

**The Clearing Corporation of India Limited**



**Financial Statements**

**2013-2014**



This page has been left  
blank intentionally

## Board of Directors:

Mrs. Shyamala Gopinath (Chairperson)  
Mr. R. Sridharan (Managing Director)  
Mr. Y. H. Malegam  
Mr. M. R. Ramesh  
Dr. N. L. Sarda  
Dr. Ajay Shah  
Mr. P. Sanyal  
Mrs. Shilpa Kumar  
Mr. Bhavesh Zaveri  
Mr. M. S. Sundara Rajan  
Mr. V. H .Thatte  
Mr. Anjan Barua  
Mr. Sankarshan Basu  
Mr. V. Chandrasekaran  
Mr. Melwyn Rego  
Mr. Sudhir Joshi  
Mr. B. V. Chaubal

## Company Secretary:

Mr. O. N. Ravi

## Auditors:

M/s Lodha & Co.  
Chartered Accountants

## Registered and Corporate Office:

CCIL Bhavan,  
College Lane,  
Off. S. K. Bole Road,  
Dadar (West),  
Mumbai-400 028  
Tel: 61546200 Fax: 24326042  
Website: [www.ccilindia.com](http://www.ccilindia.com)  
CIN-U65990MH2001PLC131804

THE CLEARING CORPORATION OF INDIA LIMITED

**Financial Statements 2013 - 2014**

**Contents**

1.	Auditors' Report	3
2.	Financial Statements	
	Balance Sheet	8
	Statement of Profit and Loss	9
	Cash Flow Statement	10
	Notes to the Financial Statements	12
	Statement pursuant to Section 212 of the Companies Act, 1956	36



## AUDITOR'S REPORT

**TO THE MEMBERS OF  
THE CLEARING CORPORATION OF INDIA LIMITED  
REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **THE CLEARING CORPORATION OF INDIA LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of the significant accounting policies and other explanatory information. Audit of the previous year's financial statements was carried out by another firm of Chartered Accountants who issued unqualified report dated May 14, 2013.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For LODHA & COMPANY**  
Chartered Accountants  
Firm Registration No. 301051E

Sd/-  
**R.P. Baradiya**  
Partner  
Membership No. 44101

Place: Mumbai  
Date: May 7, 2014

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE CLEARING CORPORATION OF INDIA LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that :

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
c) During the year, no substantial part of fixed assets has been disposed off by the Company.
2. The Company does not have any inventory. Therefore, the provisions of clause 4 (ii) of the Order are not applicable to the Company.
3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us and having regard to the fact that some of the items purchased are of a special nature in respect of which suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, no major weaknesses have been noticed in the aforesaid internal control system.
5. There are no particulars of contracts or arrangements referred to in Section 301 of the Act which need to be entered into the register required to be maintained under that section.
6. The Company has not accepted any public deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 201(1)(d) of the Act for any of the activities of the Company.



9. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to the Company with appropriate authorities. As explained to us there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.  
b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues outstanding to financial institutions or debenture holders.
12. During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not carrying the business of dealing or trading in shares, securities, debentures and other investments. However, proper records have been maintained in respect of transactions and contracts entered into, wherever the Company has made investments in securities. The securities have been held by the Company in its own name.
15. The Company has not given any guarantee for loan taken from banks or financial institutions.
16. The Company has not obtained any term loan during the year.
17. Funds raised on short term basis have, prima-facie, not been used for long term Investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in



accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & COMPANY**

Chartered Accountants

Firm Registration No. 301051E

Sd/-

**R.P. Baradiya**

Partner

Membership No. 44101

Place: Mumbai

Date: May 7, 2014



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

		(₹ in lakhs)	
	Note No.	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	10,000	10,000
Reserves and Surplus	3	1,27,663	97,668
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	4	240	221
Long-Term Provisions	5	478	307
<b>Current Liabilities</b>			
Trade Payables	6	107	243
Other Current Liabilities	7	5,21,636	4,50,885
Short-Term Provisions	8	2,589	1,049
<b>TOTAL</b>		<b>6,62,713</b>	<b>5,60,373</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
- Tangible Assets		15,169	15,338
- Intangible Assets		666	568
- Capital Work-in-Progress		3	3
- Intangible Assets under Development-Software		615	298
Non-Current Investments	10	1,000	1,000
Long-Term Loans and Advances	11	461	207
Other Non-Current Assets	12	1,82,068	1,93,557
<b>Current Assets</b>			
Current Investments	13	3,04,536	2,28,563
Trade Receivables	14	2,091	2,821
Cash and Bank Balances	15	1,43,149	1,06,976
Short-Term Loans and Advances	16	41	31
Other Current Assets	17	12,914	11,011
<b>TOTAL</b>		<b>6,62,713</b>	<b>5,60,373</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS</b>	1-37		

As per our attached report of even date

For and on behalf of

**LODHA & CO.**

**CHARTERED ACCOUNTANTS**

Firm Reg. No. 301051E

Sd/-

**R.P.Baradiya**

**PARTNER**

Place : Mumbai

Date : May 07, 2014

Signatures to the Balance Sheet and Notes thereon

For and on behalf of the Board of Directors

Sd/-

**Shyamala Gopinath**

**Chairperson**

Sd/-

**R. Sridharan**

**Managing Director**

Sd/-

**Y. H. Malegam**

**Director**

Sd/-

**O. N. Ravi**

**Company Secretary &**

**Corporate Development Officer**



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

(₹ in lakhs)

	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>Revenue from Operations</b>			
Income from Operations	18	30,384	24,264
Other Operating Revenues	19	17,861	15,667
		<b>48,245</b>	<b>39,931</b>
Other Income	20	10,018	7,604
<b>Total Revenue</b>		<b>58,263</b>	<b>47,535</b>
<b>Expenses</b>			
Employee Benefits Expense	21	3,090	2,569
Finance Costs	22	884	853
Depreciation and Amortization Expense	23	1,908	1,627
Other Expenses	24	3,503	3,203
<b>Total Expenses</b>		<b>9,385</b>	<b>8,252</b>
<b>Profit Before Tax for the year</b>		<b>48,878</b>	<b>39,283</b>
Tax Expense			
- Current Tax		16,611	12,660
- Deferred Tax		20	161
- Tax Adjustments relating to Earlier Year		-	(3)
<b>Profit After Tax for the year</b>		<b>32,247</b>	<b>26,465</b>
<b>Earnings per Equity Share:</b>			
-Basic		63.50	51.99
-Diluted		63.50	51.99
(Equity Share of face value of ₹ 10 each)			

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO 1-37  
THE FINANCIAL STATEMENTS**

As per our attached report of even date

For and on behalf of  
**LODHA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. 301051E

Sd/-  
R.P.Baradiya  
**PARTNER**

Place : Mumbai  
Date : May 07, 2014

Signatures to the Statement of Profit and Loss and  
Notes thereon

For and on behalf of the Board of Directors

Sd/-  
Shyamala Gopinath  
**Chairperson**

Sd/-  
R. Sridharan  
**Managing Director**

Sd/-  
Y. H. Malegam  
**Director**

Sd/-  
O. N. Ravi  
**Company Secretary &  
Corporate Development Officer**



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	(₹ in lakhs)	
	2013-14	2012-13
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	48,878	39,283
Add : Adjustments for :		
Depreciation and Amortization Expense	1,908	1,627
Wealth Tax included under Rates & Taxes	10	11
Interest under Income Tax provisions	12	21
Less: Adjustments for :		
Interest Income on Investments made out of Own Funds	9,347	7,181
Profit/(Loss) on Sale of Fixed Asset (net)	2	4
Excess Provision of Depreciation Written Back	-	1
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>41,459</b>	<b>33,756</b>
Adjustments for :		
(Increase)/ Decrease in Non Current Assets / Current Assets	(69,016)	(53,697)
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	70,964	41,832
<b>CASH GENERATED FROM OPERATIONS</b>	<b>43,407</b>	<b>21,891</b>
Direct Taxes paid	(16,875)	(12,913)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>26,532</b>	<b>8,978</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,155)	(1,464)
Sale of Fixed Assets	2	4
Interest Income on Investments made out of Own Funds	8,113	6,446
Purchase of Government of India Treasury Bills out of Own Funds	(4,673)	-
Placement of Fixed Deposits with Banks made out of Own Funds	(108,147)	(80,122)
Redemption of Fixed Deposits with Banks made out of Own Funds	82,251	59,298
Sale/Redemption of Investments	-	300
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)</b>	<b>(24,609)</b>	<b>(15,538)</b>



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(₹ in lakhs)

	2013-14	2012-13
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Preference Shares	-	5,000
Redemption of Preference Shares	-	(5,000)
Dividend/Dividend Distribution Tax paid	(890)	(1,795)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)</b>	<b>(890)</b>	<b>(1,795)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,033</b>	<b>(8,355)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
OPENING BALANCE	11,760	20,115
CLOSING BALANCE		
Before adjustment of unrealised foreign exchange	12,382	11,528
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	411	232
	12,793	11,760
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,033</b>	<b>(8,355)</b>

Notes:

- (1) The above Cash Flow Statement has been prepared using the indirect method as per Accounting Standard AS-3.
- (2) Previous year's figures have been regrouped, reclassified and rearranged to conform to current year's presentation, wherever necessary.

As per our attached report of even date

For and on behalf of

**LODHA & CO.**

**CHARTERED ACCOUNTANTS**

Firm Reg. No. 301051E

Sd/-

R.P.Baradiya  
**PARTNER**

Place : Mumbai

Date : May 07, 2014

Signatures to the Cash Flow Statement

For and on behalf of the Board of Directors

Sd/-

Shyamala Gopinath  
**Chairperson**

Sd/-

Y. H. Malegam  
**Director**

Sd/-

O. N. Ravi  
**Company Secretary &  
Corporate Development Officer**

Sd/-

R. Sridharan  
**Managing Director**



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

#### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Operations :**

The Clearing Corporation of India Limited ("the Company") provides clearing and settlement services for the transactions in the Money Market, Government Securities Market, Foreign Exchange Market, etc. and carries out related activities. The Company acts as a central counterparty for the trades executed by its members and extends settlement guarantee in terms of the Bye-laws, Rules and Regulations for various types of operations. The Company is authorized as a Payment System under 'The Payment and Settlement Systems Act, 2007' by Reserve Bank of India.

##### **Significant Accounting Policies:**

###### **(a) Basis of preparation of Financial Statements :**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, and relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical convention on accrual basis.

The preparation of financial statements requires the management to make estimates and assumptions that have been considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements as prudent and reasonable. Future results could differ from these estimates.

###### **(b) Revenue Recognition:**

- (i)** Transaction Charges income and Portfolio Compression Charges income are recognised on settlement of respective transactions in terms of the contract with members.
- (ii)** Forex Forward Charges income is recognized on accrual basis over the period of respective Forex Forward trades in terms of the contract with the members.
- (iii)** Non-refundable one time membership fee is recognised as income in the year in which respective settlement operations commence or in the year in which the membership of the applicant is approved, whichever is later.
- (iv)** In case of investment in discounted securities/instruments the discount is accrued over the period to maturity and included in Income from Investments.
- (v)** Dividend Income is recognized when the right to receive is established.
- (vi)** Revenue from Services is recognized as and when the Service is performed as per the relevant agreements.
- (vii)** Other Revenue Income is recognised as and when there is a reasonable certainty of ultimate realisation.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

**(c) Fixed Assets and Depreciation:**

- (i) Fixed assets are stated at cost which comprises of purchase price, freight, duties, taxes, cost of installation and other incidental expenses incurred towards acquisition and installation of such assets.
- (ii) Software expenses incurred for Company's core business applications are capitalized as Computer Software.
- (iii) Depreciation is provided on Straight Line Method (SLM) as per rates specified below and in the manner specified in Schedule XIV to the Companies Act, 1956:

Asset	Depreciation Rates Applied	SLM Depreciation rates prescribed in the Schedule
Buildings - Residential	1.63%	1.63%
Buildings - Office	1.63%	1.63%
Computer Systems - Hardware	50.00%	16.21%
Furniture and Fixtures	20.00%	6.33%
Office and Other Equipment	20.00%	4.75%
Computer Software	100.00%	16.21%

Fixed Assets whose cost is ₹ 5,000 or less are fully written off in the year of acquisition.

**(d) Investments:**

- (i) Current investments are carried at the lower of the cost and fair value.
- (ii) Long term investments are stated at cost less amortised premium.

**(e) Employee Benefits:**

Short term Employee Benefits are estimated and provided for. Post Employment Benefits and Other Long term Employee Benefits are treated as follows:

- (i) Defined Contribution plans:
  - (a) Provident Fund: The provident fund plan is operated by Regional Provident Fund Commissioner (RPFC) and the contribution thereof is paid/provided for.
  - (b) Superannuation Fund: Superannuation benefit for the eligible employees is covered by Superannuation Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for.

Contributions to the defined contribution plans are charged to Statement of Profit & Loss for the respective financial year.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(ii) Defined Benefits plans:

Gratuity: Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for. Provision for Gratuity is made as per actuarial valuation as at the end of the year.

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to the Statement of Profit & Loss for the respective financial year and are not deferred.

(iii) Other Long Term Benefits :

Long term compensated absences: Provision for Leave encashment is made on the basis of actuarial valuation as at the end of the year.

(f) **Income Tax:**

Provision for current tax is made on the basis of relevant provisions of the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable/virtual certainty that these would be realised in future.

(g) **Foreign Currency Transactions:**

Revenue Transactions in foreign currency are recorded at the rate of exchange in force at the date of transactions. Foreign Currency assets and liabilities are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognized in the Statement of Profit and Loss.

(h) **Provisions and Contingent Liabilities:**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if -

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

Contingent Liability is disclosed in the case of -

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a possible obligation, unless the probability of outflow of resources is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability, as the case may be, only when it is virtually certain that the reimbursement will be received.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As at 31.03.2014		As at 31.03.2013	
	Number	₹ in lakhs	Number	₹ in lakhs
<b><u>NOTE 2 : SHARE CAPITAL</u></b>				
<b><u>Authorised</u></b>				
Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Equity Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
	<u>100,000,000</u>	<u>10,000</u>	<u>100,000,000</u>	<u>10,000</u>
<b><u>Issued, Subscribed and Paid up</u></b>				
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Equity Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
<b>TOTAL</b>	<u>100,000,000</u>	<u>10,000</u>	<u>100,000,000</u>	<u>10,000</u>

Notes:

- (a) There has been no change in the number of Equity Shares & Preference Shares outstanding at the beginning of the current year and the previous year.
- (b) Preference Shares were redeemed during the previous year out of fresh issue of Preference Shares.
- (c) **Rights Attached to Equity Shares**

Voting Rights :

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each Equity Shareholder is entitled to one vote per share.

Dividend :

The dividend recommended by the Board of Directors is subject to the approval of shareholders in the Annual General meeting and would be paid in proportion to the amount of capital paid-up on shares.

Winding up:

If any assets are available for distribution upon liquidation in terms of the provisions of the Act, it will be distributed in proportion to the capital paid-up or which ought to have been paid up at the commencement of winding-up.

- (d) **Terms of Preference Shares**

The Company has only one class of Preference Shares being Redeemable, Cumulative, Non-



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

convertible and Non-participating Preference Shares. The shareholders have right to vote only on resolutions which directly affect their interest. The Preference Shareholders are entitled to dividend @ 8.50% p.a. and shares are redeemable on March 23, 2018.

In the event of liquidation, Preference Shares will have preferential right of return of amount paid-up on the shares together with the arrears of cumulative preferential dividend, if any, due on the date of winding up but shall not have further right or claim over the surplus assets of the Company.

- (e) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held are as follows-

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
State Bank of India	13,000,000	26.00	13,000,000	26.00
Life Insurance Corporation of India	5,000,000	10.00	5,000,000	10.00
STCI Finance Limited	5,000,000	10.00	5,000,000	10.00
IDBI Bank Limited	3,750,000	7.50	3,750,000	7.50
ICICI Bank Limited	2,750,000	5.50	2,750,000	5.50
<b>8.5% Redeemable, Non Convertible, Cumulative Preference Shares:</b>				
The Kalupur Commercial Co-operative Bank Limited	19,000,000	38.00	19,000,000	38.00
Kotak Mahindra Bank Ltd.	8,000,000	16.00	8,000,000	16.00
The South Indian Bank Limited	5,000,000	10.00	5,000,000	10.00
The Karur Vysya Bank Ltd.	5,000,000	10.00	5,000,000	10.00
The Federal Bank Ltd.	5,000,000	10.00	5,000,000	10.00
Yes Bank Ltd.	5,000,000	10.00	5,000,000	10.00

- (f) For the period of five years immediately preceding the date of the Balance Sheet, the Company has not
- Allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or
  - Allotted any shares as fully paid up bonus shares; or
  - Bought back any of its Equity Shares.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(₹ in lakhs)

	As at 31.03.2014	As at 31.03.2013
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	30,732	24,232
Add: Transferred from Surplus	8,500	6,500
<b>Closing Balance</b>	<b>39,232</b>	<b>30,732</b>
<b>Settlement Reserve Fund {Refer Note (a) below}</b>		
Opening Balance	64,000	47,000
Add: Transferred from Surplus	20,000	17,000
<b>Closing Balance</b>	<b>84,000</b>	<b>64,000</b>
<b>Surplus</b>		
Opening Balance	2,936	1,320
Add: Net Profit After Tax transferred from Statement of Profit & Loss	32,247	26,465
<b>Amounts available for Appropriation</b>	<b>35,183</b>	<b>27,785</b>
<b>Appropriations :</b>		
- Dividend on redemption of Preference Shares	-	395
- Proposed Dividend on Equity Shares	1,500	750
- Proposed Dividend on Preference Shares	425	10
- Dividend Distribution Tax	327	194
- Transfer to General Reserve	8,500	6,500
- Transfer to Settlement Reserve Fund	20,000	17,000
<b>Closing Balance</b>	<b>4,431</b>	<b>2,936</b>
<b>TOTAL</b>	<b>127,663</b>	<b>97,668</b>

Notes:

- (a) Settlement Reserve Fund represents amounts set aside from the Profits of the Company from time to time as may be considered appropriate by the Board of Directors, to ensure that there are sufficient assigned financial resources which may be utilized for meeting claims in relation to any settlement default, consequences of operational failures and any loss on account of settlement bank failure. Bank Deposits/Current Investments amounting to ₹ 64,000 lakhs (Previous year - ₹ 47,000 lakhs ) are earmarked for this purpose.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

	As at 31.03.2014	(₹ in lakhs) As at 31.03.2013
<b><u>NOTE 4 : DEFERRED TAX LIABILITY</u></b>		
<b><u>Deferred Tax Liabilities</u></b>		
Arising out of timing difference in depreciation	657	465
<b><u>Less : Deferred Tax Assets</u></b>		
Arising out of timing difference in respect of expenses allowable on payment basis	417	244
<b>TOTAL</b>	<b>240</b>	<b>221</b>
<b><u>NOTE 5 : LONG TERM PROVISIONS</u></b>		
Provision for Employee Benefits	478	307
<b>TOTAL</b>	<b>478</b>	<b>307</b>
<b><u>NOTE 6 : TRADE PAYABLES</u></b>		
Due to Creditors other than Micro and Small Enterprises	101	238
Due to Micro and Small Enterprises {Refer Note 35}	6	5
<b>TOTAL</b>	<b>107</b>	<b>243</b>
<b><u>NOTE 7 : OTHER CURRENT LIABILITIES</u></b>		
Due to Clearcorp Dealing Systems (India) Ltd.-Subsidiary Company	9	-
Creditors for Capital Expenses {Refer Note (a) below}	1,156	672
Interest Accrued but not Due	1,530	1,386
Deposits from Members {Refer Note (b) below}	517,832	448,016
Statutory Dues payable	546	376
Other payables	563	435
<b>TOTAL</b>	<b>521,636</b>	<b>450,885</b>

**Notes:**

- (a) Creditors for Capital Expenses includes ₹6 lakhs ( Previous year ₹18 lakhs ) due to Micro and Small Enterprises {Refer Note 35}
- (b) Deposits from Members include amount of collaterals received from members and outstanding as at the year end as detailed below:



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

	(₹ in lakhs)		
Particulars	Cash	Govt. Securities #	Guarantees
Securities Settlement	206,327 (179,907)	2,581,086 (2,122,722)	--
Forex Settlement	272,483 * (232,389) *	--	72,120 ** (65,267) **
CBLO Settlement	38,922 (35,720)	21,586,019 (18,362,586)	265,000 @ (265,000)
Default Fund - Forex Forwards	100 -	113,555 (88,798)	--
<b>Total</b>	<b>517,832</b> <b>(448,016)</b>	<b>24,280,660</b> <b>(20,574,106)</b>	<b>337,120</b> <b>(330,267)</b>

Figures in bracket represent amount outstanding as at the end of the previous year.

The Collaterals received in the form of cash have been invested as under and are included in respective accounts:

	(₹ in lakhs)	
	As on 31.03.2014	As on 31.03.2013
USD Investments (under Current Investments)	264,342	228,563
INR Investments (under Current Investments)	35,521	-
Balance in Bank Accounts		
- In Current Accounts	10,169	4,977
- In Deposit Accounts	207,800	214,476
	<b>517,832</b>	<b>448,016</b>

# Collaterals received in the form of Government securities are held by the Company under its Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.

\* Equivalent to US Dollars 4,53,384 thousands (Previous year - US Dollars 4,27,269 thousands).

\*\* Represents facility extended by Royal Bank of Scotland PLC to State Bank of India (SBI) amounting to USD 1,20,000 thousands (Previous year - USD 1,20,000 thousands), exclusively for SBI's obligations towards the Company, undertaking to meet liability arising out of any default by SBI in CLS Settlement Operations.

@ The Company has accepted Bank Guarantees as additional collaterals towards CBLO Settlement.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

	As at 31.03.2014	(₹ in lakhs) As at 31.03.2013
<b><u>NOTE 8 : SHORT TERM PROVISIONS</u></b>		
Provision for Employee Benefits	337	159
Proposed Dividends	1,925	760
Provision for Dividend Distribution Tax	327	130
<b>TOTAL</b>	<b>2,589</b>	<b>1,049</b>

**THE CLEARING CORPORATION OF INDIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

Sr. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block As on 31.03.2014 (31.03.2013)			
		Opening Balance	Additions	Disposal	Adjustments	Closing Balance	Opening Balance	Depreciation for the year	On Disposals		Adjustments	Closing Balance	
<b>a</b>	<b>Tangible Assets</b>												
	Freehold Land	1,320 (1,320)	-	-	-	1,320 (1,320)	-	-	-	-	-	-	1,320 (1,320)
	Buildings - Residential	1,139 (1,139)	-	-	-	1,139 (1,139)	149 (130)	19 (19)	-	-	168 (149)	-	971 (990)
	Buildings - Office	11,370 (10,938)	(444)	-	(-12)	11,370 (11,370)	314 (129)	185 (185)	-	(0)	499 (314)	-	10,871 (11,056)
	Computer Systems Hardware	2,390 (2,310)	679 (156)	31 (76)	-	3,038 (2,390)	2,241 (2,003)	127 (314)	31 (76)	-	2,337 (2,241)	-	701 (149)
	Furniture and Fixtures	547 (512)	28 (37)	0 (1)	-	575 (547)	238 (133)	108 (106)	0 (1)	-	346 (238)	-	229 (309)
	Office and Other Equipment	2,403 (2,326)	22 (93)	3 (-)	(-16)	2,422 (2,403)	889 (431)	459 (459)	3 (-)	-	1,345 (889)	-	1,077 (1,514)
	<b>Total</b>	<b>19,169 (18,545)</b>	<b>729 (730)</b>	<b>34 (77)</b>	<b>(-29)</b>	<b>19,864 (19,169)</b>	<b>3,831 (2,826)</b>	<b>898 (1,083)</b>	<b>34 (77)</b>	<b>(-1)</b>	<b>4,695 (3,831)</b>	<b>-</b>	<b>15,169 (15,338)</b>
<b>b</b>	<b>Intangible Assets</b>												
	Computer Software	6,771 (5,981)	1,108 (790)	-	-	7,879 (6,771)	6,203 (5,659)	1,010 (544)	-	(0)	7,213 (6,203)	-	666 (568)
	<b>Total</b>	<b>6,771 (5,981)</b>	<b>1,108 (790)</b>	<b>-</b>	<b>-</b>	<b>7,879 (6,771)</b>	<b>6,203 (5,659)</b>	<b>1,010 (544)</b>	<b>-</b>	<b>(0)</b>	<b>7,213 (6,203)</b>	<b>-</b>	<b>666 (568)</b>
	<b>Grand Total</b>	<b>25,940 (24,526)</b>	<b>1,837 (1,520)</b>	<b>34 (77)</b>	<b>(-29)</b>	<b>27,743 (25,940)</b>	<b>10,034 (8,485)</b>	<b>1,908 (1,627)</b>	<b>34 (77)</b>	<b>(-1)</b>	<b>11,908 (10,034)</b>	<b>-</b>	<b>15,835 (15,906)</b>

**Notes:**

- Freehold Land represents allocated cost of land related to Company's office building at Dadar (Mumbai), the conveyance for which is yet to be executed in favour of the Company.
- Cost of building under "Building - Residential" includes ₹14,000 paid towards 14 shares of ₹1,000 each of an Apartment Condominium.
- Adjustments under Gross Block and Accumulated Depreciation represents change in cost of assets capitalised in the previous year on estimated basis and depreciation thereon respectively.
- "0" denotes amount less than ₹1 Lakh
- Figures in bracket represent corresponding amounts in the previous year.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

	As at 31.03.2014	As at 31.03.2013
(₹ in lakhs)		
<b>NOTE 10 : NON CURRENT INVESTMENTS</b>		
<b>LONG TERM, TRADE, UNQUOTED ( AT COST ) :</b>		
Investment in Equity instruments		
- Wholly Owned Subsidiary Clearcorp Dealing Systems (India) Limited 1,00,00,000 equity shares of ₹10 each, fully paid up	1,000	1,000
<b>TOTAL</b>	<b>1,000</b>	<b>1,000</b>

**NOTE 11: LONG TERM LOANS AND ADVANCES**

<b>Capital Advances</b>		
Unsecured, Considered Good	0 *	1
<b>Security Deposits {Refer Note (a) below}</b>		
Unsecured, Considered Good	65	52
<b>Others</b>		
Advance Tax and Tax deducted at Source (Net of Provision)	396	154
<b>TOTAL</b>	<b>461</b>	<b>207</b>

Note:

- (a) Security Deposits includes a deposit of ₹ 38 lakhs (Previous year - ₹ 38 lakhs) paid by the Developers of Office Premises at Dadar to The Municipal Corporation of Greater Mumbai for basement area, yet to be transferred in the name of the Company.

**NOTE 12: OTHER NON CURRENT ASSETS**

Bank Deposits with original maturity of more than 12 months {Refer Note (a) & (b) below}	181,960	193,480
Interest Accrued on Deposits with Banks	3	-
Service Tax Input Credit	76	47
Others	29	30
<b>TOTAL</b>	<b>182,068</b>	<b>193,557</b>

Note:

- (a) Bank Deposits with original maturity of more than 12 months includes deposits amounting to ₹39,860 lakhs (Previous year - ₹34,685 lakhs) earmarked for Settlement Reserve Fund.
- (b) Bank Deposits with original maturity of more than 12 months includes deposits amounting to ₹41,500 lakhs ( Previous year - Nil ) marked as lien by the following banks against overdraft limits sanctioned by them :

\* denotes amount less than ₹1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

Name of Bank	Bank Deposits Submitted	Overdraft Limit	Overdraft Limit Utilised as on 31.03.2014
Axis Bank Ltd.	23,500 (-)	19,975 (-)	- (-)
ICICI Bank Ltd.	18,000 (-)	16,200 (-)	- (-)

Figures in bracket represent corresponding amounts in the previous year.

	As at 31.03.2014	As at 31.03.2013

**NOTE 13 : CURRENT INVESTMENTS**

**QUOTED :**

Investment in Government Securities {Refer Note (a) below}	304,536	228,563
<b>TOTAL</b>	<b>304,536</b>	<b>228,563</b>

Note :

(a) Details of Current Investments :

Sr. No.	Investment	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in lakhs)		Whether stated at Cost
		As at 31.03.2014	As at 31.03.2013			As at 31.03.2014	As at 31.03.2013	
(i)	<b>Investments in Government Securities</b>							
	US Government Treasury Bills ( Fair Value ₹ 2,64,398 lakhs, Previous year ₹ 2,28,662 lakhs)	4,400,000	4,205,000	Quoted	Fully Paid	264,342	228,563	Cost
	Government of India Treasury Bills ( Fair Value ₹ 41,468 lakhs, Previous year - Nil )	42,599,500	-	Quoted	Fully Paid	40,194	-	Cost
	<b>TOTAL</b>					<b>304,536</b>	<b>228,563</b>	

Note: Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹1,485 lakhs (Previous year -Nil) earmarked for Settlement Reserve Fund.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

	As at 31.03.2014	(₹ in lakhs) As at 31.03.2013
<b>NOTE 14 : TRADE RECEIVABLES</b>		
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, Considered Good	2,091	2,821
<b>TOTAL</b>	<b>2,091</b>	<b>2,821</b>

**NOTE 15 : CASH AND BANK BALANCE**

**(A) Cash and Cash Equivalents**

**Balances with Banks**

in Current Accounts	12,692	7,260
in Deposit Accounts (original maturity of less than or equal to 3 months)	100	4,500
	<b>12,792</b>	<b>11,760</b>
<b>Cash on Hand</b>	1	0 *
	<b>12,793</b>	<b>11,760</b>

**(B) Other Bank Balances**

Bank Deposits with original maturity of more than 3 months but less than or equal to 12 months {Refer Note (a) and (b) below}	130,356	95,216
	<b>130,356</b>	<b>95,216</b>
<b>TOTAL</b>	<b>143,149</b>	<b>106,976</b>

Note :

- (a) Bank Deposits with original maturity of more than 3 months but less than or equal to 12 months includes bank deposits amounting to ₹22,655 lakhs (Previous year - ₹12,315 lakhs) earmarked for Settlement Reserve Fund.
- (b) Bank Deposits with original maturity of more than 3 months but less than or equal to 12 months includes deposits amounting to ₹3500 lakhs ( Previous year Nil ) marked as lien by the following banks against overdraft limits sanctioned by them:

\* denotes amount less than ₹1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

Name of Bank	Bank Deposits Submitted	Overdraft Limit	Overdraft Limit Utilised as on 31.03.2014
Axis Bank Ltd.	1,500 (-)	1,275 (-)	- (-)
ICICI Bank Ltd.	2,000 (-)	1,800 (-)	- (-)

Figures in bracket represent corresponding amounts in the previous year.

	As at 31.03.2014	As at 31.03.2013

**NOTE 16 : SHORT TERM LOANS AND ADVANCES**

Advances to suppliers and Others (Unsecured, Considered Good)	41	31
<b>TOTAL</b>	<b>41</b>	<b>31</b>

**NOTE 17 : OTHER CURRENT ASSETS**

Interest Accrued on Deposits with Banks	11,224	10,528
Interest Accrued on Current Investments	1,297	81
Due from Clearcorp Dealing Systems (India) Ltd. -Subsidiary Company	-	8
Service Tax Input Credit	166	169
Others	227	225
<b>TOTAL</b>	<b>12,914</b>	<b>11,011</b>



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

	<u>For the year ended 31.03.2014</u>	<u>For the year ended 31.03.2013</u>
<b>NOTE 18 : INCOME FROM OPERATIONS</b>		
<i>(Refer Note 28)</i>		
Transaction Charges -Securities Settlement	23,289	17,837
Transaction Charges -CBLO Settlement	1,883	1,558
Transaction Charges -Forex Settlement	3,241	3,092
Transaction Charges -CLS Settlement	1,084	880
Portfolio Compression Charges	202	199
Forex Forward Charges	554	598
Membership Fees	10	19
Other	121	81
<b>TOTAL</b>	<u><u>30,384</u></u>	<u><u>24,264</u></u>

**NOTE 19 : OTHER OPERATING REVENUES**

Interest / Income on investments made out of Operational Funds		
-Income on Current Investments	1,292	347
-Interest on Fixed Deposits with Banks	23,514	20,420
	<u>24,806</u>	<u>20,767</u>
Less : Interest Paid on Deposits from Members	6,945	5,100
<b>TOTAL</b>	<u><u>17,861</u></u>	<u><u>15,667</u></u>

**NOTE 20 : OTHER INCOME**

Interest / Income on Investments made out of Own Funds		
- Income on Current Investments	297	12
- Interest on Fixed Deposits with Banks	9,050	7,169
	<u>9,347</u>	<u>7,181</u>
Profit on Sale of Fixed Assets (net)	2	4
Business Support Charges from Subsidiary Company	617	366
Others	52	53
<b>TOTAL</b>	<u><u>10,018</u></u>	<u><u>7,604</u></u>



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

	(₹ in lakhs)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>NOTE 21: EMPLOYEE BENEFITS EXPENSE</b> (Refer Note 28)		
Salaries	2,470	2,123
Contributions to Provident and Other Funds	444	274
Staff Welfare Expenses	176	172
<b>TOTAL</b>	<b>3,090</b>	<b>2,569</b>
<b>NOTE 22: FINANCE COST</b>		
Interest under Income Tax/ Service Tax Provisions	12	21
Line of Credit Commitment Charges	872	832
<b>TOTAL</b>	<b>884</b>	<b>853</b>
<b>NOTE 23: DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation on Tangible Assets	898	1,083
Amortisation of Intangible Assets	1,010	544
<b>TOTAL</b>	<b>1,908</b>	<b>1,627</b>
<b>NOTE 24: OTHER EXPENSES</b> (Refer Note 28)		
Power and Fuel	373	330
Rent	14	57
Repairs and Maintenance -Buildings	87	87
Repairs and Maintenance -Computer Systems and Equipment	983	872
Repairs and Maintenance -Others	80	70
Insurance	10	10
Rates and Taxes	209	280
Communication Expenses	198	158
CLS Settlement Charges	812	652
Net Loss on Foreign Currency Transaction and Translation	4	13
Professional Fees	195	196
Payment to Auditors:		
- As Auditor	6	6
- For Tax Audit Fees	2	2
- For Tax Matters	3	-
- For Other Services	2	0 *
- Reimbursement of Expenses	0 *	0 *
Others	525	470
<b>TOTAL</b>	<b>3,503</b>	<b>3,203</b>

\* denotes amount less than ₹ 1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

**NOTE 25 : CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	(₹ in lakhs)	
	As at 31.03.2014	As at 31.03.2013
(i) Contingent Liabilities	-	-
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	58	2
<b>TOTAL</b>	<b>58</b>	<b>2</b>

**NOTE 26 : EARNINGS IN FOREIGN EXCHANGE**

Interest on Deposits with Banks	2	2
Income on US Government Treasury Bills	213	298
Pre-funding Handling Charges	0 *	0 *
Datafeed Charges	20	18
Miscellaneous Receipts	1	0 *
<b>TOTAL</b>	<b>236</b>	<b>318</b>

**NOTE 27 : VALUE OF IMPORTS AND EXPENDITURE IN FOREIGN CURRENCY**

	For the year ended 31.03.2014	For the year ended 31.03.2013
Value of Imports on CIF basis	-	-
Expenditure in Foreign Currency :		
- Interest paid to Members	215	295
- Other Expenditure	862	702
<b>TOTAL</b>	<b>1,077</b>	<b>997</b>

\* denotes amount less than ₹1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

	<u>For the year ended 31.03.2014</u>	<u>For the year ended 31.03.2013</u>
<b>NOTE 28:</b>		
Revenue from Operations and Expenses are net of the amounts shared with the subsidiary and other recoveries as mentioned below:		
<b>Revenue from Operations</b>		
Transaction Charges - Securities Settlement	912	808
Transaction Charges - Forex Settlement	203	156
Membership Fees	2	3
<b>TOTAL</b>	<u>1,117</u>	<u>967</u>
<b>Expenses</b>		
Employee Benefits Expense		
Staff Welfare Expenses	4	5
<b>TOTAL</b>	<u>4</u>	<u>5</u>
<b>Other Expenses</b>		
Repairs and Maintenance -Computer Systems and Equipment	39	48
Communication Expenses	77	56
Others	1	1
<b>TOTAL</b>	<u>117</u>	<u>105</u>

**NOTE 29 : EMPLOYEE BENEFITS - GRATUITY**

In terms of the Company's gratuity plan, on leaving of service every employee who has completed atleast five years of service gets a gratuity computed at the rate of 30 days of last drawn salary for each completed year service. The Gratuity Scheme of the Company is funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy. In accordance with the Accounting Standard on employee benefits (AS 15) revised 2005 notified by the Companies (Accounting Standards) Rules 2006, following disclosures have been made which is based on Actuarial Valuation provided by LIC and relied upon by the auditors.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

Description	Gratuity	
	2013-14	2012-13
<b>A. Amount recognised in the Statement of Profit and Loss for the year</b>		
- Current Service Cost	53	53
- Interest Cost	36	31
- Expected Return on Plan Assets	(43)	(41)
- Net actuarial (Gain) / Loss recognized during the year	190	33
- Total Expenses recognized in the Statement of Profit and Loss	236	76
<b>B. Actual Return on Plan Assets</b>		
-Actual Return of Plan Assets	43	41
<b>C. Amount recognised in the Balance Sheet</b>		
- Present Value of Obligation	696	451
- Fair Value of Plan Assets	572	466
- Funded status {surplus / (deficit)}	(124)	15
- Net Asset/(Liability) recognized in the Balance Sheet	(124)	15
<b>D. Change in Present Value of Obligation</b>		
- Present Value of Obligation at the beginning of the year	451	388
- Current Service Cost	53	53
- Interest Cost	36	31
- Benefits Paid	(34)	(54)
- Actuarial (Gain) / Loss on Obligation	190	33
- Present Value of Obligation at the end of the year	696	451
<b>E. Change in Plan Assets</b>		
- Fair Value of Plan Assets at the beginning of the year	466	450
- Expected Return on Plan Assets	43	41
- Contributions Made	97	29
- Benefits Paid	(34)	(54)
- Actuarial Gains / (Loss) on Plan Assets	-	-
- Fair Value of Plan Assets at the end of the year	572	466
<b>F. Major categories of Plan Assets as a percentage of total plan</b>	100% Insurance Policy	
<b>G. Actuarial Assumptions</b>		
- Discount Rate	8.00%	8.00%
- Expected Rate of Return on assets	8.75%	9.30%
- Employee Attrition Rate	1%-3%	1%-3%
- Mortality Rate/Table	LIC(1994-96) Ultimate	
- Future salary increase	8.00%	5.00%

Notes:

- (a) Disclosure with respect to experience adjustments to Plan Assets and Liabilities has not been furnished as the relevant data is not readily available.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

- (b) Actuarial Valuation has been done using Projected Unit Credit Method.
- (c) Estimated amount of contribution to be made in the next financial year ₹124 lakhs (Previous year - ₹97 lakhs).
- (d) **Amounts Recognised as Expense:**
- (i) **Defined Contribution Plan**
- 1 Employer's Contribution to Provident Fund amounting to ₹131 lakhs (Previous year - ₹118 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
  - 2 Employer's Contribution to Superannuation Fund amounting to ₹60 lakhs (Previous year - ₹64 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
- (ii) **Defined Benefit Plan**
- 1 Gratuity cost amounting to ₹236 lakhs (Previous year - ₹76 lakhs) has been included in Note 21 under Contribution to Provident and Other Funds.

**NOTE 30 : LEASE DISCLOSURES**

(₹ in lakhs)

Period	2013-14	2012-13
Not later than 1 year	-	2

The amounts represent minimum lease payment outstanding under non-cancellable operating lease in respect of the residential accommodation.

**NOTE 31 : BASIC AND DILUTED EARNINGS PER SHARE**

Basic and Diluted Earning Per Share is calculated as under:

Particulars		2013-14	2012-13
(i)	Net profit as per Statement of Profit & loss (₹ in lakhs)	32,247	26,465
(ii)	Dividend on Preference Capital & Dividend Distribution tax thereon (₹ in lakhs)	497	469
(iii)	Net Profit attributable to Equity Shareholders (₹ in lakhs)	31,750	25,996
(iv)	Number of Equity Shares outstanding at the beginning of the year	50,000,000	50,000,000
(v)	Number of Equity Shares outstanding at the end of the year	50,000,000	50,000,000
(vi)	Weighted Average Number of Equity Shares outstanding during the year	50,000,000	50,000,000
(vii)	Nominal value of Equity shares (Amt. in ₹)	10.00	10.00
(viii)	Basic and Diluted Earnings Per share (Amt. in ₹)	63.50	51.99



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

**NOTE 32 : RELATED PARTIES DISCLOSURES:**

**(A) List of Related Parties and their relationship**

(i) Parties where control exists - Subsidiary  
Clearcorp Dealing Systems (India) Limited

(ii) Other Parties with whom the Company has entered into transactions during the year in the ordinary course of the business

**Parties having substantial interest**

State Bank of India

**Key Management Personnel**

Mr. R. Sridharan -Managing Director -w.e.f. 01.08.2012

**(B) Details of transactions entered into during the year:**

(₹ in lakhs)

Nature of Relationship	Subsidiary	Party having substantial interest	Key Management Personnel
<b>Particulars</b>			
Income from Operations	-----	876 (603)	-----
Business Support Charges	617 (366)	-----	-----
Reimbursement/Sharing of expenses - (Receipt)	82 (62)	-----	-----
Rent for Residential Accomodation - (Receipt)	9 (-)	-----	-----
Interest on deposits from members	-----	114 (49)	-----
Operational Income shared	1,117 (967)	-----	-----
Remuneration - Mr. R. Sridharan	-----	-----	40 (20)



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

(₹ in lakhs)

Nature of Relationship	Subsidiary	Party having substantial interest	Key Management Personnel
<b>Outstanding Balance as at the year end</b>			
Amounts receivable	- (8)	38 (90)	-----
Amounts Payable	9 (-)	60 (10)	-----
Collaterals outstanding - Cash	-----	18,607 (13,176)	-----
Collaterals outstanding - Securities (at face value) {Refer Note (d) below}	-----	2,057,538 (601,700)	-----
Collaterals outstanding - Guarantees {Refer Note (e) below}	-----	72,120 (65,267)	-----
Investment in equity shares	1,000 (1,000)	-----	-----
Remuneration : - Mr. R. Sridharan	-----	-----	1 (1)

Notes:

- (a) Figures in bracket represent corresponding amounts in the previous year.
- (b) Transactions with Subsidiary are in respect of common operations and in accordance with the terms of agreements entered into in this regard.
- (c) Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.
- (d) Collaterals received in the form of Government securities are held by the Company under its Constituent Account with Reserve Bank of India.
- (e) Collaterals outstanding - Guarantees represent USD 1,20,000 thousands (Previous year - USD 1,20,000 thousands).
- (f) All the above transactions are in the ordinary course of the business of the Company.
- (g) The amounts are inclusive of Service Tax wherever applicable.
- (h) No amounts have been written off / provided for or written back during the year in respect of amounts due from or to related parties.
- (i) The above related party information has been disclosed to the extent such parties have been identified by the Company. This has been relied upon by the Auditors.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

**NOTE 33 : DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN EXPOSURE**

- (a) During the year the Company has not entered into any transaction of Derivative Financial Instrument.
- (b) Following are the particulars of material foreign currency exposures not hedged by any derivative instrument:

Particulars	As at 31.03.2014		As at 31.03.2013	
	Amount in US Dollars ( in Thousands )	Amount in INR ( ₹ in lakhs)	Amount in US Dollars ( in Thousands )	Amount in INR ( ₹ in lakhs)
<b>ASSETS</b>				
US Govt. Treasury Bills	439,839	264,342	420,235	228,563
Deposits with Banks:				-
Bank Balance in Current Accounts	13,624	8,188	7,190	3,911
Others	178	107	493	268
<b>Total</b>	<b>453,641</b>	<b>272,637</b>	<b>427,918</b>	<b>232,742</b>
<b>LIABILITIES</b>				
Deposits from Members	453,384	272,483	427,269	232,389
Interest payable to Members	142	85	293	159
Bank Transaction Charges Payable	115	69	356	194
<b>Total</b>	<b>453,641</b>	<b>272,637</b>	<b>427,918</b>	<b>232,742</b>
<b>Net Assets / (Liabilities)</b>	-	-	-	-

**NOTE 34 :**

The Company's operations fall into a single business segment comprising of facilitating 'Clearing and Settlement' of securities/ foreign exchange/ money market instruments and activities incidental thereto, and all its operations are carried out in India.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014**

**NOTE 35:**

The details of dues to suppliers registered as micro/small enterprises with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at the year end 31.03.2014 are as follows :

(₹ in lakhs)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Included in Trade Payable	Included in Creditors for Capital Expenses	Included in Trade Payable	Included in Creditors for Capital Expenses
(a) Principal amount remaining unpaid at the end of accounting year.	6	6	5	18
(b) Amount of interest paid in terms of 16 of the MSMED Act.	-	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment.	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
(e) Interest due & payable even in succeeding years	-	-	-	-

The Company has compiled the above information based on the status submitted by the suppliers under the said Act.

**NOTE 36:**

Disclosure under Schedule VI (Revised) of the Companies Act, 1956 has been given to the extent applicable.

**NOTE 37:**

Previous year's figures have been regrouped, reclassified and rearranged to conform to current year's presentation, wherever necessary.

For and on behalf of the Board of Directors

Sd/-  
Shyamala Gopinath  
Chairperson

Sd/-  
R. Sridharan  
Managing Director

Sd/-  
Y. H. Malegam  
Director

Sd/-  
O. N. Ravi  
Company Secretary &  
Corporate Development Officer

Place : Mumbai  
Date : May 07, 2014



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,**  
**RELATING TO SUBSIDIARY COMPANY**

- 1 Name of the subsidiary : Clearcorp Dealing Systems (India) Limited
- 2 Financial Year of the subsidiary Company ended on : 31st March, 2014
- 3 Holding Company's interest as on above date  
Number of shares : 1,00,00,000 equity shares of ₹10 each, fully paid  
Extent of Holding : 100%
- 4 The Net Aggregate amount of the subsidiary's profits/(Losses) so far as it concerns members of the holding Company and is not dealt with in Holding Company's accounts  
(i) for the financial year of the Company : ₹514 lakhs  
(ii) for the previous financial year of the subsidiary since it became the holding Company's subsidiary : ₹1,684 lakhs
- 5 Net aggregate amounts of the Profit/(Losses) of the subsidiary dealt with in the Company's account  
(i) for the financial year of the Company : NIL  
(ii) for the previous financial year of the subsidiary since it became the holding Company's subsidiary : NIL

---

**For and on behalf of the Board of Directors**

Sd/-  
**Shyamala Gopinath**  
*Chairperson*

Sd/-  
**R. Sridharan**  
*Managing Director*

Sd/-  
**Y. H. Malegam**  
*Director*

Sd/-  
**O. N. Ravi**  
*Company Secretary &*  
*Corporate Development Officer*

Place : Mumbai  
Date : May 07, 2014