee Benefits</u>		
Provision for Compensated Absences	67	57
Sub-Total - A	67	57
Current Provisions		
Other Provision		
<u>Provision for Employee Benefits</u>		
Provision for Compensated Absences	76	92
Provision for Gratuity	7	-
Sub-Total - B	83	92
Total (A+B)	150	149

19. REVENUE FROM OPERATIONS

₹ In Lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Sale of services		
Clearing and Settlement Services	19,972	11,091
Auction Fees	180	93
Others	68	53
Other Operating Revenue		
Treasury Income from Clearing and Settlement Funds		
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	17,672	8,160
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	728	162
Total	38,620	19,559

20. REVENUE FROM INVESTMENTS AND DEPOSITS

₹ In Lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
A. Interest income earned on financial assets that are measured at amortised cost:		
Deposits	1,552	1,353
G Sec	402	407
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	252	115
Total	2,206	1,875

21. OTHER INCOME

₹ In Lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023 "
Interest Income on Income Tax Refund	65	115
Miscellaneous Income	4	27
Total	69	142

22. EMPLOYEE BENEFITS EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023 "
Salaries, Allowances and Bonus	1,807	1,254
Contribution to Provident and Other Funds	61	49
Provision for Compensated Absence	96	84
Staff Welfare Expenses	38	49
Total	2,002	1,436

23. OTHER OPERATING EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Advertisement Expenses	6	-
Auditors' remuneration	11	9
Bad debts written off	-	6
Bank Charges & Commission (Refer Note 26)	2,362	935
Business Promotion Expenses	-	13
Contribution to Corporate Social Responsibility (Refer details below)	86	71
Electricity Charges	17	17
Rent	352	382
Computer Technology Related Expenses	2,509	1,654
Contribution to Core SGF	9,170	5,496
Insurance	198	167
Rates and taxes, excluding taxes on income	11	11
Clearing House Charges	3	9
Directors' Sitting Fees	28	9
Legal Fees	18	26
Maintenance Expenses	4	7
Professional Fees	3,112	1,534
Impairment loss allowance on receivable (net off reversal)	69	1,493
Stamp Duty, Registration Charges & Regulatory Fees and payments	868	129
Travelling Expenses	44	21
Committee Meeting Sitting Fees	72	54
Miscellaneous Expenses	283	35
Total	19,223	12,078

23.1 Auditors' Remuneration

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Auditors' Remuneration Includes:		
Statutory Audit Fees	7	6
Tax Audit Fees	2	2
Other services	2	1
Total	11	9

23.2 Contribution to Corporate Social Responsibility

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
The gross amount required to be spent by company during the year	86	71
Amount of expenditure incurred	86	71
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	-	-

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Nature of CSR activities	Contributions of funds towards Prime Minister's National Relief Fund.	Contributions of funds towards Prime Minister's National Relief Fund.
Details of related party transactions		
Contribution to BSE CSR Integrated Foundation in relation to CSR expenditure	-	71
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, 2024	As at March 31, 2023
(a)	Estimated amount of unexecuted capital contracts	1,406	374

25 Contingent Liabilities (to the extent not provided for)

₹ in lakh

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	Claims against the company not acknowledged as debts in respect of:		
	- Income tax matters	5,554	1,674
	- Service tax matters	1,675	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)	7,70,000	3,00,000

26 The company has given bank guarantee of ₹7,70,000 lakh as on March 31, 2024 (As on March 31, 2023 of ₹3,00,000 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:

I. 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
8.	BSE Investments Limited	Fellow Subsidiary
9.	India International Exchange (IFSC) Limited	Fellow Subsidiary
10.	India International Clearing Corporation (IFSC) Limited	Fellow Subsidiary

