

**The Clearing Corporation of India Limited**



**Financial Statements**

**2016-2017**



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## Board of Directors:

Mrs. Usha Thorat (Chairperson)  
Mr. R. Sridharan (Managing Director)  
Mr. Bhavesh Zaveri  
Mr. M. S. Sundara Rajan  
Mr. Sankarshan Basu  
Mr. Sudhir Joshi  
Mr. Rajendra Chitale  
Mr. B. Sambamurthy  
Mrs. Anshula Kant  
Mr. Narayan K Seshadri  
Dr. G. Sivakumar  
Mr. C. Venkat Nageswar  
Mr. P. Sitaram  
Mr. K. K. Mahajan  
Mr. B. Prasanna  
Mr. Satish C. Singh

## Company Secretary:

Mr. O. N. Ravi

## Chief Financial Officer

Mr. Deepak Chande

## Auditors:

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



## THE CLEARING CORPORATION OF INDIA LIMITED

### Financial Statements 2016 - 2017

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# INDEPENDENT AUDITOR'S REPORT

## *INDEPENDENT AUDITOR'S REPORT*

### *TO THE MEMBERS OF*

### *THE CLEARING CORPORATION OF INDIA LIMITED*

#### **Report on the Financial Statements**

We have audited the accompanying Standalone Financial Statements of **THE CLEARING CORPORATION OF INDIA LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the 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 Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from



material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2017, from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) 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) There were no pending litigations which could impact the financial position of the Company.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management Representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note 35).

Place: Mumbai  
Date: May 16, 2017

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

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



## **Annexure A 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 Financial Statements for the year ended March 31, 2017:

### **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.
- 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 having Gross block of Rs. 1,320 lakhs as at March 31, 2017.

2. Inventory:

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

3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of sub-clause (a) and (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 loans given, guarantees given and investments made have been complied with by the Company.

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, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, 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, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax or Cess outstanding on account of any dispute, other than the following :

Name of the Statute	Nature of Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income- tax	19	AY 2009-10	Deputy Commissioner of Income Tax
		4	AY 2011-12	Income Tax Appellate Tribunal
		32	AY 2015-16	Intimation u/s 143(1)

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. The Company has not raised money through initial public offer or further public offer and 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 on, or by the Company, has been noticed or reported during the year.

11. 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 Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, 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 non-cash transactions with Directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Mumbai  
Date: May 16, 2017

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

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

## **Annexure B to the Independent Auditor's Report**

Referred to in Para 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2017.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of **THE CLEARING CORPORATION OF INDIA LIMITED** ("the Company") as of March 31, 2017, in conjunction with our audit of the Standalone 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by 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 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 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 Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

Place: Mumbai  
Date: May 16, 2017

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

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



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2017**

(₹ in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	10,000	10,000
Reserves and Surplus	3	227,265	191,958
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	4	1,399	1,329
Long-Term Provisions	5	1,303	710
<b>Current Liabilities</b>			
Trade Payables			
(a) Total outstanding dues of micro and small enterprises	6	8	7
(b) Total outstanding dues of other creditors		222	184
Other Current Liabilities	7	761,040	691,682
Short-Term Provisions	8	3,542	2,981
<b>TOTAL</b>		<b>1,004,779</b>	<b>898,851</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
-Tangible Assets		14,172	14,470
-Intangible Assets		2,107	2,129
-Intangible Assets under Development-Software		2,592	1,817
Non-Current Investments	10	1,450	1,250
Long-Term Loans and Advances	11	720	294
Other Non-Current Assets	12	9,437	22
<b>Current Assets</b>			
Current Investments	13	612,942	485,051
Trade Receivables	14	3,442	3,569
Cash and Bank Balances	15	343,055	375,570
Short-Term Loans and Advances	16	48	113
Other Current Assets	17	14,814	14,566
<b>TOTAL</b>		<b>1,004,779</b>	<b>898,851</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS</b>	1-39		

As per our attached report of even date

For and on behalf of

**KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**

Firm Reg. No.: 104607W / W100166

Sd/-

Daraius Z. Fraser

Partner

M. No.: 42454

Place : Mumbai

Date : May 16, 2017

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

**Usha Thorat**

Chairperson

(DIN:00542778)

Sd/-

**O. N. Ravi**

Company Secretary &

Corporate Development Officer

Sd/-

**R. Sridharan**

Managing Director

(DIN:00868787)

Sd/-

**Rajendra Chitale**

Director

(DIN:00015986)

Sd/-

**Deepak Chande**

Chief Financial Officer



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Revenue from Operations</b>			
Income from Operations	18	42,249	29,196
Other Operating Revenues	19	15,219	16,371
		<b>57,468</b>	<b>45,567</b>
Other Income	20	14,855	14,508
<b>Total Revenue</b>		<b>72,323</b>	<b>60,075</b>
<b>Expenses</b>			
Employee Benefits Expense	21	5,062	3,661
Finance Costs	22	1,709	1,296
Depreciation and Amortization Expense	23	1,963	1,606
Other Expenses	24	5,823	5,041
<b>Total Expenses</b>		<b>14,557</b>	<b>11,604</b>
<b>Profit Before Tax</b>		<b>57,766</b>	<b>48,471</b>
Tax Expense			
- Current Tax		20,072	16,457
- Deferred Tax		70	417
- Tax Adjustments relating to earlier years		0 *	(127)
<b>Profit After Tax</b>		<b>37,624</b>	<b>31,724</b>
<b>Earnings per Equity Share:</b>			
-Basic		74.23	62.42
-Diluted		74.23	62.42
(Equity Share of face value of ₹ 10 each)			
* denotes amount less than ₹ 1 lakh			

As per our attached report of even date

For and on behalf of

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

Sd/-

Daraius Z. Fraser

Partner

M. No.: 42454

Place : Mumbai

Date : May 16, 2017

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

**Usha Thorat**

Chairperson

(DIN:00542778)

Sd/-

**O. N. Ravi**

Company Secretary &

Corporate Development Officer

Sd/-

**R. Sridharan**

Managing Director

(DIN:00868787)

Sd/-

**Rajendra Chitale**

Director

(DIN:00015986)

Sd/-

**Deepak Chande**

Chief Financial Officer



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	2016-17	2015-16
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	57,766	48,471
Add: Adjustments for :		
Depreciation and Amortization Expense	1,963	1,606
Diminishing value in current investments	88	0 *
Interest on Taxes	20	17
Unrealised loss on exchange	20	6
Less: Adjustments for :		
Interest Income on Investments made out of Own Funds	14,153	13,752
Provision Written Back	29	60
Profit/(Loss) on Sale of Fixed Asset (net)	0 *	0 *
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>45,675</b>	<b>36,288</b>
Adjustments for :		
(Increase)/ Decrease in Non Current Assets /Current Assets	(30,809)	(133,731)
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	70,580	106,461
<b>CASH GENERATED FROM OPERATIONS</b>	<b>85,446</b>	<b>9,017</b>
Direct Taxes paid	(20,522)	(15,916)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>64,924</b>	<b>(6,898)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,419)	(1,995)
Sale of Fixed Assets	0 *	19
Interest Income on Investments made out of Own Funds	13,884	12,545
Purchase of Government of India Treasury Bills/out of Own Funds	(78,324)	(6,692)
Sale/Redemption of Investments out of Own Funds	11,123	5,137
Placement of Fixed Deposits with Banks made out of Own Funds	(132,398)	(165,000)
Redemption of Fixed Deposits with Banks made out of Own Funds	165,000	136,410
Investment in Equity Shares of Subsidiary Company	(200)	(250)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)</b>	<b>(23,334)</b>	<b>(19,826)</b>

\* denotes amount less than



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	2016-17	2015-16
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend/Dividend Distribution Tax paid	(2,317)	(2,317)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)</b>	<b>(2,317)</b>	<b>(2,317)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>39,273</b>	<b>(29,041)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
OPENING BALANCE	18,507	47,548
CLOSING BALANCE		
Before adjustment of unrealised foreign exchange	57,858	17,996
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(79)	511
	<u>57,779</u>	<u>18,507</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>39,273</b>	<b>(29,041)</b>

**As per our attached report of even date**

For and on behalf of

**KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**

Firm Reg. No.: 104607W / W100166

Sd/-

Daraius Z. Fraser

Partner

M. No.: 42454

Place : Mumbai

Date : May 16, 2017

**Signatures to the Financial Statements and Notes thereon**

For and on behalf of the Board of Directors

Sd/-

**Usha Thorat**

Chairperson

(DIN:00542778)

Sd/-

**O. N. Ravi**

Company Secretary &

Corporate Development Officer

Sd/-

**R. Sridharan**

Managing Director

(DIN:00868787)

Sd/-

**Rajendra Chitale**

Director

(DIN:00015986)

Sd/-

**Deepak Chande**

Chief Financial Officer



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations :**

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

**Significant Accounting Policies:**

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

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Act, 2013, and relevant provisions of the Companies Act. The financial statements have been prepared under the historical convention on accrual basis.

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

**(b) Revenue Recognition:**

- (i) Revenue from Services is recognized as and when the Service is performed as per the relevant agreements.
- (ii) In case of investment in discounted securities/instruments the discount is accrued over the period to maturity and included in Income from Investments.
- (iii) Dividend Income is recognized when the right to receive is established.
- (iv) Other Revenue Income is recognised as and when there is a reasonable certainty of ultimate realisation.

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

- (i) Fixed assets are stated at cost which comprises of purchase price, freight, duties, taxes, cost of installation and other incidental expenses incurred towards acquisition and installation of such assets.
- (ii) Expenses incurred towards acquisition or development of software by an external vendor is capitalized as Computer Software.
- (iii) Depreciation on Tangible assets is provided on Straight Line Method (SLM) over the useful



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the following:

- a) Assets whose cost is ₹5,000 or less are fully written off in the year of acquisition, and;
- b) Furniture and fittings (Chairs), which are depreciated over 5 Years, and;
- c) Non Carpeted Road, which is depreciated over 5 Years.

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

The Estimated useful life of assets considered for providing depreciation/amortization are as under:

Asset	Useful Life (In Years)
Buildings- Residential	60
Buildings - Office	60
Non Carpeted Road	5
Computer Systems - Hardware	3-6
Electrical Installations and Equipment	10
Furniture and fittings	5-10
Office Equipment	5
Computer Software	3

**(d) Investments:**

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

**(e) Employee Benefits:**

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

(i) Defined Contribution plans:

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

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

(ii) Defined Benefits plans:

Gratuity: Gratuity for employees is covered by Gratuity Scheme with Life Insurance

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Corporation of India and the contribution thereof is paid/provided for. Provision for Gratuity is made as per actuarial valuation as at the end of the year.

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

(iii) Other Long Term Benefits :

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

(f) Income Tax:

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

(g) Foreign Currency Transactions:

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

(h) Provisions and Contingent Liabilities:

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

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

Contingent Liability is disclosed in the case of -

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

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



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	As at 31.03.2017		As at 31.03.2016	
	Number	₹ in lakhs	Number	₹ in lakhs
<b><u>NOTE 2 : SHARE CAPITAL</u></b>				
<b><u>Authorised</u></b>				
Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Equity Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
	<b>100,000,000</b>	<b>10,000</b>	<b>100,000,000</b>	<b>10,000</b>
<b><u>Issued, Subscribed and Paid up</u></b>				
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Equity Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
<b>TOTAL</b>	<b>100,000,000</b>	<b>10,000</b>	<b>100,000,000</b>	<b>10,000</b>

Notes:

(a) There has been no change in the number of Equity Shares or Preference Shares outstanding at the beginning or end of the respective years.

(b) **Rights Attached to Equity Shares**

Voting Rights :

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

Dividend :

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

Winding up:

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

(c) **Terms of Preference Shares**

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

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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.

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

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
State Bank of India	10,600,000	21.20	10,600,000	21.20
Life Insurance Corporation of India	5,000,000	10.00	5,000,000	10.00
STCI Finance Limited	5,000,000	10.00	5,000,000	10.00
IDBI Bank Limited	3,750,000	7.50	3,750,000	7.50
ICICI Bank Limited	2,750,000	5.50	2,750,000	5.50
<b>8.5% Redeemable, Non Convertible, Cumulative Preference Shares :</b>				
The Kalupur Commercial Co-operative Bank Limited	19,000,000	38.00	19,000,000	38.00
Kotak Mahindra Bank Ltd.	8,000,000	16.00	8,000,000	16.00
The South Indian Bank Limited	5,000,000	10.00	5,000,000	10.00
The Karur Vysya Bank Ltd.	5,000,000	10.00	5,000,000	10.00
The Federal Bank Ltd.	5,000,000	10.00	5,000,000	10.00
Yes Bank Ltd.	5,000,000	10.00	5,000,000	10.00

- (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 calls unpaid.
- (g) No shares have been forfeited.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	86,732	57,732
Add: Transferred from Surplus	5,000	29,000
Closing Balance	<u>91,732</u>	<u>86,732</u>
<b>Settlement Reserve Fund</b>		
Opening Balance	100,081	100,057
Add: Transferred from Surplus	-	24
Less: Transferred to Contingency Reserve Fund	81	-
Closing Balance	<u>100,000</u>	<u>100,081</u>
<b>Contingency Reserve Fund</b>		
Opening Balance	-	-
Add: Transferred from Surplus	30,124	-
Transferred from Settlement Reserve Fund	81	-
Closing Balance	<u>30,205</u>	<u>-</u>
<b>Surplus</b>		
Opening Balance	5,145	4,762
Add: Net Profit After Tax transferred from Statement of Profit & Loss	37,624	31,724
Amounts available for Appropriation	<u>42,769</u>	<u>36,486</u>
<b>Appropriations :</b>		
- Proposed Dividend on Equity Shares	1,500	1,500
- Proposed Dividend on Preference Shares	425	425
- Dividend Distribution Tax - Equity Shares	305	305
- Dividend Distribution Tax - Preference Shares	87	87
- Transfer to General Reserve	5,000	29,000
- Transfer to Settlement Reserve Fund	-	24
- Transfer to Contingency Reserve Fund	30,124	-
Closing Balance	<u>5,328</u>	<u>5,145</u>
<b>TOTAL</b>	<u><u>227,265</u></u>	<u><u>191,958</u></u>

Note:

- (a) Settlement Reserve Fund represents amounts set aside from the Profits of the Company from time to time as may be considered appropriate by the Board of Directors, to ensure that there are sufficient assigned financial resources which may be utilized for meeting claims in relation to any participant's default. Bank Deposits/Current Investments amounting to ₹1,00,081 lakhs (Previous year - ₹1,00,057 lakhs) are earmarked for this purpose.
- (b) 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 utilized for meeting Non default losses.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 4 : DEFERRED TAX LIABILITIES</u></b>		
<b><u>Deferred Tax Liabilities</u></b>		
Timing difference on account of Depreciation	1,883	1,681
<b><u>Less : Deferred Tax Assets</u></b>		
Timing difference in respect of Tax Disallowances	484	352
<b>TOTAL</b>	<b>1,399</b>	<b>1,329</b>
<b><u>NOTE 5 : LONG TERM PROVISIONS</u></b>		
Provision for Employee Benefits	1,303	710
<b>TOTAL</b>	<b>1,303</b>	<b>710</b>
<b><u>NOTE 6 : TRADE PAYABLES</u></b>		
(a) Total outstanding dues of micro and small enterprises	8	7
(b) Total outstanding dues of other creditors	222	184
<b>TOTAL</b>	<b>230</b>	<b>191</b>
<b><u>NOTE 7 : OTHER CURRENT LIABILITIES</u></b>		
Due to Clearcorp Dealing Systems (India) Ltd.-Subsidiary Company	153	93
Settlement Dues Payables	19,452	-
Creditors for Capital Expenses { Refer note (a) below }	575	849
Interest Accrued but not Due	2,427	2,247
Deposits from Members { Refer note (b) below }	737,877	687,992
Statutory Dues payable	214	213
Other payables { Refer note (c) below }	342	288
<b>TOTAL</b>	<b>761,040</b>	<b>691,682</b>



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**Notes :**

- (a) Creditors for Capital Expenses includes amount less than ₹1 lakh ( Previous year ₹17 lakhs ) due to Micro and Small Enterprises {Refer Note 34}
- (b) '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 Collaterals	Govt. Securities #	(₹ in lakhs)
			Guarantees
Securities Settlement	280,140 (240,463)	4,316,759 (3,310,458)	--
Forex Settlement	381,511 * (402,185) *	-- --	-- --
CBLO Settlement	40,291 (35,143)	29,736,663 (22,048,147)	365,000 @ (365,000) @
Default Funds	35,935 (10,201)	485,300 (229,213)	-- --
<b>Total</b>	<b>737,877</b> <b>(687,992)</b>	<b>34,538,722</b> <b>(25,587,818)</b>	<b>365,000</b> <b>(365,000)</b>

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

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

	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
US Government Treasury Bills ( under Current Investments)	367,748	389,273
Government of India Treasury Bills (under Current Investments)	172,386	90,084
Balance in Bank Accounts		
- In Current Accounts	3,456	15,188
- In Deposit Accounts	194,287	193,447
	<b>737,877</b>	<b>687,992</b>

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

\* Equivalent to US Dollars 588,401 thousands (Previous year - US Dollars 606,313 thousands).

@ The Company has accepted Bank Guarantees as additional collaterals

- (c) Other payables includes ₹31 lakhs ( Previous year - ₹12 lakhs ) due to Micro and Small Enterprises {Refer Note 34}



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 8 : SHORT TERM PROVISIONS</u></b>		
Provision for Employee Benefits	1,225	664
Proposed Dividend on Equity Shares	1,500	1,500
Proposed Dividend on Preference Shares	425	425
Provision for Dividend Distribution Tax-Equity Shares	305	305
Provision for Dividend Distribution Tax-Preference Shares	87	87
<b>TOTAL</b>	<b>3,542</b>	<b>2,981</b>



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		As at 01.04.2016	Additions	Disposal	As at 31.03.2017	Up to 31.03.2016	Depreciation for the year	On Disposals	Up to 31.03.2017	As on 31.03.2016	As on 31.03.2017
	<b>Tangible Assets</b>										
1	Freehold Land	1,320	-	-	1,320	-	-	-	-	1,320	1,320
2	Buildings - Residential	1,139	-	-	1,139	201	17	-	218	921	938
3	Buildings - Office	11,370	-	-	11,370	841	172	-	1,013	10,357	10,529
4	Computer Systems Hardware	3,512	315	9	3,818	2,648	252	9	2,891	927	865
5	Furniture and fittings	581	3	-	584	422	34	-	456	128	159
6	Electrical Installations and Equipment	1,560	8	-	1,568	1,017	98	-	1,115	453	543
7	Office Equipment	894	6	-	900	778	80	-	858	42	116
8	Non Carpeted Road	-	27	-	27	-	3	-	3	24	-
	<b>Total</b>	<b>20,376</b>	<b>359</b>	<b>9</b>	<b>20,726</b>	<b>5,907</b>	<b>656</b>	<b>9</b>	<b>6,554</b>	<b>14,172</b>	<b>14,470</b>
	<b>Intangible Assets</b>										
1	Computer Software	10,594	1,286	-	11,880	8,465	1,307	-	9,772	2,107	2,129
	<b>Total</b>	<b>10,594</b>	<b>1,286</b>	<b>-</b>	<b>11,880</b>	<b>8,465</b>	<b>1,307</b>	<b>-</b>	<b>9,772</b>	<b>2,107</b>	<b>2,129</b>
	<b>Grand Total</b>	<b>30,970</b>	<b>1,645</b>	<b>9</b>	<b>32,606</b>	<b>14,372</b>	<b>1,963</b>	<b>9</b>	<b>16,326</b>	<b>16,279</b>	<b>16,599</b>
	<b>Previous Year</b>	<b>29,712</b>	<b>1,346</b>	<b>88</b>	<b>30,970</b>	<b>12,836</b>	<b>1,606</b>	<b>70</b>	<b>14,372</b>	<b>16,599</b>	

**Notes:**

- Freehold Land represents allocated cost of land related to Company's office building at Dadar (Mumbai), the conveyance for which is yet to be executed in favour of the Company.
- Cost of building under "Building - Residential" includes ₹14,000 paid towards 14 shares of ₹1,000 each of an Apartment Condominium.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 10 : NON CURRENT INVESTMENTS</u></b>		
<b>LONG TERM, TRADE, UNQUOTED ( AT COST ) :</b>		
Investment in Equity instruments in Wholly Owned Subsidiaries		
- Clearcorp Dealing Systems (India) Limited 1,00,00,000 equity shares of ₹10 each, fully paid up	1,000	1,000
- Legal Entity Identifier India Limited 45,00,000 (Previous Year - 25,00,000) equity shares of ₹10 each, fully paid up	450	250
<b>TOTAL</b>	<b>1,450</b>	<b>1,250</b>

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

(Unsecured, Considered Good)

Capital Advances	-	3
Security Deposits {Refer Note below}	65	65
Advance Tax {Net of Provision amounting to ₹88,689 (Previous Year ₹85,235)}	655	226
<b>TOTAL</b>	<b>720</b>	<b>294</b>

**Note:**

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



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>NOTE 12: OTHER NON CURRENT ASSETS</b>		
Bank Deposits with residual maturity of more than 12 months	9,400	-
Interest Accrued on Deposits with Banks	11	-
Prepaid Expenses	26	22
<b>TOTAL</b>	<b>9,437</b>	<b>22</b>

**NOTE 13 : CURRENT INVESTMENTS**

**QUOTED :**

Investment in Government Securities {Refer Note below}	613,030	485,051
Less : Provision for Diminution in value of Current Investments	(88)	-
<b>TOTAL</b>	<b>612,942</b>	<b>485,051</b>

Note : Details of Current Investments

Sr. No.	Investment	No. of Units		Amount (₹ in lakhs)	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
	<b>Investments in Government Securities</b>				
	(Quoted) (at Cost)				
(i)	US Government Treasury Bills ( Fair Value ₹3,68,128 lakhs, Previous year ₹3,89,734 lakhs)	5,690,000	5,880,000	367,748	389,273
(ii)	Government of India Treasury Bills ( Fair Value ₹2,51,439 lakhs, Previous year - ₹99,226 lakhs )	259,974,050	101,770,750	245,282	95,778
	<b>TOTAL</b>			<b>613,030</b>	<b>485,051</b>

Note:

- (a) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹36,312 lakhs (Previous year - ₹4,672 lakhs) earmarked for Settlement Reserve Fund.
- (b) Investment in US Government Treasury Bills shown under Sr.No. (i) above represents Treasury bills amounting to USD 567,174 thousands (Previous year USD 586,848 thousands ) 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.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>NOTE 14 : TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Trade Receivables outstanding for a period less than		
Six months from the date they are due for payment	3,442	3,569
Others Trade Receivables	0 *	0 *
<b>TOTAL</b>	<b>3,442</b>	<b>3,569</b>
<b>NOTE 15 : CASH AND BANK BALANCE</b>		
<b>(A) Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
in Current Accounts	5,859	13,796
in Deposit Accounts (original maturity of upto 3 months)	51,920	4,710
	<b>57,779</b>	<b>18,506</b>
Cash on Hand	0 *	1
	<b>57,779</b>	<b>18,507</b>
<b>(B) Other Bank Balances</b>		
Bank Deposits with residual maturity upto 12 months { Refer notes below }	285,276	357,063
	<b>285,276</b>	<b>357,063</b>
<b>TOTAL</b>	<b>343,055</b>	<b>375,570</b>

Notes :

Bank Deposits with residual maturity upto 12 months includes -

- i) Bank deposits amounting to ₹63,769 lakhs (Previous year ₹95,385 lakhs) earmarked for Settlement Reserve Fund.
- ii) Deposits amounting to ₹1,15,363 lakhs ( Previous year ₹64,945 lakhs ) marked as lien by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks amounts to ₹1,04,155 lakhs (Previous year ₹57,828 lakhs). Outstanding Overdraft as on 31.03.2017 - Nil (Previous year - Nil).

\* denotes amount less than ₹1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
<b>NOTE 16 : SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Advances to suppliers and Others	48	113
<b>TOTAL</b>	<b>48</b>	<b>113</b>

**NOTE 17 : OTHER CURRENT ASSETS**

Interest Accrued on Deposits with Banks	7,970	10,348
Interest Accrued on Current Investments	6,348	3,688
Due from Legal Entity Identifier India Limited - Subsidiary Company	23	26
Service Tax Input Credit	211	217
Prepaid Expenses	262	287
Others	0 *	0 *
<b>TOTAL</b>	<b>14,814</b>	<b>14,566</b>

	(₹ in lakhs)	
	For the year ended 31.03.2017	For the year ended 31.03.2016

**NOTE 18 : INCOME FROM OPERATIONS**

(Refer Note 28)

Transaction Charges - Securities Settlement	31,032	19,083
Transaction Charges - CBLO Settlement	2,569	2,312
Transaction Charges - Forex Settlement	3,797	3,790
Transaction Charges - CLS Settlement	1,750	1,443
Trade Processing Charges - Trade Repository	345	304
Portfolio Compression Charges	147	181
Forex Forward Charges	2,061	1,917
Other fees and charges	548	166
<b>TOTAL</b>	<b>42,249</b>	<b>29,196</b>

\* denotes amount less than ₹1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
<b><u>NOTE 19 : OTHER OPERATING REVENUES</u></b>		
Interest / Income on investments made out of Operational Funds		
- Income on Current Investments	9,786	6,117
- Interest on Fixed Deposits with Banks	13,820	17,611
	<u>23,606</u>	<u>23,728</u>
Less: Interest Paid on Deposits from Members	8,387	7,357
<b>TOTAL</b>	<b><u>15,219</u></b>	<b><u>16,371</u></b>

**NOTE 20 : OTHER INCOME**

Interest / Income on Investments made out of Own Funds		
- Income on Current Investments	1,580	145
- Interest on Fixed Deposits with Banks	12,575	13,606
	<u>14,155</u>	<u>13,751</u>
Profit on Sale of Fixed Assets (net)	0 *	0*
Business Support Charges from Subsidiary Companies	651	630
Others	49	127
<b>TOTAL</b>	<b><u>14,855</u></b>	<b><u>14,508</u></b>

**NOTE 21 : EMPLOYEE BENEFITS EXPENSE**

(Refer Note 28)

Salaries	4,346	3,059
Contributions to Provident and Other Funds	558	412
Staff Welfare Expenses	158	190
<b>TOTAL</b>	<b><u>5,062</u></b>	<b><u>3,661</u></b>

\* denotes amount less than ₹1 lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
<b><u>NOTE 22 : FINANCE COST</u></b>		
Interest on Taxes	20	17
Line of Credit Commitment and Other Charges	1,689	1,279
<b>TOTAL</b>	<b>1,709</b>	<b>1,296</b>
<b><u>NOTE 23 : DEPRECIATION AND AMORTIZATION EXPENSE</u></b>		
Depreciation on Tangible Assets	656	686
Amortisation of Intangible Assets	1,307	920
<b>TOTAL</b>	<b>1,963</b>	<b>1,606</b>
<b><u>NOTE 24 : OTHER EXPENSES</u></b> (Refer Note 28)		
Power and Fuel	491	411
Repairs and Maintenance - Buildings	107	85
Repairs and Maintenance - Computer Systems and Equipment	1,539	1,294
Repairs and Maintenance -Others	106	102
Insurance	13	11
Rates and Taxes	131	124
Communication Expenses	230	226
CLS Settlement Charges	1,147	1,033
Net Loss on Foreign Currency Transaction and Translation	20	6
Expenditure towards Corporate Social Responsibility	1,029	963
Professional Fees	187	191
Directors' Sitting Fees	73	75
Diminution in value in Current Investments	88	-
Payment to Auditors	12	12
Others	650	508
<b>TOTAL</b>	<b>5,823</b>	<b>5,041</b>

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 25 : CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>(i) Contingent Liabilities</b>		
Claims against the Company not acknowledged as debt-		
- Income Tax Demands for various assessment years disputed by the Company	55	-
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	843	1,311
<b>Total</b>	<b>898</b>	<b>1,311</b>

**NOTE 26 : EARNINGS IN FOREIGN EXCHANGE**

(₹ in lakhs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest on Deposits with Banks	13	6
Income on US Government Treasury Bills	1,763	590
Datafeed Charges	23	22
Miscellaneous Receipts	1	2
<b>Total</b>	<b>1,800</b>	<b>620</b>

\* denotes amount less than ₹1 lakh

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

Value of Imports on CIF basis	-	51
Expenditure in Foreign Currency :		
- Interest paid to Members	1,732	588
- CLS Settlement Charges	1,142	1,032
- Other Expenditure	317	139
<b>Total</b>	<b>3,191</b>	<b>1,810</b>



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 28 :**

Revenue from Operations and Expenses are net of the amounts shared with the subsidiaries and other recoveries as mentioned below:

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
<b><u>Revenue from Operations</u></b>		
Transaction Charges - Securities Settlement	1,637	1,314
Transaction Charges - Forex Settlement	523	418
Other fees and charges	0 *	0 *
<b>Total</b>	<b>2,160</b>	<b>1,732</b>
<b><u>Employee Benefits Expense</u></b>		
Salary to Staff on Deputation	41	12
Staff Welfare Expenses	11	9
<b>Total</b>	<b>52</b>	<b>21</b>
<b><u>Other Expenses</u></b>		
Repairs and Maintenance - Computer Systems and Equipment	1	0 *
Communication Expenses	95	113
Travelling Expenses	1	1
Others	2	2
<b>Total</b>	<b>99</b>	<b>116</b>

\* denotes amount less than ₹1 Lakh

**NOTE 29 : EMPLOYEE BENEFITS - GRATUITY**

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



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

Description	Gratuity	
	2016-17	2015-16
A. Amount recognised in the Statement of Profit and Loss for the year		
- Current Service Cost	137	102
- Interest Cost	89	76
- Expected Return on Plan Assets	(94)	(80)
- Net actuarial (Gain) / Loss recognized during the year	124	43
- Total Expenses recognized in the Statement of Profit and Loss	256	141
B. Actual Return on Plan Assets		
- Actual Return of Plan Assets	104	88
C. Amount recognised in the Balance Sheet		
- Present Value of Obligation	1401	1107
- Fair Value of Plan Assets	1379	1174
- Funded status {surplus / (deficit)}	(22)	67
- Net Asset/(Liability) recognized in the Balance Sheet	(22)	67
D. Change in Present Value of Obligation		
- Present Value of Obligation at the beginning of the year	1107	946
- Current Service Cost	137	102
- Interest Cost	89	76
- Benefits paid	(66)	(68)
- Actuarial (Gain) / Loss on Obligation	134	51
- Present Value of Obligation at the end of the year	1,401	1107
E. Change in Plan Assets		
- Fair Value of Plan Assets at the beginning of the year	1174	1003
- Expected Return on Plan Assets	94	80
- Contributions Made	166	151
- Benefits Paid	(66)	(68)
- Actuarial Gains / (Loss) on Plan Assets	10	8
- Fair Value of Plan Assets at the end of the year	1,378	1174
F. Major categories of Plan Assets as a percentage of total plan	100% Insurance Policy	
G. Estimated contribution to be made in next financial year	164	Not Available
H. Actuarial Assumptions		
- Discount Rate	7.40%	8.06%
- Expected Rate of Return on assets	7.50%	8.06%
- Employee Attrition Rate	3%	3%
- Mortality Rate/Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
- Future salary increase	8.00%	8.00%
I. Experience adjustments on plan assets and liabilities		
- (Gain)/Loss on Plan Liabilities	42	(330)
- Gain/(Loss) on Plan Assets	10	8

**Notes:**

- (a) Actuarial Valuation has been done using Projected Unit Credit Method.
- (b) Amounts Recognised as Expense:



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(i) Defined Contribution Plan

(1) Employer's Contribution to Provident Fund amounting to ₹184 lakhs (Previous year - ₹168 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.

(2) Employer's Contribution to Superannuation Fund amounting to ₹59 lakhs (Previous year - ₹86 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.

(ii) Defined Benefit Plan

Gratuity cost amounting to ₹256 lakhs (Previous year - ₹141 lakhs) has been included in Note 21 under Contribution to Provident and Other Funds.

**NOTE 30 : BASIC AND DILUTED EARNINGS PER SHARE**

Basic and Diluted Earning Per Share is calculated as under:

Particulars		2016-17	2015-16
(i)	Net profit as per Profit & loss A/c (₹ in lakhs)	37,624	31,724
(ii)	Dividend on Preference Capital & Dividend Distribution tax thereon (₹ in lakhs)	512	512
(iii)	Net Profit attributable to Equity Shareholders (₹ in lakhs)	37,113	31,212
(iv)	Number of Equity Shares outstanding at the beginning of the year	50,000,000	50,000,000
(v)	Number of Equity Shares outstanding at the end of the year	50,000,000	50,000,000
(vi)	Weighted Average Number of Equity Shares outstanding during the year	50,000,000	50,000,000
(vii)	Nominal value of Equity shares (Amt. in ₹)	10.00	10.00
(viii)	Basic and Diluted Earnings Per share (Amt. in ₹)	74.23	62.42

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 31 : RELATED PARTIES DISCLOSURES:**

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

**(i) Parties where control exists**

Clearcorp Dealing Systems (India) Limited (Clearcorp)- Subsidiary  
 Legal Entity Identifier India Limited (LEIL) - Subsidiary

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

**Party having Substantial Interest**

State Bank of India

**Key Management Personnel**

Mr. R. Sridharan -Managing Director  
 Mr.O.N.Ravi -Company Secretary & Corporate Development Officer  
 Mr. Deepak Chande - Chief Financial Officer

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

(₹ in lakhs)

Nature of Relationship	Subsidiary- Clearcorp	Subsidiary- LEIL	Party having substantial interest	Key Management Personnel
<b>Particulars</b>				
Income from Operations	-----	-----	1,466 (1,000)	-----
Sale consideration for Transfer of Business	-----	- (47)	-----	-----
Business Support Charges and Other receipts	703 (641)	50 (17)	-----	-----
Rent received for residential accommodation	10 (8)	-----	-----	-----
Reimbursement/Sharing of expenses - (Receipt)	135 (138)	49 (24)	-----	-----
LEI Renewal charges (Expense)	-----	0 (0)	-----	-----
Collaterals Cash Received	-----	-----	61,737 (38,528)	-----
Collaterals Cash Repaid	-----	-----	55,670 (35,247)	-----
Collaterals Securities Received (at face value)	-----	-----	3,874,807 (1,199,783)	-----
Collaterals Securities Returned (at face value)	-----	-----	2,290,000 (2,343,400)	-----



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

Nature of Relationship	Subsidiary-Clearcorp	Subsidiary-LEIL	Party having substantial interest	Key Management Personnel
Interest on deposits from members	-----	-----	319 (142)	-----
Operational Income shared	2,483 (1,974)	-----	-----	-----
Investment in equity shares	-----	200 (250)	-----	-----
<b>Remuneration</b>				
- Mr. R. Sridharan	-----	-----	-----	72 (50)
- Mr.O.N.Ravi	-----	-----	-----	94 (87)
- Mr. Deepak Chande	-----	-----	-----	83 (81)
<b>Outstanding Balance as at the year end :</b>				
Receivable	-----	23 (26)	163 (99)	-----
Payable	153 (93)	-----	50 (58)	-----
Collaterals outstanding - Cash	-----	-----	25,824 (20,367)	-----
Collaterals outstanding - Securities (at face value) {Refer Note (d) below}	-----	-----	1,810,828 (226,021)	-----
Additional Collaterals towards CBLO Settlement outstanding - Guarantees	-----	-----	-----	-----
<b>Payable</b>				
- Mr. R. Sridharan	-----	-----	-----	- (1)
- Mr.O.N.Ravi	-----	-----	-----	7 (4)
- Mr. Deepak Chande	-----	-----	-----	1 (3)

Notes:

- (a) Figures in brackets represent corresponding amounts in the previous year.
- (b) Transactions with Subsidiaries are in respect of common operations and in accordance with the terms of agreements entered into in this regard.
- (c) Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.
- (d) Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.
- (e) The amounts are inclusive of Service Tax wherever applicable.
- (f) 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 MARCH 31, 2017**

**NOTE 32 : DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN EXPOSURE**

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

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)
<b>ASSETS</b>				
US Govt. Treasury Bills	567,174	367,748	586,848	389,273
Bank Balance in Current Accounts	21,941	14,226	19,675	13,051
Accrued Interest on US T Bills	722	468	433	287
<b>Total</b>	<b>589,837</b>	<b>382,442</b>	<b>606,956</b>	<b>402,611</b>
<b>LIABILITIES</b>				
Deposits from Members	588,401	381,511	606,313	402,185
Interest payable to Members	1,402	909	630	418
Bank Charges Payable	162	105	136	90
Creditors for Capital Expenses	-	-	8	5
<b>Total</b>	<b>589,965</b>	<b>382,525</b>	<b>607,087</b>	<b>402,698</b>
<b>Net Assets / (Liabilities)</b>	<b>(128)</b>	<b>(83)</b>	<b>(131)</b>	<b>(87)</b>

**NOTE 33 :**

The Company's operations fall into a single business segment comprising of facilitating 'Clearing and Settlement of securities/ foreign exchange/money market instruments' and activities incidental thereto, and all its operations are carried out in India. However the Company has while preparing the consolidated financial statements disclosed the segment information to the extent applicable as required under the said Accounting Standard.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 34 :**

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

(₹ in lakhs)

Particulars	As at 31.03.2017			As at 31.03.2016		
	Included in Trade Payables	Included in Other Payables	Included in Creditors for Capital Expenses	Included in Trade Payables	Included in Other Payables	Included in Creditors for Capital Expenses
(a) Principal amount remaining unpaid at the end of Accounting year.	8	31	0 *	7	12	17
(b) Amount of interest paid in terms of 16 of the MSMED Act.	-	-	-	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment.	-	-	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-	-	-
(e) Interest due & payable even in succeeding years	-	-	-	-	-	-

The Company has compiled the above information based on the status submitted by the suppliers under the said Act. \* denotes amount less than ₹1 Lakh

**NOTE 35 :**

Details of Specified Bank Notes (SBN)\* held and transacted during the period from 8th November,2016 to 30th December, 2016 is as under:

	SBNs*	Other Denomination Notes	Total
	(Amt in ₹)	(Amt in ₹)	(Amt in ₹)
<b>Closing cash in hand as on 08.11.2016</b>	<b>49,500</b>	<b>19,272</b>	<b>68,772</b>
(+)	Permitted receipts	63,000	1,23,118
(-)	Permitted payments	-	58,400
(-)	Amounts deposited in Banks	1,12,500	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>83,990</b>	<b>83,990</b>

\* Specified Bank Notes (SBN)\* means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in Ministry of Finance, Department of Economic Affairs No S.O. 3407(E), dated 8th November,2016.

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 36 :**

Details of Payment to Auditors is as under:

(₹ in lakhs)

Payment to Auditors	For the year ended 2016-17	For the year ended 2015-16
Audit Fees	9	8
Limited Review Fees	3	-
Tax Audit Fees	-	2
Taxation Matters	-	-
Certification Fees	-	2
Reimbursement of Expenses	-	0*
<b>TOTAL</b>	<b>12</b>	<b>12</b>

\* denotes amount less than ₹1 Lakh

**NOTE 37:**

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

**NOTE 38:**

Previous year's figures have been audited by a firm of Chartered Accountants other than Kalyaniwalla & Mistry LLP, Chartered Accountants, the current auditors.

**NOTE 39:**

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

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

Sd/-  
**Usha Thorat**  
 Chairperson  
 (DIN:00542778)

Sd/-  
**R. Sridharan**  
 Managing Director  
 (DIN:00868787)

Sd/-  
**Rajendra Chitale**  
 Director  
 (DIN:00015986)

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

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

Place : Mumbai  
 Date : May 16, 2017



## 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	4,929	(145)
6.	Total assets	6,601	330
7.	Total Liabilities	672	25
8.	Investments	-	-
9.	Turnover	3,815	2
10.	Profit before taxation	1,564	(104)
11.	Provision for taxation	544	-
12.	Profit after taxation	1,020	(104)
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/-  
**Usha Thorat**  
Chairperson  
(DIN:00542778)

Sd/-  
**R. Sridharan**  
Managing Director  
(DIN:00868787)

Sd/-  
**Rajendra Chitale**  
Director  
(DIN:00015986)

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

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

Place : Mumbai  
Date : May 16, 2017



## INDEPENDENT AUDITOR'S REPORT

### *INDEPENDENT AUDITOR'S REPORT*

### *TO THE MEMBERS OF*

### *THE CLEARING CORPORATION OF INDIA LIMITED*

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **THE CLEARING CORPORATION OF INDIA LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”), that give a true and fair view of the consolidated financial position, consolidated financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 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 Financial Statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

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

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 of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on March 31, 2017, from being appointed as a Director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- 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 could impact the financial position of the Company.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The Group has provided requisite disclosures in the financial statements of the respective Companies in the Group as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management Representation, and on the reports of the Statutory Auditor’s of the subsidiary companies, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Notes).

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

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

Place: Mumbai  
Date: May 12, 2017

## **Annexure A to the Independent Auditor's Report**

Referred to in Para 1(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended March 31, 2017.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **THE CLEARING CORPORATION OF INDIA LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies incorporated in India, as of March 31, 2017, in conjunction with our audit of the Consolidated 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 Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by 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 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

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

- 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 financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies, which are companies incorporated in India, 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.

### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary companies, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Place: Mumbai  
Date: May 12, 2017



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**

(₹ in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	2	10,000	10,000
Reserves and Surplus	3	232,023	195,785
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	4	1,443	1,429
Long-Term Provisions	5	1,558	868
<b>Current Liabilities</b>			
<b>Trade Payables</b>			
(a) Total outstanding dues of micro and small enterprises	6	8	7
(b) Total outstanding dues of other creditors	6	242	220
Other Current Liabilities	7	761,036	691,715
Short-Term Provisions	8	3,749	3,098
<b>TOTAL</b>		<b>1,010,059</b>	<b>903,122</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
-Tangible Assets	9	14,176	14,478
-Intangible Assets		3,023	3,148
-Intangible Assets under Development-Software		2,828	2,027
Non-Current Investments		-	-
Deferred Tax Assets (Net)	10	-	-
Long-Term Loans and Advances	11	721	331
Other Non-Current Assets	12	9,983	48
<b>Current Assets</b>			
Current Investments	13	612,942	485,051
Trade Receivables	14	3,637	3,712
Cash and Bank Balances	15	347,594	379,430
Short-Term Loans and Advances	16	105	142
Other Current Assets	17	15,050	14,755
<b>TOTAL</b>		<b>1,010,059</b>	<b>903,122</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS</b>	1-34		

As per our attached report of even date

For and on behalf of

**KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**

Firm Reg. No.: 104607W / W100166

Sd/-

Daraius Z. Fraser

**Partner**

M. No.: 42454

Place : Mumbai

Date : May 16, 2017

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

**Usha Thorat**

Chairperson

(DIN:00542778)

Sd/-

**O. N. Ravi**

Company Secretary &

Corporate Development Officer

Sd/-

**R. Sridharan**

Managing Director

(DIN:00868787)

Sd/-

**Rajendra Chitale**

Director

(DIN:00015986)

Sd/-

**Deepak Chande**

Chief Financial Officer



## THE CLEARING CORPORATION OF INDIA LIMITED

### STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Revenue from Operations</b>			
Income from Operations	18	46,065	32,430
Other Operating Revenues	19	15,219	16,371
		<b>61,284</b>	<b>48,801</b>
Other Income	20	14,534	14,104
<b>Total Revenue</b>		<b>75,818</b>	<b>62,905</b>
<b>Expenses</b>			
Employee Benefits Expense	21	5,918	4,280
Finance Costs	22	1,712	1,297
Depreciation and Amortization Expense	23	2,598	2,114
Other Expenses	24	6,349	5,586
<b>Total Expenses</b>		<b>16,577</b>	<b>13,277</b>
<b>Profit Before Tax</b>		<b>59,241</b>	<b>49,628</b>
Tax Expense			
- Current Tax		20,672	16,846
- Deferred Tax		12	465
- Tax Adjustments relating to earlier years		1	(139)
<b>Profit After Tax</b>		<b>38,556</b>	<b>32,456</b>
<b>Earnings per Equity Share:</b>			
-Basic		76.09	63.89
-Diluted		76.09	63.89
(Equity Share of face value of ₹10 each)			

#### As per our attached report of even date

For and on behalf of  
**KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No.: 104607W / W100166  
Sd/-  
Daraius Z. Fraser  
**Partner**  
M. No.: 42454  
Place : Mumbai  
Date : May 16, 2017

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

Sd/-  
**Usha Thorat**  
Chairperson  
(DIN:00542778)

Sd/-  
**R. Sridharan**  
Managing Director  
(DIN:00868787)

Sd/-  
**Rajendra Chitale**  
Director  
(DIN:00015986)

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

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



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	2016-17	2015-16
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	59,241	49,628
Add: Adjustments for :		
Depreciation and Amortization Expense	2,598	2,114
Diminution in value of current investments	88	0 *
Interest on Taxes	23	18
Unrealised loss on exchange	20	6
Less: Adjustments for :		
Interest Income on Investments made out of Own Funds	14,493	14,029
Provision Written Back	34	62
Profit/(Loss) on Sale of Fixed Asset (net)	0 *	0 *
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>47,443</u>	<u>37,675</u>
Adjustments for :		
(Increase)/ Decrease in Non Current Assets / Current Assets	(31,163)	(133,647)
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	70,932	106,606
CASH GENERATED FROM OPERATIONS	<u>87,212</u>	<u>10,634</u>
Direct Taxes paid	<u>(21,071)</u>	<u>(16,297)</u>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	<b>66,141</b>	<b>(5,663)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,972)	(2,466)
Sale of Fixed Assets	0 *	19
Interest Income on Investments made out of Own Funds	14,204	12,795
Purchase of Government of India Treasury Bills out of Own Funds	(78,324)	(6,692)
Sale/Redemption of Investments out of Own Funds	11,123	5,137
Placement of Fixed Deposits with Banks made out of Own Funds	(137,451)	(169,235)
Redemption of Fixed Deposits with Banks made out of Own Funds	168,786	139,515
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	<u>(24,634)</u>	<u>(20,927)</u>

\* denotes amount less than ₹1 Lakh



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

	(₹ in lakhs)	
	2016-17	2015-16
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend/Dividend Distribution Tax paid	(2,317)	(2,317)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)</b>	<b>(2,317)</b>	<b>(2,317)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>39,190</b>	<b>(28,907)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
OPENING BALANCE	18,668	47,575
CLOSING BALANCE		
Before adjustment of unrealised foreign exchange	57,937	18,157
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(79)	511
	57,858	18,668
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>39,190</b>	<b>(28,907)</b>

As per our attached report of even date

For and on behalf of

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

Sd/-

Daraius Z. Fraser

**Partner**

M. No.: 42454

**Place : Mumbai**

**Date : May 16, 2017**

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

**Usha Thorat**

Chairperson  
(DIN:00542778)

Sd/-

**O. N. Ravi**

Company Secretary &  
Corporate Development Officer

Sd/-

**R. Sridharan**

Managing Director  
(DIN:00868787)

Sd/-

**Rajendra Chitale**

Director  
(DIN:00015986)

Sd/-

**Deepak Chande**

Chief Financial Officer



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

#### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CFS)**

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 is engaged in business of Local Operating Unit (LOU) for the issuance, maintenance and provision of Legal Entity Identifier (LEI) services in India or abroad.

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

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

The consolidated financial statements of the Company and its wholly owned subsidiaries have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Act, 2013, and relevant provisions of the Companies Act. The financial statements have been prepared under the historical convention on accrual basis.

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

##### **(b) Principles of consolidation :**

The consolidated financial statements of the Parent Company and the Subsidiaries have been prepared in accordance with the consolidation procedures prescribed under AS 21 ‘Consolidated Financial Statements’.

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



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- (i) The financial statements of the Parent Company and the Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting profits in full.
- (ii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its standalone financial statements.
- (iii) The consolidated financial statements are prepared using uniform accounting policies across the Group.

**(c) Particulars of the Subsidiaries :**

Name of the Company	Subsidiary w.e.f	Country of incorporation	Percentage of voting rights as on 31.03.2017	Reporting date	Financial Statements	Relationship
Clearcorp Dealing Systems (India) Limited	11.06.2003	India	100%	31.03.2017	Audited	Subsidiary
Legal Entity Identifier India Limited	05.10.2015	India	100%	31.03.2017	Audited	Subsidiary

**(d) Revenue Recognition:**

- (i) Revenue from Services is recognized as and when the Service is performed as per the relevant agreements.
- (ii) In case of investment in discounted securities/instruments the discount is accrued over the period to maturity and included in Income from Investments.
- (iii) Dividend Income is recognized when the right to receive is established.
- (iv) Other Revenue Income is recognised as and when there is a reasonable certainty of ultimate realisation.

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

- (i) Fixed assets are stated at cost which comprises of purchase price, freight, duties, taxes, cost of installation and other incidental expenses incurred towards acquisition and installation of such assets.
- (ii) Expenses incurred towards acquisition or development of software by an external vendor is capitalized as Computer Software.
- (iii) Depreciation on Tangible assets is provided on Straight Line Method (SLM) over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the following:
  - a) Assets whose cost is ₹ 5,000 or less are fully written off in the year of acquisition,

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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

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

The Estimated useful life of assets considered for providing depreciation/amortization are as under:

Asset	Useful Life (In Years)
Buildings- Residential	60
Buildings - Office	60
Non Carpeted Road	5
Computer Systems - Hardware	3-6
Electrical Installations and Equipment	10
Furniture and fittings	5-10
Office Equipment	5
Computer Software	3

**(f) Investments:**

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

**(g) Employee Benefits:**

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

**(i) Defined Contribution plans:**

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

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



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(ii) Defined Benefits plans:

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

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

(iii) Other Long Term Benefits :

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

(h) Income Tax:

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

(i) Foreign Currency Transactions:

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

(j) Provisions and Contingent Liabilities:

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

- i) the Group has a present obligation as a result of past event,
- ii) a probable outflow of resources is expected to settle the obligation and
- iii) the amount of the obligation can be reliably estimated.

Contingent Liability is disclosed in the case of -

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

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

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

<u>NOTE 2 : SHARE CAPITAL</u>	As at 31.03.2017		As at 31.03.2016	
	Number	₹ in lakhs	Number	₹ in lakhs
<b><u>Authorised</u></b>				
Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Equity Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
	<b>100,000,000</b>	<b>10,000</b>	<b>100,000,000</b>	<b>10,000</b>
<b><u>Issued, Subscribed and Paid up</u></b>				
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Equity Shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
<b>TOTAL</b>	<b>100,000,000</b>	<b>10,000</b>	<b>100,000,000</b>	<b>10,000</b>

Notes:

(a) There has been no change in the number of Equity Shares or Preference Shares outstanding at the beginning or end of the respective years.

(b) **Rights Attached to Equity Shares**

Voting Rights :

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

Dividend :

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

Winding up:

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

(c) **Terms of Preference Shares**

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



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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.

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

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
State Bank of India	10,600,000	21.20	10,600,000	21.20
Life Insurance Corporation of India	5,000,000	10.00	5,000,000	10.00
STCI Finance Limited	5,000,000	10.00	5,000,000	10.00
IDBI Bank Limited	3,750,000	7.50	3,750,000	7.50
ICICI Bank Limited	2,750,000	5.50	2,750,000	5.50
<b>8.5% Redeemable, Non Convertible, Cumulative Preference Shares :</b>				
The Kalupur Commercial Co-operative Bank Limited	19,000,000	38.00	19,000,000	38.00
Kotak Mahindra Bank Ltd.	8,000,000	16.00	8,000,000	16.00
The South Indian Bank Limited	5,000,000	10.00	5,000,000	10.00
The Karur Vysya Bank Ltd.	5,000,000	10.00	5,000,000	10.00
The Federal Bank Ltd.	5,000,000	10.00	5,000,000	10.00
Yes Bank Ltd.	5,000,000	10.00	5,000,000	10.00

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

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	86,756	57,756
Add: Transferred from Surplus	5,000	29,000
<b>Closing Balance</b>	<b>91,756</b>	<b>86,756</b>
<b>Settlement Reserve Fund</b>		
Opening Balance	100,081	100,057
Add: Transferred from Surplus	-	24
Less: Transferred to Contingency Reserve Fund	81	-
<b>Closing Balance</b>	<b>100,000</b>	<b>100,081</b>
<b>Contingency Reserve Fund</b>		
Opening Balance	-	-
Add: Transferred from Surplus	30,124	-
Transferred from Settlement Reserve Fund	81	-
<b>Closing Balance</b>	<b>30,205</b>	<b>-</b>
<b>Surplus</b>		
Opening Balance	8,948	7,833
Add: Net Profit After Tax transferred from Statement of Profit & Loss	38,556	32,456
Amounts available for Appropriation	<b>47,503</b>	<b>40,289</b>
<b>Appropriations :</b>		
- Proposed Dividend on Equity Shares	1,500	1,500
- Proposed Dividend on Preference Shares	425	425
- Dividend Distribution Tax - Equity Shares	305	305
- Dividend Distribution Tax - Preference Shares	87	87
- Transfer to General Reserve	5,000	29,000
- Transfer to Settlement Reserve Fund	-	24
- Transfer to Contingency Reserve Fund	30,124	-
<b>Closing Balance</b>	<b>10,062</b>	<b>8,948</b>
<b>TOTAL</b>	<b>232,023</b>	<b>195,785</b>

Notes:

- (a) Settlement Reserve Fund represents amounts set aside from the Profits of the Company from time to time as may be considered appropriate by the Board of Directors, to ensure that there are sufficient assigned financial resources which may be utilized for meeting claims in relation to any participant's default. Bank Deposits/Current Investments amounting to ₹1,00,081 lakhs (Previous year - ₹1,00,057 lakhs) are earmarked for this purpose.
- (b) 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 utilized for meeting Non default losses.



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 4 : DEFERRED TAX LIABILITIES</u></b>		
<b><u>Deferred Tax Liabilities</u></b>		
Timing difference on account of Depreciation	1,999	1,851
<b><u>Less : Deferred Tax Assets</u></b>		
Timing difference in respect of Tax Diallowances	556	422
<b>TOTAL</b>	<b>1,443</b>	<b>1,429</b>
<b><u>NOTE 5 : LONG TERM PROVISIONS</u></b>		
Provision for Employee Benefits	1,558	868
<b>TOTAL</b>	<b>1,558</b>	<b>868</b>
<b><u>NOTE 6 : TRADE PAYABLES</u></b>		
(a) Total outstanding dues of micro and small enterprises	8	7
(b) Total outstanding dues of other creditors	242	220
<b>TOTAL</b>	<b>250</b>	<b>227</b>
<b><u>NOTE 7 : OTHER CURRENT LIABILITIES</u></b>		
Settlement Dues Payables	19,452	-
Creditors for Capital Expenses { Refer note (a) below }	656	928
Interest Accrued but not Due	2,427	2,247
Deposits from Members { Refer note (b) below }	737,877	687,992
Statutory Dues payable	266	244
Other payables { Refer note (c) below }	358	304
<b>TOTAL</b>	<b>761,036</b>	<b>691,715</b>

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Notes :

- (a) Creditors for Capital Expenses includes ₹1 lakh ( Previous year ₹17 lakhs ) due to Micro and Small Enterprises.
- (b) '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	(₹ in lakhs)		
	Cash Collaterals	Govt. Securities #	Guarantees
Securities Settlement	280,140 (240,463)	4,316,759 (3,310,458)	--
Forex Settlement	381,511 * (402,185) *	-- --	-- --
CBLO Settlement	40,291 (35,143)	29,736,663 (22,048,147)	365,000 @ (365,000) @
Default Funds	35,935 (10,201)	485,300 (229,213)	-- --
<b>Total</b>	<b>737,877</b> <b>(687,992)</b>	<b>34,538,722</b> <b>(25,587,818)</b>	<b>365,000</b> <b>(365,000)</b>

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

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

	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
US Government Treasury Bills ( under Current Investments)	367,748	389,273
Government of India Treasury Bills (under Current Investments)	172,386	90,084
Balance in Bank Accounts		
- In Current Accounts	3,456	15,188
- In Deposit Accounts	194,287	193,447
	<b>737,877</b>	<b>687,992</b>

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

\* Equivalent to US Dollars 588,401 thousands (Previous year - US Dollars 606,313 thousands).

@ The Company has accepted Bank Guarantees as additional collaterals

(c) Other payables includes ₹34 lakhs ( Previous year - ₹12 lakhs ) due to Micro and Small Enterprises.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 8 : SHORT TERM PROVISIONS</u></b>		
Provision for Employee Benefits	1,415	781
Provision for Taxation {Net of Advance Tax ₹2,163}	17	-
Proposed Dividend on Equity Shares	1,500	1,500
Proposed Dividend on Preference Shares	425	425
Provision for Dividend Distribution Tax - Equity Shares	305	305
Provision for Dividend Distribution Tax - Preference Shares	87	87
<b>TOTAL</b>	<b>3,749</b>	<b>3,098</b>

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

**NOTE 9 : FIXED ASSETS**

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		As at 01.04.2016	Additions	Disposal	As at 31.03.2017	Up to 31.03.2016	Depreciation for the year	On Disposals	Up to 31.03.2017	As on 31.03.2017	As on 31.03.2016
	<b>Tangible Assets</b>										
1	Freehold Land	1,320	-	-	1,320	-	-	-	-	1,320	1,320
2	Buildings - Residential	1,139	-	-	1,139	202	17	-	219	920	937
3	Buildings - Office	11,370	-	-	11,370	840	172	-	1,012	10,358	10,530
4	Computer Systems Hardware	3,626	314	9	3,931	2,754	256	9	3,001	930	873
5	Furniture and fittings	583	3	-	586	423	34	-	457	129	159
6	Electrical Installations and Equipment	1,560	8	-	1,568	1,017	98	-	1,115	453	543
7	Office Equipment	894	6	-	900	778	80	-	858	42	116
8	Non Carpeted Road	-	27	-	27	-	3	-	3	24	-
	<b>Total</b>	<b>20,492</b>	<b>358</b>	<b>9</b>	<b>20,841</b>	<b>6,014</b>	<b>660</b>	<b>9</b>	<b>6,665</b>	<b>14,176</b>	<b>14,478</b>
	<b>Intangible Assets</b>										
1	Computer Software	14,532	1,813	-	16,345	11,384	1,938	-	13,322	3,023	3,148
	<b>Total</b>	<b>14,532</b>	<b>1,813</b>	<b>-</b>	<b>16,345</b>	<b>11,384</b>	<b>1,938</b>	<b>-</b>	<b>13,322</b>	<b>3,023</b>	<b>3,148</b>
	<b>Grand Total</b>	<b>35,024</b>	<b>2,171</b>	<b>9</b>	<b>37,186</b>	<b>17,398</b>	<b>2,598</b>	<b>9</b>	<b>19,987</b>	<b>17,199</b>	<b>17,626</b>
	<b>Previous Year</b>	<b>33,282</b>	<b>1,831</b>	<b>88</b>	<b>35,024</b>	<b>15,357</b>	<b>2,112</b>	<b>71</b>	<b>17,398</b>	<b>17,626</b>	

**Notes:**

- Freehold Land represents allocated cost of land related to Company's office building at Dadar (Mumbai), the conveyance for which is yet to be executed in favour of the Company.
- Cost of building under "Building - Residential" includes ₹14,000 paid towards 14 shares of ₹1,000 each of an Apartment Condominium.



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 10 : DEFERRED TAX ASSETS</u></b>		
<b><u>Deferred Tax Assets</u></b>		
In respect of preliminary expenses and carried forward loss/depreciation	41	16
<b><u>Less : Deferred Tax Liabilities</u></b>		
On account of depreciation	3	3
	<b>38</b>	<b>13</b>
Less: Deferred tax asset not recognised in the absence of virtual certainty {Refer note 1(h)}	<b>38</b>	<b>13</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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

(Unsecured, Considered Good)

Capital Advances	-	3
Security Deposits {Refer note below }	65	65
Advance Tax { Net of Provision amounting to ₹88,689 (Previous Year ₹87,074) }	656	264
<b>TOTAL</b>	<b>721</b>	<b>332</b>

Note:

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

**THE CLEARING CORPORATION OF INDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 12: OTHER NON CURRENT ASSETS</u></b>		
Bank Deposits with residual maturity of more than 12 months	9,935	25
Interest Accrued on Deposits with Banks	22	0 *
Service Tax Input Credit	-	0 *
Prepaid Expenses	26	22
<b>TOTAL</b>	<b>9,983</b>	<b>47</b>

- (i) deposits amounting to ₹100 lakhs (Previous Year ₹50 lakhs) kept with a bank under lien in favour of Forex Dealers Association of India (FEDAI).

**NOTE 13 : CURRENT INVESTMENTS**

**QUOTED :**

Investment in Government Securities {Refer Note below}	613,030	485,051
Less : Provision for Diminution in value of Current Investments	(88)	-
<b>TOTAL</b>	<b>612,942</b>	<b>485,051</b>

\* denotes amount less than ₹1 Lakh



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note : Details of Current Investments

Sr. No.	Investment	No. of Units		Amount (₹ in lakhs)	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
	<b>Investments in Government Securities (Quoted) (at Cost)</b>				
(i)	US Government Treasury Bills (Fair Value ₹3,68,128 lakhs, Previous year ₹3,89,734 lakhs)	5,690,000	5,880,000	367,748	389,273
(ii)	Government of India Treasury Bills ( Fair Value ₹2,51,439 lakhs, Previous year - ₹99,226 lakhs )	259,974,050	101,770,750	245,282	95,778
	<b>TOTAL</b>			<b>613,030</b>	<b>485,051</b>

Note :

- (a) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹36,312 lakhs (Previous year - ₹4,672 lakhs) earmarked for Settlement Reserve Fund.
- (b) Investment in US Government Treasury Bills shown under Sr.No. (i) above represents Treasury bills amounting to USD 567,174 thousands (Previous year USD 586,848 thousands ) 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.

	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016

#### **NOTE 14 : TRADE RECEIVABLES**

(Unsecured, Considered Good)

Trade Receivables outstanding for a period less than six months from the date they are due for payment

	3,637	3,712
Other Trade Receivable	0 *	0 *
<b>TOTAL</b>	<b>3,637</b>	<b>3,712</b>

\* denotes amount less than ₹1 Lakh

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b>NOTE 15 : CASH AND BANK BALANCE</b>		
<b>(A) Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
in Current Accounts	5,898	13,877
in Deposit Accounts (original maturity of upto 3 months)	51,960	4,790
	<b>57,858</b>	<b>18,667</b>
<b>Cash on Hand</b>	0 *	1
	<b>57,858</b>	<b>18,668</b>
<b>(B) Other Bank Balances</b>		
Bank Deposits with residual maturity upto 12 months { Refer notes below }	289,736	360,762
	<b>289,736</b>	<b>360,762</b>
<b>TOTAL</b>	<b>347,594</b>	<b>379,430</b>

\* denotes amount less than ₹1 Lakh

Notes :

Bank Deposits with residual maturity upto 12 months includes -

- (i) bank deposits amounting to ₹63,769 lakhs (Previous year ₹95,385 lakhs) earmarked for Settlement Reserve Fund.
- (ii) Deposits amounting to ₹1,15,363 lakhs ( Previous year ₹64,945 lakhs ) marked as lien by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks amounts to ₹1,04,155 lakhs (Previous year ₹57,828 lakhs). Outstanding Overdraft as on 31.03.2017 - Nil (Previous year - Nil).



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<b><u>NOTE 16 : SHORT TERM LOANS AND ADVANCES</u></b>		
(Unsecured, Considered Good)		
Advances to suppliers and Others	105	142
<b>TOTAL</b>	<b>105</b>	<b>142</b>
<b><u>NOTE 17 : OTHER CURRENT ASSETS</u></b>		
Interest Accrued on Deposits with Banks	8,136	10,507
Interest Accrued on Current Investments	6,348	3,687
Service Tax Input Credit	275	267
Prepaid Expenses	291	295
Others	0 *	0 *
<b>TOTAL</b>	<b>15,050</b>	<b>14,756</b>
	<b>For the year ended 31.03.2017</b>	<b>For the year ended 31.03.2016</b>
<b><u>NOTE 18 : INCOME FROM OPERATIONS</u></b>		
Transaction Charges-Clearing & Settlement	41,209	28,545
Transaction Charges- Trading	3,444	2,888
Other fees and charges	1,412	997
<b>TOTAL</b>	<b>46,065</b>	<b>32,430</b>
<b><u>NOTE 19 : OTHER OPERATING REVENUES</u></b>		
Interest / Income on investments made out of Operational Funds		
- Income on Current Investments	9,786	6,117
- Interest on Fixed Deposits with Banks	13,820	17,611
	23,606	23,728
Less : Interest Paid on Deposits from Members	8,387	7,357
<b>TOTAL</b>	<b>15,219</b>	<b>16,371</b>

\* denotes amount less than ₹1 Lakh

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
<b><u>NOTE 20 : OTHER INCOME</u></b>		
Interest / Income on Investments made out of Own Funds		
- Income on Current Investments	1,580	145
- Interest on Fixed Deposits with Banks	12,913	13,885
	14,493	14,030
Profit on Sale of Fixed Assets (net)	0*	0*
Net Profit on Foreign Currency Transaction and Translation	-	0*
Others	41	74
<b>TOTAL</b>	<b>14,534</b>	<b>14,104</b>

#### **NOTE 21 : EMPLOYEE BENEFITS EXPENSE**

Salaries	5,085	3,578
Contributions to Provident and Other Funds	644	477
Staff Welfare Expenses	189	225
<b>TOTAL</b>	<b>5,918</b>	<b>4,280</b>

#### **NOTE 22 : FINANCE COST**

Interest on Taxes	23	18
Line of Credit Commitment and Other Charges	1,689	1,279
<b>TOTAL</b>	<b>1,712</b>	<b>1,297</b>

\* denotes amount less than ₹1 lakh



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
<b><u>NOTE 23 : DEPRECIATION AND AMORTIZATION EXPENSE</u></b>		
Depreciation on Tangible Assets	660	695
Amortisation of Intangible Assets	1,938	1,419
<b>TOTAL</b>	<b>2,598</b>	<b>2,114</b>

### **NOTE 24 : OTHER EXPENSES**

Power and Fuel	491	411
Repairs and Maintenance - Buildings	107	85
Repairs and Maintenance - Computer Systems and Equipment	1,807	1,568
Repairs and Maintenance - