



**THE CLEARING CORPORATION OF INDIA LIMITED**

**FINANCIAL STATEMENTS  
2020 - 2021**

# The Clearing Corporation of India Limited



**Financial Statements  
2020-2021**

**This page has been left blank  
intentionally**

## **Board of Directors**

Mr. R. Gandhi (Chairman)  
Mr. Hare Krishna Jena (Managing Director)  
Mr. Narayan K Seshadri  
Dr. G. Sivakumar  
Mr. B. Prasanna  
Ms. Meena Hemchandra  
Mr. S.Vishvanathan  
Mr. Pradeep Madhav  
Mr. Ashish Parthasarthy  
Mr. S.V. Sastry  
Mr. P.R. Ramesh  
Mr. Arun Kumar Anand  
Ms. Radhavi Deshpande

## **Executive Vice President**

Mr. O. N. Ravi

## **Chief Financial Officer**

Mr. Deepak Chande

## **Company Secretary and Compliance Officer**

Mr. Pankaj Srivastava

## **Auditors**

M/s Kalyaniwalla & Mistry LLP, Chartered Accountants

## **Registered and Corporate Office**

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



## Financial Statements 2020-2021

### Contents

|   |    |
|---|----|
| 1. Auditor's Report                                       | 3  |
| 2. Financial Statements                                   |    |
| Balance Sheet   | 12 |
| Statement of Profit and Loss                              | 13 |
| Statement of Cash Flow                                    | 14 |
| Statement of Changes in Equity (SOCIE)                    | 16 |
| Notes to the Financial Statements                         | 17 |
| Form AOC-I pursuant to Companies (Accounts) Rules, 2014   | 62 |
| 3. Auditor's Report and Consolidated Financial Statements | 64 |

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF**

**THE CLEARING CORPORATION OF INDIA LIMITED**

**Report on the Audit of the Standalone Ind-AS Financial Statements**

### **Opinion**

We have audited the standalone Ind-AS financial statements of **THE CLEARING CORPORATION OF INDIA LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the standalone Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS financial statements give the information required the Companies Act, 2013, (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standard) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone Ind-AS financial statements 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 Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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.

### **Information Other than the Standalone Ind-AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report but does not include the standalone Ind-AS financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report which we obtained prior to the date of this auditor's report.

Our opinion on the standalone 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 standalone 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 in the 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.

### **Responsibility of Management for Standalone Ind-AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone 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 standalone 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone Ind-AS financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 standalone Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2021 from being appointed as a Director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

Firm Regn. No.: 104607W / W100166

Sd/-

*Darius Z. Fraser*

**PARTNER**

M. No.: 42454

UDIN: 21042454AAAABZ5592

Mumbai: May 7, 2021.

## Annexure to the Independent Auditor's Report

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind-AS Financial Statements for the year ended March 31, 2021:

### Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016:

#### 1. Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. The physical verification of fixed asset additions during October 1, 2020, to March 31, 2021, which was scheduled to be verified in April 2021, could not be carried out due to the Covid 19 lockdown imposed by the Government. In case of intangibles comprising of software, Management certifies the software in use and the same is properly dealt with in the books of account.
- c) According to the information and explanations given to us and on the basis of the records examined by us, the title deeds of immovable properties are held in the name of the Company except a freehold land located at CCIL Bhavan, Dadar having gross block of Rs. 1,320 lakhs as at March 31, 2021.

#### 2. Inventory:

The Company does not have any inventory and hence the provisions of paragraph 3(ii) of the Order are not applicable.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable.
4. According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company. The Company has not given any loans or guarantees.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, in respect of any of the activities of the Company.

#### 7. Statutory Dues:

- a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory

dues with the appropriate authorities wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service Tax, Duty of Customs or Cess outstanding on account of any dispute, other than the following :

| Name of the Statute  | Nature of Dues | Amount (₹ in Lakhs) | Period to which the amount relates | Forum where dispute is pending            |
|----------------------|----------------|---------------------|------------------------------------|---|
| Income-tax Act, 1961 | Income - tax   | 20                  | AY 2006-07                         | Assistant Commissioner of Income Tax      |
|                      |                | 18                  | AY 2009-10                         | Assistant Commissioner of Income Tax, CPC |
|                      |                | 32                  | AY 2015-16                         | Assistant Commissioner of Income Tax      |
|                      |                | 255                 | AY 2016-17                         | Assistant Commissioner of Income Tax      |
|                      |                | 259                 | AY 2017-18                         | Commissioner of Income Tax (Appeal)       |
|                      |                | 560                 | AY 2017-18                         | Assistant Commissioner of Income Tax      |
|                      |                | 309                 | AY 2018-19                         | Commissioner of Income Tax (Appeal)       |

8. 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 to financial institutions, debenture holders and Government.
9. According to the information and explanations given to us, the Company has neither raised money through initial public offer or further public offer, nor taken any term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.
10. During the course of our examination of the books of account and records of the Company, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by, or on the Company by its officers or employees, has been noticed or reported during the year.
11. According to the information and explanations given to us and on the basis of the records examined by us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Ind-AS Financial Statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him.
16. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 104607W / W100166

Sd/-  
*Daraius Z. Fraser*  
**PARTNER**  
M. No.: 42454  
UDIN: 21042454AAAABZ5592

Mumbai: May 7, 2021.



## **Annexure A**

### **Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of *THE CLEARING CORPORATION OF INDIA LIMITED* ("the Company") as of March 31, 2021, in conjunction with our audit of the Standalone Ind-AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind-

AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind-AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind-AS Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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 ICAI.

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 104607W / W100166

Sd/-  
*Daraius Z. Fraser*  
**PARTNER**  
M. No.: 42454  
UDIN: 21042454AAAABZ5592

Mumbai: May 7, 2021.



# THE CLEARING CORPORATION OF INDIA LIMITED

## BALANCE SHEET AS AT 31 MARCH 2021

(₹ in lakhs)

| Particulars   | Note | As at<br>31 March 2021                                   | As at<br>31 March 2020 |
|---|------|--|------------------------|
| <b>I. ASSETS</b>  |      |  |                        |
| <b>Non Current Assets</b>   |      |  |                        |
| Property, Plant and Equipment   | 3    | 16,730   | 15,056                 |
| Capital Work-In-Progress  |      | 14   | -                      |
| Intangible Assets   | 4    | 4,857  | 4,880                  |
| Intangible Assets Under Development                                   |      | 642  | 695                    |
| Investments in Subsidiaries   | 5    | 1,450  | 1,450                  |
| <b>Financial Assets</b>   |      |  |                        |
| Non Current Loans   | 6    | 41   | 41                     |
| Other Non Current Financial Assets                                    | 7    | -  | 17,123                 |
| Other Non Current Assets  | 8    | 61   | 51                     |
| Non Current Tax Assets (Net)  | 9    | 1,710  | 1,287                  |
| <b>Total Non Current Assets</b>                                       |      | <b>25,505</b>  | <b>40,583</b>          |
| <b>Current Assets</b>   |      |  |                        |
| <b>Financial Assets</b>   |      |  |                        |
| Investments   | 10   | 12,18,865  | 9,26,087               |
| Trade Receivables   | 11   | 3,244  | 4,404                  |
| Cash and Cash Equivalents   | 12a  | 1,22,271   | 78,182                 |
| Other Bank Balances   | 12b  | 4,17,308   | 4,70,103               |
| Other Current Financial Assets  | 13   | 7,668  | 13,857                 |
| Other Current Assets  | 14   | 959  | 11,017                 |
| <b>Total Current Assets</b>   |      | <b>17,70,315</b>   | <b>15,03,650</b>       |
| <b>TOTAL ASSETS</b>   |      | <b>17,95,820</b>   | <b>15,44,233</b>       |
| <b>II. EQUITY AND LIABILITIES</b>                                     |      |  |                        |
| <b>Equity</b>   |      |  |                        |
| Equity Share Capital  | 15   | 5,000  | 5,000                  |
| Other Equity  | 16   | 3,80,254   | 3,42,169               |
| <b>Total Equity</b>   |      | <b>3,85,254</b>  | <b>3,47,169</b>        |
| <b>Non Current Liabilities</b>  |      |  |                        |
| <b>Financial Liabilities</b>  |      |  |                        |
| Borrowings  | 17   | 5,000  | 5,000                  |
| Deferred Tax Liabilities (Net)  | 18   | 1,206  | 1,828                  |
| Non Current Provisions  | 19   | 1,545  | 1,482                  |
| <b>Total Non Current Liabilities</b>                                  |      | <b>7,751</b>   | <b>8,310</b>           |
| <b>Current Liabilities</b>  |      |  |                        |
| <b>Financial Liabilities</b>  |      |  |                        |
| Borrowings  | 20   | -  | 10,456                 |
| Trade Payables Due to :   | 21   |  |                        |
| - Micro and Small Enterprises   |      | 13   | 10                     |
| - Other than Micro and Small Enterprises                              |      | 430  | 369                    |
| Other Current Financial Liabilities                                   | 22   | 14,00,246  | 11,75,903              |
| Other Current Liabilities   | 23   | 587  | 516                    |
| Current Provisions  | 24   | 1,496  | 1,457                  |
| Current Tax Liabilities (Net)   | 25   | 43   | 43                     |
| <b>Total Current Liabilities</b>                                      |      | <b>14,02,815</b>   | <b>11,88,754</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <b>17,95,820</b>   | <b>15,44,233</b>       |
| Significant Accounting Policies and Notes to the Financial Statements | 1-44 |  |                        |
| As per our report of even date attached                               |      | Signatures to the Financial Statements and Notes thereon |                        |
| For and on behalf of  |      | For and on behalf of the Board of Directors              |                        |
| For KALYANIWALLA & MISTRY LLP   |      |  |                        |
| Chartered Accountants   |      |  |                        |
| Firm Registration No: 104607W / W100166                               |      |  |                        |
| Sd/-  |      | Sd/-   | Sd/-                   |
| Daraius Z. Fraser   |      | Hare Krishna Jena  | Narayan K. Seshadri    |
| Partner   |      | Managing Director  | Director               |
| Membership No.: 42454   |      | (DIN : 07624556)   | (DIN : 00053563)       |
|   |      | Sd/-   | Sd/-                   |
| Place : Mumbai  |      | Deepak Chande  | Pankaj Srivastava      |
| Date : May 07, 2021   |      | Chief Financial Officer                                  | Company Secretary      |

# THE CLEARING CORPORATION OF INDIA LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021



(₹ in lakhs)

| Particulars  | Note | Year Ended<br>March 31, 2021  | Year Ended<br>March 31, 2020                                |
|--|------|---|---|
| <b>Revenue</b>   |      |   |   |
| Revenue from Operations  |      |   |   |
| - Income from Operations   | 26   | 32,291  | 40,769  |
| - Other Operating Revenues   | 27   | 26,660  | 25,033  |
| Other Income   | 28   | 16,771  | 20,077  |
| <b>Total Revenue</b>   |      | <b>75,722</b>   | <b>85,879</b>   |
| <b>Expenses</b>  |      |   |   |
| Employee Benefit Expenses  | 29   | 5,288   | 5,233   |
| Finance Cost   | 30   | 2,971   | 2,314   |
| Depreciation and Amortization Expenses   | 31   | 4,131   | 3,639   |
| Other Expenses   | 32   | 7,355   | 8,282   |
| <b>Total Expenses</b>  |      | <b>19,745</b>   | <b>19,468</b>   |
| <b>Profit Before Tax</b>   |      | <b>55,977</b>   | <b>66,411</b>   |
| <b>Tax Expense</b>   |      |   |   |
| Current Tax  | 33   | 14,282  | 16,833  |
| Deferred Tax Expense /(Income)   |      | 66  | (325)   |
| <b>Total Tax Expenses</b>  |      | <b>14,348</b>   | <b>16,508</b>   |
| <b>Profit After Tax</b>  |      | <b>41,629</b>   | <b>49,903</b>   |
| <b>Other Comprehensive Income</b>  |      |   |   |
| <u>Items that will not be reclassified to Profit and Loss</u>  |      |   |   |
| - Remeasurements of the Defined Benefit Plans  |      | (29)  | (276)   |
| - Income Tax on above  |      | 7   | 69  |
|  |      | (22)  | (207)   |
| <u>Items that will be reclassified to Profit and Loss</u>  |      |   |   |
| - Investments measured at FVOCI  |      | (2,702)   | 1,944   |
| - Income Tax on above  |      | 680   | (489)   |
|  |      | (2,022)   | 1,455   |
| <b>Other Comprehensive Income for the Year, {Net of Income Tax}</b>  |      | <b>(2,044)</b>  | <b>1,248</b>  |
| <b>Total Comprehensive Income for the Year</b>   |      | <b>39,585</b>   | <b>51,151</b>   |
| <b>Earnings Per Equity Share</b>   |      |   |   |
| Basic Earnings Per Share (₹)   | 34   | 83.26   | 99.81   |
| Diluted Earnings Per Share (₹)   |      | 83.26   | 99.81   |
| (Equity Share of Face Value of ₹ 10 each)  |      |   |   |
| <b>Significant Accounting Policies and Notes to the Financial Statements</b>   | 1-44 |   |   |
| As per our report of even date attached<br>For and on behalf of<br>For KALYANIWALLA & MISTRY LLP<br>Chartered Accountants<br>Firm Registration No: 104607W / W100166 |      | <b>Signatures to the Financial Statements and Notes thereon<br/>For and on behalf of the Board of Directors</b> |   |
| Sd/-<br>Daraius Z. Fraser<br>Partner<br>Membership No.: 42454  |      | Sd/-<br>Hare Krishna Jena<br>Managing Director<br>(DIN : 07624556)  | Sd/-<br>Narayan K. Seshadri<br>Director<br>(DIN : 00053563) |
| Place : Mumbai<br>Date : May 07, 2021  |      | Sd/-<br>Deepak Chande<br>Chief Financial Officer  | Sd/-<br>Pankaj Srivastava<br>Company Secretary              |



# THE CLEARING CORPORATION OF INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

| Particulars  | (₹ in lakhs)  |                   |
|--|---------------|-------------------|
|  | 2020-2021     | 2019-2020         |
| <b>A Cash Flow from Operating Activities</b>                                       |               |                   |
| Net Profit Before Tax  | 55,977        | 66,411            |
| <b>Adjustments for :</b>   |               |                   |
| Depreciation and Amortisation Expense  | 4,131         | 3,639             |
| Unrealised (Gain)/Loss on Foreign Exchange   | 38            | (103)             |
| Interest on Taxes  | -             | 8                 |
| Interest Income on Investments made out of Own Funds                               | (15,762)      | (19,035)          |
| Provision Written Back   | -             | (13)              |
| Profit/(Loss) on Sale of Property, Plant and Equipment                             | (2)           | (2)               |
| Remeasurement of Defined Benefit Obligation  | (29)          | (276)             |
| Fair Valuation of Variable Pay   | (33)          | (38)              |
| Provision for Dividend on Preference Share   | 425           | 425               |
| Finance Cost   | 40            | 30                |
| <b>Operating Profit before Working Capital Changes</b>                             | <b>44,785</b> | <b>51,046</b>     |
| <b>Adjustments:</b>  |               |                   |
| (Increase) / Decrease Trade Receivables  | 1,160         | (822)             |
| (Increase) / Decrease Other Current Loans  | -             | (11)              |
| (Increase) / Decrease Other Non Current Assets                                     | (8)           | 258               |
| (Increase) / Decrease Other Current Financial Assets                               | (111)         | (84)              |
| (Increase) / Decrease Other Current Assets   | 10,255        | (10,249)          |
| (Increase) / Decrease Interest Accrued   | (2,472)       | 7,303             |
| (Increase) / Decrease in Investments & Bank Deposits made out of Operational Funds | (1,87,874)    | (1,25,938)        |
| Increase / (Decrease) Borrowings   | (10,456)      | 10,456            |
| Increase / (Decrease) Other Current Financial Liabilities                          | 2,24,339      | (2,14,166)        |
| Increase / (Decrease) Trade Payables   | 64            | 111               |
| Increase / (Decrease) Other Current Liabilities                                    | 72            | 94                |
| Increase / (Decrease) Current Provisions   | 37            | 265               |
| Increase / (Decrease) Non Current Provisions                                       | 57            | 116               |
| <b>Cash Generated from Operating Activities</b>                                    | <b>79,848</b> | <b>(2,81,621)</b> |
| Taxes Paid (Net of Refund)   | (14,705)      | (17,087)          |
| <b>Net Cash Generated from Operating Activities (A)</b>                            | <b>65,143</b> | <b>(2,98,708)</b> |

# THE CLEARING CORPORATION OF INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021



(₹ in lakhs)

| Particulars   | 2020-2021       | 2019-2020         |
|---|-----------------|-------------------|
| <b>B Cash Flows from Investing Activities</b>                               |                 |                   |
| Purchase of Property, Plant and Equipment                                   | (2,733)         | (2,125)           |
| Purchase of Intangible Assets   | (3,011)         | (2,219)           |
| Sale of Property, Plant and Equipment                                       | 2               | 11                |
| Purchase of Government of India Treasury Bills out of Own Funds             | (2,75,548)      | (1,49,322)        |
| Redemption of T Bills with Government of India made out of Own Funds        | 2,00,316        | 1,66,228          |
| Placement of Bank Deposits made out of Own Funds                            | (1,39,809)      | (2,10,529)        |
| Redemption of Bank Deposits made out of Own Funds                           | 1,75,859        | 1,45,061          |
| Interest Income   | 25,795          | 15,032            |
| <b>Net Cash (Used in) / Generated from Investing Activities (B)</b>         | <b>(19,129)</b> | <b>(37,863)</b>   |
| <b>C Cash Flow from Financing Activities</b>                                |                 |                   |
| Dividend/Dividend Distribution Tax Paid                                     | (1,925)         | (2,321)           |
| <b>Net Cash Used by Financing Activities ( C)</b>                           | <b>(1,925)</b>  | <b>(2,321)</b>    |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A) + (B) + (C)</b> | <b>44,089</b>   | <b>(3,38,892)</b> |
| <b>Cash and Cash Equivalents at the beginning of the year</b>               | <b>78,182</b>   | <b>4,17,074</b>   |
| <b>Cash and Cash Equivalents at the end of the year</b>                     | <b>1,22,271</b> | <b>78,182</b>     |
| <b>CLOSING BALANCE</b>  |                 |                   |
| - Before Adjustment of Unrealised Foreign Exchange                          | 1,22,464        | 78,083            |
| - Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents      | (193)           | 99                |
| <b>Total</b>  | <b>1,22,271</b> | <b>78,182</b>     |

As per our report of even date attached  
For and on behalf of

For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Firm Registration No: 104607W / W100166

Sd/-  
Daraius Z. Fraser  
Partner  
Membership No.: 42454

Place : Mumbai  
Date : May 07, 2021

Signatures to the Financial Statements and Notes thereon  
For and on behalf of the Board of Directors

Sd/-  
Hare Krishna Jena  
Managing Director  
(DIN : 07624556)

Sd/-  
Deepak Chande  
Chief Financial Officer

Sd/-  
Narayan K. Seshadri  
Director  
(DIN : 00053563)

Sd/-  
Pankaj Srivastava  
Company Secretary



# THE CLEARING CORPORATION OF INDIA LIMITED

## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31 MARCH 2021

### STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31 MARCH 2021

| (a) Equity Share Capital                                 |                         | (₹ in lakhs)    |                          |                   |  |                            |                                       |          |
|--|-------------------------|-----------------|--------------------------|-------------------|--|----------------------------|---------------------------------------|----------|
| Particulars  | Note                    | Total           | Total                    |                   |  |                            |                                       |          |
| Balance as at 1 April 2019                               | 15                      | 5,000           |                          |                   |  |                            |                                       |          |
| Changes in equity share capital during the period        |                         | -               |                          |                   |  |                            |                                       |          |
| Balance as at 31 March 2020                              | 15                      | 5,000           |                          |                   |  |                            |                                       |          |
| Changes in equity share capital during the period        |                         | -               |                          |                   |  |                            |                                       |          |
| Balance as at 31 March 2021                              | 15                      | 5,000           |                          |                   |  |                            |                                       |          |
| <b>(b) Other Equity</b>                                  |                         |                 |                          |                   |  |                            |                                       |          |
| Particulars  | Settlement Reserve Fund | General Reserve | Contingency Reserve Fund | Retained Earnings | Fair Value of Debt Instruments Measured at FVOCI | Other Comprehensive Income | Remeasurement of Defined Benefit Plan | Total    |
| Balance as at 1 April, 2020                              | 1,50,000                | 1,13,232        | 70,275                   | 6,934             | 1,960  | (232)                      | -                                     | 3,42,169 |
| Profit for the Period                                    | -                       | -               | -                        | 41,629            | -  | -                          | -                                     | 41,629   |
| Fair Value Changes in Investments Measured at OCI        | -                       | -               | -                        | -                 | (2,022)  | -                          | -                                     | (2,022)  |
| Gain / (Loss) on Re-measurement of Defined Benefit Plans | -                       | -               | -                        | -                 | -  | (22)                       | -                                     | (22)     |
| <b>Total comprehensive income</b>                        | -                       | -               | -                        | 41,629            | (2,022)  | (22)                       | -                                     | 39,585   |
| Dividend Paid on Equity Shares                           | -                       | -               | -                        | (1,500)           | -  | -                          | -                                     | (1,500)  |
| Transferred from Retained Earnings                       | 25,000                  | 10,000          | 7,625                    | (42,625)          | -  | -                          | -                                     | -        |
| Balance as at 31 March 2021                              | 1,75,000                | 1,23,232        | 77,900                   | 4,438             | (62)   | (254)                      | -                                     | 3,80,254 |
| Balance as at 1 April, 2019                              | 1,30,000                | 1,00,732        | 55,231                   | 6,383             | 505  | (25)                       | -                                     | 2,92,826 |
| Profit for the Period                                    | -                       | -               | -                        | 49,903            | -  | -                          | -                                     | 49,903   |
| Fair Value Changes in Investments Measured at OCI        | -                       | -               | -                        | -                 | 1,455  | -                          | -                                     | 1,455    |
| Gain / (Loss) on Re-measurement of Defined Benefit Plans | -                       | -               | -                        | -                 | -  | (207)                      | -                                     | (207)    |
| <b>Total Comprehensive Income</b>                        | -                       | -               | -                        | 49,903            | 1,455  | (207)                      | -                                     | 51,151   |
| Dividend Paid on Equity Shares                           | -                       | -               | -                        | (1,500)           | -  | -                          | -                                     | (1,500)  |
| Dividend Distribution Tax Paid - Equity Shares           | -                       | -               | -                        | (308)             | -  | -                          | -                                     | (308)    |
| Transferred from Retained Earnings                       | 20,000                  | 12,500          | 15,044                   | (47,544)          | -  | -                          | -                                     | -        |
| Balance as at 31 March 2020                              | 1,50,000                | 1,13,232        | 70,275                   | 6,934             | 1,960  | (232)                      | -                                     | 3,42,169 |

As per our report of even date attached  
For and on behalf of

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration No: 104607W / W100166

Sd/-

Daraius Z. Fraser

Partner

Membership No.: 42454

Place : Mumbai

Date : May 07, 2021

Sd/-

Hare Krishna Jena

Managing Director

(DIN : 07624556)

Sd/-

Deepak Chande

Chief Financial Officer

Sd/-

Narayan K. Seshadri

Director

(DIN : 00053563)

Sd/-

Pankaj Srivastava

Company Secretary

Signatures to the Financial Statements and Notes thereon  
For and on behalf of the Board of Directors

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### 1 Background of the Company and Nature of Operations

The Clearing Corporation of India Limited ('the Company') was incorporated on April 30, 2001 having CIN U65990MH2001PLC131804. It 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 provider under 'The Payment and Settlement Systems Act, 2007' by Reserve Bank of India.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is CCIL Bhavan, S. K. Bole Road, Dadar (West), Mumbai 400028, Maharashtra.

### 2 Basis of Preparation, Measurement and Significant Accounting Policies

#### 2.1 Basis of Preparation and Measurement

##### (a) Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The financial statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

These standalone Ind AS financial statements were authorized for issue by the Company's Board of Directors on May 07, 2021.

##### (b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans are measured at fair value of plan assets less present value of defined benefit obligations.

#### 2.2 Key Estimates and Assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The areas involving critical estimates or judgements are :

- i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4(a))
- ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.4(b))
- iii. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used; (Note 2.4(j))
- iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4(g))
- v. Fair value of financial instruments (Note 35)
- vi. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 2.4(i))
- vii. Recognition and measurement of Right of use asset and lease liability (Note 2.4(k))

### 2.3 Measurement of Fair Values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### 2.4 Significant Accounting Policies

#### a) Property Plant and Equipments

##### Recognition and Measurement

Property, plant and equipment are stated at cost which comprises of purchase price, freight, duties, taxes except for recoverable taxes, cost of installation and other incidental expenses incurred towards acquisition and installation of such assets.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

##### Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to profit and loss during the reporting period in which they are incurred.

##### Depreciation

Depreciation on property, plant and equipment, is provided on Straight Line Method (SLM) prescribed under Schedule II of the Act, except for the following:

- a) Furniture and fittings (Chairs), which are depreciated over 5 Years, and;
- b) Non Carpeted Road, which is depreciated over 5 Years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The Estimated useful life of property, plant and equipment considered for providing depreciation are as under:

| Asset                                   | Estimated useful life (in years) | Estimated scrap value (% of cost) |
|---|----------------------------------|-----------------------------------|
| Buildings - Residential                 | 60                               | 5                                 |
| Buildings - Office                      | 60                               | -                                 |
| Non-carpeted road                       | 5                                | -                                 |
| Computer Systems - hardware             | 3 to 6                           | -                                 |
| Electrical installations and equipments | 10                               | -                                 |
| Furniture and fittings                  | 5 to 10                          | -                                 |
| Office equipments                       | 5                                | -                                 |

#### b) Intangible Assets

Expenses incurred towards acquisition or development of software by an external vendor is capitalized as Computer Software.

Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

Intangible assets are amortised on a straight line basis over the estimated useful life.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### **Amortization**

Amortization of Intangible Assets is based on internal technical assessment/advice.

Residual value, is estimated to be immaterial by Management.

The estimated useful life of intangible assets comprising of computer software considered for providing depreciation is 3 years.

### **c) Impairment of Non-financial Assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an individual asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's net selling price and value in use. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

### **d) Borrowing Costs:**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

### **e) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as forward contracts, futures and currency options.

## **1. Financial Assets**

### **(i) Recognition and Initial Measurement**

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset, except for an item measured at fair value through profit and loss (FVTPL), is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **(ii) Classification and Subsequent Measurement of 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 at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at

- amortised cost;

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



- FVOCI - debt investment;
- FVOCI - equity investment; or
- FVTPL

The classification of debt investment as amortised cost or FVOCI is based on the business model and cash flow characteristics of such instrument.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

### **Financial Assets Measured at Amortised Cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

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 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.

### **Debt Investments Measured at FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments.

The Company measures its investment in Treasury Bills at FVOCI since it satisfies both the business model test and the SPPI specified in Ind AS 109.

In case of investment in discounted securities/instruments, the discount is accrued over the period to maturity and included in Income from Investments.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Equity Investments:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

For other equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit or loss on disposal of the investments. These investments in equity are not held for trading. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in the Statement of Profit or Loss.

Dividend Income on equity investments is recognized when the right to receive is established.

### Debt Instruments at Amortized Cost

A debt instrument' is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

### (iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- (i) The contractual rights to receive cash flows from the financial asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### (iv) Impairment of Financial Assets

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised costs are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## 2. Financial Liabilities

### (i) Recognition and Initial Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

### (ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit or loss. Any gain or loss on derecognition is also recognised in Statement of profit or loss.

### (iii) Loans and Borrowing :

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

### (iv) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

## 3. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### f) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, as they are considered an integral part of the Company's cash management.

### g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain.

### h) Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115.

- (i) Revenue from services is recognized as and when the service is performed as per the relevant agreements.
- (ii) Other revenue income is recognised as and when services are rendered and there is a reasonable certainty of ultimate realisation.
- (iii) Interest income on financial assets is recognized on an accrual basis using effective interest method.

Revenue is reported excluding applicable taxes.

For income from investments refer point (e) on financial instruments.

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### i) 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.
- (c) **National Pension Scheme:** The National Pension Scheme is operated by Pension Fund Regulatory and Development Authority (PFRDA) and the contribution thereof in respect of eligible employees is paid/provided for.

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

#### (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 Other Comprehensive income (OCI) 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.

### j) Income-Tax

Income tax expense /income comprises current tax expense/income and deferred tax expense/income. It is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income. In which case, the tax is recognized directly in equity or other comprehensive income, respectively.

#### **Current Tax**

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Deferred Tax

Deferred Income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the Company.

### k) Lease

#### Accounting for Lease as a Lessor :

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

A Lessor shall recognise assets held under a finance lease in its Balance Sheet and present them as a receivable at an amount equal to the net investment in the lease.

Lease income from operating leases, is recognised as income on straight-line basis over the term of lease.

### l) Foreign Currency Transactions

#### Functional and Presentation Currency

The Company's financial statements are prepared and presented in Indian Rupees (INR) which is also Company's functional currency.

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### Transactions and Balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in statement of profit or loss in the year in which they arise.

#### m) Dividend:

Final dividend on shares is recorded as a liability on the date of approval by the equity shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### n) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 3 Property, Plant and Equipment**

**Changes in the Carrying Value of Property, Plant and Equipment for the year ended 31 March 2021:**

| DESCRIPTION                                       | Freehold land | Buildings - Residential | Buildings - Office | Furniture and Fixtures | Electrical Installations and Equipment | Office Equipment | Computers | Non Carpeted Road | Total  |
|---|---------------|-------------------------|--------------------|------------------------|--|------------------|-----------|-------------------|--------|
| Cost as at 1 April 2020                           | 1,320         | 959                     | 10,357             | 136                    | 367                                    | 128              | 3,314     | 24                | 16,605 |
| Additions   | -             | -                       | -                  | 0                      | 2                                      | 4                | 2,712     | -                 | 2,718  |
| Disposals   | -             | -                       | -                  | -                      | -                                      | (0)              | (181)     | -                 | (181)  |
| Adjustments                                       | -             | (38)                    | 38                 | -                      | -                                      | -                | -         | -                 | -      |
| Cost as at 31 March 2021 (A)                      | 1,320         | 921                     | 10,395             | 136                    | 369                                    | 132              | 5,845     | 24                | 19,142 |
| Accumulated Depreciation as at 1 April 2020       | -             | 52                      | 524                | 88                     | 214                                    | 48               | 608       | 15                | 1,549  |
| Depreciation charged for the year                 | -             | 18                      | 181                | 26                     | 90                                     | 23               | 700       | 6                 | 1,044  |
| Disposals   | -             | -                       | -                  | -                      | -                                      | (0)              | (181)     | -                 | (181)  |
| Accumulated depreciation up to 31 March 2021 (B)  | -             | 70                      | 705                | 114                    | 304                                    | 71               | 1,127     | 21                | 2,412  |
| Net Carrying amount as at 31 March 2021 (A) - (B) | 1,320         | 851                     | 9,690              | 22                     | 65                                     | 61               | 4,718     | 3                 | 16,730 |

**Changes in the Carrying Value of Property, Plant and Equipment for the year ended 31 March 2020:**

| DESCRIPTION                                       | Freehold land | Buildings - Residential | Buildings - Office | Furniture and Fixtures | Electrical Installations and Equipment | Office Equipment | Computers | Non Carpeted Road | Total  |
|---|---------------|-------------------------|--------------------|------------------------|--|------------------|-----------|-------------------|--------|
| Cost as at 1 April 2019                           | 1,320         | 959                     | 10,357             | 132                    | 453                                    | 64               | 1,737     | 24                | 15,046 |
| Additions   | -             | -                       | -                  | 4                      | 3                                      | 65               | 2,054     | -                 | 2,126  |
| Disposals   | -             | -                       | -                  | -                      | (89)                                   | (1)              | (477)     | -                 | (567)  |
| Cost as at 31 March 2020 (A)                      | 1,320         | 959                     | 10,357             | 136                    | 367                                    | 128              | 3,314     | 24                | 16,605 |
| Accumulated Depreciation as at 1 April 2019       | -             | 34                      | 343                | 60                     | 198                                    | 27               | 583       | 10                | 1,255  |
| Depreciation charged for the year                 | -             | 18                      | 181                | 28                     | 97                                     | 22               | 502       | 5                 | 853    |
| Disposals   | -             | -                       | -                  | -                      | (81)                                   | (1)              | (477)     | -                 | (559)  |
| Accumulated depreciation up to 31 March 2020 (B)  | -             | 52                      | 524                | 88                     | 214                                    | 48               | 608       | 15                | 1,549  |
| Net Carrying amount as at 31 March 2020 (A) - (B) | 1,320         | 907                     | 9,833              | 48                     | 153                                    | 80               | 2,706     | 9                 | 15,056 |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 4**

**Intangible Assets**

**Changes in the Carrying Value of Intangible Assets for the year ended 31 March 2021:**

| DESCRIPTION  | (₹ in lakhs)             |
|--|--------------------------|
|  | <b>Computer Software</b> |
| Cost as at 1 April 2020                                  | 11,035                   |
| Additions  | 3,064                    |
| <b>Cost as at 31 March 2021 (A)</b>                      | <b>14,099</b>            |
| Accumulated amortisation as at 1 April 2020              | 6,155                    |
| Amortisation recognised for the year                     | 3,087                    |
| <b>Accumulated Amortisation up to 31 March 2021 (B)</b>  | <b>9,242</b>             |
| <b>Net Carrying Amount as at 31 March 2021 (A) - (B)</b> | <b>4,857</b>             |

**Changes in the Carrying Value of Intangible Assets for the year ended 31 March 2020:**

| DESCRIPTION  | (₹ in lakhs)             |
|--|--------------------------|
|  | <b>Computer Software</b> |
| Cost as at 1 April 2019                                  | 8,830                    |
| Additions  | 2,205                    |
| <b>Cost as at 31 March 2020 (A)</b>                      | <b>11,035</b>            |
| Accumulated amortisation as at 1 April 2019              | 3,369                    |
| Amortisation recognised for the year                     | 2,786                    |
| <b>Accumulated Amortisation up to 31 March 2020 (B)</b>  | <b>6,155</b>             |
| <b>Net Carrying Amount as at 31 March 2020 (A) - (B)</b> | <b>4,880</b>             |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 5</b>  |                        |                        |
| <b>Investments in Subsidiaries</b>   |                        |                        |
| <b>Investment in Equity Instruments in Wholly Owned Subsidiaries (Unquoted)</b>  |                        |                        |
| <b>Clearcorp Dealing Systems (India) Limited</b>   |                        |                        |
| 1,00,00,000 (31 March 2020 - 1,00,00,000 ) Equity Shares of Face Value ₹ 10 each (Fully Paid Up)   | 1,000                  | 1,000                  |
| <b>Legal Entity Identifier India Limited</b>   |                        |                        |
| 45,00,000 (31 March 2020 - 45,00,000 ) Equity Shares of Face Value ₹ 10 each (Fully Paid Up)   | 450                    | 450                    |
|  | <b>1,450</b>           | <b>1,450</b>           |
| Aggregate Book Value of Quoted Investments   | -                      | -                      |
| Aggregate Market Value of Quoted Investments   | -                      | -                      |
| Aggregate Book Value of Unquoted Investments   | 1,450                  | 1,450                  |
| Aggregate Amount of Impairment in Value of Investments   | -                      | -                      |
| <b>Note 6</b>  |                        |                        |
| <b>Non Current Loans</b>   |                        |                        |
| <i>(Unsecured, Considered Good)</i>  |                        |                        |
| Security Deposits  | 41                     | 41                     |
|  | <b>41</b>              | <b>41</b>              |
| <b>Note 7</b>  |                        |                        |
| <b>Other Non Current Financial Assets</b>  |                        |                        |
| <i>(Unsecured, Considered Good)</i>  |                        |                        |
| Bank Deposits with Residual Maturity of more than 12 Months <sup>^</sup>   | -                      | 17,099                 |
| Interest Accrued on Bank Deposits  | -                      | 24                     |
|  | -                      | <b>17,123</b>          |
| <sup>^</sup> Bank Deposits includes deposits amounting to Nil (31 March 2020 - ₹ 2,100 lakhs ) earmarked for Contingency Reserve Fund and Nil (31 March 2020 - ₹ 3,000 lakhs) earmarked for Settlement Reserve Fund. |                        |                        |
| <b>Note 8</b>  |                        |                        |
| <b>Other Non Current Assets</b>  |                        |                        |
| <i>(Unsecured, Considered Good unless otherwise stated)</i>  |                        |                        |
| Prepaid Expenses   | 61                     | 51                     |
|  | <b>61</b>              | <b>51</b>              |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 9</b>  |                        |                        |
| <b>Non Current Tax Assets (Net)</b>  |                        |                        |
| Advance Taxes (Net of Provision for Taxes)   | 1,710                  | 1,287                  |
|  | <b>1,710</b>           | <b>1,287</b>           |
| <b>Note 10</b>   |                        |                        |
| <b>Current Investments</b>   |                        |                        |
| <b>Investments in Government Securities at Fair Value through Other Comprehensive Income (FVOCI)</b>   |                        |                        |
| - Investment in US Government Treasury Bills   | 5,17,852               | 4,52,942               |
| - Investment in Government of India Treasury Bills   | 7,01,013               | 4,73,145               |
|  | <b>12,18,865</b>       | <b>9,26,087</b>        |
| Aggregate Book Value of Quoted Investments   | 12,08,606              | 9,11,655               |
| Aggregate Market Value of Quoted Investments   | 12,18,865              | 9,26,087               |
| Aggregate Book Value of Unquoted Investments   | -                      | -                      |
| Aggregate Amount of Impairment in Value of Investments   | -                      | -                      |
| <b>Note :</b>  |                        |                        |
| (a) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹ 91,728 lakhs (31 March 2020 - ₹ 46,901 lakhs) earmarked for Settlement Reserve Fund.   |                        |                        |
| (b) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹ 42,613 lakhs (31 March 2020 - ₹ 31,078 lakhs) earmarked for Contingency Reserve Fund.  |                        |                        |
| (c) Investment in US Government Treasury Bills above represents Treasury bills amounting to ₹ 5,17,852 lakhs (31 March 2020 ₹ 4,52,942 lakhs) which are held in custody with Settlement Banks, who have extended committed lines of credit to enable the Company to meet settlement shortages, if any. |                        |                        |
| <b>Note 11</b>   |                        |                        |
| <b>Trade Receivables</b>   |                        |                        |
| Secured, Considered Good   | 3,191                  | 4,268                  |
| Unsecured, Considered Good   | 53                     | 136                    |
|  | <b>3,244</b>           | <b>4,404</b>           |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

|  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 12a</b>  |                        |                        |
| <b>Cash and Cash Equivalents</b>                           |                        |                        |
| Cash on Hand   | 0*                     | 1                      |
| <b>Balances with Banks</b>                                 |                        |                        |
| - in Current Accounts #                                    | 24,945                 | 54,904                 |
| - in Deposit Accounts (Original Maturity of upto 3 Months) | 97,326                 | 23,277                 |
|  | <b>1,22,271</b>        | <b>78,182</b>          |

# Includes ₹ Nil (31 March 2020: ₹ 338 lakhs) earmarked for Settlement Reserve Fund and ₹ Nil (31 March 2020: ₹ 456 lakhs) earmarked for Contingency Reserve Fund.

**Note 12b**

**Other Bank Balances**

|   |                 |                 |
|---|-----------------|-----------------|
| Bank Deposits with Original Maturity of more than 3 Months but Residual Maturity upto 12 months * ^ @ | 4,17,308        | 4,70,103        |
|   | <b>4,17,308</b> | <b>4,70,103</b> |

\* Includes ₹ 59,394 lakhs (31 March 2020 : ₹ 81,002 lakhs) earmarked for Settlement Reserve Fund.

^ Includes ₹ 28,176 lakhs (31 March 2020 : ₹ 22,305 lakhs) earmarked for Contingency Reserve Fund.

@ Includes ₹ 65,832 lakhs (31 March 2020: ₹ 89,478 lakhs) are held in custody by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks as on 31 March 2021 amounts of ₹ 57,804 lakhs (as on 31 March 2020 : ₹ 78,710 lakhs).

**Note 13**

**Other Current Financial Assets**

*(Unsecured, Considered Good)*

|  |              |               |
|--|--------------|---------------|
| Due from Legal Entity Identifier India Limited - Subsidiary Company  | 21           | 18            |
| Interest Accrued on Bank Deposits                                    | 7,451        | 13,517        |
| Due from Clearcorp Dealing Systems (India) Ltd. - Subsidiary Company | 52           | 88            |
| Others   | 144          | 234           |
|  | <b>7,668</b> | <b>13,857</b> |

**Note 14**

**Other Current Assets**

*(Unsecured, Considered Good)*

|                                      |            |               |
|--------------------------------------|------------|---------------|
| Prepaid Expenses                     | 551        | 454           |
| Balances with Government Authorities | 300        | -             |
| Advance to Suppliers and Others      | 45         | 33            |
| Funds Used for Default               | -          | 10,456        |
| Others                               | 63         | 74            |
|                                      | <b>959</b> | <b>11,017</b> |

\* denotes amount less than ₹ 1 lakhs

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 15**

**Equity Share Capital**

**a. Details of Authorised, Issued and Subscribed Share Capital**

| Particulars   | 31 March 2021      |              | 31 March 2020      |              |
|---|--------------------|--------------|--------------------|--------------|
|   | Number             | ₹ in lakhs   | Number             | ₹ in lakhs   |
| <b>Authorised Share Capital</b>   |                    |              |                    |              |
| Equity Shares of ₹ 10/- each  | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
| Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10/- each* | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
| <b>Issued, Subscribed and Fully Paid Up</b>                               |                    |              |                    |              |
| Equity shares of ₹ 10/- each fully paid                                   | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
|   | <b>5,00,00,000</b> | <b>5,000</b> | <b>5,00,00,000</b> | <b>5,000</b> |

\* 5,00,00,000 Nos 8.50% Redeemable Cumulative Non-convertible Preference Shares of ₹ 10 each (total face value of ₹ 5,000) are classified as Financial Liability (See Note 17)

**b. Reconciliation of Number of Equity Shares at the beginning and at the end of the year**

| Particulars  | 31 March 2021      |              | 31 March 2020      |              |
|--|--------------------|--------------|--------------------|--------------|
|  | Number             | ₹ in lakhs   | Number             | ₹ in lakhs   |
| Equity Shares outstanding at the beginning of the year | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
| Add: Shares issued during the year                     | -                  | -            | -                  | -            |
| Less: Shares bought back during the year               | -                  | -            | -                  | -            |
| Equity Shares outstanding at the end of the year       | <b>5,00,00,000</b> | <b>5,000</b> | <b>5,00,00,000</b> | <b>5,000</b> |

**c. Particulars of shareholders holding more than 5% of equity shares held**

| Name of shareholder                 | 31 March 2021            |            | 31 March 2020            |            |
|-------------------------------------|--------------------------|------------|--------------------------|------------|
|                                     | No of equity shares held | Percentage | No of equity shares held | Percentage |
| State Bank of India                 | 84,00,000                | 16.80%     | 84,00,000                | 16.80%     |
| Life Insurance Corporation of India | 50,00,000                | 10.00%     | 50,00,000                | 10.00%     |
| STCI Finance Limited                | 50,00,000                | 10.00%     | 50,00,000                | 10.00%     |
| ICICI Bank Limited                  | 49,50,000                | 9.90%      | 49,50,000                | 9.90%      |
| HDFC Bank Limited                   | 45,00,000                | 9.00%      | 45,00,000                | 9.00%      |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 15**

**Equity Share Capital (Continued)**

**d. Terms/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. The Board of Directors have recommended dividend of ₹ 3 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 1,500 Lakhs for the financial year 2020-21, which is based on relevant share capital as on 31st March, 2021.

**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.

**e. For the period of five years immediately preceding the date of the Balance Sheet, the Company has not**

- i) Allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or
- ii) Allotted any shares as fully paid up bonus shares; or
- iii) Bought back any of its Equity Shares.

f. There are no securities convertible into equity / preference shares.

g. There are no calls unpaid.

h. No shares have been forfeited.

| Particulars                                   | (₹ in lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 16</b>                                |                        |                        |
| <b>Other Equity</b>                           |                        |                        |
| <i>(Refer Statement of Changes in Equity)</i> |                        |                        |
| Settlement Reserve Fund                       | 1,75,000               | 1,50,000               |
| Contingency Reserve Fund                      | 77,900                 | 70,275                 |
| General Reserve                               | 1,23,232               | 1,13,232               |
| Other Comprehensive Income                    | (316)                  | 1,728                  |
| Retained Earnings                             | 4,438                  | 6,934                  |
|   | <b>3,80,254</b>        | <b>3,42,169</b>        |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 16**

**Other Equity (Continued)**

**16.1 Nature and Purpose of Reserves**

**Settlement Reserve Fund**

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 utilised for meeting claims in relation to any participants' default. Bank Balances / Bank Deposits / Current Investments amounting to ₹ 1,50,000 lakhs (31 March 2020: ₹ 1,30,000 lakhs) are earmarked for this purpose.

**Contingency Reserve Fund**

Contingency 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 utilised for meeting Non-default losses. Bank Balances / Bank Deposits / Current Investments amounting to ₹ 70,275 lakhs (31 March 2020: ₹ 55,231 lakhs) are earmarked for this purpose.

**General Reserve**

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Other Comprehensive Income**

Other comprehensive income represents the actuarial loss on fair valuation of defined benefit obligation and fair valuation gain or loss on investments classified as FVOCI.

**Retained Earnings**

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

|  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 17</b>   |                        |                        |
| <b>Borrowings</b>  |                        |                        |
| Redeemable Preference Shares (Unsecured)   |                        |                        |
| - 8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II) | 5,000                  | 5,000                  |
|  | <b>5,000</b>           | <b>5,000</b>           |

**Terms of Preference Shares:**

- 1) The Company has only one class of Preference Shares being Redeemable, Cumulative, Non-convertible and Non-participating Preference Shares.
- 2) 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 22, 2023.
- 3) 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.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in lakhs)

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Note 18</b>  |                        |                        |
| <b>Deferred Tax Liabilities (Net)</b>   |                        |                        |
| <b>Deferred Tax Liabilities</b>   |                        |                        |
| Difference between Book Base and Tax Base of Property,<br>Plant and Equipment and Intangible Assets | 1,613                  | 1,527                  |
| Fair Valuation of Investments Carried at FVOCI  | 5                      | 685                    |
| Fair Valuation of Variable Compensation   | 11                     | 13                     |
|   | 1,629                  | 2,225                  |
| <b>Deferred Tax Assets</b>  |                        |                        |
| Tax Disallowances   | 423                    | 397                    |
|   | 423                    | 397                    |
| <b>Deferred Tax Assets (Net)/(Deferred Tax Liabilities (Net))</b>                                   | <b>1,206</b>           | <b>1,828</b>           |
| <b>Note 19</b>  |                        |                        |
| <b>Non Current Provisions</b>   |                        |                        |
| Provision for Employee Benefits:  |                        |                        |
| - Leave Encashment  | 1,207                  | 1,018                  |
| - Others  | 338                    | 464                    |
|   | <b>1,545</b>           | <b>1,482</b>           |
| <b>Note 20</b>  |                        |                        |
| <b>Current Borrowings</b>   |                        |                        |
| Line of Credit from a Bank  | -                      | 10,456                 |
|   | -                      | <b>10,456</b>          |
| <b>Note 21</b>  |                        |                        |
| <b>Trade Payables Due to :</b>  |                        |                        |
| - Micro and Small Enterprises   | 13                     | 10                     |
| - Other than Micro and Small Enterprises  | 430                    | 369                    |
|   | <b>443</b>             | <b>379</b>             |
| <b>Note 22</b>  |                        |                        |
| <b>Other Current Financial Liabilities</b>  |                        |                        |
| Interest Accrued but not Due  | 2,812                  | 6,765                  |
| Deposits from Members ##  | 13,95,337              | 11,66,735              |
| Other Liabilities ^   | 544                    | 490                    |
| Creditors for Capital Expenses *  | 1,128                  | 1,488                  |
| Dividend Payable on Redeemable Preference Shares  | 425                    | 425                    |
|   | <b>14,00,246</b>       | <b>11,75,903</b>       |

\* Creditors for Capital Expenses includes ₹ Nil ( 31 March 2020 : ₹ 2 lakh) due to Micro and Small Enterprises.

^ Other Liabilities includes ₹ 55 lakhs (31 March 2020 : ₹ 21 lakhs) due to Micro and Small Enterprises.

##. 'Deposits from members' represents collaterals received in the form of cash. Total collaterals received from members and outstanding at the end of the year are as under :

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 22**

**Other Current Financial Liabilities (Continued)**

| Particulars                | Cash<br>Collaterals | Govt.<br>Securities # | Guarantees**    |
|----------------------------|---------------------|-----------------------|-----------------|
| <b>As at 31 March 2021</b> |                     |                       |                 |
| Securities Settlement      | 5,98,424            | 81,54,986             | -               |
| Forex Settlement *         | 5,46,253            | -                     | -               |
| TREPS Settlement           | 1,04,970            | 6,59,03,486           | 2,15,000        |
| Default Funds              | 1,45,690            | 8,01,760              | -               |
| <b>Total</b>               | <b>13,95,337</b>    | <b>7,48,60,232</b>    | <b>2,15,000</b> |
| <b>As at 31 March 2020</b> |                     |                       |                 |
| Securities Settlement      | 4,65,113            | 64,10,275             | -               |
| Forex Settlement           | 4,90,490            | -                     | -               |
| CBLO Settlement            | 75,273              | 3,83,11,708           | 2,15,000        |
| Default Funds              | 1,35,859            | 7,34,220              | -               |
| <b>Total</b>               | <b>11,66,735</b>    | <b>4,54,56,203</b>    | <b>2,15,000</b> |

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

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| US Government Treasury Bills (under Current Investments)       | 5,17,682               | 4,49,939               |
| Government of India Treasury Bills (under Current Investments) | 4,94,910               | 3,40,935               |
| Balance in Bank Accounts (under Cash and Cash Equivalents)     |                        |                        |
| - In Current Accounts  | 21,397                 | 48,216                 |
| - In Deposit Accounts  | 3,61,348               | 3,27,645               |
|  | <b>13,95,337</b>       | <b>11,66,735</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 7,46,783 thousands (31 March 2020 : US Dollars 6,50,640 thousands).

\*\* The Company has accepted Bank Guarantees as additional collaterals.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in lakhs)

| Particulars                      | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------|------------------------|------------------------|
| <b>Note 23</b>                   |                        |                        |
| <b>Other Current Liabilities</b> |                        |                        |
| Revenue Received in Advance      | 1                      | 10                     |
| Statutory Dues                   | 586                    | 506                    |
|                                  | <b>587</b>             | <b>516</b>             |

**Note 24**

**Current Provisions**

Provision for Employee Benefits:

|                    |              |              |
|--------------------|--------------|--------------|
| - Leave Encashment | 136          | 226          |
| - Others           | 1,360        | 1,231        |
|                    | <b>1,496</b> | <b>1,457</b> |

**Note 25**

**Current Tax Liabilities (Net)**

|   |           |           |
|---|-----------|-----------|
| Provision for Taxation (Net of Advance Tax) | 43        | 43        |
|   | <b>43</b> | <b>43</b> |

(₹ in lakhs)

| Particulars   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| <b>Note 26</b>  |                             |                             |
| <b>Income from Operations</b>                                   |                             |                             |
| - Transaction Charges - Securities Settlement - Outright Trades | 14,016                      | 21,363                      |
| - Transaction Charges - Securities Settlement - Repo Trades     | 5,022                       | 4,181                       |
| - Transaction Charges - TREPS Settlement Segment                | 3,386                       | 2,707                       |
| - Transaction Charges - Forex Settlement                        | 3,453                       | 4,608                       |
| - Transaction Charges - CLS Settlement                          | 1,445                       | 2,275                       |
| - Trade Processing Charges - Trade Repository                   | 660                         | 773                         |
| - Portfolio Compression Charges                                 | 435                         | 351                         |
| - Forex Forward Charges   | 2,008                       | 2,384                       |
| - Derivatives Charges   | 1,440                       | 1,767                       |
| - Other Fees and Charges  | 426                         | 360                         |
|   | <b>32,291</b>               | <b>40,769</b>               |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



(₹ in lakhs)

| Particulars  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Note 27</b>   |                             |                             |
| <b>Other Operating Revenues</b>                                |                             |                             |
| Interest / Income on Investments Made Out of Operational Funds |                             |                             |
| - Income on Current Investments                                | 21,363                      | 27,362                      |
| - Interest on Bank Deposits                                    | 15,204                      | 18,643                      |
|  | 36,567                      | 46,005                      |
| Less : Interest Paid on Deposits from Members                  | 9,907                       | 20,972                      |
|  | <b>26,660</b>               | <b>25,033</b>               |
| <b>Note 28</b>   |                             |                             |
| <b>Other Income</b>  |                             |                             |
| Interest / Income on Investments Made out of Own Funds         |                             |                             |
| - on Current Investments                                       | 6,853                       | 7,467                       |
| - on Bank Deposits   | 8,909                       | 11,568                      |
|  | 15,762                      | 19,035                      |
| Profit on Sale of Property, Plant and Equipments (Net)         | 2                           | 2                           |
| Profit on Foreign Currency Transactions and Translation (Net)  | -                           | 103                         |
| Business Support Charges from Subsidiary Companies             | 886                         | 781                         |
| Business Management Charges from Subsidiary Companies          | 32                          | 56                          |
| Others   | 89                          | 100                         |
|  | <b>16,771</b>               | <b>20,077</b>               |
| <b>Note 29</b>   |                             |                             |
| <b>Employee Benefits Expenses</b>                              |                             |                             |
| Salaries   | 4,540                       | 4,471                       |
| Contribution to Provident and Other Funds {Refer Note 40}      | 609                         | 580                         |
| Staff Welfare Expenses   | 139                         | 182                         |
|  | <b>5,288</b>                | <b>5,233</b>                |
| <b>Note 30</b>   |                             |                             |
| <b>Finance Cost</b>  |                             |                             |
| Line of Credit Commitment and Other Charges                    | 2,506                       | 1,851                       |
| Dividend on Preference Shares                                  | 425                         | 425                         |
| Interest on Taxes  | 0*                          | 8                           |
| Interest on Others   | 40                          | 30                          |
|  | <b>2,971</b>                | <b>2,314</b>                |

\* denotes amount less than ₹ 1 lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in lakhs)

| Particulars  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Note 31</b>   |                             |                             |
| <b>Depreciation &amp; Amortisation Expense</b>               |                             |                             |
| Depreciation of Property, Plant and Equipment {Refer Note 3} | 1,044                       | 853                         |
| Amortisation of Intangible Assets {Refer Note 4}             | 3,087                       | 2,786                       |
|  | <b>4,131</b>                | <b>3,639</b>                |
| <b>Note 32</b>   |                             |                             |
| <b>Other Expenses</b>  |                             |                             |
| Power and Fuel   | 376                         | 412                         |
| Repairs and Maintenance - Buildings                          | 79                          | 57                          |
| Repairs and Maintenance - Computer Systems and Equipment     | 2,558                       | 2,165                       |
| Repairs and Maintenance - Others                             | 133                         | 120                         |
| Insurance  | 145                         | 132                         |
| Rates and Taxes  | 135                         | 128                         |
| Communication Expenses                                       | 302                         | 271                         |
| CLS Settlement Charges                                       | 954                         | 1,480                       |
| Loss on Foreign Currency Transactions and Translation (Net)  | 38                          | -                           |
| Expenditure towards Corporate Social Responsibility          | 1,133                       | 1,076                       |
| Professional Fees  | 301                         | 285                         |
| Directors' Sitting Fees                                      | 76                          | 89                          |
| <b>Payment to Auditors :</b>                                 |                             |                             |
| - Audit Fees   | 19                          | 25                          |
| - Certification  | 4                           | 3                           |
| <b>Sharing of Income with Subsidiary Company</b>             |                             |                             |
| - Transaction Charges - Securities Settlement                | -                           | 1,025                       |
| - Transaction Charges - Forex Settlement                     | -                           | 148                         |
| - Derivatives Charges  | -                           | 4                           |
| Others   | 1,102                       | 862                         |
|  | <b>7,355</b>                | <b>8,282</b>                |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 33**

**Income Taxes**

**Tax Expense**

**(a) Amounts Recognised in Statement of Profit and Loss**

|   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| <b>Current Tax Expense</b>                        |                             |                             |
| Current Year                                      | 14,282                      | 16,833                      |
| Changes in Estimates Related to Prior Period      | -                           | -                           |
|   | <u>14,282</u>               | <u>16,833</u>               |
| <b>Deferred Tax Expense</b>                       |                             |                             |
| Origination and Reversal of Temporary Differences | 66                          | (325)                       |
|   | <u>66</u>                   | <u>(325)</u>                |
| <b>Tax Expense for the year</b>                   | <u>14,348</u>               | <u>16,508</u>               |

**(b) Amounts Recognised in Other Comprehensive Income**

|  | Year Ended<br>31 March 2021 |                           | Year Ended<br>31 March 2020 |                           |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
|  | Before Tax                  | Tax (Expense)/<br>Benefit | Before Tax                  | Tax (Expense)/<br>Benefit |
| <b>Items that will not be Reclassified to Profit or Loss</b> |                             |                           |                             |                           |
| Remeasurements of the Defined Benefit Liability (Asset)      | (29)                        | 7                         | (276)                       | 69                        |
| <b>Items that will be Reclassified to Profit or Loss</b>     |                             |                           |                             |                           |
| Investments Measured at FVOCI                                | (2,702)                     | 680                       | 1,944                       | (489)                     |
|  | <u>(2,731)</u>              | <u>687</u>                | <u>1,668</u>                | <u>(420)</u>              |

**(c) Reconciliation of Effective Tax Rate**

|  | Year Ended<br>31 March 2021 |               | Year Ended<br>31 March 2020 |               |
|--|-----------------------------|---------------|-----------------------------|---------------|
|  | Before Tax                  | Net of Tax    | Before Tax                  | Net of Tax    |
| <b>Profit Before Tax</b>   |                             |               |                             |               |
| Statutory Income Tax Rate  | 55,977                      | 66,411        | 66,411                      | 66,411        |
| Expected Income Tax Expense  | 25.17%                      | 14,088        | 25.17%                      | 16,714        |
| <b>Tax Effect of:</b>  |                             |               |                             |               |
| Expenses not allowed under Income Tax                                      |                             |               |                             |               |
| - Municipal Tax considered under Income from House Property                | 0                           | 0             | 0                           | 0             |
| - Expenditure towards Corporate Social Responsibilities and Other Donation | 285                         | 271           | 271                         | 271           |
| - Interest U/s 234 of Income Tax Act                                       | -                           | 2             | 2                           | 2             |
| Income credited to Statement of Profit & Loss to be considered separately  |                             |               |                             |               |
| - Rent on Residential Flat let out   | (4)                         | (4)           | (4)                         | (4)           |
| - Profit on Sale of Property, Plant and Equipment                          | (1)                         | (0)           | (0)                         | (0)           |
| Deduction u/s 80G  | -                           | (184)         | (184)                       | (184)         |
| Income from House Property   | 3                           | 3             | 3                           | 3             |
| Others   | (23)                        | (294)         | (294)                       | (294)         |
| <b>Total Tax Expense</b>   | <u>14,348</u>               | <u>16,508</u> | <u>14,348</u>               | <u>16,508</u> |
| Current Tax  | 14,282                      | 16,833        | 14,282                      | 16,833        |
| Deferred Tax   | 66                          | (325)         | 66                          | (325)         |
| <b>Tax Expense as per Profit or Loss</b>                                   | <u>14,348</u>               | <u>16,508</u> | <u>14,348</u>               | <u>16,508</u> |

"0" denotes amount less than ₹ 1 lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 33**  
**Income Taxes (Continued)**  
**(d) Movement in Deferred Tax Balances (F.Y. 2020-21)**

| Particulars   | Net Balance<br>1 April 2020 | Recognised during the year      |                      | As at 31 March 2021                     |                    |                           |
|---|-----------------------------|---------------------------------|----------------------|---|--------------------|---------------------------|
|   |                             | Recognised in<br>Profit or Loss | Recognised<br>in OCI | Net Deferred Tax<br>(Asset) / Liability | Deferred Tax Asset | Deferred Tax<br>Liability |
| <b>Deferred Tax Liability</b>   |                             |                                 |                      |   |                    |                           |
| Difference between Book Base and Tax Base of Tangible and Intangible Assets | 1,527                       | 86                              | -                    | 1,613                                   | -                  | 1,613                     |
| Fair Valuation of Investments Carried at FVOCI                              | 685                         | -                               | (680)                | 5                                       | -                  | 5                         |
| Fair Valuation of Variable Compensation                                     | 13                          | (2)                             | -                    | 11                                      | -                  | 11                        |
| <b>Deferred Tax Asset</b>   |                             |                                 |                      |   |                    |                           |
| Indexation Benefit of Freehold Land   | -                           | -                               | -                    | -                                       | -                  | -                         |
| Tax Disallowances   | (397)                       | (26)                            | -                    | (423)                                   | (423)              | -                         |
| Remeasurement of Defined Benefit Obligation                                 | -                           | 7                               | (7)                  | -                                       | -                  | -                         |
| Investments Measured using EIR  | -                           | -                               | -                    | -                                       | -                  | -                         |
| <b>Tax Assets (Liabilities)</b>   | <b>1,828</b>                | <b>66</b>                       | <b>(687)</b>         | <b>1,206</b>                            | <b>(423)</b>       | <b>1,629</b>              |
| Set Off Tax   | -                           | -                               | -                    | -                                       | -                  | -                         |
| <b>Net Tax Assets</b>   | <b>1,828</b>                | <b>66</b>                       | <b>(687)</b>         | <b>1,206</b>                            | <b>(423)</b>       | <b>1,629</b>              |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 33**  
**Income Taxes (Continued)**  
**(d) Movement in Deferred Tax Balances (F.Y. 2019-20)**

| Particulars   | Net Balance<br>1 April 2019 | Recognised during the year      |                      | As at 31 March 2020                     |                    |                           |
|---|-----------------------------|---------------------------------|----------------------|---|--------------------|---------------------------|
|   |                             | Recognised in<br>Profit or Loss | Recognised<br>in OCI | Net Deferred Tax<br>(Asset) / Liability | Deferred Tax Asset | Deferred Tax<br>Liability |
| <b>Deferred Tax Liability</b>   |                             |                                 |                      |   |                    |                           |
| Difference between Book Base and Tax Base of Tangible and Intangible Assets | 1,936                       | (409)                           | -                    | 1,527                                   | -                  | 1,527                     |
| Fair Valuation of Investments Carried at FVOCI                              | 272                         | (76)                            | 489                  | 685                                     | -                  | 685                       |
| Fair Valuation of Variable Compensation                                     | 15                          | (2)                             | -                    | 13                                      | -                  | 13                        |
| <b>Deferred Tax Asset</b>   |                             |                                 |                      |   |                    |                           |
| Indexation Benefit of Freehold Land   | -                           | -                               | -                    | -                                       | -                  | -                         |
| Tax Disallowances   | (486)                       | 89                              | -                    | (397)                                   | (397)              | -                         |
| Remeasurement of Defined Benefit Obligation                                 | -                           | 69                              | (69)                 | -                                       | -                  | -                         |
| Investments Measured using EIR  | (5)                         | 5                               | -                    | -                                       | -                  | -                         |
| <b>Tax Assets (Liabilities)</b>   | <b>1,732</b>                | <b>(325)</b>                    | <b>420</b>           | <b>1,828</b>                            | <b>(397)</b>       | <b>2,225</b>              |
| Set Off Tax   | -                           | -                               | -                    | -                                       | -                  | -                         |
| <b>Net Tax Assets</b>   | <b>1,732</b>                | <b>(325)</b>                    | <b>420</b>           | <b>1,828</b>                            | <b>(397)</b>       | <b>2,225</b>              |

**Note :**

- 1) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- 2) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 34**

**Earnings Per Share (EPS)**

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>i. Profit Attributable to Equity Holders (₹ in lakhs)</b>         |                        |                        |
| Profit attributable to equity holders for basic and diluted EPS      | 41,629                 | 49,903                 |
|  | <b>41,629</b>          | <b>49,903</b>          |
| <b>ii. Weighted Average Number of Ordinary Shares</b>                |                        |                        |
| Number of shares outstanding at the beginning of the year            | 5,00,00,000            | 5,00,00,000            |
| Add/(Less): Effect of shares issued/ (bought back)                   |                        |                        |
| <b>Weighted average number of shares for calculating basic EPS</b>   | <b>5,00,00,000</b>     | <b>5,00,00,000</b>     |
| <b>Effect of Dilution</b>  |                        |                        |
| Share Options  | -                      | -                      |
| <b>Weighted average number of shares for calculating diluted EPS</b> | <b>5,00,00,000</b>     | <b>5,00,00,000</b>     |
| <b>iii. Basic Earnings Per Share (₹)</b>                             | 83.26                  | 99.81                  |
| <b>iv. Diluted Earnings Per Share (₹)</b>                            | 83.26                  | 99.81                  |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments - Fair Values**

**A. Accounting Classification and Fair Values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Particulars  | As at 31 March 2021                |   |                  |                  |                                    |   |                | Total    | Fair Value                               |   |   |       |
|--|------------------------------------|---|------------------|------------------|------------------------------------|---|----------------|----------|--|---|---|-------|
|  | Carrying Amount                    |   |                  |                  | Fair Value                         |   |                |          | Level 1 - Quoted Price in Active Markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total |
|  | Fair Value through Profit and Loss | Fair Value through Other Comprehensive Income | Amortised Cost   | Total            | Fair Value through Profit and Loss | Fair Value through Other Comprehensive Income | Amortised Cost |          |  |   |   |       |
| <b>Financial Assets</b>                            |                                    |   |                  |                  |                                    |   |                |          |  |   |   |       |
| Non Current Loans                                  | -                                  | -   | 41               | 41               | -                                  | -   | -              | -        | -  | -                                       | -   |       |
| <b>Current Investments</b>                         |                                    |   |                  |                  |                                    |   |                |          |  |   |   |       |
| - Investment in US Government Treasury Bills       | -                                  | 5,17,852                                      | -                | 5,17,852         | -                                  | -   | -              | 5,17,852 | -  | -                                       | 5,17,852                                  |       |
| - Investment in Government of India Treasury Bills | -                                  | 7,01,013                                      | -                | 7,01,013         | -                                  | -   | 2,20,669       | 4,80,344 | -  | -                                       | 7,01,013                                  |       |
| Trade Receivables                                  | -                                  | -   | 3,244            | 3,244            | -                                  | -   | -              | -        | -  | -                                       | -   |       |
| Cash and Cash Equivalents                          | -                                  | -   | 1,22,271         | 1,22,271         | -                                  | -   | -              | -        | -  | -                                       | -   |       |
| Bank Balances other than Cash and Cash Equivalents | -                                  | -   | 4,17,308         | 4,17,308         | -                                  | -   | -              | -        | -  | -                                       | -   |       |
| Other Current Financial Assets                     | -                                  | -   | 7,668            | 7,668            | -                                  | -   | -              | -        | -  | -                                       | -   |       |
|  | -                                  | <b>12,18,865</b>                              | <b>5,50,532</b>  | <b>17,69,397</b> | <b>2,20,669</b>                    | <b>9,98,196</b>                               |                |          |  |   | <b>12,18,865</b>                          |       |
| <b>Financial Liabilities</b>                       |                                    |   |                  |                  |                                    |   |                |          |  |   |   |       |
| <b>Borrowings</b>                                  |                                    |   |                  |                  |                                    |   |                |          |  |   |   |       |
| - Preference Shares                                | -                                  | -   | 5,000            | 5,000            | -                                  | -   | -              | -        | -  | -                                       | -   |       |
| Trade Payables                                     | -                                  | -   | 443              | 443              | -                                  | -   | -              | -        | -  | -                                       | -   |       |
| Other Current Financial Liabilities                | -                                  | -   | 14,00,246        | 14,00,246        | -                                  | -   | -              | -        | -  | -                                       | -   |       |
|  | -                                  | -   | <b>14,05,689</b> | <b>14,05,689</b> | -                                  | -   | -              | -        | -  | -                                       | -   |       |

**Note:** There are no other categories of financial instruments other than those mentioned above.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35 (Continued)**  
**Financial Instruments - Fair Values**

| Particulars  | As at 31 March 2020                |   |                  |  |   |   |                  | Total         | Fair Value                               |   |   |
|--|------------------------------------|---|------------------|--|---|---|------------------|---------------|--|---|---|
|  | Fair Value through Profit and Loss | Fair Value through Other Comprehensive Income | Amortised Cost   | Level 1 - Quoted Price in Active Markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total            |               | Level 1 - Quoted Price in Active Markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs |
| <b>Financial Assets</b>                            |                                    |   |                  |  |   |   |                  |               |  |   |   |
| Non Current Loans                                  | -                                  | -   | 41               | -  | -                                       | -   | 41               | -             | -  | -                                       | -   |
| Other Non current Financial Assets                 | -                                  | -   | 17,123           | -  | -                                       | -   | 17,123           | -             | -  | -                                       | -   |
| <u>Current Investments</u>                         |                                    |   |                  |  |   |   |                  |               |  |   |   |
| - Investment in US Government Treasury Bills       | -                                  | 4,52,942                                      | -                | -  | -                                       | -   | 4,52,942         | 4,52,942      | -  | -                                       | 4,52,942                                  |
| - Investment in Government of India Treasury Bills | -                                  | 4,73,145                                      | -                | -  | -                                       | 42,884                                    | 4,73,145         | 42,884        | 4,30,261                                 | -                                       | 4,73,145                                  |
| Trade Receivables                                  | -                                  | -   | 4,404            | -  | -                                       | -   | 4,404            | -             | -  | -                                       | -   |
| Cash and Cash Equivalents                          | -                                  | -   | 78,182           | -  | -                                       | -   | 78,182           | -             | -  | -                                       | -   |
| Bank Balances other than Cash and Cash Equivalents | -                                  | -   | 4,70,103         | -  | -                                       | -   | 4,70,103         | -             | -  | -                                       | -   |
| Other Current Financial Assets                     | -                                  | -   | 13,857           | -  | -                                       | -   | 13,857           | -             | -  | -                                       | -   |
|  | -                                  | <b>9,26,087</b>                               | <b>5,83,710</b>  | <b>15,09,797</b>                         | <b>42,884</b>                           | <b>8,83,203</b>                           | <b>9,26,087</b>  | <b>42,884</b> | <b>8,83,203</b>                          | <b>-</b>                                | <b>9,26,087</b>                           |
| <b>Financial Liabilities</b>                       |                                    |   |                  |  |   |   |                  |               |  |   |   |
| <u>Borrowings</u>                                  |                                    |   |                  |  |   |   |                  |               |  |   |   |
| - Preference Shares                                | -                                  | -   | 5,000            | -  | -                                       | -   | 5,000            | -             | -  | -                                       | -   |
| - Line of Credit from a Bank                       | -                                  | -   | 10,456           | -  | -                                       | -   | 10,456           | -             | -  | -                                       | -   |
| Trade Payables                                     | -                                  | -   | 379              | -  | -                                       | -   | 379              | -             | -  | -                                       | -   |
| Other Current Financial Liabilities                | -                                  | -   | 11,75,903        | -  | -                                       | -   | 11,75,903        | -             | -  | -                                       | -   |
|  | -                                  | -   | <b>11,91,738</b> | <b>11,91,738</b>                         | <b>-</b>                                | <b>-</b>                                  | <b>11,91,738</b> | <b>-</b>      | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                  |

Note: There are no other categories of financial instruments other than those mentioned above.

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### Note 35 (Continued)

#### Financial Instruments - Fair Values

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses, if any, of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

#### B. Fair Value Hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

#### Financial Instruments Measured at Fair Value

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the balance sheet as well as the significant unobservable inputs used.

| Type                                     | Valuation Technique   | Significant Unobservable Inputs | Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement |
|--|---|---------------------------------|---|
| Investment in Government Securities      | The fair value of treasury bills is calculated on the basis of the market price of these instruments as at the balance sheet date. Market price is calculated on the basis of the price published by Financial Benchmarks India Private Limited (FBIL). | N.A.                            | N.A.  |
| Investment in U.S. Government Securities | The fair value of treasury bills is calculated basis of the market price of these instruments as at the balance sheet date. Market price is calculated on the basis of the price published by Federal Reserve.  | N.A.                            | N.A.  |

#### Transfers between Levels

There have been no transfers between levels during the reporting periods.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Note 35

#### Financial Instruments - Fair Values and Risk Management (*Continued*)

##### Risk Management

###### *Introduction*

The Company's activities expose it to a number of financial risks, principally liquidity risk, credit risk and market risk (Interest rate risk and foreign exchange risk). In addition to the financial risks, the Company is also exposed to other risks such as operational, legal, compliance and reputational risk. The Company has put in place an Integrated Enterprise Risk Management Framework in order to identify, measure, monitor and effectively manage various risks it is exposed to. The framework prescribes the governance structures and responsibilities and includes written risk policies at all levels, which defines Company's risk appetite, highlights the key risks, and describe the manner in which those risks are properly managed.

Overall responsibility for risk management rests with the Board. The Board has constituted a Committee of Directors for Risk Management (CODRM) which is responsible for developing and monitoring Risk Policies and deciding all issues relating to risk management of the Company. The Company's Senior Management is responsible for day to day overseeing of the Compliance of the Risk policies. The Company also has a dedicated Risk Management Department which is responsible for day to day administration of Risk Management Activity specially managing risks faced by the Company as a Central Counter Party (CCP). The Company has an elaborate Operation Audit, Internal Audit, Systems Audit and other Control Mechanisms entrusted to independent external professionals.

##### a. Credit Risk

###### *Risk Description*

The Credit risk, for the Company, could arise on account of failure of a member to honor its settlement obligation or upon default by a Settlement Bank. Credit risk could also arises on account of investment activity of the Company.

###### *Risk Management Approach*

The Company counters Credit Risk exposure to members by reducing the exposures through multi-lateral netting and settling transactions on Delivery Versus Payment (DVP) or Payment versus Payment (PVP) basis and therefore does not run any Principal Credit Risk. Moreover, the Company has set criteria for membership for each type of settlement.

Most of the settlements happen in the Books of Reserve Bank of India and therefore there is no Settlement Bank Risk in respect of the same. Wherever settlements are settled through Commercial Banks, Settlement Bank Risk is mitigated by the company by prescribing stringent minimum eligibility criteria for selection of the Settlement Banks and setting of appropriate exposure control limits.

The Company regularly invests its internally generated funds and funds received from its members towards Margin and Default funds. The Company has a detailed Investment Policy, approved by the CODRM and the Board, which prescribes eligible instruments, exposure limits, Guidelines on Risk management and other aspects relating to the investment activity. The CODRM and the Board review the Investment Policy annually. In accordance with the Investment policy, the Company invests only into highly secure and liquid avenues such as Deposit with high net-worth Commercial Banks and short term Government Securities such as Government treasury Bills. The total credit risk of the Company is

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments - Fair Values and Risk Management (Continued)**

represented by the total financial assets of the Company. There is no credit risk in case of investment into Government securities. Credit risk in case of Bank Deposits, is mitigated by prescribing stringent eligibility criteria for the investee banks and setting of exposure and concentration limits on the amounts to be invested.

**Bank Balances and Bank Deposits**

The Company held bank balances and bank deposits of ₹ 5,39,579 lakhs at 31 March 2021 (31 March 2020 : ₹ 5,65,383 lakhs). The bank balances and bank deposits are held with bank and financial institution counterparties with good credit ratings.

**Offsetting of Financial Assets and Liabilities**

The disclosures set out in the following tables include recognised financial assets and financial liabilities that:

- are offset in the Company's statement of financial position; or
- are subject to an enforceable netting arrangement and other provisions under Bye laws, Rules and regulation of the Company, irrespective of whether they are offset in the statement of financial position.

The Company receives collateral in the form of cash (including US Dollars towards forex settlement) and Government securities in respect of settlement transactions pertaining to the following operations :

- security settlement;
- forex settlement; and
- derivatives.

**Financial assets and financial liabilities are subject to offsetting, enforceable netting arrangements and other provisions under Bye laws, Rules and Regulations of the Company:**

(₹ in lakhs)

| As at 31 March 2021                     | Gross Amounts of Financial Assets | Gross Amounts of Financial Liabilities | Net Amounts Presented in Statement of Financial Position after setoff of Financial Assets & Financial Liabilities | Related Amount not offset in Statement of Financial Position |                          | Net Amount |
|---|-----------------------------------|--|---|--|--------------------------|------------|
|   |                                   |  |   | Financial Instruments (including Non-Cash Collateral)        | Cash Collateral Received |            |
| <b>Types of Financial Assets</b>        |                                   |  |   |  |                          |            |
| Forex Settlement (Including Forwards)   | 6,86,120                          | 6,86,120                               | -   | -  | -                        | -          |
| Derivative Settlement (IRS)             | 1,51,292                          | 1,51,292                               | -   | -  | -                        | -          |
| Securities Settlement (including TREPS) | 7,39,304                          | 7,39,304                               | -   | -  | -                        | -          |
| <b>Total</b>                            | <b>15,76,716</b>                  | <b>15,76,716</b>                       | <b>-</b>  | <b>-</b>   | <b>-</b>                 | <b>-</b>   |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35**  
**Financial Instruments - Fair Values and Risk Management (Continued)**

(₹ in lakhs)

| As at 31 March 2020                     | Gross Amounts of Financial Assets | Gross Amounts of Financial Liabilities | Net Amounts Presented in Statement of Financial Position after setoff of Financial Assets & Financial Liabilities | Related Amount not offset in Statement of Financial Position |                          | Net Amount |
|---|-----------------------------------|--|---|--|--------------------------|------------|
|   |                                   |  |   | Financial Instruments (including Non-Cash Collateral)        | Cash Collateral Received |            |
| <b>Types of Financial Assets</b>        |                                   |  |   |  |                          |            |
| Forex Settlement (Including Forwards)   | 7,10,580                          | 7,10,580                               | -   | -  | -                        | -          |
| Derivative Settlement (IRS)             | 2,71,105                          | 2,71,105                               | -   | -  | -                        | -          |
| Securities Settlement (including TREPS) | 5,70,148                          | 5,70,148                               | -   | -  | -                        | -          |
| <b>Total</b>                            | <b>15,51,833</b>                  | <b>15,51,833</b>                       | <b>-</b>  | <b>-</b>   | <b>-</b>                 | <b>-</b>   |

**b. Liquidity Risk**

***Risk Description***

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due. The Company, being a Central Counter Party (CCP), is required to have adequate liquid resources in order to meet liquidity requirement in case if any member fails to honour its settlement obligations. Liquidity risk also exists as a result of day to day operational flows such as repayment of cash collaterals to members, trade payables etc.

***Risk Management Approach***

Liquidity risk is managed by ensuring that the Company has sufficient Lines of Credit from the participant banks, overdraft facility against the time deposits placed with Commercial banks and easily marketable securities collected as collaterals. etc. The Company also maintains adequate balances with Banks and keeps its investments in highly liquid avenues to enable it to meet Cash collateral withdrawals by members, trade payables, etc.

***Maturities of Financial Liabilities***

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### Note 35

#### Financial Instruments - Fair Values and Risk Management (Continued)

(₹ in lakhs)

| As at 31 March 2021                         | Contractual Cash Flows |                  |                  |              |                   |
|---|------------------------|------------------|------------------|--------------|-------------------|
|   | Carrying Amount        | Total            | Upto 1 Year      | 1 to 5 Years | More than 5 Years |
| <b>Non-Derivative Financial Liabilities</b> |                        |                  |                  |              |                   |
| Borrowings                                  |                        |                  |                  |              |                   |
| - Preference Shares                         | 5,000                  | 5,000            | -                | 5,000        | -                 |
| Trade Payables                              | 443                    | 443              | 443              | -            | -                 |
| Other Current Financial Liabilities         | 14,00,246              | 14,00,246        | 14,00,246        | -            | -                 |
| <b>Total</b>                                | <b>14,05,689</b>       | <b>14,05,689</b> | <b>14,00,689</b> | <b>5,000</b> | <b>-</b>          |

(₹ in lakhs)

| As at 31 March 2020                         | Contractual Cash Flows |                  |                  |              |                   |
|---|------------------------|------------------|------------------|--------------|-------------------|
|   | Carrying Amount        | Total            | Upto 1 Year      | 1 to 5 Years | More than 5 Years |
| <b>Non-Derivative Financial Liabilities</b> |                        |                  |                  |              |                   |
| Borrowings                                  |                        |                  |                  |              |                   |
| - Preference Shares                         | 5,000                  | 5,000            | -                | 5,000        | -                 |
| - Line of Credit from Banks                 | 10,456                 | 10,456           | 10,456           | -            | -                 |
| Trade Payables                              | 379                    | 379              | 379              | -            | -                 |
| Other Current Financial Liabilities         | 11,75,903              | 11,75,903        | 11,75,903        | -            | -                 |
| <b>Total</b>                                | <b>11,91,738</b>       | <b>11,91,738</b> | <b>11,86,738</b> | <b>5,000</b> | <b>-</b>          |

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows.

#### c. Market Risk (Price Risk and Interest Rate Risk)

##### **Risk Description**

The Company provides Central Counterparty (CCP) clearing services for both cash market and derivative products. The Company settles cash transactions cleared by it on a Delivery versus Payment (or Payment versus Payment in case of currencies). The failure of a member therefore exposes it to market risk arising out of adverse movement in prices of securities cleared or adverse movements in interest rates and exchange rates. In case of derivative products like rupee derivatives and forward USD INR transactions, the company is also exposed to pre-settlement risk which is manifested in the form of market risk.

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk. However, Company is exposed to the price risk in case of its investment in Government treasury Bills.

The Company is exposed to the interest rate risk due to interest paid to members, at variable rate, on the deposits received from them towards margins and default fund contributions.

##### **Risk Management Approach**

The Company seeks to cover its market risk exposure through collection of various margins. The potential future exposure is covered by collecting Initial Margin and Volatility Margin. The current exposure is covered by collecting mark to market margins. The efficiency of the margining models is monitored closely through a rigorous daily back-testing process.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35**

**Financial Instruments - Fair Values and Risk Management (Continued)**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows :

| Particulars   | (₹ in lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Fixed Rate Instruments</b>                             |                        |                        |
| Financial Assets - INR Investments                        | 11,92,321              | 9,62,348               |
| Financial Assets - US Dollar Investments                  | 5,41,179               | 4,95,496               |
| Financial Liabilities                                     | (5,000)                | (5,000)                |
|   | <u>17,28,500</u>       | <u>14,52,844</u>       |
| <b>Variable Rate Instruments</b>                          |                        |                        |
| Financial Assets  | -                      | -                      |
| Financial Liabilities - INR (Deposits from Members)       | (8,49,084)             | (6,76,244)             |
| Financial Liabilities - US Dollar (Deposits from Members) | (5,46,253)             | (4,90,490)             |
| Financial Liabilities - Line of Credit from Bank          | -                      | (10,456)               |
|   | <u>(13,95,337)</u>     | <u>(11,77,190)</u>     |
| <b>Total</b>  | <u><b>3,33,163</b></u> | <u><b>2,75,654</b></u> |

**Interest Rate Sensitivity Analysis**

**Interest Rate Sensitivity - Variable Rate Instruments**

A change of 100 basis points (bps) (31 March 2020 : 100 basis points) for INR investments / liabilities and 10 basis points (bps) (31 March 2020 : 50 basis points) for US Dollar investments / liabilities in interest rates at the reporting date would have increased / decreased profit or loss by amounts shown below. This analysis assumes that all other variables remains constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the financial assets / financial liabilities outstanding during the year.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments - Fair Values and Risk Management (Continued)**

(₹ in lakhs)

| <u>As at 31 March 2021</u>         | INR INVESTMENTS / LIABILITIES |                 | FOREIGN INVESTMENTS / LIABILITIES |                |
|------------------------------------|-------------------------------|-----------------|-----------------------------------|----------------|
|                                    | Gain /(Loss)                  |                 | Gain /(Loss)                      |                |
|                                    | 100 bp Increase               | 100 bp Decrease | 10 bp Increase                    | 10 bp Decrease |
| Variable-Rate Instruments          | (8,491)                       | 8,491           | (546)                             | 546            |
| <b>Cash Flow Sensitivity (Net)</b> | <b>(8,491)</b>                | <b>8,491</b>    | <b>(546)</b>                      | <b>546</b>     |
|                                    |                               |                 |                                   |                |
| <u>As at 31 March 2020</u>         | Gain /(Loss)                  |                 | Gain /(Loss)                      |                |
|                                    | 100 bp Increase               | 100 bp Decrease | 50 bp Increase                    | 50 bp Decrease |
|                                    |                               |                 |                                   |                |
| Variable-Rate Instruments          | (6,762)                       | 6,762           | (2,505)                           | 2,505          |
| <b>Cash Flow Sensitivity (Net)</b> | <b>(6,762)</b>                | <b>6,762</b>    | <b>(2,505)</b>                    | <b>2,505</b>   |
|                                    |                               |                 |                                   |                |

(Note: The impact is indicated on the profit/loss before tax basis)

**d. Foreign Exchange Risk**

***Risk Description***

The functional currency of the Company is Indian Rupee. Though the Company is a Central counter party for Foreign Exchange Settlements it is not exposed to any foreign currency risk on account of its collateral and settlement operations all its settlement obligations are received and paid in respective foreign currencies. Also, collaterals are received and repaid in US Dollars and Investment of collaterals are in US Dollars. Foreign Exchange Risk for the Company primarily arises on account of foreign currency revenues and expenses, which is not significant.

**Exposure to Currency Risk (Exposure in different currencies converted to functional currency i.e. INR)**

The currency profile of financial assets and financial liabilities of material financial currency exposure denominates as at 31 March 2021 and 31 March 2020 are as below:

(₹ in lakhs)

| Exposure in US Dollar            | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------------|---------------------|---------------------|
| <b>Financial Assets (A)</b>      |                     |                     |
| US Govt. Treasury Bills          | 5,17,852            | 4,52,942            |
| Bank Balance and Bank Deposits   | 29,649              | 42,942              |
|                                  | <b>5,47,501</b>     | <b>4,95,884</b>     |
| <b>Financial Liabilities (B)</b> |                     |                     |
| Deposits from Members            | 5,46,253            | 4,90,491            |
| Interest payable to Members      | 241                 | 3,906               |
| Expenses Payable                 | 167                 | 191                 |
|                                  | <b>5,46,661</b>     | <b>4,94,588</b>     |
| <b>Net Exposure (A - B)</b>      | <b>840</b>          | <b>1,296</b>        |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35**  
**Financial Instruments - Fair Values and Risk Management (Continued)**

(₹ in lakhs)

| Exposure in ZAR                  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------|------------------------|------------------------|
| <b>Financial Assets (A)</b>      |                        |                        |
| Funds used for default           | -                      | 10,456                 |
|                                  | -                      | <b>10,456</b>          |
| <b>Financial Liabilities (B)</b> |                        |                        |
| Line of Credit from a Bank       | -                      | 10,456                 |
|                                  | -                      | <b>10,456</b>          |
| <b>Net Exposure (A - B)</b>      | -                      | -                      |

**Sensitivity Analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against USD/ZAR at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in lakhs)

| Effect in INR       | As at<br>31 March 2021 |           | As at<br>31 March 2020 |           |
|---------------------|------------------------|-----------|------------------------|-----------|
|                     | Gain/(Loss)            |           | Gain/(Loss)            |           |
|                     | Strengthening          | Weakening | Strengthening          | Weakening |
| <b>5% movement</b>  |                        |           |                        |           |
| USD                 | 42.02                  | (42.02)   | 64.80                  | (64.80)   |
| ZAR                 | -                      | -         | -                      | -         |
| <b>10% movement</b> |                        |           |                        |           |
| USD                 | 84.03                  | (84.03)   | 129.61                 | (129.61)  |
| ZAR                 | -                      | -         | -                      | -         |

(Note: The above impact is indicated on the profit/loss before tax basis)

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### Note 36

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

#### A. Relationships -

##### Category I: Subsidiaries (Parties where control exists)

Clearcorp Dealing Systems (India) Limited (Clearcorp)

Legal Entity Identifier India Limited (LEIL)

##### Category II:

State Bank of India - The Company is an associate of SBI.

##### Category III: Key Management Personnel (KMP)

| Related Party           | Nature of Relationship  |
|-------------------------|---|
| Mr. R. Sridharan        | Managing Director (upto July 31, 2020)                                      |
| Mr. Hare Krishna Jena   | Managing Director (from August 01, 2020)                                    |
| Mr. R. Gandhi           | Non Executive Chairman and Independent Director (w.e.f. September 20, 2019) |
| Mr. Narayan K. Seshadri | Independent Director  |
| Dr. G Sivakumar         | Independent Director  |
| Mr. B Prasanna          | Nominee Director  |
| Ms. Meena Hemchandra    | Independent Director  |
| Mr. Rajendra Chitale    | Independent Director (upto August 24, 2019)                                 |
| Mr. Sudhir Joshi        | Independent Director (upto August 24, 2019)                                 |
| Mr. M S Sundara Rajan   | Independent Director (upto August 24, 2019)                                 |
| Mr. Satish C. Singh     | Nominee Director (upto September 3, 2019)                                   |
| Mr. B. Sambamurthy      | Independent Director (upto October 16, 2019)                                |
| Mr. Bhavesh Zaveri      | Nominee Director (upto November 28, 2019)                                   |
| Mr. Prashant Kumar      | Nominee Director (upto March 16, 2020)                                      |
| Mr. Sankarshan Basu     | Independent Director (upto August 24, 2020)                                 |
| Mr. Pradeep Madhav      | Nominee Director (from August 13, 2019)                                     |
| Mr. S. Vishvanathan     | Independent Director (from August 13, 2019)                                 |
| Mr. Sudhakar Shanbhag   | Nominee Director (from October 21, 2019)                                    |
| Mr. Ashish Parthasarthy | Nominee Director (from May 22, 2020)  |
| Mr. S.V. Sastry         | Nominee Director (from August 01, 2020)                                     |
| Mr. P.R. Ramesh         | Independent Director (from August 01, 2020)                                 |
| Mr. A.K. Anand          | Nominee Director (from January 29, 2021)                                    |

##### Other Key Management Personnel

| Related Party         | Nature of Relationship   |
|-----------------------|--------------------------|
| Mr. O. N. Ravi        | Executive Vice President |
| Mr. Deepak Chande     | Chief Financial Officer  |
| Mr. Pankaj Srivastava | Company Secretary        |

##### Category IV: Other Related Parties

CCIL Employees Group Gratuity Fund Trust

CCIL Employees Superannuation Trust



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 36**

**Related Party Disclosures (Continued)**

**b) Transactions with Key Management Personnel :**

| <b>Key Management Personnel Compensation</b> | <b>(₹ in lakhs)</b>                         |   |
|--|---|---|
| <b>Particulars</b>                           | <b>For the year ended<br/>31 March 2021</b> | <b>For the year ended<br/>31 March 2020</b> |
| Short-Term Employee Benefits                 | 464   | 347   |
| Post-Employment Defined Benefit              | 29  | 40  |
| Other Long Term Benefits                     | 51  | 28  |
| <b>Total</b>                                 | <b>544</b>                                  | <b>415</b>                                  |

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (See Note 29).

**c) Details of transactions with the related parties are as follows:**

**(₹ in lakhs)**

| <b>Particulars</b>  | <b>Subsidiary<br/>- Clearcorp</b> | <b>Subsidiary-<br/>LEIL</b> | <b>Other<br/>Related<br/>Parties</b> | <b>State Bank<br/>of India</b> | <b>Key<br/>Management<br/>Personnel</b> |
|---|-----------------------------------|-----------------------------|--------------------------------------|--------------------------------|---|
| 1) Income from Operations                                     | -                                 | -                           | -                                    | 1,273<br>(1,527)               | -                                       |
| 2) Business Support Charges<br>and Other Receipts (Income)    | 732<br>(658)                      | 240<br>(232)                | -                                    | -                              | -                                       |
| 3) Rent Received for<br>Residential Accommodation<br>(Income) | 16<br>(16)                        | -                           | -                                    | -                              | -                                       |
| 4) Reimbursement/Sharing of<br>Expenses - (Receipt)           | 99<br>(92)                        | 0<br>(7)                    | -                                    | -                              | -                                       |
| 4) Reimbursement/Sharing of<br>Expenses - (Payment)           | 3<br>-                            | 1<br>-                      | -                                    | -                              | -                                       |
| 5) LEI Renewal Charges<br>(Expense)                           | -                                 | 0<br>(0)                    | -                                    | -                              | -                                       |
| 6) Collaterals Cash Received                                  | -                                 | -                           | -                                    | 48,776<br>(41,306)             | -                                       |
| 7) Collaterals Cash Repaid                                    | -                                 | -                           | -                                    | 30,373<br>(41,468)             | -                                       |
| 8) Collaterals Securities<br>Received (at Face Value)         | -                                 | -                           | -                                    | 2,56,95,410<br>(1,94,45,500)   | -                                       |
| 9) Collaterals Securities<br>Returned (at Face Value)         | -                                 | -                           | -                                    | 60,36,700<br>(2,11,44,700)     | -                                       |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 36**

**Related Party Disclosures (Continued)**

| Particulars                                | Subsidiary - Clearcorp | Subsidiary- LEIL | Other Related Parties | State Bank of India | Key Management Personnel |
|--|------------------------|------------------|-----------------------|---------------------|--------------------------|
| 10) Interest on Deposits from Members      | -<br>-                 | -<br>-           | -<br>-                | 226<br>(424)        | -<br>-                   |
| 11) Operational Income Shared              | -<br>(1,128)           | -<br>-           | -<br>-                | -<br>-              | -<br>-                   |
| 12) Contribution to Employee Benefit Trust | -<br>-                 | -<br>-           | 408<br>(268)          | -<br>-              | -<br>-                   |
| 13) Purchase of Intangible Asset           | -<br>(25)              | -<br>-           | -<br>-                | -<br>-              | -<br>-                   |
| 14) Datafeed Charges Received              | 36<br>(27)             | -<br>-           | -<br>-                | -<br>-              | -<br>-                   |
| 15) Director Sitting Fees                  | -<br>-                 | -<br>-           | -<br>-                | -<br>-              | 76<br>(89)               |

**d) The related party balances outstanding at year end are as follows:**

| Particulars   | Subsidiary- Clearcorp | Subsidiary- LEIL | Other Related Parties | State Bank of India       | Key Management Personnel |
|---|-----------------------|------------------|-----------------------|---------------------------|--------------------------|
| 1) Receivable   | 52<br>(88)            | 21<br>(18)       | -<br>-                | 188<br>(96)               | -<br>-                   |
| 2) Payable  | -<br>-                | -<br>-           | -<br>-                | 122<br>(153)              | 23<br>(14)               |
| 3) Collaterals Outstanding - Cash                       | -<br>-                | -<br>-           | -<br>-                | 39,576<br>(21,172)        | -<br>-                   |
| 4) Collaterals Outstanding - Securities (at Face Value) | -<br>-                | -<br>-           | -<br>-                | 2,00,24,676<br>(3,65,966) | -<br>-                   |

**Notes:**

1. "0" denotes amount less than ₹ 1 lakh.
2. Figures in brackets represent corresponding amounts in the previous year.
3. Transactions with Subsidiaries are in accordance with the terms of agreements / arrangements / approvals in this regard.
4. Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.
5. Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.
6. The amounts are exclusive of Goods and Service Tax (GST) wherever applicable.
7. 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 31 MARCH 2021**

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 37</b>   |                        |                        |
| <b>Commitments</b>   |                        |                        |
| <b>Capital Commitments:</b>  |                        |                        |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 401                    | 647                    |
| <b>Total</b>   | <b>401</b>             | <b>647</b>             |
| <b>Note 38</b>   |                        |                        |
| <b>Contingent Liabilities</b>  |                        |                        |
| Claims against the Company not acknowledged as debt -  |                        |                        |
| - Income Tax Demands for various assessment years disputed by the Company                      | 1,870                  | 1,982                  |
| <b>Total</b>   | <b>1,870</b>           | <b>1,982</b>           |

**Note 39**

**Micro and Small Enterprises**

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2021 and 31 March 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b><u>Outstanding for less than 45 days</u></b>  |                        |                        |
| a. Principal and interest amount remaining unpaid  | 68                     | 33                     |
| b. Interest due thereon remaining unpaid   | -                      | -                      |
| c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                                | -                      | -                      |
| d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006) | -                      | -                      |
| e. Interest accrued and remaining unpaid   | -                      | -                      |
| f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises   | -                      | -                      |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 40**

**Employee Benefits**

**Amounts Recognised as Expense:**

**(i) Defined Contribution Plan**

- (1) Employer's Contribution to Provident Fund amounting to ₹ 253 lakhs (31 March 2020 : ₹ 240 lakhs) has been included in Note 29 under Contribution to Provident Fund and Other Funds.
- (2) Employer's Contribution to Superannuation Fund amounting to ₹ 68 lakhs (31 March 2020 : ₹ 67 lakhs) has been included in Note 29 under Contribution to Provident Fund and Other Funds.
- (3) Employer's Contribution to NPS amounting to ₹ 45 lakhs (31 March 2020 : ₹ 74 lakhs) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

**(ii) Defined Benefit Plan**

In terms of the Company's gratuity plan, on leaving of service every employee who has completed at least 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 Indian Accounting Standard on employee benefits (Ind AS 19) the following disclosures have been made which is based on Actuarial Valuation provided by an Independent Actuary.

Gratuity cost amounting to ₹ 221 lakhs (31 March 2020 : ₹ 177 lakhs) has been included in Note 29 under Contribution to Provident and Other Funds.

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>A. Amount Recognised in the Balance Sheet</b>                     |                        |                        |
| Present Value of the Obligation as at the end of the year            | 2,533                  | 2,290                  |
| Fair Value of Plan Assets as at the end of the year                  | 2,560                  | 2,243                  |
| <b>Net Asset / (Liability) to be recognized in the Balance Sheet</b> | <b>27</b>              | <b>(47)</b>            |
| Non-Current Portion  | -                      | 47                     |
| Current Portion  | 27                     | -                      |
| <b>B. Change in Projected Benefit Obligation</b>                     |                        |                        |
| Projected Benefit of Obligation at the beginning of the year         | 2,290                  | 1,817                  |
| Current Service Cost   | 218                    | 189                    |
| Interest Cost  | 156                    | 140                    |
| Benefits Paid  | (159)                  | (41)                   |
| Actuarial (Gain) / Loss on Obligation                                | 29                     | 276                    |
| Acquisition Adjustment   | -                      | (91)                   |
| <b>Projected Benefit Obligation at the end of the year</b>           | <b>2,534</b>           | <b>2,290</b>           |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 40**

**Employee Benefits (Continued)**

(₹ in lakhs)

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>C. Change in Plan Assets</b>   |                        |                        |
| Fair Value of Plan Assets at the beginning of the year                    | 2,243                  | 1,972                  |
| Expected Return on Plan Assets  | 152                    | 152                    |
| Contributions Made  | 268                    | 251                    |
| Benefits Paid   | (104)                  | (41)                   |
| Acquisition Adjustment  | -                      | (91)                   |
| <b>Fair Value of Plan Assets at the end of the year</b>                   | <b>2,559</b>           | <b>2,243</b>           |
| <b>D. Amount Recognised in the Statement of Profit and Loss</b>           |                        |                        |
| Current Service Cost  | 218                    | 189                    |
| Net Interest Cost / (Income) on the Net Defined Benefit Asset / Liability | 3                      | (12)                   |
| <b>Expenses Recognised in the Statement of Profit and Loss</b>            | <b>221</b>             | <b>177</b>             |
| <b>E. Amount Recognised in Other Comprehensive Income</b>                 |                        |                        |
| Actuarial (Gains) / Loss  |                        |                        |
| - Change in Demographic Assumption  | -                      | 1                      |
| - Change in Financial Assumption  | -                      | 199                    |
| - Experience Variation  | 29                     | 76                     |
|   | <b>29</b>              | <b>276</b>             |

**F. Major Categories of Plan Assets as a percentage of total plan :**

1. 100 % Insurance Funds

(₹ in lakhs)

| G. Assumptions Used     | As at<br>31 March 2021 | As at<br>31 March 2020 |
|-------------------------|------------------------|------------------------|
| Discount Rate           | 6.80%                  | 6.80%                  |
| Employee Attrition Rate | 3.00%                  | 3.00%                  |
| Future Salary Increase  | 8.00%                  | 8.00%                  |
| Mortality Rate          | 100% (% of IALM 12-14) | 100% (% of IALM 12-14) |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 40**

**Employee Benefits (Continued)**

**H. Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars                      | (₹ in lakhs)           |             |                        |             |
|----------------------------------|------------------------|-------------|------------------------|-------------|
|                                  | As at<br>31 March 2021 |             | As at<br>31 March 2020 |             |
|                                  | Increase to            | Decrease to | Increase to            | Decrease to |
| Discount Rate (1% Movement)      | 2,294                  | 2,812       | 2,070                  | 2,548       |
| Salary Growth Rate (1% Movement) | 2,806                  | 2,294       | 2,543                  | 2,070       |
| Attrition Rate (1% Movement)     | 2,502                  | 2,570       | 2,260                  | 2,326       |
| Mortality Rate (1% Movement)     | 2,533                  | 2,534       | 2,290                  | 2,291       |

**I. Expected Future Cash Flows**

| Particulars                            | (₹ in lakhs) |                 |                  |                          |
|--|--------------|-----------------|------------------|--------------------------|
|  | 1 year       | 2 to 5<br>years | 6 to 10<br>years | More<br>than 10<br>years |
| As at 31 March 2021                    |              |                 |                  |                          |
| Defined Benefit Obligations (Gratuity) | 175          | 635             | 866              | 4,086                    |
| <b>Total</b>                           | <b>175</b>   | <b>635</b>      | <b>866</b>       | <b>4,086</b>             |
| As at 31 March 2020                    |              |                 |                  |                          |
| Defined Benefit Obligations (Gratuity) | 371          | 371             | 650              | 3,933                    |
| <b>Total</b>                           | <b>371</b>   | <b>371</b>      | <b>650</b>       | <b>3,933</b>             |

**Note 41**

**Segment Reporting**

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

**Note 42**

**Corporate Social Responsibility (CSR)**

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Gross amount required to be spent by the Company during the year         | 1,133                  | 1,076                  |
| Amount spent and debited to Statement of Profit and Loss during the year | 1,133                  | 1,076                  |

Amounts debited to Statement of Profit and Loss were paid in cash during the respective year and were incurred for the purpose other than construction / acquisition of any asset.

**Note 43**

Disclosure under Schedule III of the Companies Act, 2013 has been given to the extent applicable.

**Note 44**

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



# THE CLEARING CORPORATION OF INDIA LIMITED

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of  
Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(₹ in lakhs)

| Sr.No. | Particulars  |   |                                       |
|--------|--|---|---------------------------------------|
| 1.     | Name of the subsidiary   | Clearcorp Dealing Systems (India) Limited | Legal Entity Identifier India Limited |
| 2.     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | N.A.                                      | N.A.                                  |
| 3.     | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | N.A.                                      | N.A.                                  |
| 4.     | Share Capital  | 1,000                                     | 450                                   |
| 5.     | Reserves & Surplus   | 9,954                                     | 769                                   |
| 6.     | Total Assets   | 12,235                                    | 1,612                                 |
| 7.     | Total Liabilities  | 1,281                                     | 392                                   |
| 8.     | Investments  | 966                                       | -                                     |
| 9.     | Turnover   | 4,059                                     | 1,033                                 |
| 10.    | Profit before taxation   | 1,400                                     | 373                                   |
| 11.    | Provision for taxation   | 370                                       | 96                                    |
| 12.    | Profit after taxation  | 1,030                                     | 277                                   |
| 13.    | Proposed Dividend  | -   | -                                     |
| 14.    | % of shareholding  | 100                                       | 100                                   |

#### Notes:

|    |   |      |
|----|---|------|
| 1. | Names of subsidiaries which are yet to commence operations                | None |
| 2. | Names of subsidiaries which have been liquidated or sold during the year. | None |

# THE CLEARING CORPORATION OF INDIA LIMITED



## Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

|        |   |      |
|--------|---|------|
| 1.     | Name of Associates/Joint Ventures   | None |
| 2.     | Latest audited Balance Sheet Date   | N.A. |
| 3.     | Shares of Associate/Joint Ventures held by the company on the year end                    |      |
|        | i. No.  | N.A. |
|        | ii. Amount of Investment in Associates/Joint Venture                                      | N.A. |
|        | iii. Extend of Holding %  | N.A. |
| 4.     | Description of how there is significant influence   | N.A. |
| 5.     | Reason why the associate/joint venture is not consolidated                                | N.A. |
| 6.     | Networth attributable to Shareholding as per latest audited Balance Sheet                 | N.A. |
| 7.     | Profit / Loss for the year  |      |
|        | i. Considered in Consolidation  | N.A. |
|        | ii. Not Considered in Consolidation   | N.A. |
| Notes: |   |      |
| 1.     | Names of associates or joint ventures which are yet to commence operations.               | None |
| 2.     | Names of associates or joint ventures which have been liquidated or sold during the year. | None |

For and on behalf of the Board of Directors

Sd/-

**Hare Krishna Jena**  
Managing Director  
(DIN : 07624556)

Sd/-

**Narayan K. Seshadri**  
Director  
(DIN : 00053563)

Place : Mumbai  
Date : May 07, 2021

Sd/-

**Deepak Chande**  
Chief Financial Officer

Sd/-

**Pankaj Srivastava**  
Company Secretary



# THE CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
THE CLEARING CORPORATION OF INDIA LIMITED

Report on the Audit of the Consolidated Ind-AS financial statements

### Opinion

We have audited the Consolidated Ind-AS financial statements of **THE CLEARING CORPORATION OF INDIA LIMITED** (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and the Notes to the Consolidated Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind-AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standard) Rules, 2015, as amended, (Ind-AS) and with other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021, the consolidated profits, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for 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 Consolidated Ind-AS financial statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Consolidated Ind-AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report but does not include the Consolidated Ind-AS financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.

Our opinion on the Consolidated 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 consolidated 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 consolidated Ind-AS financial statements or our knowledge obtained in the 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 Charged with Governance for the Consolidated Ind-AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind-AS financial statements in term of the requirements of the Companies Act, 2013, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 Consolidated Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind-AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind-AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated Ind-AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Group'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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind-AS financial statements, including the disclosures, and whether the consolidated Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind-AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind-AS financial statements of such entities included in the consolidated Ind-AS financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind-AS financial statements of which we are the independent auditors 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 charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

As required by section 143(3) of the Act, to the extent applicable, 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 of the aforesaid consolidated Ind-AS financial statements.
- b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind-AS financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind-AS financial statements.

- d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the Directors of the Group Companies are disqualified as on March 31, 2021, from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No.: 104607W / W100166

Sd/-  
*Daraius Z. Fraser*  
**PARTNER**  
M. No.: 42454  
UDIN: 21042454AAAACA4445

Mumbai: May 7, 2021.



## Annexure A

### **Independent Auditor's report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **THE CLEARING CORPORATION OF INDIA LIMITED** ("the Company") as of March 31, 2021, in conjunction with our audit of the Consolidated Ind-AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind-AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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 ICAI.

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 104607W / W100166

Sd/-

*Daraius Z. Fraser*

**PARTNER**

M. No.: 42454

UDIN: 21042454AAAACA4445

Mumbai: May 7, 2021.



# THE CLEARING CORPORATION OF INDIA LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(₹ in Lakhs)

| Particulars                              | Note | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------|------------------------|------------------------|
| <b>I. ASSETS</b>                         |      |                        |                        |
| <b>Non Current Assets</b>                |      |                        |                        |
| Property, Plant and Equipment            | 3    | 16,809                 | 15,153                 |
| Capital Work-in-Progress                 |      | 14                     | -                      |
| Intangibles Assets                       | 4    | 6,106                  | 6,065                  |
| Intangible Assets under Development      |      | 1,439                  | 948                    |
| Non Current Loans                        | 5    | 41                     | 41                     |
| Other Non Current Financial Assets       | 6    | 80                     | 17,471                 |
| Deferred Tax Assets (Net)                | 7    | 108                    | 86                     |
| Other Non Current Assets                 | 8    | 287                    | 277                    |
| Non Current Tax Assets (Net)             | 9    | 1,779                  | 1,355                  |
| <b>Total Non Current Assets</b>          |      | <b>26,663</b>          | <b>41,396</b>          |
| <b>Current Assets</b>                    |      |                        |                        |
| <b>Financial Assets</b>                  |      |                        |                        |
| Investments                              | 10   | 12,19,830              | 9,27,190               |
| Trade Receivables                        | 11   | 3,687                  | 4,845                  |
| Cash and Cash Equivalents                | 12a  | 1,22,336               | 78,231                 |
| Other Bank Balances                      | 12b  | 4,26,668               | 4,78,282               |
| Other Current Financial Assets           | 13   | 7,887                  | 14,099                 |
| Other Current Assets                     | 14   | 1,010                  | 11,041                 |
| <b>Total Current Assets</b>              |      | <b>17,81,418</b>       | <b>15,13,688</b>       |
| <b>TOTAL ASSETS</b>                      |      | <b>18,08,081</b>       | <b>15,55,084</b>       |
| <b>II. EQUITY AND LIABILITIES</b>        |      |                        |                        |
| <b>Equity</b>                            |      |                        |                        |
| Equity Share Capital                     | 15   | 5,000                  | 5,000                  |
| Other Equity                             | 16   | 3,90,932               | 3,51,528               |
| <b>Total Equity</b>                      |      | <b>3,95,932</b>        | <b>3,56,528</b>        |
| <b>Non Current Liabilities</b>           |      |                        |                        |
| <b>Financial Liabilities</b>             |      |                        |                        |
| Borrowings                               | 17   | 5,000                  | 5,000                  |
| Deferred Tax Liabilities (Net)           | 18   | 1,206                  | 1,828                  |
| Provisions                               | 19   | 1,977                  | 1,927                  |
| <b>Total Non Current Liabilities</b>     |      | <b>8,183</b>           | <b>8,755</b>           |
| <b>Current Liabilities</b>               |      |                        |                        |
| <b>Financial Liabilities</b>             |      |                        |                        |
| Borrowings                               | 20   | -                      | 10,456                 |
| Trade Payables Due to :                  | 21   |                        |                        |
| - Micro and Small Enterprises            |      | 20                     | 19                     |
| - Other than Micro and Small Enterprises |      | 682                    | 604                    |
| Other Current Financial Liabilities      | 22   | 14,00,545              | 11,76,177              |
| Other Current Liabilities                | 23   | 722                    | 698                    |
| Provisions                               | 24   | 1,911                  | 1,784                  |
| Current Tax Liabilities (Net)            | 25   | 86                     | 63                     |
| <b>Total Current Liabilities</b>         |      | <b>14,03,966</b>       | <b>11,89,801</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |      | <b>18,08,081</b>       | <b>15,55,084</b>       |

Significant Accounting Policies and Notes to the Financial Statements

1-44

As per our report of even date attached  
For and on behalf of  
For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Firm Registration No: 104607W / W100166

Sd/-  
Daraius Z. Fraser  
Partner  
M.No.:42454

Place : Mumbai  
Date : May 07, 2021

Signatures to the Financial Statements and Notes thereon  
For and on behalf of the Board of Directors

Sd/-  
Hare Krishna Jena  
Managing Director  
(DIN : 07624556)

Sd/-  
Deepak Chande  
Chief Financial Officer

Sd/-  
Narayan K. Seshadri  
Director  
(DIN : 00053563)

Sd/-  
Pankaj Srivastava  
Company Secretary

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars  | Note | (₹ in Lakhs)                |                             |
|--|------|-----------------------------|-----------------------------|
|  |      | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
| <b>Revenue</b>   |      |                             |                             |
| - Income from Operations   | 26   | 37,383                      | 44,428                      |
| - Other Operating Revenues   | 27   | 26,660                      | 25,033                      |
| Other Income   | 28   | 16,377                      | 19,823                      |
| <b>Total Revenue</b>   |      | <b>80,420</b>               | <b>89,284</b>               |
| <b>Expenses</b>  |      |                             |                             |
| Employee Benefit Expenses  | 29   | 6,583                       | 6,434                       |
| Finance Cost   | 30   | 2,985                       | 2,323                       |
| Depreciation and Amortization Expenses                                       | 31   | 4,800                       | 4,231                       |
| Other Expenses   | 32   | 8,285                       | 8,003                       |
| <b>Total Expenses</b>  |      | <b>22,653</b>               | <b>20,991</b>               |
| <b>Profit Before Tax</b>   |      | <b>57,767</b>               | <b>68,293</b>               |
| <b>Tax Expense</b>   |      |                             |                             |
| Current Tax  | 33   | 14,767                      | 17,320                      |
| Deferred Tax Expense / (Income)  |      | 47                          | (310)                       |
| Tax Adjustments for Earlier Years  |      | -                           | (1)                         |
| <b>Total Tax Expenses</b>  |      | <b>14,814</b>               | <b>17,009</b>               |
| <b>Profit After Tax</b>  |      | <b>42,953</b>               | <b>51,284</b>               |
| <b>Other Comprehensive Income</b>  |      |                             |                             |
| <b>Items that will not be reclassified to Profit and Loss</b>                |      |                             |                             |
| - Remeasurements of the Defined Benefit Plans                                |      | (34)                        | (342)                       |
| - Income Tax Relating on above   |      | 8                           | 86                          |
|  |      | <b>(26)</b>                 | <b>(256)</b>                |
| <b>Items that will be reclassified to Profit and Loss</b>                    |      |                             |                             |
| - Investments measured at FVOCI  |      | (2,704)                     | 1,943                       |
| - Income Tax Relating on above   |      | 681                         | (489)                       |
|  |      | <b>(2,023)</b>              | <b>1,454</b>                |
| <b>Other Comprehensive Income for the year, Net of Income Tax</b>            |      | <b>(2,049)</b>              | <b>1,198</b>                |
| <b>Total Comprehensive Income for the year</b>                               |      | <b>40,904</b>               | <b>52,482</b>               |
| <b>Earnings Per Equity Share (₹ Per Share)</b>                               |      |                             |                             |
| Basic Earnings Per Share   | 34   | 85.91                       | 102.57                      |
| Diluted Earnings Per Share   |      | 85.91                       | 102.57                      |
| <b>Significant Accounting Policies and Notes to the Financial Statements</b> | 1-44 |                             |                             |

As per our report of even date attached  
For and on behalf of  
**For KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Firm Registration No: 104607W / W100166

Sd/-  
**Darius Z. Fraser**  
Partner  
M.No.:42454

Place : Mumbai  
Date : May 07, 2021

Signatures to the Financial Statements and Notes thereon  
For and on behalf of the Board of Directors

Sd/-  
**Hare Krishna Jena**  
Managing Director  
(DIN : 07624556)

Sd/-  
**Deepak Chande**  
Chief Financial Officer

Sd/-  
**Narayan K. Seshadri**  
Director  
(DIN : 00053563)

Sd/-  
**Pankaj Srivastava**  
Company Secretary



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

| Particulars  | (₹ in Lakhs)  |                   |
|--|---------------|-------------------|
|  | 2020-2021     | 2019-2020         |
| <b>A Cash Flow from Operating Activities</b>                                       |               |                   |
| Net Profit Before Tax  | 57,767        | 68,293            |
| Adjustments for :  |               |                   |
| Depreciation and Amortisation Expense  | 4,800         | 4,230             |
| Unrealised (Gain) / Loss on Foreign Exchange                                       | 38            | (96)              |
| Interest on taxes  | 6             | 10                |
| Interest Income on Investments made out of Own Funds                               | (16,356)      | (19,680)          |
| Excess Provision Written Back  | -             | (30)              |
| Profit/(Loss) on Sale of Property, Plant and Equipment                             | (2)           | (2)               |
| Remeasurement of Defined Benefit Obligation  | (34)          | (341)             |
| Fair Valuation of Variable Pay   | (42)          | (46)              |
| Provision for Dividend on Preference Share   | 425           | 425               |
| Finance Cost   | 48            | 36                |
| <b>Operating Profit Before Working Capital Changes</b>                             | <b>46,650</b> | <b>52,799</b>     |
| Adjustments:   |               |                   |
| (Increase) / Decrease Trade Receivables  | 1,158         | (1,043)           |
| (Increase) / Decrease Other Current Loans  | -             | (11)              |
| (Increase) / Decrease Other Non Current Assets                                     | (8)           | 257               |
| (Increase) / Decrease Other Current Financial Assets                               | (146)         | (45)              |
| (Increase) / Decrease Other Current Assets   | 10,230        | (10,260)          |
| (Increase) / Decrease Interest Accrued   | (2,472)       | 7,354             |
| (Increase) / Decrease in Investments & Bank Deposits made out of Operational Funds | (1,87,874)    | (1,25,911)        |
| Increase / (Decrease) Borrowings   | (10,456)      | 10,651            |
| Increase / (Decrease) Other Current Financial Liabilities                          | 2,24,365      | (2,14,094)        |
| Increase / (Decrease) Trade Payables   | 78            | 246               |
| Increase / (Decrease) Other Current Liabilities                                    | 25            | 103               |
| Increase / (Decrease) Current Provisions   | 124           | 266               |
| Increase / (Decrease) Non Current Provisions                                       | 43            | 140               |
| <b>Cash Generated from Operating Activities</b>                                    | <b>81,717</b> | <b>(2,79,548)</b> |
| Taxes Paid (Net of Refund)   | (15,174)      | (17,561)          |
| <b>Net Cash Generated from Operating Activities (A)</b>                            | <b>66,543</b> | <b>(2,97,109)</b> |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars  | (₹ in Lakhs)    |                   |
|--|-----------------|-------------------|
|  | 2020-2021       | 2019-2020         |
| <b>B Cash Flows from Investing Activities</b>                            |                 |                   |
| Purchase of Property, Plant and Equipment                                | (2,746)         | (2,133)           |
| Purchase of Intangible Assets  | (4,255)         | (3,040)           |
| Sale of Property, Plant and Equipments                                   | 2               | 11                |
| Purchase of Government of India Treasury Bills out of Own Funds          | (2,76,495)      | (1,50,397)        |
| Redemption of T Bills with Government of India made out of Own Funds     | 2,01,391        | 1,67,345          |
| Placement of Bank Deposits made out of Own Funds                         | (1,49,314)      | (2,18,848)        |
| Redemption of Bank Deposits made out of Own Funds                        | 1,84,453        | 1,51,967          |
| Interest Income  | 26,452          | 15,641            |
| <b>Net Cash (Used in) / Generated from Investing Activities (B)</b>      | <b>(20,512)</b> | <b>(39,454)</b>   |
| <b>C Cash Flow from Financing Activities</b>                             |                 |                   |
| Dividend/Dividend Distribution Tax Paid                                  | (1,925)         | (2,321)           |
| <b>Net Cash Used by Financing Activities (C)</b>                         | <b>(1,925)</b>  | <b>(2,321)</b>    |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+ (C)</b> | <b>44,105</b>   | <b>(3,38,884)</b> |
| <b>Cash and Cash Equivalents at the beginning of the year</b>            | <b>78,231</b>   | <b>4,17,115</b>   |
| <b>Cash and Cash Equivalents at the end of the year</b>                  | <b>1,22,336</b> | <b>78,231</b>     |
| <b>CLOSING BALANCE</b>   |                 |                   |
| - Before Adjustment of Unrealised Foreign Exchange                       | 1,22,529        | 78,132            |
| - Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents   | (193)           | 99                |
| <b>Total</b>   | <b>1,22,336</b> | <b>78,231</b>     |

As per our report of even date attached  
For and on behalf of  
**For KALYANIWALLA & MISTRY LLP**  
Chartered Accountants  
Firm Registration No: 104607W / W100166

Sd/-  
**Daraius Z. Fraser**  
Partner  
M.No.:42454

Place : Mumbai  
Date : May 07, 2021

**Signatures to the Financial Statements and Notes thereon**  
For and on behalf of the Board of Directors

Sd/-  
**Hare Krishna Jena**  
Managing Director  
(DIN : 07624556)

Sd/-  
**Deepak Chande**  
Chief Financial Officer

Sd/-  
**Narayan K. Seshadri**  
Director  
(DIN : 00053563)

Sd/-  
**Pankaj Srivastava**  
Company Secretary



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31 MARCH 2021**

| (a) Equity Share Capital                              | ₹ (in lakhs)            |                 | Other Comprehensive Income | Total             |
|---|-------------------------|-----------------|----------------------------|-------------------|
|   | Note                    |                 |                            |                   |
| Balance as at 1 April 2019                            | 15                      | 5,000           |                            |                   |
| Changes in Equity Share Capital during the year       |                         | -               |                            |                   |
| Balance as at 31 March 2020                           | 15                      | 5,000           |                            |                   |
| Changes in Equity Share Capital during the year       |                         | -               |                            |                   |
| Balance as at 31 March 2021                           | 15                      | 5,000           |                            |                   |
| (b) Other Equity                                      |                         |                 |                            |                   |
|   | Reserves and Surplus    |                 |                            |                   |
|   | Settlement Reserve Fund | General Reserve | Contingency Reserve Fund   | Retained Earnings |
| Balance at 1 April 2020                               | 1,50,000                | 1,13,256        | 70,275                     | 16,358            |
| Profit for the year                                   | -                       | -               | -                          | 42,953            |
| Fair Value Changes in Investments Measured at OCI     | -                       | -               | -                          | -                 |
| Gain/(Loss) on Remeasurement of Defined Benefit Plans | -                       | -               | -                          | (26)              |
| <b>Total Comprehensive Income</b>                     | -                       | -               | -                          | <b>42,953</b>     |
| Dividend Paid on Equity Shares                        | -                       | -               | -                          | (1,500)           |
| Transferred from Retained Earnings                    | 25,000                  | 10,000          | 7,625                      | (42,625)          |
| <b>Balance at 31 March 2021</b>                       | <b>1,75,000</b>         | <b>1,23,256</b> | <b>77,900</b>              | <b>15,180</b>     |
| Balance at 1 April, 2019                              | 1,30,000                | 1,00,756        | 55,231                     | 14,426            |
| Profit for the year                                   | -                       | -               | -                          | 51,284            |
| Fair Value Changes in Investments Measured at OCI     | -                       | -               | -                          | -                 |
| Gain/(Loss) on Remeasurement of Defined Benefit Plans | -                       | -               | -                          | -                 |
| <b>Total Comprehensive Income</b>                     | -                       | -               | -                          | <b>51,284</b>     |
| Dividend Paid on Equity Shares                        | -                       | -               | -                          | (1,500)           |
| Dividend Distribution Tax Paid - Equity Shares        | -                       | -               | -                          | (308)             |
| Transferred from Retained Earnings                    | 20,000                  | 12,500          | 15,044                     | (47,544)          |
| <b>Balance at 31 March 2020</b>                       | <b>1,50,000</b>         | <b>1,13,256</b> | <b>70,275</b>              | <b>16,358</b>     |

Signatures to the Financial Statements and Notes thereon  
For and on behalf of the Board of Directors

|  |  |
|--|--|
| Sd/-<br>Daraius Z. Fraser<br>Partner<br>M.No.:42454<br>Place : Mumbai<br>Date : May 07, 2021 | Sd/-<br>Hare Krishna Jena<br>Managing Director<br>(DIN : 07624556) |
| Sd/-<br>Narayan K. Seshadri<br>Director<br>(DIN : 00053563)                                  | Sd/-<br>Pankaj Srivastava<br>Company Secretary                     |

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



### 1 Background of the Group and Nature of Operations

The Consolidated Financial Statements relates to The Clearing Corporation of India Limited ('the Company' or 'the Parent Company') and its wholly owned subsidiaries namely Clearcorp Dealing Systems (India) Limited and Legal Entity Identifier India Limited ('the Subsidiary Companies'), collectively referred to as 'the Group'.

The Clearing Corporation of India Limited 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 provider under 'The Payment and Settlement Systems Act, 2007' by Reserve Bank of India.

Clearcorp Dealing Systems (India) Limited provides dealing systems/platforms, facilitates trading in the money market instruments, foreign exchange and other financial market instruments and carries out related activities.

Legal Entity Identifier India Limited ('the Company') is the Local Operating Unit (LOU) for the issuance, maintenance and provision of Legal Entity Identifier (LEI) services in India. The LEI is a global reference number that uniquely identifies every legal entity or structure that is party to a financial transaction, in any jurisdiction. The Company has been recognized by the Reserve Bank of India as an "Issuer" of Legal Entity Identifiers under the Payment and Settlement Systems Act, 2007, and accredited by the Global Legal Entity Identifier Foundation (GLEIF) as a LOU for issuance and management of LEI's.

### 2 Basis of Preparation, Measurement and Significant Accounting Policies

#### 2.1 Basis of Preparation and Measurement

##### (a) Basis of Preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The consolidated financial statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statement.

The consolidated Ind AS financial statements were authorized for issue by the Company's Board of Directors on May 07, 2021.

##### Current vs Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### (b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans are measured at fair value of plan assets less present value of defined benefit obligations.

### (c) Basis of Consolidation

The consolidated financial statements of the Parent Company and the Subsidiaries have been prepared in accordance with the consolidation procedures prescribed under Ind AS 110 'Consolidated Financial Statements'.

The consolidated financial statements have been prepared on the following basis:

#### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

#### (ii) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Particulars of the Subsidiaries

| Name of the Company                       | Country of Incorporation | Subsidiary w.e.f | Percentage of holding |                     |
|---|--------------------------|------------------|-----------------------|---------------------|
|   |                          |                  | As at 31 March 2021   | As at 31 March 2020 |
| Clearcorp Dealing Systems (India) Limited | India                    | 11.06.2003       | 100%                  | 100%                |
| Legal Entity Identifier India Limited     | India                    | 05.10.2015       | 100%                  | 100%                |

## 2.2 Key Estimates and Assumptions

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are :

- i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4(a))
- ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.4(b))
- iii. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used; (Note 2.4(j))
- iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4(g))
- v. Fair value of financial instruments (Note 35)
- vi. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 2.4(i))

## 2.3 Measurement of Fair Values

The Group's accounting policies and disclosures require financial instruments to be measured at fair values.

The Group has an established control framework with respect to the measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 2.4 Significant Accounting Policies

### a) Property Plant and Equipments

#### Recognition and Measurement

Property, plant and equipment are stated at cost which comprises of purchase price, freight, duties, taxes except recoverable taxes, cost of installation and other incidental expenses incurred towards acquisition and installation of such assets.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

#### Subsequent Expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to profit and loss during the reporting period in which they are incurred.

#### Depreciation

Depreciation on property, plant and equipment, is provided on Straight Line Method (SLM) prescribed under Schedule II of the Act, except for the following:

- a) Furniture and fittings (Chairs), which are depreciated over 5 Years, and;
- b) Non Carpeted Road, which is depreciated over 5 Years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The Estimated useful life of property, plant and equipment considered for providing depreciation are as under:

| Asset                                   | Estimated Useful Life<br>(in Years) | Estimated Scrap Value<br>(% of Cost) |
|---|-------------------------------------|--------------------------------------|
| Buildings- Residential                  | 60                                  | 5                                    |
| Buildings- Office                       | 60                                  | -                                    |
| Non-Carpeted Road                       | 5                                   | -                                    |
| Computer Systems - Hardware             | 3 to 6                              | -                                    |
| Electrical Installations and Equipments | 10                                  | -                                    |
| Furniture and Fittings                  | 5 to 10                             | -                                    |
| Office Equipments                       | 5                                   | -                                    |

### b) Intangible Assets

Expenses incurred towards acquisition or development of software by an external vendor is capitalized as Computer Software.

Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

Intangible assets are amortised on a straight line basis over the estimated useful life.

**Amortization**

Amortization of Intangible Assets is based on Internal technical assessment/advice. Intangible asset whose cost is Rs. 5,000 or less are fully written off in the year of acquisition.

Residual value is estimated to be immaterial by Management.

The estimated useful life of intangible assets comprising of computer software considered for providing depreciation is 3 years.

**c) Impairment of Non-Financial Assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an individual asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's net selling price and value in use. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**d) Borrowing Costs:**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

**e) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments also include derivative contracts such as forward contracts, futures and currency options.

**1. Financial Assets**

**(i) Recognition and Initial Measurement**

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset, except for an item measured at fair value through profit and loss (FVTPL), is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(ii) Classification and Subsequent Measurement of 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 at either amortised cost or fair value depending on their respective classification.

# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI - debt investment;
- FVOCI - equity investment; or
- FVTPL

The classification of debt investment as amortised cost or FVOCI is based on the business model and cash flow characteristics of such instrument.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

### **Financial Assets Measured at Amortised Cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

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 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.

### **Debt Investments Measured at FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments.

The Group measures its investment in Treasury Bills at FVOCI since it satisfies both the business model test and the SPPI specified in Ind AS 109.

In case of investment in discounted securities/instruments, the discount is accrued over the period to maturity and included in Income from Investments.

**Equity Investments:**

For other equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit or loss on disposal of the investments. These investments in equity are not held for trading. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in the Statement of Profit or Loss.

Dividend Income on equity investments is recognized when the right to receive is established.

**Debt Instruments at Amortized Cost**

A debt instrument' is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**(iii) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

- (i) The contractual rights to receive cash flows from the financial asset have expired, or
- (ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of . the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### (iv) Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Group assesses whether financials assets carried at amortised costs are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## 2. Financial Liabilities

### (i) Recognition and Initial Measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

### (ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit or loss. Any gain or loss on derecognition is also recognised in Statement of profit or loss.

### (iii) Loans and Borrowing :

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

### (iv) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharges, cancelled or expires.

## 3. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### f) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents cash and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

**g) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain.

**h) Revenue Recognition**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115.

- (i) Revenue from services is recognized as and when the service is performed as per the relevant agreements.
- (ii) Other revenue income is recognised as and when services are rendered and there is a reasonable certainty of ultimate realisation.
- (iii) Interest income on financial assets is recognized on an accrual basis using effective interest method.

Revenue is reported excluding applicable taxes.

For income from investments refer point (e) on financial instruments.

**i) 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.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

- (c) National Pension Scheme: The National Pension Scheme is operated by Pension Fund Regulatory and Development Authority (PFRDA) and the contribution thereof in respect of eligible employees is paid/provided for.

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

(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 Other Comprehensive income (OCI) 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.

j) **Income Tax**

Income tax expense /income comprises current tax expense/income and deferred tax expense/income. It is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income. In which case, the tax is recognized directly in equity or other comprehensive income, respectively.

**Current Tax**

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred Tax**

Deferred Income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset only if:

- i) the group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable group.

**k) Foreign Currency Transactions**

**Functional and Presentation Currency**

The Group's financial statements are prepared in Indian Rupees (INR) which is also Group's functional currency.

**Transactions and Balances**

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

**l) Dividend:**

Final dividend on shares is recorded as a liability on the date of approval by the equity shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**m) Earnings Per Share:**

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### n) Operating Segments

As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS -108 'Operating segments' as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 'Operating segments' has been given in the Consolidated Financial Statements. (Note 37)

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 3**  
**Property, Plant and Equipment**

**Changes in the carrying value of property, plant and equipment for the year ended 31 March 2021:**

| DESCRIPTION                                       | (₹ in Lakhs)  |                         |                    |                        |  |                  |           |                   |        |
|---|---------------|-------------------------|--------------------|------------------------|--|------------------|-----------|-------------------|--------|
|   | Freehold Land | Buildings - Residential | Buildings - Office | Furniture and Fixtures | Electrical Installations and Equipment | Office Equipment | Computers | Non Carpeted Road | Total  |
| Cost as at 1 April 2020                           | 1,320         | 959                     | 10,357             | 137                    | 367                                    | 135              | 3,425     | 24                | 16,723 |
| Additions   | -             | -                       | -                  | 1                      | 2                                      | 4                | 2,725     | -                 | 2,732  |
| Disposals   | -             | -                       | -                  | -                      | -                                      | (0)              | (181)     | -                 | (181)  |
| Adjustment  | -             | (38)                    | 38                 | -                      | -                                      | -                | -         | -                 | -      |
| Cost as at 31 March 2021 (A)                      | 1,320         | 921                     | 10,395             | 138                    | 369                                    | 139              | 5,969     | 24                | 19,274 |
| Accumulated Depreciation as at 1 April 2020       | -             | 52                      | 524                | 88                     | 214                                    | 50               | 628       | 16                | 1,571  |
| Depreciation charged for the year                 | -             | 18                      | 181                | 25                     | 90                                     | 24               | 731       | 6                 | 1,075  |
| Disposals   | -             | -                       | -                  | -                      | -                                      | (0)              | (181)     | -                 | (181)  |
| Accumulated Depreciation up to 31 March 2021 (B)  | -             | 70                      | 705                | 113                    | 304                                    | 74               | 1,178     | 22                | 2,465  |
| Net Carrying Amount as at 31 March 2021 (A) - (B) | 1,320         | 851                     | 9,690              | 25                     | 65                                     | 65               | 4,791     | 2                 | 16,809 |

**Changes in the carrying value of property, plant and equipment for the year ended 31 March 2020:**

| DESCRIPTION                                       | (₹ in Lakhs)  |                         |                    |                        |  |                  |           |                   |        |
|---|---------------|-------------------------|--------------------|------------------------|--|------------------|-----------|-------------------|--------|
|   | Freehold Land | Buildings - Residential | Buildings - Office | Furniture and Fixtures | Electrical Installations and Equipment | Office Equipment | Computers | Non Carpeted Road | Total  |
| Cost as at 1 April 2019                           | 1,320         | 959                     | 10,357             | 133                    | 453                                    | 71               | 1,864     | 24                | 15,180 |
| Additions   | -             | -                       | -                  | 4                      | 3                                      | 65               | 2,062     | -                 | 2,134  |
| Disposals   | -             | -                       | -                  | -                      | (89)                                   | (1)              | (501)     | -                 | (591)  |
| Cost as at 31 March 2020 (A)                      | 1,320         | 959                     | 10,357             | 137                    | 367                                    | 135              | 3,425     | 24                | 16,723 |
| Accumulated Depreciation as at 1 April 2019       | -             | 34                      | 343                | 60                     | 198                                    | 29               | 597       | 11                | 1,271  |
| Depreciation charged during the year              | -             | 18                      | 181                | 28                     | 97                                     | 22               | 532       | 5                 | 883    |
| Disposals   | -             | -                       | -                  | -                      | (81)                                   | (1)              | (501)     | -                 | (583)  |
| Accumulated Depreciation up to 31 March 2020 (B)  | -             | 52                      | 524                | 88                     | 214                                    | 50               | 628       | 16                | 1,571  |
| Net Carrying Amount as at 31 March 2020 (A) - (B) | 1,320         | 907                     | 9,833              | 49                     | 153                                    | 85               | 2,797     | 8                 | 15,153 |

Note : "0" denotes amount less than ₹ 1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 4**

**Intangibles Assets**

Changes in the carrying value of Intangibles Assets for the year ended 31 March 2021 :

| DESCRIPTION  | (₹ in Lakhs)             |
|--|--------------------------|
|  | <b>Computer Software</b> |
| Cost as at 1 April 2020                                  | 13,877                   |
| Additions  | 3,766                    |
| <b>Cost as at 31 March 2021 (A)</b>                      | <b>17,643</b>            |
| Accumulated Amortisation as at 1 April 2020              | 7,812                    |
| Amortisation recognised for the year                     | 3,725                    |
| <b>Accumulated Amortisation up to 31 March 2021 (B)</b>  | <b>11,537</b>            |
| <b>Net Carrying Amount as at 31 March 2021 (A) - (B)</b> | <b>6,106</b>             |

Changes in the carrying value of Intangibles Assets for the year ended 31 March 2020:

| DESCRIPTION  | (₹ in Lakhs)             |
|--|--------------------------|
|  | <b>Computer Software</b> |
| Cost as at 1 April 2019                                  | 10,622                   |
| Additions  | 3,255                    |
| <b>Cost as at 31 March 2020 (A)</b>                      | <b>13,877</b>            |
| Accumulated Amortisation as at 1 April 2019              | 4,465                    |
| Amortisation recognised for the year                     | 3,347                    |
| <b>Accumulated Amortisation up to 31 March 2020 (B)</b>  | <b>7,812</b>             |
| <b>Net Carrying Amount as at 31 March 2020 (A) - (B)</b> | <b>6,065</b>             |

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
|  |                        | (₹ in Lakhs)           |
| <b>Note 5</b>  |                        |                        |
| <b>Non Current Loans</b>   |                        |                        |
| <i>(Unsecured, Considered Good)</i>                                      |                        |                        |
| Security Deposits  | 41                     | 41                     |
| <b>Total</b>   | <b>41</b>              | <b>41</b>              |
| <b>Note 6</b>  |                        |                        |
| <b>Other Non Current Financial Assets</b>                                |                        |                        |
| <i>(Unsecured, Considered Good)</i>                                      |                        |                        |
| Bank Deposits with Residual Maturity of More than 12 Months <sup>^</sup> | 75                     | 17,444                 |
| Interest Accrued on Bank Deposits  | 5                      | 27                     |
| <b>Total</b>   | <b>80</b>              | <b>17,471</b>          |

<sup>^</sup>Bank Deposits includes deposits amounting to ₹ Nil (31 March 2020 : ₹ 2,100 lakhs) earmarked for Contingency Reserve Fund and ₹ Nil (31 March 2020 : ₹ 3,000 lakhs) earmarked for Settlement Reserve Fund

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars  | (₹ in Lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 7</b>  |                        |                        |
| <b>Deferred Tax Assets (Net)</b>   |                        |                        |
| <b>Deferred Tax Assets</b>   |                        |                        |
| Tax Disallowances  | 130                    | 117                    |
| Difference between Book Base and Tax Base of Property, Plant and Equipment and Intangible Assets | 0*                     | -                      |
|  | <b>130</b>             | <b>117</b>             |
| <b>Deferred Tax Liabilities</b>  |                        |                        |
| Difference between Book Base and Tax Base of Property, Plant and Equipment and Intangible Assets | 19                     | 27                     |
| Fair Valuation of Investments Carried at FVOCI   | 0*                     | 1                      |
| Provision for Variable Pay Recorded at Present Value   | 3                      | 3                      |
|  | <b>22</b>              | <b>31</b>              |
| <b>Total</b>   | <b>108</b>             | <b>86</b>              |
| <b>Note 8</b>  |                        |                        |
| <b>Other Non-Current Assets</b>  |                        |                        |
| <i>(Unsecured, Considered Good)</i>  |                        |                        |
| Service Tax Demand (Paid under Protest)  | 226                    | 226                    |
| Prepaid Expenses   | 61                     | 51                     |
| <b>Total</b>   | <b>287</b>             | <b>277</b>             |
| <b>Note 9</b>  |                        |                        |
| <b>Non Current Tax Assets (Net)</b>  |                        |                        |
| Advance Taxes (Net of Provision for Taxes)   | 1,779                  | 1,355                  |
| <b>Total</b>   | <b>1,779</b>           | <b>1,355</b>           |
| <b>Note 10</b>   |                        |                        |
| <b>Current Investments</b>   |                        |                        |
| - Investment in US Government Treasury Bills   | 5,17,852               | 4,52,942               |
| - Investment in Government of India Treasury Bills   | 7,01,978               | 4,74,248               |
| <b>Total</b>   | <b>12,19,830</b>       | <b>9,27,190</b>        |
| Aggregate Book Value of Quoted Investments   | 12,09,573              | 9,12,730               |
| Aggregate Market Value of Quoted Investments   | 12,19,830              | 9,27,190               |
| Aggregate Book Value of Unquoted Investments   | -                      | -                      |
| Aggregate Amount of Impairment in Value of Investments   | -                      | -                      |

**Note :**

- (a) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹ 91,728 lakhs (31 March 2020 : ₹ 46,901 lakhs) earmarked for Settlement Reserve Fund.
- (b) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹ 42,613 lakhs (31 March 2020 : ₹ 31,078 lakhs) earmarked for Contingency Reserve Fund.
- (c) Investment in US Government Treasury Bills shown above represents Treasury bills amounting to ₹ 5,17,852 lakhs (31 March 2020 ₹ 4,52,942 lakhs ) which are held in custody with Settlement Banks, who have extended committed lines of credit to enable the Group to meet settlement shortages, if any.

\* denotes amount less than ₹ 1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| Particulars  | (₹ in Lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 11</b>   |                        |                        |
| <b>Trade Receivables</b>   |                        |                        |
| Unsecured, Considered Good   | 496                    | 577                    |
| Secured, Considered Good   | 3,191                  | 4,268                  |
| <b>Total</b>   | <b>3,687</b>           | <b>4,845</b>           |
| <b>Note 12a</b>  |                        |                        |
| <b>Cash and Cash Equivalents</b>   |                        |                        |
| Cash on Hand   | 0 *                    | 1                      |
| Cheque on Hand   | 9                      | -                      |
| Balances with Banks  |                        |                        |
| - in Current Accounts #  | 25,001                 | 54,953                 |
| - in Deposit Accounts (Original Maturity of upto 3 Months)   | 97,326                 | 23,277                 |
| <b>Total</b>   | <b>1,22,336</b>        | <b>78,231</b>          |
| # Includes ₹ Nil (31 March 2020: ₹ 338 lakhs) earmarked for Settlement Reserve Fund and ₹ Nil (31 March 2020: ₹ 456 lakhs) earmarked for Contingency Reserve Fund. |                        |                        |
| * denotes amount less than ₹ 1 Lakh  |                        |                        |
| <b>Note 12b</b>  |                        |                        |
| <b>Other Bank Balances</b>   |                        |                        |
| Bank Deposits with original maturity of more than 3 months but residual maturity upto 12 months * ^ @  | 4,26,668               | 4,78,282               |
| <b>Total</b>   | <b>4,26,668</b>        | <b>4,78,282</b>        |
| * Includes ₹ 59,394 lakhs (31 March 2020: ₹ 81,002 lakhs) earmarked for Settlement Reserve Fund.   |                        |                        |
| ^ Includes ₹ 28,176 lakhs (31 March 2020: ₹ 22,305 lakhs) earmarked for Contingency Reserve Fund.  |                        |                        |
| @ Includes ₹ 65,832 lakhs (31 March 2020: ₹ 89,478 lakhs) are held in custody by various banks against overdraft limits sanctioned by them.                        |                        |                        |
| The total overdraft limits sanctioned by these banks amounts of ₹ 57,804 lakhs (31 March 2020: ₹ 78,710 lakhs).  |                        |                        |
| <b>Note 13</b>   |                        |                        |
| <b>Other Current Financial Assets</b><br>(Unsecured, Considered Good)  |                        |                        |
| Interest Accrued on Bank Deposits  | 7,692                  | 13,815                 |
| Others   | 195                    | 284                    |
|  | <b>7,887</b>           | <b>14,099</b>          |
| <b>Note 14</b>   |                        |                        |
| <b>Other Current Assets</b><br>(Unsecured, Considered Good)  |                        |                        |
| Prepaid Expenses   | 592                    | 473                    |
| Funds Used for Default   | -                      | 10,456                 |
| Balances with Government Authorities   | 300                    | -                      |
| Advance to Suppliers & Others  | 55                     | 38                     |
| Others   | 63                     | 74                     |
| <b>Total</b>   | <b>1,010</b>           | <b>11,041</b>          |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 15**

**Equity Share Capital**

**a. Details of Authorised, Issued and Subscribed Share Capital** (₹ in Lakhs)

| Particulars   | 31 March 2021      |              | 31 March 2020      |              |
|---|--------------------|--------------|--------------------|--------------|
|   | Number             | Amount       | Number             | Amount       |
| <b>Authorised Share Capital</b>   |                    |              |                    |              |
| Equity Shares of ₹ 10/- each  | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
| Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10/- each* | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
| <b>Issued, Subscribed and Fully Paid up</b>                               |                    |              |                    |              |
| Equity Shares of ₹ 10/- each Fully Paid                                   | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
|   | <b>5,00,00,000</b> | <b>5,000</b> | <b>5,00,00,000</b> | <b>5,000</b> |

\* 500 lakhs 8.50% Redeemable Cumulative Non Convertible Preference Shares of ₹ 10 each (Total Face Value of ₹ 5,000 lakhs) are classified as Financial Liability (See Note 17)

**b. Reconciliation of Number of Shares at the beginning and at the end of the year** (₹ in Lakhs)

| Particulars                                     | 31 March 2021      |              | 31 March 2020      |              |
|---|--------------------|--------------|--------------------|--------------|
|   | Number             | Amount       | Number             | Amount       |
| Shares outstanding at the beginning of the year | 5,00,00,000        | 5,000        | 5,00,00,000        | 5,000        |
| Add: Shares issued during the year              | -                  | -            | -                  | -            |
| Shares outstanding at the end of the year       | <b>5,00,00,000</b> | <b>5,000</b> | <b>5,00,00,000</b> | <b>5,000</b> |

**c. Particulars of shareholders holding more than 5% of shares held**

| Particulars                         | 31 March 2021            |            | 31 March 2020            |            |
|-------------------------------------|--------------------------|------------|--------------------------|------------|
|                                     | No of equity shares held | Percentage | No of equity shares held | Percentage |
| State Bank of India                 | 84,00,000                | 16.80%     | 84,00,000                | 16.80%     |
| Life Insurance Corporation of India | 50,00,000                | 10.00%     | 50,00,000                | 10.00%     |
| STCI Finance Limited                | 50,00,000                | 10.00%     | 50,00,000                | 10.00%     |
| ICICI Bank Limited                  | 49,50,000                | 9.90%      | 49,50,000                | 9.90%      |
| HDFC Bank Limited                   | 45,00,000                | 9.00%      | 45,00,000                | 9.00%      |

**d. Terms/rights attached to equity shares**

**Voting rights:** The Group 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. The Board of Directors have recommended dividend of ₹ 3 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 1,500 Lakhs for the financial year 2020-21, which is based on relevant share capital as on 31st March, 2021.



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Note 15

#### Equity Share Capital (Continued)

**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.

- e. For the period of five years immediately preceding the date of the Balance Sheet, the Group has not
- i) Allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or
  - ii) Allotted any shares as fully paid up bonus shares; or
  - iii) Bought back any of its Equity Shares.
- f. There are no securities convertible into equity / preference shares.
- g. There are no calls unpaid.
- h. No shares have been forfeited.

| Particulars                                   | (₹ in Lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 16</b>                                |                        |                        |
| <b>Other Equity</b>                           |                        |                        |
| <i>(Refer Statement of Changes in Equity)</i> |                        |                        |
| Settlement Reserve Fund                       | 1,75,000               | 1,50,000               |
| Contingency Reserve Fund                      | 77,900                 | 70,275                 |
| General Reserve                               | 1,23,256               | 1,13,256               |
| Other Comprehensive Income                    | (404)                  | 1,645                  |
| Retained Earnings                             | 15,180                 | 16,358                 |
| <b>Total</b>                                  | <b>3,90,932</b>        | <b>3,51,528</b>        |

### 16.1 Nature and Purpose of Reserves

#### Settlement Reserve Fund

Settlement reserve fund represents amounts set aside from the profits of the Group 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 utilised for meeting claims in relation to any participants' default. Bank Balances / Bank Deposits / Current Investments amounting to ₹ 1,50,000 lakhs (31 March 2020: ₹ 1,30,000 lakhs) are earmarked for this purpose.

#### Contingency Reserve Fund

Contingency Reserve Fund represents amounts set aside from the profits of the Group 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 utilised for meeting Non-default losses. Bank Balances / Bank Deposits / Current Investments amounting to ₹ 70,275 lakhs (31 March 2020: ₹ 55,231 lakhs) are earmarked for this purpose.

#### General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

#### Other Comprehensive Income

Other Comprehensive income represents the actuarial loss on fair valuation of defined benefit obligation and fair valuation gain or loss on investments classified as FVOCI.

#### Retained Earnings

Retained Earnings represents surplus/ accumulated earnings of the Group and are available for distribution to shareholders.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars   | (₹ in Lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 17</b>  |                        |                        |
| <b>Borrowings</b>   |                        |                        |
| Redeemable Preference Shares (Unsecured)  |                        |                        |
| - 8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II)  | 5,000                  | 5,000                  |
| <b>Total</b>  | <b>5,000</b>           | <b>5,000</b>           |
| <b>Terms of Preference Shares:</b>  |                        |                        |
| 1) The Company has only one class of Preference Shares being Redeemable, Cumulative, Non-convertible and Non-participating Preference Shares.   |                        |                        |
| 2) 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 22, 2023.   |                        |                        |
| 3) 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. |                        |                        |
| <b>Note 18</b>  |                        |                        |
| <b>Deferred Tax Liabilities (Net)</b>   |                        |                        |
| <b>Deferred Tax Liabilities</b>   |                        |                        |
| Difference between Book Base and Tax Base of Property, Plant and Equipment and Intangible Assets  | 1,613                  | 1,527                  |
| Fair Valuation of Investments carried at FVOCI  | 5                      | 685                    |
| Fair Valuation of Variable Compensation   | 11                     | 13                     |
|   | <u>1,629</u>           | <u>2,225</u>           |
| <b>Deferred Tax Assets</b>  |                        |                        |
| Tax Disallowances   | 423                    | 397                    |
|   | <u>423</u>             | <u>397</u>             |
| <b>Total</b>  | <b>1,206</b>           | <b>1,828</b>           |
| <b>Note 19</b>  |                        |                        |
| <b>Provisions</b>   |                        |                        |
| Provision for Employee Benefits:  |                        |                        |
| - Gratuity {Refer Note 41}  | 22                     | 15                     |
| - Leave Encashment  | 1,526                  | 1,330                  |
| - Others  | 429                    | 582                    |
| <b>Total</b>  | <b>1,977</b>           | <b>1,927</b>           |
| <b>Note 20</b>  |                        |                        |
| <b>Current Borrowings</b>   |                        |                        |
| Line of Credit from a Bank  | -                      | 10,456                 |
|   | <u>-</u>               | <u>10,456</u>          |
| <b>Note 21</b>  |                        |                        |
| <b>Trade Payables Due to :</b>  |                        |                        |
| Micro and Small Enterprises   | 20                     | 19                     |
| Other than Micro and Small Enterprises  | 682                    | 604                    |
| <b>Total</b>  | <b>702</b>             | <b>623</b>             |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

| Particulars                                      | (₹ in Lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 22</b>                                   |                        |                        |
| <b>Other Current Financial Liabilities</b>       |                        |                        |
| Interest Accrued but not Due                     | 2,812                  | 6,765                  |
| Deposits from Members ##                         | 13,95,337              | 11,66,735              |
| Creditors for Capital Expenses *                 | 1,380                  | 1,712                  |
| Other Payables ^                                 | 591                    | 540                    |
| Dividend Payable on Redeemable Preference Shares | 425                    | 425                    |
| <b>Total</b>                                     | <b>14,00,545</b>       | <b>11,76,177</b>       |

\* Creditors for Capital Expenses includes ₹ Nil (31 March 2020 - ₹ 48 lakh ) due to Micro and Small Enterprises.

^ Other Payable includes ₹ 57.08 lakhs (31 March 2020: ₹ 24 lakhs) due to Micro and Small Enterprises.

##. 'Deposits from members' represents collaterals received in the form of cash. Total collaterals received from members and outstanding at the end of the year are as under :

| Particulars                | Cash<br>Collaterals | Govt.<br>Securities # | Guarantees**    |
|----------------------------|---------------------|-----------------------|-----------------|
| <b>As at 31 March 2021</b> |                     |                       |                 |
| Securities Settlement      | 5,98,424            | 81,54,986             | -               |
| Forex Settlement *         | 5,46,253            | -                     | -               |
| TREPS Settlement           | 1,04,970            | 6,59,03,486           | 2,15,000        |
| Default Funds              | 1,45,690            | 8,01,760              | -               |
| <b>Total</b>               | <b>13,95,337</b>    | <b>7,48,60,232</b>    | <b>2,15,000</b> |
| <b>As at 31 March 2020</b> |                     |                       |                 |
| Securities Settlement      | 4,65,113            | 64,10,275             | -               |
| Forex Settlement           | 4,90,490            | -                     | -               |
| CBLO Settlement            | 75,273              | 3,83,11,708           | 2,15,000        |
| Default Funds              | 1,35,859            | 7,34,220              | -               |
| <b>Total</b>               | <b>11,66,735</b>    | <b>4,54,56,203</b>    | <b>2,15,000</b> |

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

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| US Government Treasury Bills (under Current Investments)       | 5,17,682               | 4,49,939               |
| Government of India Treasury Bills (under Current Investments) | 4,94,910               | 3,40,935               |
| Balance in Bank Accounts (under Cash and Cash Equivalents)     |                        |                        |
| - In Current Accounts  | 21,397                 | 48,216                 |
| - In Deposit Accounts  | 3,61,348               | 3,27,645               |
|  | <b>13,95,337</b>       | <b>11,66,735</b>       |

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

\* Equivalent to US Dollars 7,46,783 thousands (31 March 2020 - US Dollars 6,50,640 thousands).

\*\* The Group has accepted Bank Guarantees as additional collaterals.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars                                 | (₹ in Lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Note 23</b>                              |                        |                        |
| <b>Other Current Liabilities</b>            |                        |                        |
| Revenue Received in Advance                 | 17                     | 68                     |
| Statutory Dues                              | 682                    | 611                    |
| Other Payables                              | 23                     | 19                     |
| <b>Total</b>                                | <b>722</b>             | <b>698</b>             |
| <b>Note 24</b>                              |                        |                        |
| <b>Provisions</b>                           |                        |                        |
| Provision for Employee Benefits:            |                        |                        |
| - Leave Entitlement                         | 187                    | 252                    |
| - Others                                    | 1,724                  | 1,532                  |
| <b>Total</b>                                | <b>1,911</b>           | <b>1,784</b>           |
| <b>Note 25</b>                              |                        |                        |
| <b>Current Tax Liabilities (Net)</b>        |                        |                        |
| Provision for Taxation (Net of Advance Tax) | 86                     | 63                     |
| <b>Total</b>                                | <b>86</b>              | <b>63</b>              |

| Particulars   | (₹ in Lakhs)                |                             |
|---|-----------------------------|-----------------------------|
|   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
| <b>Note 26</b>  |                             |                             |
| <b>Income from Operations</b>                                 |                             |                             |
| Transaction Charges - Securities Settlement - Outright Trades | 14,016                      | 21,363                      |
| Transaction Charges - Securities Settlement - Repo Trades     | 5,022                       | 4,181                       |
| Transaction Charges - TREPS Settlement                        | 3,386                       | 2,707                       |
| Transaction Charges - Forex Settlement                        | 3,453                       | 4,608                       |
| Transaction Charges - CLS Settlement                          | 1,445                       | 2,275                       |
| Trade Processing Charges - Trade Repository                   | 660                         | 773                         |
| Transaction Charges - Repo Trading Systems                    | 1,005                       | 399                         |
| Transaction Charges - TREPS Trading Systems                   | 1,693                       | 1,354                       |
| Transaction Charges - Forex Trading Systems                   | 70                          | 75                          |
| Transaction Charges - NDS OM                                  | 759                         | 483                         |
| Transaction Charges - NDS Call                                | 85                          | 54                          |
| Datafeed Charges  | 406                         | 370                         |
| LEI Registration Charges                                      | 316                         | 417                         |
| Annual LEI Renewal Fees                                       | 717                         | 472                         |
| Portfolio Compression Charges                                 | 435                         | 351                         |
| Forex Forward Charges   | 2,008                       | 2,384                       |
| Derivatives Charges   | 1,440                       | 1,763                       |
| Other Fees and Charges  | 467                         | 399                         |
| <b>TOTAL</b>  | <b>37,383</b>               | <b>44,428</b>               |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

| Particulars   | (₹ in Lakhs)                |                             |
|---|-----------------------------|-----------------------------|
|   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
| <b>Note 27</b>  |                             |                             |
| <b>Other Operating Revenues</b>                                 |                             |                             |
| Interest / Income on Investments made out of Operational Funds  |                             |                             |
| - Income on Current Investments                                 | 21,363                      | 27,362                      |
| - Interest on Bank Deposits                                     | 15,204                      | 18,643                      |
|   | <u>36,567</u>               | <u>46,005</u>               |
| Less : Interest Paid on Deposits from Members                   | 9,907                       | 20,972                      |
| <b>TOTAL</b>  | <b><u>26,660</u></b>        | <b><u>25,033</u></b>        |
| <b>Note 28</b>  |                             |                             |
| <b>Other Income</b>   |                             |                             |
| Interest / Income on Investments Made out of Own Funds          |                             |                             |
| - on Current Investments  | 6,900                       | 7,538                       |
| - on Bank Deposits  | 9,456                       | 12,142                      |
|   | <u>16,356</u>               | <u>19,680</u>               |
| Profit on Sale of Property, Plant and Equipments (Net)          | 2                           | 2                           |
| Profit on Foreign Currency Transactions and Translation (Net)   | -                           | 95                          |
| Excess Provision Written Back                                   | -                           | 17                          |
| Others  | 19                          | 29                          |
| <b>TOTAL</b>  | <b><u>16,377</u></b>        | <b><u>19,823</u></b>        |
| <b>Note 29</b>  |                             |                             |
| <b>Employee Benefits Expenses</b>                               |                             |                             |
| Salaries  | 5,646                       | 5,515                       |
| Contribution to Provident and Other Funds {Refer Note 41}       | 759                         | 702                         |
| Staff Welfare Expenses  | 178                         | 217                         |
| <b>TOTAL</b>  | <b><u>6,583</u></b>         | <b><u>6,434</u></b>         |
| <b>Note 30</b>  |                             |                             |
| <b>Finance Cost</b>   |                             |                             |
| Line of Credit Commitment and Other Charges                     | 2,506                       | 1,851                       |
| Dividend on Preference Shares                                   | 425                         | 425                         |
| Interest on Taxes   | 6                           | 11                          |
| Interest on Others  | 48                          | 36                          |
| <b>TOTAL</b>  | <b><u>2,985</u></b>         | <b><u>2,323</u></b>         |
| <b>Note 31</b>  |                             |                             |
| <b>Depreciation and Amortization Expenses</b>                   |                             |                             |
| Depreciation of Property, Plant and Equipment {Refer Note No 3} | 1,074                       | 884                         |
| Amortisation of Intangible Assets {Refer Note No 4}             | 3,726                       | 3,347                       |
| <b>TOTAL</b>  | <b><u>4,800</u></b>         | <b><u>4,231</u></b>         |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



| Particulars   | (₹ in Lakhs)                |                             |
|---|-----------------------------|-----------------------------|
|   | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
| <b>Note 32</b>  |                             |                             |
| <b>Other Expenses</b>                                       |                             |                             |
| Power and Fuel  | 376                         | 412                         |
| Repairs and Maintenance -Buildings                          | 79                          | 57                          |
| Repairs and Maintenance -Computer Systems and Equipment     | 2,945                       | 2,564                       |
| Repairs and Maintenance -Others                             | 133                         | 120                         |
| Insurance   | 145                         | 132                         |
| Rates and Taxes   | 135                         | 129                         |
| Communication Expenses                                      | 431                         | 372                         |
| CLS Settlement Charges                                      | 954                         | 1,480                       |
| Loss on Foreign Currency Transactions and Translation (Net) | 34                          | -                           |
| Expenditure towards Corporate Social Responsibility         | 1,171                       | 1,113                       |
| Professional Fees   | 336                         | 320                         |
| Directors' Sitting Fees                                     | 89                          | 101                         |
| Payment to Auditors :                                       |                             |                             |
| - Audit Fees  | 30                          | 38                          |
| - Reimbursement of Expenses                                 | -                           | 0*                          |
| Others  | 1,427                       | 1,165                       |
| <b>TOTAL</b>  | <b>8,285</b>                | <b>8,003</b>                |

\* denotes amount less than ₹ 1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

**Note 33**

**Income Taxes**

**Tax Expense**

**(a) Amounts Recognised in Statement of Profit and Loss**

| Particulars                                       | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| <b>Current Tax Expense</b>                        |                             |                             |
| Current Year                                      | 14,767                      | 17,320                      |
| MAT Credit Entitlement                            | -                           | -                           |
| Tax Adjustments Relating to Earlier Years         | -                           | (1)                         |
|   | <u>14,767</u>               | <u>17,319</u>               |
| <b>Deferred Tax Expense</b>                       |                             |                             |
| Origination and Reversal of Temporary Differences | 47                          | (310)                       |
|   | <u>47</u>                   | <u>(310)</u>                |
|   | <u><u>14,814</u></u>        | <u><u>17,009</u></u>        |

**(b) Amounts Recognised in Other Comprehensive Income**

| Particulars  | Year Ended<br>31 March 2021 |                        | Year Ended<br>31 March 2020 |                        |
|--|-----------------------------|------------------------|-----------------------------|------------------------|
|  | Before tax                  | Tax (Expense) /Benefit | Before tax                  | Tax (Expense) /Benefit |
| <b>Items that will not be reclassified to Profit or Loss</b> |                             |                        |                             |                        |
| Remeasurements of the Defined Benefit Liability (Asset)      | (34)                        | 8                      | (26)                        | (342)                  |
|  | <u>(2,704)</u>              | <u>681</u>             | <u>(2,023)</u>              | <u>1,943</u>           |
| <b>Items that will be reclassified to Profit or Loss</b>     |                             |                        |                             |                        |
| Investments Measured at FVOCI                                | <u>(2,738)</u>              | <u>689</u>             | <u>(2,049)</u>              | <u>(403)</u>           |
|  | <u><u>(2,738)</u></u>       | <u><u>689</u></u>      | <u><u>(2,049)</u></u>       | <u><u>(403)</u></u>    |

(₹ in Lakhs)

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 33**

**Income Taxes (continued)**

**(c) Reconciliation of Effective Tax Rate**

| Particulars  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>(₹ in Lakhs)</b>  |                             |                             |
| <b>Statutory Income Tax Rates</b>  |                             |                             |
| The Clearing Corporation of India Limited  | 25.17%                      | 25.17%                      |
| Clearcorp Dealing Systems (India) Limited  | 25.17%                      | 25.17%                      |
| Legal Entity Identifier India Limited  | 25.17%                      | 25.17%                      |
| <b>Profit Before Tax</b>   | <b>57,767</b>               | <b>68,293</b>               |
| Statutory Income Tax Rate  | 25.17%                      | 25.17%                      |
| Expected income tax expense at respective statutory tax rates of Group Companies     | <b>14,539</b>               | <b>17,188</b>               |
| <b>Tax Effect of:</b>  |                             |                             |
| <u>Expenses not allowed under Income Tax</u>   |                             |                             |
| - Municipal Tax Considered under Income from House Property                          | 0                           | 0                           |
| - Expenditure towards Corporate Social Responsibilities                              | 295                         | 271                         |
| - Interest U/s 234 of Income Tax Act   | 2                           | 2                           |
| - Others   | 9                           | -                           |
| <u>Income credited to Statement of Profit &amp; Loss to be considered separately</u> |                             |                             |
| - Rent on Residential Flat Let Out   | (4)                         | (4)                         |
| - Profit on Sale of Property, Plant and Equipment                                    | (1)                         | (6)                         |
| Deduction u/s 80G  | -                           | (179)                       |
| Income from House Property   | 3                           | 3                           |
| Others   | (29)                        | (265)                       |
| Tax Adjustments Relating to Earlier Years  | -                           | (1)                         |
| <b>Total Tax Expense</b>   | <b>14,814</b>               | <b>17,009</b>               |
| Current Tax  | 14,767                      | 17,320                      |
| Deferred Tax   | 47                          | (310)                       |
| Tax Adjustments Relating to Earlier Years  | -                           | (1)                         |
| <b>Tax Expense as per Profit or Loss</b>   | <b>14,814</b>               | <b>17,009</b>               |

"0" denotes amount less than ₹ 1 lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 33**

**Income Taxes (continued)**

**(d) Movement in Deferred Tax Balances (F.Y. 2020-21)**

(₹ in Lakhs)

| Particulars   | Net Balance<br>1 April 2020 | Recognised during the year      |                      | As at 31 March 2021                     |                       |                           |
|---|-----------------------------|---------------------------------|----------------------|---|-----------------------|---------------------------|
|   |                             | Recognised in<br>Profit or Loss | Recognised<br>in OCI | Net Deferred<br>Tax Asset/<br>Liability | Deferred<br>Tax Asset | Deferred Tax<br>Liability |
| <b>Deferred Tax Liability</b>   |                             |                                 |                      |   |                       |                           |
| Difference between book base and tax base of tangible and intangible assets | (1,554)                     | (78)                            | -                    | (1,632)                                 | -                     | 1,632                     |
| Fair valuation of investments carried at FVOCI                              | (686)                       | -                               | 681                  | (5)                                     | -                     | 5                         |
| Fair valuation of variable compensation                                     | (16)                        | 2                               | -                    | (14)                                    | -                     | 14                        |
| <b>Deferred Tax Asset</b>   |                             |                                 |                      |   |                       |                           |
| Tax disallowances   | 514                         | 38                              | -                    | 553                                     | 553                   | -                         |
| Remeasurement of defined benefit obligation                                 | -                           | (8)                             | 8                    | -                                       | -                     | -                         |
| <b>Tax Assets (Liabilities)</b>   | <b>(1,742)</b>              | <b>(47)</b>                     | <b>689</b>           | <b>(1,098)</b>                          | <b>553</b>            | <b>1,651</b>              |
| Set Off Tax   | -                           | -                               | -                    | -                                       | -                     | -                         |
| <b>Net Tax Assets</b>   | <b>(1,742)</b>              | <b>(47)</b>                     | <b>689</b>           | <b>(1,098)</b>                          | <b>553</b>            | <b>1,651</b>              |

**Note 33**  
**Income Taxes (continued)**

**(e) Movement in Deferred Tax Balances (F.Y. 2019-20)**

(₹ in Lakhs)

| Particulars   | Net Balance<br>1 April 2019 | Recognised during the year      |                      | As at 31 March 2020                     |                       |                           |
|---|-----------------------------|---------------------------------|----------------------|---|-----------------------|---------------------------|
|   |                             | Recognised in<br>Profit or Loss | Recognised<br>in OCI | Net Deferred<br>Tax Asset/<br>Liability | Deferred Tax<br>Asset | Deferred Tax<br>Liability |
| <b>Deferred Tax Liability</b>   |                             |                                 |                      |   |                       |                           |
| Difference between book base and tax base of tangible and intangible assets | (1,944)                     | 390                             | -                    | (1,554)                                 | -                     | 1,554                     |
| Fair valuation of investments carried at FVOCI                              | (273)                       | 78                              | (489)                | (686)                                   | -                     | 686                       |
| Fair valuation of variable compensation                                     | (17)                        | 1                               | -                    | (16)                                    | -                     | 16                        |
| <b>Deferred Tax Asset</b>   |                             |                                 |                      |   |                       |                           |
| Indexation benefit of freehold land   | -                           | -                               | -                    | -                                       | -                     | -                         |
| Tax disallowances   | 582                         | (68)                            | -                    | 514                                     | 514                   | -                         |
| Remeasurement of defined benefit obligation                                 | -                           | (86)                            | 86                   | -                                       | -                     | -                         |
| Investments measured using EIR  | 5                           | (5)                             | -                    | -                                       | -                     | -                         |
| <b>Tax Assets (Liabilities)</b>   | <b>(1,647)</b>              | <b>310</b>                      | <b>(403)</b>         | <b>(1,742)</b>                          | <b>514</b>            | <b>2,256</b>              |
| Set Off Tax   | -                           | -                               | -                    | -                                       | -                     | -                         |
| <b>Net Tax Assets</b>   | <b>(1,647)</b>              | <b>310</b>                      | <b>(403)</b>         | <b>(1,742)</b>                          | <b>514</b>            | <b>2,256</b>              |

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 34**

**Earnings Per Share (EPS)**

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars  | (₹ in Lakhs)                |                             |
|--|-----------------------------|-----------------------------|
|  | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
| <b>i. Profit Attributable to Equity Holders (₹ in lakhs)</b>         |                             |                             |
| Profit attributable to equity holders for basic and diluted EPS      | 42,953                      | 51,284                      |
|  | <u>42,953</u>               | <u>51,284</u>               |
| <b>ii. Weighted Average Number of Ordinary Shares</b>                |                             |                             |
| Number of Shares Outstanding at the beginning of the year            | 5,00,00,000                 | 5,00,00,000                 |
| Add/(Less): Effect of Shares Issued/ (Bought Back)                   | -                           | -                           |
| <b>Weighted Average Number of Shares for Calculating Basic EPS</b>   | <u>5,00,00,000</u>          | <u>5,00,00,000</u>          |
| <b>Effect of Dilution</b>  |                             |                             |
| Share Options  | -                           | -                           |
| <b>Weighted Average Number of Shares for Calculating Diluted EPS</b> | <u>5,00,00,000</u>          | <u>5,00,00,000</u>          |
| <b>iii. Basic Earnings Per Share (₹)</b>                             | 85.91                       | 102.57                      |
| <b>iv. Diluted Earnings Per Share (₹)</b>                            | 85.91                       | 102.57                      |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments - Fair Value**

**A. Accounting Classification and Fair Value**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Particulars  | As at 31 March 2021                |   |                  |  |   |   | Total            |
|--|------------------------------------|---|------------------|--|---|---|------------------|
|  | Carrying Amount                    |   |                  | Fair Value                               |   |   |                  |
|  | Fair Value through Profit and Loss | Fair Value through Other Comprehensive Income | Amortised Cost   | Level 1 - Quoted Price in Active Markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs |                  |
| <b>Financial Assets</b>                            |                                    |   |                  |  |   |   |                  |
| Non Current Loans                                  | -                                  | -   | 41               | -  | -                                       | -   | -                |
| Other Non Current Financial Assets                 | -                                  | -   | 80               | -  | -                                       | -   | -                |
| <b>Current Investments</b>                         |                                    |   |                  |  |   |   |                  |
| - Investment in US Government Treasury Bills       | -                                  | 5,17,852                                      | -                | -  | 5,17,852                                | -   | 5,17,852         |
| - Investment in Government of India Treasury Bills | -                                  | 7,01,978                                      | -                | 2,20,669                                 | 4,81,309                                | -   | 7,01,978         |
| Trade Receivables                                  | -                                  | -   | 3,687            | -  | -                                       | -   | -                |
| Cash and Cash Equivalents                          | -                                  | -   | 1,22,336         | -  | -                                       | -   | -                |
| Bank Balances other than Cash and Cash Equivalents | -                                  | -   | 4,26,668         | -  | -                                       | -   | -                |
| Other Current Financial Assets                     | -                                  | -   | 7,887            | -  | -                                       | -   | -                |
|  | -                                  | <b>12,19,830</b>                              | <b>5,60,699</b>  | <b>2,20,669</b>                          | <b>9,99,161</b>                         | -   | <b>12,19,830</b> |
| <b>Financial Liabilities</b>                       |                                    |   |                  |  |   |   |                  |
| <b>Borrowings</b>                                  |                                    |   |                  |  |   |   |                  |
| - Preference Shares                                | -                                  | -   | 5,000            | -  | -                                       | -   | -                |
| Trade Payables                                     | -                                  | -   | 702              | -  | -                                       | -   | -                |
| Other Current Financial Liabilities                | -                                  | -   | 14,00,545        | -  | -                                       | -   | -                |
|  | -                                  | <b>-</b>                                      | <b>14,06,247</b> | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                  | <b>-</b>         |

**Note:** There are no other categories of financial instruments other than those mentioned above



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35**

**Financial Instruments - Fair Value (Cont..)**

**A. Accounting Classification and Fair Value**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

| Particulars  | As at 31 March 2020                |   |                  |                  |  |   |   |                 |
|--|------------------------------------|---|------------------|------------------|--|---|---|-----------------|
|  | Carrying Amount                    |   |                  | Fair Value       |  |   |   |                 |
|  | Fair Value through Profit and Loss | Fair Value through Other Comprehensive Income | Amortised Cost   | Total            | Level 1 - Quoted Price in Active Markets | Level 2 - Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Total           |
| <b>Financial Assets</b>                            |                                    |   |                  |                  |  |   |   |                 |
| Non Current Loans                                  | -                                  | -   | 41               | 41               | -  | -                                       | -   | -               |
| Other Non Current Financial Assets                 | -                                  | -   | 17,471           | 17,471           | -  | -                                       | -   | -               |
| <b>Current Investments</b>                         |                                    |   |                  |                  |  |   |   |                 |
| - Investment in US Government Treasury Bills       | -                                  | 4,52,942                                      | -                | 4,52,942         | -  | 4,52,942                                | -   | 4,52,942        |
| - Investment in Government of India Treasury Bills | -                                  | 4,74,248                                      | -                | 4,74,248         | 42,884                                   | 4,31,364                                | -   | 4,74,248        |
| Trade Receivables                                  | -                                  | -   | 4,845            | 4,845            | -  | -                                       | -   | -               |
| Cash and Cash Equivalents                          | -                                  | -   | 78,231           | 78,231           | -  | -                                       | -   | -               |
| Bank Balances other than Cash and Cash Equivalents | -                                  | -   | 4,78,282         | 4,78,282         | -  | -                                       | -   | -               |
| Other Current Financial Assets                     | -                                  | -   | 14,099           | 14,099           | -  | -                                       | -   | -               |
|  | -                                  | <b>9,27,190</b>                               | <b>5,92,969</b>  | <b>15,20,159</b> | <b>42,884</b>                            | <b>8,84,306</b>                         | -   | <b>9,27,190</b> |
| <b>Financial Liabilities</b>                       |                                    |   |                  |                  |  |   |   |                 |
| <b>Borrowings</b>                                  |                                    |   |                  |                  |  |   |   |                 |
| - Preference Shares                                | -                                  | -   | 5,000            | 5,000            | -  | -                                       | -   | -               |
| - Line of Credit from a Bank                       | -                                  | -   | 10,456           | 10,456           | -  | -                                       | -   | -               |
| Trade Payables                                     | -                                  | -   | 623              | 623              | -  | -                                       | -   | -               |
| Other Current Financial Liabilities                | -                                  | -   | 11,76,177        | 11,76,177        | -  | -                                       | -   | -               |
|  | -                                  | -   | <b>11,92,256</b> | <b>11,92,256</b> | -  | -                                       | -   | -               |

**Note:** There are no other categories of financial instruments other than those mentioned above



**Note 35**

**Financial Instruments - Fair Value (Cont..)**

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses, if any, of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**B. Fair Value Hierarchy**

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

**Financial Instruments Measured at Fair Value**

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the balance sheet as well as the significant unobservable inputs used.

| Type                                     | Valuation Technique   | Significant Unobservable Inputs | Inter-Relationship between Significant Unobservable Inputs and Fair Value Measurement |
|--|---|---------------------------------|---|
| Investment in Government Securities      | The fair value of treasury bills is calculated on the basis of the market price of these instruments as at the balance sheet date. Market price is calculated on the basis of the price published by Financial Benchmarks India Private Limited (FBIL). | N.A.                            | N.A.  |
| Investment in U.S. Government Securities | The fair value of treasury bills is calculated on the basis of the market price of these instruments as at the balance sheet date. Market price is calculated on the basis of the price published by Federal Reserve.                                   | N.A.                            | N.A.  |

**Transfers between Levels**

There have been no transfers between levels during the reporting periods



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Note 35

#### Financial Instruments - Fair Value and Risk Management (*Continued*)

##### Risk Management

###### *Introduction*

The Group's activities expose it to a number of financial risks, principally liquidity risk, credit risk and market risk (Interest rate risk and foreign exchange risk). In addition to the financial risks, the Group is also exposed to other risks such as operational, legal, compliance and reputational risk. The Group has put in place an Integrated Enterprise Risk Management Framework in order to identify, measure, monitor and effectively manage various risks it is exposed to. The framework prescribes the governance structures and responsibilities and includes written risk policies at all levels, which defines Group's risk appetite, highlights the key risks, and describe the manner in which those risks are properly managed.

Overall responsibility for risk management rests with the Board. The Board has constituted a Committee of Directors for Risk Management (CODRM) which is responsible for developing and monitoring Risk Policies and deciding all issues relating to risk management of the Group. The Group's Senior Management is responsible for day to day overseeing of the Compliance of the Risk policies. The Group also has a dedicated Risk Management Department which is responsible for day to day administration of Risk Management Activity specially managing risks faced by the Group as a Central Counter Party (CCP). The Group has an elaborate Operation Audit, Internal Audit, Systems Audit and other Control Mechanisms entrusted to independent external professionals.

#### a. Credit Risk

##### *Risk Description*

The Credit risk, for the Group, could arise on account of failure of a member to honor its settlement obligation or upon default by a settlement Bank. Credit risk could also arises on account of investment activity of the Group.

##### *Risk Management Approach*

The Group counters Credit Risk exposure to members by reducing the exposures through multi-lateral netting and settling transactions on Delivery Versus Payment (DVP) or Payment versus Payment (PVP) basis and therefore does not run any Principal Credit Risk. Moreover, the Group has set criteria for membership for each type of settlement.

Most of the settlements happen in the Books of Reserve Bank of India and therefore there is no Settlement Bank Risk in respect of the same. Wherever settlements are settled through Commercial Banks, Settlement Bank Risk is mitigated by the Group by prescribing stringent minimum eligibility criteria for selection of the Settlement Banks and setting of appropriate exposure control limits.

The Group regularly invests its internally generated funds and funds received from its members towards Margin and Default funds. The Group has a detailed Investment Policy, approved by the CODRM and the Board, which prescribes eligible instruments, exposure limits, Guidelines on Risk management and other aspects relating to the investment activity. The CODRM and the Board review the Investment Policy annually. In accordance with the Investment policy the Group invests only into highly secure and liquid avenues such as Deposit with high net-worth Commercial Banks and short term Government Securities such as Government treasury Bills. The total credit risk of the Group is represented by the total financial assets of the Group. There is no credit risk in case of investment into Government securities. Credit risk in case of Bank Deposits, is mitigated by prescribing stringent eligibility criteria for the investee banks and setting of exposure and concentration limits on the amounts to be invested.

##### **Bank Balances and Bank Deposits**

The Group held bank balances and bank deposits of ₹ 5,49,079 lakhs at 31 March 2021 (31 March 2020: ₹ 5,73,956 lakhs). The bank balances and bank deposits are held with bank and financial institution counterparties with good credit ratings.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments - Fair Value and Risk Management (continued)**

**Offsetting of Financial Assets and Liabilities**

The disclosures set out in the following tables include recognised financial assets and financial liabilities that:

- are offset in the Group's statement of financial position; or
- are subject to an enforceable netting arrangement and other provisions under Bye laws, Rules and regulation of the Group, irrespective of whether they are offset in the statement of financial position.

The Group receives collateral in the form of cash (including US Dollars towards forex settlement) and Government securities in respect of settlement transactions pertaining to the following segments:

- security settlement;
- forex settlement; and
- derivatives.

**Financial Assets and Financial Liabilities are subject to offsetting, enforceable netting arrangements and other provisions under Bye laws, Rules and Regulations of the Group :**

(₹ in Lakhs)

| As at 31 March 2021                     | Gross Amounts of Financial Assets | Gross Amounts of Financial Liabilities | Net Amounts Presented in Statement of Financial Position after set off of Financial Assets & Financial Liabilities | Related Amount not offset in Statement of Financial Position |                          | Net Amount |
|---|-----------------------------------|--|--|--|--------------------------|------------|
|   |                                   |  |  | Financial Instruments (including Non-Cash Collateral)        | Cash Collateral Received |            |
| <b>Types of Financial Assets</b>        |                                   |  |  |  |                          |            |
| Forex Settlement (Including Forwards)   | 6,86,120                          | 6,86,120                               | -  | -  | -                        | -          |
| Derivative Settlement (IRS)             | 1,51,292                          | 1,51,292                               | -  | -  | -                        | -          |
| Securities Settlement (including TREPS) | 7,39,304                          | 7,39,304                               | -  | -  | -                        | -          |
| <b>Total</b>                            | <b>15,76,716</b>                  | <b>15,76,716</b>                       | <b>-</b>   | <b>-</b>   | <b>-</b>                 | <b>-</b>   |

(₹ in Lakhs)

| As at 31 March 2020                     | Gross Amounts of Financial Assets | Gross Amounts of Financial Liabilities | Net Amounts Presented in Statement of Financial Position after setoff of Financial Assets & Financial Liabilities | Related Amount not offset in Statement of Financial Position |                          | Net Amount |
|---|-----------------------------------|--|---|--|--------------------------|------------|
|   |                                   |  |   | Financial Instruments (including Non-Cash Collateral)        | Cash Collateral Received |            |
| <b>Types of Financial Assets</b>        |                                   |  |   |  |                          |            |
| Forex Settlement (Including Forwards)   | 7,10,580                          | 7,10,580                               | -   | -  | -                        | -          |
| Derivative Settlement (IRS)             | 2,71,105                          | 2,71,105                               | -   | -  | -                        | -          |
| Securities Settlement (including TREPS) | 5,70,148                          | 5,70,148                               | -   | -  | -                        | -          |
| <b>Total</b>                            | <b>15,51,833</b>                  | <b>15,51,833</b>                       | <b>-</b>  | <b>-</b>   | <b>-</b>                 | <b>-</b>   |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35**

**Financial Instruments - Fair Value and Risk Management (continued)**

**b. Liquidity Risk**

***Risk Description***

Liquidity risk is the risk that the Group is unable to meet its payment obligations when they fall due. The Company, being a Central Counter party (CCP), is required to have adequate liquid resources in order to meet liquidity requirement in case if any member fails to honour its settlement obligations. Liquidity risk also exists as a result of day to day operational flows such as repayment of cash collaterals to members, Trade payables etc.

***Risk Management Approach***

Liquidity risk is managed by ensuring that the Group has sufficient Lines of credit from the participant banks, overdraft facility against the time deposits placed with Commercial banks and easily marketable securities collected as collaterals. etc. The Group also maintains adequate balances with Banks and keeps its investments in highly liquid avenues to enable it to meet Cash collateral withdrawals by members, Trade payables, etc.

**Maturities of Financial Liabilities**

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| (₹ in Lakhs)                                |                        |                  |                  |              |                   |
|---|------------------------|------------------|------------------|--------------|-------------------|
| As at 31 March 2021                         | Contractual Cash Flows |                  |                  |              |                   |
|   | Carrying Amount        | Total            | Upto 1 Year      | 1 to 5 Years | More than 5 Years |
| <b>Non-Derivative Financial Liabilities</b> |                        |                  |                  |              |                   |
| Borrowings                                  |                        |                  |                  |              |                   |
| - Preference Shares                         | 5,000                  | 5,000            | -                | 5,000        | -                 |
| Trade Payables                              | 702                    | 702              | 702              | -            | -                 |
| Other Current Financial Liabilities         | 14,00,545              | 14,00,545        | 14,00,545        | -            | -                 |
| <b>Total</b>                                | <b>14,06,247</b>       | <b>14,06,247</b> | <b>14,01,247</b> | <b>5,000</b> | <b>-</b>          |

| (₹ in Lakhs)                                |                        |                  |                  |              |                   |
|---|------------------------|------------------|------------------|--------------|-------------------|
| As at 31 March 2020                         | Contractual Cash Flows |                  |                  |              |                   |
|   | Carrying Amount        | Total            | Upto 1 Year      | 1 to 5 Years | More than 5 Years |
| <b>Non-Derivative Financial Liabilities</b> |                        |                  |                  |              |                   |
| Borrowings                                  |                        |                  |                  |              |                   |
| - Preference Shares                         | 5,000                  | 5,000            | -                | 5,000        | -                 |
| - Line of Credit from a Bank                | 10,456                 | 10,456           | 10,456           | -            | -                 |
| Trade Payables                              | 623                    | 623              | 623              | -            | -                 |
| Other Current Financial Liabilities         | 11,76,177              | 11,76,177        | 11,76,177        | -            | -                 |
| <b>Total</b>                                | <b>11,92,256</b>       | <b>11,92,256</b> | <b>11,87,256</b> | <b>5,000</b> | <b>-</b>          |

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments - Fair Value and Risk Management (continued)**

**c. Market Risk (Price Risk and Interest Rate Risk)**

***Risk Description***

The Company provides Central Counterparty (CCP) clearing services for both cash market and derivative products. The Company settles cash transactions cleared by it on a Delivery versus Payment (or Payment versus Payment in case of currencies). The failure of a member therefore exposes it to market risk arising out of adverse movement in prices of securities cleared or adverse movements in interest rates and exchange rates. In case of derivative products like rupee derivatives and forward USD INR transactions, the company is also exposed to pre-settlement risk which is manifested in the form of market risk.

The Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk. However, Group is exposed to the price risk in case of its investment in Government treasury Bills.

The Group is exposed to the interest rate risk due to interest paid to members, at variable rate, on the deposits received from them towards margins and default fund contributions.

***Risk Management Approach***

The Group seeks to cover its market risk exposure through collection of various margins. The potential future exposure is covered by collecting Initial Margin and Volatility Margin. The current exposure is covered by collecting mark to market margins. The efficiency of the margining models is monitored closely through a rigorous daily back-testing process.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

| Particulars   | (₹ in lakhs)        |                     |
|---|---------------------|---------------------|
|   | As at 31 March 2021 | As at 31 March 2020 |
| <b>Fixed Rate Instruments</b>                             |                     |                     |
| Financial Assets - INR Investments                        | 12,02,722           | 9,71,975            |
| Financial Assets - US Dollar Investments                  | 5,41,178            | 4,95,496            |
| Financial Liabilities                                     | (5,000)             | (5,000)             |
|   | 17,38,900           | 14,62,471           |
| <b>Variable Rate Instruments</b>                          |                     |                     |
| Financial Assets  |                     | -                   |
| Financial Liabilities - INR (Deposits from Members)       | (8,49,083)          | (6,76,244)          |
| Financial Liabilities - US Dollar (Deposits from Members) | (5,46,253)          | (4,90,491)          |
| Financial Liabilities - Line of Credit from Bank          | -                   | (10,456)            |
|   | (13,95,337)         | (11,77,191)         |
| <b>Total</b>  | <b>3,43,563</b>     | <b>2,85,280</b>     |

**Interest Rate Sensitivity Analysis**

The Group aims to minimise its exposure to interest rate fluctuations. Any exposure is predominantly due to the mismatch between the Group's interest bearing assets and interest bearing liabilities (including deposits from members). Since the return paid on member liabilities is generally reset to prevailing market interest rates and after retaining a spread the Group's exposure is limited. Further, the maximum fixed exposure on any asset in the investment portfolio (including Bank Deposits) is 12 months.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 35**

**Financial Instruments - Fair Value and Risk Management (continued)**

The following table shows the estimated impact of the exposure described in the paragraph above on the profit after tax and on retained earnings within shareholders' equity:

**Interest Rate Sensitivity - Variable Rate Instruments**

A change of 100 basis points (bps) (31 March 2020 : 100 basis points) for INR investments / liabilities and 10 basis points (bps) (31 March 2020 : 50 basis points) for US Dollar investments / liabilities in interest rates at the reporting date would have increased / decreased profit or loss by amounts shown below. This analysis assumes that all other variables remains constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the financial assets / financial liabilities outstanding during the year.

(₹ in lakhs)

| As at 31 March 2021                | INR INVESTMENTS / LIABILITIES |                 | FOREIGN CURRENCY INVESTMENTS / LIABILITIES |                |
|------------------------------------|-------------------------------|-----------------|--|----------------|
|                                    | Gain / (Loss)                 |                 | Gain / (Loss)                              |                |
|                                    | 100 bp Increase               | 100 bp Decrease | 10 bp Increase                             | 10 bp Decrease |
| Variable-rate Instruments          | (8,491)                       | 8,491           | (546)                                      | 546            |
| <b>Cash Flow Sensitivity (Net)</b> | <b>(8,491)</b>                | <b>8,491</b>    | <b>(546)</b>                               | <b>546</b>     |
| As at 31 March 2020                | INR INVESTMENTS / LIABILITIES |                 | FOREIGN CURRENCY INVESTMENTS / LIABILITIES |                |
|                                    | Gain / (Loss)                 |                 | Gain / (Loss)                              |                |
|                                    | 100 bp Increase               | 100 bp Decrease | 50 bp Increase                             | 50 bp Decrease |
| Variable-rate Instruments          | (6,762)                       | 6,762           | (2,505)                                    | 2,505          |
| <b>Cash Flow Sensitivity (Net)</b> | <b>(6,762)</b>                | <b>6,762</b>    | <b>(2,505)</b>                             | <b>2,505</b>   |

(Note: The impact is indicated on the profit/loss before tax basis)

**d. Foreign Exchange Risk**

***Risk Description***

The functional currency of the Company is Indian Rupee. Though the Company is a Central counter party for Foreign Exchange Settlements it is not exposed to any foreign currency risk on account of its collateral and settlement operations all its settlement obligations are received and paid in respective foreign currencies. Also, collaterals are received and repaid in USD Dollars and Investment of collaterals are in US Dollars. Foreign Exchange Risk for the Company primarily arises on account of foreign currency revenues and expenses, which is not significant.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 35**

**Financial Instruments Fair Value and Risk Management (continued)**

**Exposure to Currency Risk (Exposure in different currencies converted to functional currency i.e. INR)**

The currency profile of financial assets and financial liabilities of material financial currency exposure denominates as at 31 March 2021 and 31 March 2020 are as below:

(₹ in Lakhs)

| Particulars                      | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------|------------------------|------------------------|
| <b>Financial Assets (A)</b>      |                        |                        |
| US Govt. Treasury Bills          | 5,17,852               | 4,52,942               |
| Bank Balance in Current Accounts | 29,649                 | 42,942                 |
| Datafeed Charges Receivable      | 2                      | 10                     |
|                                  | <b>5,47,503</b>        | <b>4,95,894</b>        |
| <b>Financial Liabilities (B)</b> |                        |                        |
| Deposits from Members            | 5,46,253               | 4,90,491               |
| Interest Payable to Members      | 241                    | 3,906                  |
| Expense Payable                  | 167                    | 191                    |
| License Fees Payable             | 168                    | 136                    |
|                                  | <b>5,46,829</b>        | <b>4,94,724</b>        |
| <b>Net Exposure (A - B)</b>      | <b>674</b>             | <b>1,170</b>           |

| Exposure in ZAR                  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------|------------------------|------------------------|
| <b>Financial Assets (A)</b>      |                        |                        |
| Funds Used for Default           | -                      | 10,456                 |
|                                  | -                      | <b>10,456</b>          |
| <b>Financial Liabilities (B)</b> |                        |                        |
| Line of Credit from a Bank       | -                      | 10,456                 |
|                                  | -                      | <b>10,456</b>          |
| <b>Net Exposure (A - B)</b>      | -                      | -                      |

**Sensitivity Analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against USD at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in Lakhs)

| Effect in INR       | As at 31 March 2021 |           | As at 31 March 2020 |           |
|---------------------|---------------------|-----------|---------------------|-----------|
|                     | Gain/(Loss)         |           | Gain/(Loss)         |           |
|                     | Strengthening       | Weakening | Strengthening       | Weakening |
| <b>5% Movement</b>  |                     |           |                     |           |
| USD                 | 33.70               | (33.70)   | 58.48               | (58.48)   |
| ZAR                 | -                   | -         | -                   | -         |
| <b>10% Movement</b> |                     |           |                     |           |
| USD                 | 67.39               | (67.39)   | 116.96              | (116.96)  |
| ZAR                 | -                   | -         | -                   | -         |

(Note: The impact is indicated on the profit/loss before tax basis)



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 36**

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

**A. Relationships -**

**Category I:**

State Bank of India - The Company is an associate of SBI.

**Category II: Key Management Personnel (KMP)**

| Related Party           | Nature of Relationship  |
|-------------------------|---|
| Mr. R. Sridharan        | Managing Director (upto July 31, 2020)                                      |
| Mr. Hare Krishna Jena   | Managing Director (from August 01, 2020)                                    |
| Mr. R. Gandhi           | Non Executive Chairman and Independent Director (w.e.f. September 20, 2019) |
| Mr. Narayan K. Seshadri | Independent Director  |
| Dr. G Sivakumar         | Independent Director  |
| Mr. B Prasanna          | Nominee Director  |
| Ms. Meena Hemchandra    | Independent Director  |
| Mr. Rajendra Chitale    | Independent Director (upto August 24, 2019)                                 |
| Mr. Sudhir Joshi        | Independent Director(upto August 24, 2019)                                  |
| Mr. M S Sundara Rajan   | Independent Director (upto August 24, 2019)                                 |
| Mr. Satish C. Singh     | Nominee Director (upto September 3, 2019)                                   |
| Mr. B. Sambamurthy      | Independent Director (upto October 16, 2019)                                |
| Mr. Bhavesh Zaveri      | Nominee Director (upto November 28, 2019)                                   |
| Mr. Prashant Kumar      | Nominee Director (upto March 16, 2020)                                      |
| Mr. Sankarshan Basu     | Independent Director (upto August 24, 2020)                                 |
| Mr. Pradeep Madhav      | Nominee Director (from August 13, 2019)                                     |
| Mr. S. Vishvanathan     | Independent Director (from August 13, 2019)                                 |
| Mr. Sudhakar Shanbhag   | Nominee Director (from October 21, 2019)                                    |
| Mr. Ashish Parthasarthy | Nominee Director (from May 22, 2020)  |
| Mr. S.V. Sastry         | Nominee Director (from August 01, 2020)                                     |
| Mr. P.R. Ramesh         | Independent Director (from August 01, 2020)                                 |
| Mr. A.K. Anand          | Nominee Director (from January 29, 2021)                                    |

**Other Key Management Personnel**

| Related Party         | Nature of Relationship   |
|-----------------------|--------------------------|
| Mr. O. N. Ravi        | Executive Vice President |
| Mr. Deepak Chande     | Chief Financial Officer  |
| Mr. Pankaj Srivastava | Company Secretary        |

**Category III: Other Related Parties**

CCIL Employees Group Gratuity Fund Trust  
 CCIL Employees Superannuation Trust  
 Clearcorp Employees Group Gratuity Fund Trust  
 Clearcorp Employees Superannuation Trust  
 LEIL Employees Group Gratuity Fund Trust

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 36**

**Related Party Disclosures (Continued)**

**b) Transactions with Key Management Personnel :  
 Key Management Personnel Compensation**

| Particulars                     | (₹ in Lakhs)                        |                                     |
|---------------------------------|-------------------------------------|-------------------------------------|
|                                 | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Short Term Employee Benefits    | 464                                 | 347                                 |
| Post Employment Defined Benefit | 29                                  | 40                                  |
| Other Long Term Benefits        | 51                                  | 28                                  |
| <b>Total</b>                    | <b>544</b>                          | <b>415</b>                          |

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (Note 29).

**c) Transactions other than those with Key Management Personnel : (₹ in lakhs)**

| Particulars  | State Bank of India          | Other Related Parties | Key Management Personnel |
|--|------------------------------|-----------------------|--------------------------|
| 1) Income from Operations                          | 1,273<br>(1,527)             | -                     | -                        |
| 2) Collaterals Cash Received                       | 48,776<br>(41,306)           | -                     | -                        |
| 3) Collaterals Cash Repaid                         | 30,373<br>(41,468)           | -                     | -                        |
| 4) Collaterals Securities Received (at Face Value) | 2,56,95,410<br>(1,94,45,500) | -                     | -                        |
| 5) Collaterals Securities Returned (at Face Value) | 60,36,700<br>(2,11,44,700)   | -                     | -                        |
| 6) Interest on Deposits from Members               | 226<br>(424)                 | -                     | -                        |
| 7) Director Sitting Fees                           | -                            | -                     | 76<br>(89)               |
| 8) Contribution to Employee Benefit Trust          | -                            | 514<br>(311)          | -                        |

**d) The related party balances outstanding at year end are as follows: (₹ in lakhs)**

| Particulars   | State Bank of India       | Other Related Parties | Key Management Personnel |
|---|---------------------------|-----------------------|--------------------------|
| 1) Receivable   | 188<br>(96)               | -                     | -                        |
| 2) Payable  | 122<br>(153)              | -                     | 23<br>(5)                |
| 3) Collaterals outstanding - Cash                       | 39,576<br>(21,247)        | -                     | -                        |
| 4) Collaterals outstanding - Securities (at face value) | 2,00,24,676<br>(3,65,966) | -                     | -                        |



# THE CLEARING CORPORATION OF INDIA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Note 36 Related Party Disclosures (Continued)

#### Notes:

1. Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.
2. Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.
3. The amounts are exclusive of Goods and Service Tax wherever applicable.
4. 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.

### Note 37

#### Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

All operating segments' results are regularly reviewed by the Board of Directors, which have been identified as the Chief Operating Decision Maker ('CODM') of the Group inter-Company revenues and expenses, for which discrete financial information is available. The Board of Directors, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources.

The Group has two reportable segments, as described below, which are the Group's strategic business units. For each business units the Board of Directors regularly reviews the performance reports.

#### Reportable Segments

- i. Clearing and Settlement Services
- ii. Trading Services

#### Information about Reportable Segments

The Board of Directors reviews profit before tax as the measure of a segment performance. The segment results are thus profit before tax attributable to the respective segments.

(₹ in lakhs)

| Particulars                          | 2020-21                        |                  |               | 2019-20                        |                  |               |
|--------------------------------------|--------------------------------|------------------|---------------|--------------------------------|------------------|---------------|
|                                      | Clearing & Settlement Services | Trading Services | Total         | Clearing & Settlement Services | Trading Services | Total         |
| <b>REVENUE</b>                       |                                |                  |               |                                |                  |               |
| Revenue from Operations (External)   | 59,984                         | 4,059            | 64,043        | 65,515                         | 3,946            | 69,461        |
| <b>Total Revenue from Operations</b> | <b>59,984</b>                  | <b>4,059</b>     | <b>64,043</b> | <b>65,515</b>                  | <b>3,946</b>     | <b>69,461</b> |
| <b>RESULT</b>                        |                                |                  |               |                                |                  |               |
| Segment Result                       | 39,758                         | 1,632            | 41,390        | 46,797                         | 1,664            | 48,461        |
| Add: Other Income                    |                                |                  | 16,377        |                                |                  | 19,832        |
| <b>Profit Before Tax</b>             |                                |                  | <b>57,767</b> |                                |                  | <b>68,293</b> |
| <b>Tax Expense</b>                   |                                |                  |               |                                |                  |               |
| - Current Tax                        |                                |                  | 14,767        |                                |                  | 17,320        |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 37**  
**Segment Reporting (Continued)**

( ₹ in lakhs)

| Particulars                            | 2020-21                        |                  |                  | 2019-20                        |                  |                  |
|--|--------------------------------|------------------|------------------|--------------------------------|------------------|------------------|
|  | Clearing & Settlement Services | Trading Services | Total            | Clearing & Settlement Services | Trading Services | Total            |
| - Deferred Tax                         |                                |                  | 47               |                                |                  | (310)            |
| <b>Profit After Tax</b>                |                                |                  | <b>42,953</b>    |                                |                  | <b>51,284</b>    |
| <b>OTHER INFORMATION</b>               |                                |                  |                  |                                |                  |                  |
| <b>Assets</b>                          |                                |                  |                  |                                |                  |                  |
| Segment Assets                         | 17,95,862                      | 12,219           | 18,08,081        | 15,43,915                      | 11,169           | 15,55,084        |
| <b>Total Assets</b>                    | <b>17,95,862</b>               | <b>12,219</b>    | <b>18,08,081</b> | <b>15,43,915</b>               | <b>11,169</b>    | <b>15,55,084</b> |
| <b>Liabilities</b>                     |                                |                  |                  |                                |                  |                  |
| Segment Liabilities                    | 14,10,936                      | 1,212            | 14,12,148        | 11,97,403                      | 1,153            | 11,98,556        |
| <b>Total Liabilities</b>               | <b>14,10,936</b>               | <b>1,212</b>     | <b>14,12,148</b> | <b>11,97,403</b>               | <b>1,153</b>     | <b>11,98,556</b> |
| <b>Capital Expenditure</b>             |                                |                  |                  |                                |                  |                  |
| Segment Capital Expenditure            | 5,744                          | 1,258            | 7,002            | 4,327                          | 846              | 5,173            |
| <b>Total Capital Expenditure</b>       | <b>5,744</b>                   | <b>1,258</b>     | <b>7,002</b>     | <b>4,327</b>                   | <b>846</b>       | <b>5,173</b>     |
| <b>Depreciation/Amortisation</b>       |                                |                  |                  |                                |                  |                  |
| Segment Depreciation/Amortisation      | 4,128                          | 672              | 4,800            | 3,638                          | 593              | 4,231            |
| <b>Total Depreciation/Amortisation</b> | <b>4,128</b>                   | <b>672</b>       | <b>4,800</b>     | <b>3,638</b>                   | <b>593</b>       | <b>4,231</b>     |

( ₹ in Lakhs)

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Note 38</b>   |                        |                        |
| <b>Commitments</b>   |                        |                        |
| <b>Capital Commitments:</b>  |                        |                        |
| Estimated amount of contracts remaining to be executed on capital account and not provided for   | 785                    | 956                    |
| <b>Note 39</b>   |                        |                        |
| <b>Contingent Liabilities</b>  |                        |                        |
| Claims against the Group not acknowledged as debt -  |                        |                        |
| - Income Tax Demands for various assessment years disputed by the Group  | 1,927                  | 1,994                  |
| <u>Service Tax Demands including penalty and interest thereon</u>  |                        |                        |
| - Pending settlement of the dispute, an amount of ₹ 226 lakhs, being the principal amount claimed by the authorities has been paid under protest and disclosed under Other Non Current Assets. | 775                    | 775                    |
| <b>Total</b>   | <b>2,702</b>           | <b>2,769</b>           |



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 40**

**Micro and Small Enterprises**

There are no micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31 March 2021 and 31 March 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.

|    |   | (₹ in Lakhs)           |                        |
|----|---|------------------------|------------------------|
|    |   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|    | <b>Outstanding for less than 45 days</b>  |                        |                        |
| a. | Principal and interest amount remaining unpaid  | 86                     | 91                     |
| b. | Interest due thereon remaining unpaid   | -                      | -                      |
| c. | Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                                  | -                      | -                      |
| d. | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006) | -                      | -                      |
| e. | Interest accrued and remaining unpaid   | -                      | -                      |
| f. | Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises   | -                      | -                      |

**Note 41**

**Employee Benefits**

**Amounts Recognised as Expense:**

**(i) Defined Contribution Plan**

- (1) Employer's contribution to provident fund amounting to ₹ 314 lakhs (31 March 2020 : ₹ 292 lakhs) has been included in Note 26 under contribution to provident fund and other funds.
- (2) Employer's Contribution to Superannuation Fund amounting to ₹ 82 lakhs (31 March 2020 : ₹ 78 lakhs) has been included in Note 26 under contribution to provident fund and other funds.
- (3) Employer's Contribution to NPS amounting to ₹ 56 lakhs (31 March 2020 : ₹ 84 lakhs) has been included in Note 26 under contribution to provident fund and other funds.

**(ii) Defined Benefit Plan**

In terms of the Group's gratuity plan, on leaving of service every employee who has completed at least 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 Group is funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy.

In accordance with the Indian Accounting Standard on employee benefits (Ind AS 19) the following disclosures have been made which is based on Actuarial Valuation provided by Independent Actuary.

Gratuity cost amounting to ₹ 280 lakhs (31 March 2020 : ₹ 223 lakhs) has been included in Note 26 under contribution to provident and other funds.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 40**

**Employee Benefits (Continued)**

| Particulars   | (₹ in Lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>A. Amount Recognised in the Balance Sheet</b>                          |                        |                        |
| Present value of the obligation as at the end of the year                 | 3,201                  | 2,861                  |
| Fair value of plan assets as at the end of the year                       | 3,202                  | 2,773                  |
| <b>Net Asset / (Liability) to be recognized in the Balance Sheet</b>      | <b>1</b>               | <b>(88)</b>            |
| Non Current Portion   | (26)                   | (88)                   |
| Current Portion   | 27                     | -                      |
| <b>B. Change in Projected Benefit Obligation</b>                          |                        |                        |
| Projected Benefit of Obligation at the beginning of the year              | 2,861                  | 2,159                  |
| Current Service Cost  | 274                    | 235                    |
| Past Service Cost   | -                      | -                      |
| Interest Cost   | 194                    | 166                    |
| Benefits Paid   | (161)                  | (35)                   |
| Actuarial (Gain) / Loss on Obligation                                     | 34                     | 336                    |
| Acquisition Adjustment  | -                      | (0)                    |
| <b>Projected Benefit Obligation at the end of the year</b>                | <b>3,202</b>           | <b>2,861</b>           |
| <b>C. Change in Plan Assets</b>   |                        |                        |
| Fair value of plan assets at the beginning of the year                    | 2,773                  | 2,326                  |
| Expected return on plan assets  | 187                    | 179                    |
| Contributions made  | 345                    | 309                    |
| Benefits paid   | (106)                  | (41)                   |
| Acquisition Adjustment  | -                      | (0)*                   |
| <b>Fair Value of Plan Assets at the end of the year</b>                   | <b>3,201</b>           | <b>2,773</b>           |
| <b>D. Amount Recognised in the Statement of Profit and Loss</b>           |                        |                        |
| Current service cost  | 274                    | 235                    |
| Net Interest cost / (income) on the net defined benefit asset / liability | 6                      | (13)                   |
| <b>Expenses recognised in the statement of profit and loss</b>            | <b>280</b>             | <b>222</b>             |
| <b>E. Amount Recognised in Other Comprehensive Income</b>                 |                        |                        |
| Actuarial (gains) / loss  |                        |                        |
| - change in demographic assumption  | -                      | 1                      |
| - change in financial assumption  | -                      | 252                    |
| - experience variation  | 34                     | 89                     |
|   | <b>34</b>              | <b>342</b>             |

\* denotes amount less than ₹ 1 Lakhs



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Note 41**

**Employee Benefits (Continued)**

**F. Major categories of plan assets as a percentage of total plan :**

1. 100 % Insurance funds

|                            | (₹ in Lakhs)                   |                                |
|----------------------------|--------------------------------|--------------------------------|
| <b>G. Assumptions Used</b> | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
| Discount Rate              | 6.80%                          | 6.80%                          |
| Employee Attrition Rate    | 8.00%                          | 3.00%                          |
| Future Salary Increase     | 3.00%                          | 8.00%                          |
| Mortality Rate             | 100%<br>(of IALM 12-14)        | 100%<br>(of IALM 12-14)        |

**H. Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

|                                  | (₹ in Lakhs)           |          |                        |          |
|----------------------------------|------------------------|----------|------------------------|----------|
| Particulars                      | As at<br>31 March 2021 |          | As at<br>31 March 2020 |          |
|                                  | Increase               | Decrease | Increase               | Decrease |
| Discount rate (1% movement)      | 2,899                  | 2,176    | 2,584                  | 3,187    |
| Salary growth rate (1% movement) | 3,548                  | 1,678    | 3,180                  | 2,584    |
| Attrition rate (1% movement)     | 3,163                  | 1,987    | 2,824                  | 2,906    |
| Mortality rate (1% movement)     | 3,202                  | 1,957    | 2,861                  | 2,863    |

**I. Expected Future Cash Flows**

|  | (₹ in Lakhs) |                 |                  |                       |
|--|--------------|-----------------|------------------|-----------------------|
| Particulars                            | 1 year       | 2 to 5<br>years | 6 to 10<br>years | More than<br>10 years |
| <b>As at 31 March 2021</b>             |              |                 |                  |                       |
| Defined benefit obligations (Gratuity) | 245          | 723             | 1,241            | 5,108                 |
| <b>Total</b>                           | <b>245</b>   | <b>723</b>      | <b>1,241</b>     | <b>5,108</b>          |

|  | (₹ in Lakhs) |                 |                  |                       |
|--|--------------|-----------------|------------------|-----------------------|
| Particulars                            | 1 year       | 2 to 5<br>years | 6 to 10<br>years | More than<br>10 years |
| <b>As at 31 March 2020</b>             |              |                 |                  |                       |
| Defined Benefit Obligations (Gratuity) | 389          | 494             | 884              | 4,924                 |
| <b>Total</b>                           | <b>389</b>   | <b>494</b>      | <b>884</b>       | <b>4,924</b>          |

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**



**Note 42**

**Corporate Social Responsibility (CSR)**

| Particulars  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Gross amount required to be spent by the Company during the year | 1,171                  | 1,113                  |
| Amount spent and debited to Statement of Profit and Loss         | 1,171                  | 1,113                  |

Amounts debited to Statement of Profit and Loss were paid in cash during the respective year and were incurred for the purpose other than construction / acquisition of any asset.

**Note 43**

Disclosure under Schedule III of the Companies Act, 2013 has been given to the extent applicable.

**Note 44**

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



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Act

| Name of the entity in the Group           | Net Assets, i.e. Total Assets minus Total Liabilities |                   | Share of Profit or Loss             |                   | Share in Other Comprehensive Income             |                   | Share in Total Comprehensive Income             |                   |
|---|---|-------------------|-------------------------------------|-------------------|---|-------------------|---|-------------------|
|   | As % of Consolidated Net Assets                       | Amount ₹ In lakhs | As % of Consolidated Profit or Loss | Amount ₹ In lakhs | As % of Consolidated Other Comprehensive Income | Amount ₹ In lakhs | As % of Consolidated Total Comprehensive Income | Amount ₹ In lakhs |
| <b>Parent</b>                             |   |                   |                                     |                   |   |                   |   |                   |
| The Clearing Corporation Of India Limited | 96.92   | 3,83,722          | 94.64                               | 40,650            | 99.74   | (2,044)           | 94.38   | 38,606            |
| <b>Subsidiaries - Indian</b>              |   |                   |                                     |                   |   |                   |   |                   |
| Clearcorp Dealing Systems (India) Limited | 2.78  | 11,007            | 4.14                                | 1,779             | 0.24  | (5)               | 4.34  | 1,774             |
| Legal Entity Identifier India Limited     | 0.30  | 1,203             | 1.22                                | 524               | 0.01  | (0)               | 1.28  | 524               |
| <b>Total</b>                              | <b>100.00</b>   | <b>3,95,932</b>   | <b>100.00</b>                       | <b>42,953</b>     | <b>100.00</b>                                   | <b>(2,049)</b>    | <b>100.00</b>                                   | <b>40,903</b>     |



# THE CLEARING CORPORATION OF INDIA LTD.

**Registered Office:** CCIL Bhavan, S K Bole Road, Dadar (W), Mumbai 400028.  
Tel.: 6154 6200 • Fax: 2432 6042 • **Website:** [www.ccilindia.com](http://www.ccilindia.com)

**Kurla Office:** 14A & 14B, 4th Floor, Tower -1, Commercial - 2, 'Kohinoor City', Kirol Road, Off. LBS Road, Kurla (West),  
Mumbai – 400070. Tel: 6663 9200 / 6192 5000 • Fax: 2504 4094

**Pune Office:** A - 101, Nano Space, Baner Pashan Link Road, Baner, Pune - 411045.