Sr.	Name of Related Party	Relationship
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.	Associate of Holding Company
15.	Hindustan Power Exchange Limited (Formerly known as Pranurja Solutions Limited)	Associate of Holding Company
16.	Central Depository Services (India) Limited	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.	BSE EBIX Insuretech Private Limited (Formerly known as Marketplace Ebix Technology Services Private Limited)	Associate of Holding Company
23.	India International Bullion Exchange IFSC Limited.	Associate of Holding Company
24.	Indian International Bullion Holding IFSC Limited.	Associate of Holding Company
25.	Asia Index Private Ltd.	Joint Venture 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.	Dr. Hemant Kumar Manuj	Chairman
29.	Dr. Medha Tapiawala	Public Interest Director
30.	Shri Vikas Gadre	Public Interest Director
31.	Shri Neeraj Kulshreshtha (Upto 14.06.2023)	Shareholder Director
32.	Ms. Hemalatha Sivasubramanian (w.e.f. from 17.05.2023)	Public Interest Director
33.	Mr. Arun Mehta (w.e.f. 11.08.2023)	Public Interest Director
34.	Ms. Kamala Kantharaj (w.e.f. 23.08.2023)	Non-Independent Director
35.	Shri Sameer Patil	Non-Independent Director
36.	Ms. Devika Shah (upto 31.12.2023)	Key Management Personnel - Managing Director & CEO
37.	Ms. Vaishshali Babu (w.e.f. 01.01.2024)	Key Management Personnel - Managing Director & CEO
38.	Shri Nimeshkumar Mistry	Key Management Personnel - Chief Financial Officer
39.	Smt. Saumya Bajpai	Key Management Personal - Company Secretary

II. Transactions with Related Parties

(a) BSE Ltd (Holding Company):

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income		
Clearing and settlement fees	7,281	3,319
Account Validation Charges	75	336
Warehouse Service Charges	-	6

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental Income	-	2
Expenditure		
Computer Technology Related Expenses	619	118
Rent	205	205
Electricity Charges	17	16
Property Tax	4	4
Staff welfare	23	30
Other Expenses	20	16

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend Paid	3,000	-

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
Prepaid Expenses	236	185
Receivable (net)	2,694	1,446
Liability		
Contribution towards Core SGF (excluding income earned thereon)	8,611	9,914

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

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income		
Rental Income	-	1
Expenditure		
Computer Technology Expenses	687	720

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
Prepaid Expenses	-	-
Liability		
Payable (net)	50	73

(c) BSE CSR Integrated Foundation (Fellow Subsidiary)

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure		
CSR Contribution	-	71

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
Investment (2,500 Equity shares of ₹10/- each)	-	-

(d) BSE E-Agricultural Markets Limited – (Fellow Associate):

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income		
Rental Income	-	1

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

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure		
Administrative & Other Expenses	3	4

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
Deposits (Asset)	5	5
Prepaid Expenses	-	1

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

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure		
Rent	9	9

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

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Net defined benefit assets		
ICCL Employee's Gratuity Fund	100	169

(h) Key Management Personnel:

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year March 31, 2023
Gross remuneration and other benefits paid		
Smt. Vaishali Babu (Managing Director & CEO – w.e.f. 01.01.2024)	28	-
Smt. Devika Shah (Managing Director & CEO – till 31.12.2023)	181	101
Shri Nimeshkumar Mistry	55	53
Smt. Saumya Bajpai	11	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, 2024	For the year ended March 31, 2023
Profit after tax (₹ in lakh)	11,377	3,310
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 (₹)	0.32	0.09

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

₹ in lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Software Expenses	35	34
Regulatory Fees	-	73
Others	-	4

31 In the previous year, 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. During the year company has identified an additional recoverable amount to ₹1,982 lakh. The balance as on March 31, 2024, is ₹1,325 lakh as receivable (₹1,825 lakh receivable as on March 31, 2023) net off recovery. Accordingly, company made provision against such receivable during the year and provision stand as on March 31, 2024, is ₹1,325 lakh (₹1,500 lakh as on March 31, 2023).

32 During year Company has received a letter from SEBI dated July 31, 2023, on “Interoperability among Clearing Corporations” alleging non implementation of provisions of SEBI Circular dated November 27, 2018. Pursuant to the SEBI letter, Company has determined and provided an amount of ₹863 lakh as settlement amount in terms of the SEBI (Settlement Proceedings) Regulations, 2018. However, this matter is under consideration with SEBI.

33 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 ₹52,810 lakh as of March 31, 2024 (₹40,584 lakh as at March 31, 2023) has been contributed towards the Core SGF maintained for various segment by ICCL including income earned thereon. The contribution made by BSE Ltd to the said Core SGF amounts to ₹14,738 lakh as of March 31, 2024 (₹15,307 lakh as at March 31, 2023) 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 ₹14,993 lakh as of March 31, 2024 (₹9,953 lakh as at March 31, 2023) including income earned thereon. The contribution made by MSE to said Core SGF amounts to ₹808 lakh as of March 31, 2024 (₹253 lakh as at March 31, 2023) including income earned thereon. Further, Other Contribution represent an amount ₹11,025 lakh as at March 31, 2024 (₹8,620 lakh as at March 31, 2023) 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	20,969	6,055	5,236	2	6,869	39,131
Equity Derivative Segment	5,555	41	2,073	-	2,766	10,435
Currency Derivative Segment	24,533	7,207	7,684	806	1,340	41,570
Commodity Derivative Segment	731	736	-	-	48	1515
Debt	202	-	-	-	-	202
SLB	-	-	-	-	2	2
Electronic Gold Receipts (EGR)	820	273	-	-	-	1093
Unallocated	-	426	-	-	-	426
Grand Total	52,810	14,738	14,993	808	11,025	94,374

34 Disclosure as required on “Employee Benefits” is as under:

34.1 Gratuity - Defined Benefit Plan

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

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

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

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

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

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

a. The following tables set out the funded status of the gratuity plans, and the amounts recognized in the Company’s financial statements As at March 31, 2024 and March 31, 2023.

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Change in benefit obligations		
Benefit obligations at the beginning	169	185
Transfer in/(out) plan assets	6	(2)
Current Service Cost	19	17
Interest on defined benefit obligation	10	12
Re-measurements - Actuarial Loss / (Gain)	(12)	(20)
Benefits Paid	(85)	(23)
Closing Defined Benefit Obligation	107	169

Particulars	As at March 31, 2024	As at March 31, 2023
Change in plan assets		
Opening Fair Value of Plan Assets	170	185
Transfer in/(out) plan assets	6	(2)
Contributions by Employer	1	1
Interest on Plan Assets	8	9
Re-measurements - Actuarial Loss / (Gain)	-	-
Benefits Paid	(85)	(23)
Closing Fair Value of Plan Assets	100	170
Funded status	100	170

b. Amount For the year ended March 31, 2024 and year ended March 31, 2023.

₹ in lakh

Particulars	March 31, 2024	March 31, 2023
Current Service Cost	19	17
Interest on net defined benefit obligations / (asset)	(1)	(1)
Total Included in "Employee Benefit Expense"	18	16

c. Amount For the year ended March 31, 2024 and year ended March 31, 2023 recognised in the statement of other comprehensive income:

₹ in lakh

Particulars	March 31, 2024	March 31, 2023
Opening amount recognised in "Other Comprehensive Income"	(22)	(6)
Re-measurement for the year - Obligation gains / (losses)	(12)	(20)
Re-measurement for the year - Plan asset gains / (losses)	2	4
Total amount recognised in "Other Comprehensive Income"	(32)	(22)

d. Principle actuarial assumption

Assumptions	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.20%	7.30%
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, 2024	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-2.91%	3.10%
Impact of decrease in 50 bps on defined benefit obligation	3.11%	-2.93%

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, 2024
Expected benefits for year 1	27
Expected benefits for year 2	7
Expected benefits for year 3	15
Expected benefits for year 4	6
Expected benefits for year 5	9
Expected benefits for year 6 to year 10	37
Expected benefits for year 10 and above	82

The weighted average duration to the payment of these cash flows is 6.37 years.

g. Composition of Plan Assets

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Insurer Managed Funds	100	170
Others	-	-

Actual return on the assets for the year ended March 31, 2024, and year ended March 31, 2023, were ₹10 lakh and ₹9 lakh respectively.

h. The plan assets in respect of gratuity represent funds managed by the ICCL employee Gratuity Fund. The Employer's best estimate of the contributions expected to be paid to the plan during the next year is ₹ 7 lakh.

34.2 Provident Fund – Defined Contribution Plan

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

The Company recognised charge for the year ended March 31, 2024, and for the year ended March 31, 2023 of ₹36 lakh and ₹28 lakh respectively for provident fund in the statement of profit & loss.

34.3 Other long-term employee benefit obligations

The leave obligation covers the company liability for sick and earned leave. Under these Compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation, or resignation. At the rate of daily salary, as per current accumulation of leave days. Refer Note 22 and Note 16 with respect to item of profit and loss and Balance Sheet where such charge/provision has been presented.

35 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:

35.1 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.

35.2 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.

35.3 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.

35.4 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.

36 Financial instruments

Risk Management:

The Company operates within a highly regulated environment and is a systemically important financial market infrastructure in India. The Company has an integrated, compliant and effective Risk Management framework supported by a sound risk governance culture, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. This enables the Company to identify, assess and manage its risks while pursuing its strategy and promoting resiliency.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. They are subject to continuous improvement and its effectiveness is assessed routinely. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee provides independent reasonable assurance on governance, risk management and internal controls. 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, Operational, 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 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"). The CPMI and the IOSCO continue to closely monitor the implementation of the PFMI. The Fifth Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMI has accorded India with the highest rating of 4.

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.

The liquidity needs of ICCL are related to fulfilment of shortfall in settlement that may arise due to delay/non-fulfilment of the obligations by its CMs/interoperable CCPs and those generated by its investment policy. 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.

ICCL has a robust liquidity risk management framework to identify measure and monitor its settlement and funding flows, including its use of intraday liquidity. ICCL's liquidity risk management framework ensure with a high level of confidence that ICCL can honour payment and settlement obligations as they fall due, in a timely manner, even under stress scenarios.

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. ICCL has prudent norms specifying the extent to which investments may be made in absolute/percentage terms. Also, overall exposure limits are fixed for each class of investments, institutions, schemes, etc 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.

ICCL measures, monitors, and manages its liquidity requirements and the adequacy of liquidity arrangements and resources through liquidity stress tests. ICCL assesses the adequacy of its liquidity resources through daily stress tests based on hypothetical scenarios conducted on

the liquidity position by assuming the default of the two clearing participants which would hypothetically cause the highest loss.

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, 2024, and March 31, 2023.

As of March 31, 2024:

₹ in lakh

Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current liabilities				
Accrued Employee benefit expenses	-	80	-	80
Total Non-Current Liabilities	-	80	-	80
Current Liabilities				
Deposits and Margin Received	2,46,343	-	-	2,46,343
Settlement Obligation Payable	13,724	-	-	13,724
Accrued Employee benefit expenses	281	-	-	281
Others Clearing Settlement Liability	95,673	-	-	95,673
Trade Payable	2,460	8	-	2,468
Total Current Liabilities	3,58,481	8	-	3,58,489

As at 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	182	-	-	182
Others Clearing Settlement Liability	36,061	-	-	36,061
Trade Payable	1,672	5	-	1,677
Total Current Liabilities	1,48,976	5	-	1,48,981

The table below provides details regarding the contractual maturities of significant financial assets as of March 31, 2024, and March 31, 2023. (Excluding Core Settlement Guaranteed fund)

As of March 31, 2024:

₹ in lakh

Particulars	< 1 year	1-5 years	> 5 years	Total
Non-current Assets				
Quoted - Investment in Govt Securities at Amortised cost	-	3,453	1,904	5,357
Loans & Advances to Employee	-	2	-	2
Deposit with Others	-	-	26	26
Bank deposits with more than 12 months maturity	-	1,13,213	-	1,13,213
Accrued Interest	-	2,276	-	2,276
Total Non-Current Assets	-	1,18,944	1,930	1,20,874

Particulars	<1 year	1-5 years	> 5 years	Total
Current Assets				
Mutual Fund	2,651	-	-	2,651
Trade Receivable	10,643	5	-	10,648
Cash & Cash Equivalent	2,02,936	-	-	2,02,936
Bank balance other than Cash & Cash Equivalent	65,647	-	-	65,647
Loans & Advances to Employee	2	-	-	2
Accrued Interest	1,049	-	-	1,049
Settlement Obligation Receivable	281	-	-	281
Total Current Assets	2,83,209	5	-	2,83,214

As of March 31, 2023:

₹ in lakh

Particulars	<1 year	1-5 years	> 5 years	Total
Non-current Assets				
Quoted - Investment in Govt Securities at Amortised cost	-	3,443	1,894	5,337
Loans & Advances to Employee	-	4	-	4
Deposit with Others	-	-	30	30
Bank deposits with more than 12 months maturity	-	27,565	-	27,565
Accrued Interest	-	281	-	281
Total Non-Current Assets	-	31,293	1,924	33,217
Current Assets				
Mutual Fund	2,149	-	-	2,149
Trade Receivable	3,911	2	-	3,913
Cash & Cash Equivalent	43,736	-	-	43,736
Bank balance other than Cash & Cash Equivalent	1,01,052	-	-	1,01,052
Loans & Advances to Employee	3	-	-	3
Accrued Interest & Unamortised Cost	108	-	-	108
Settlement Obligation Receivable	1,229	-	-	1,229
Total Current Assets	1,50,039	2	-	1,52,190

Credit risk:

Credit risk is the risk that a clearing member/interoperable CCP/clearing bank of the CCP will not be able to fully meet its financial obligations when due or at any time in the future. ICCL has identified the sources of credit risk as being default/delay by CMs and/or interoperable CCPs in fulfilling their obligations and default/delay by Clearing Banks in facilitating funds pay-out.

ICCL ensures to effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. ICCL has policies requiring members to be approved before they can participate; ensuring that they have pre-paid collateral into their accounts. Credit risk due to shortfall in members account is mitigated by netting agreements and contributions to the core settlement guarantee fund. ICCL conducts daily stress testing for credit risk using at least the standardized stress testing methodology prescribed for each segment viz. equity, equity derivatives, currency

derivatives and, commodities derivatives segment and electronic gold receipts segment.

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 Rupee.

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.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because

of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Company's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income which Company receives on investments in debt securities, the value of interest-earning investments, its ability to realise gains from the sale of investments.

Interest rate risk primarily arises from floating rate investment. The Company's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Mutual Fund	22	15

Sensitivity Analysis

The table below summarises the impact of increases/ decreases of the Price on profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Increase by 5%	1	1
Decrease by 5%	-1	-1

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 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 the 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 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			
	2024	2023	2024	2023
i) Financial assets				
(a) Measured at Amortised Cost				
Investment in Govt Securities	21,017	9,841	21,383	9,894
Trade receivable	10,648	3,913	10,648	3,913
Cash and cash equivalents	2,02,952	43,894	2,02,952	43,894
Bank Balances other than Cash and cash Equivalents	1,26,260	1,55,401	1,26,260	1,55,401
Loans	4	7	4	7
Other financial assets	1,34,648	44,513	1,34,648	44,513
(b) Measured at FVTPL				
Investment in Mutual Funds	2,651	2,149	2,651	2,149
ii) Financial Liabilities				
(a) Measured at Amortised Cost				
Trade payables	2,468	1,677	2,468	1,677
Other financial liabilities	3,56,101	1,47,389	3,56,101	1,47,389

Level wise disclosure of fair value measurement of financial instruments

₹ in lakh

Particulars	Fair values as at		Fair Value Hierarchy
	March 31, 2024	March 31, 2023	
Financial assets			
At Amortised Cost			
Investment in Govt Securities	21,383	9,894	Level 1
At FVTPL			
Investment in Mutual Funds	2,651	2,149	Level 1

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

37 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.

38 Income Tax Expense:

The following are the details of income tax assets as at March 31, 2024 and March 31, 2023.

₹ in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Net Current tax at the beginning (Assets)	3,425	4,028
Current Income Tax provision including earlier tax adjustment	(3,224)	(1,121)
Income tax paid (Including TDS)	3,339	518
Balance at the end of financial year	3,540	3,425

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, 2024, and March 31, 2023.

₹ in lakh

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax from continuing operations	16,509	4,763
Income tax expense calculated at 29.12% (A)	4,807	1,387
Adjustment:		
Effect of expenses that are not deductible in determining taxable profit	(309)	(35)
Others	6	2
Total (B)	(303)	(33)
Adjustments recognised in the current year in relation to the current tax of prior years (C)	22	33
Income tax expense recognised in profit or loss (relating to continuing operations) (A-B+C)	5,132	1,453

39 Ratio

The following are analytical ratios for the year ended March 31, 2024, and March 31, 2023

Sr No	Ratio	Numerator	Denominator	March 31		% Change
				2024	2023	
1	Current ratio	Current Assets	Current Liabilities	0.79	0.89	-11.24%
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	N.A.	N.A.	N.A.
3	Debt Service coverage ratio	Earnings for debt service = Net profit after taxes + non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	N.A.	N.A.	N.A.
4	Return on Equity ratio %	Net Profit after taxes	Average Shareholder's Equity	23.09	7.62	203.02% ²
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	N.A.	N.A.	N.A.
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Accounts Receivable	2.78	4.59	-39.43% ³
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	10.00	8.94	11.86%
8	Net Capital Turnover Ratio	Net sales	Working Capital	-0.27	-0.70	-61.43% ⁴
9	Net Profit ratio %	Net Profit after tax	Net Sales	56.27	29.46	91.00% ⁵
10	Return capital Employed %	Earnings before interest and taxes	Capital Employed = Tangible Net Worth	17.25	8.94	92.95% ⁶
11	Return on Investment %	Investment Income	Average Investment	7.96	5.56	43.17% ⁷

Note:

- For the purpose of calculation of current assets, current investments related to Core SGF, and Earmarked Augmentation are not considered.
- Increase in NPAT after tax.

- Increase in average trade receivables.
- Increase in sales and increase in deposits from clearing members.
- Increase in NPAT after tax.
- Increase in EBIT.
- Increase in yield and investable surplus.

40 Events after reporting date

There are no events that have occurred between the end of the reporting period and the date when the standalone financial statements are approved that provide evidence of conditions that existed at the end of the reporting period.

41 Maintenance of Books of accounts and Servers

The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company’s books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

42 Audit trail

The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail facility except for in case of one accounting software where audit trail was enabled from 05.07.2023 and the same has been operated throughout the year for all transactions recorded in the software.

43 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.

44 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.

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

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

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

48 During the year company has declared and paid interim dividend of ₹0.08474 per equity share of ₹1 each aggregating to ₹3,000 lakh.

49 The Company has not revalued its property plant and equipment or intangible assets or both during current year and previous year.

50 The Company has not granted/given any loans or advances during the current year and previous year to the directors, KMP and the related party (as defined under companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

51 ICCL has received the letter from SEBI vide letter dated July 18, 2023 towards removal of augmentation of Settlement Guarantee Fund of ₹25,000 lakh which was created in September 2018 for clearing and Settlement for new Commodity Derivative Segment of the BSE.

52 The financial statements were approved for issue by the board of directors in their meeting held on April 25, 2024.

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

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 25, 2024

For and on behalf of the Board of Directors

Hemant Kumar Manuj
Chairman

Nimeshkumar Mistry
Chief Financial Officer

Vaishali Babu
Managing Director & CEO

Saumya Bajpai
Company Secretary

Indian Clearing Corporation Limited



Reliability builds relationships

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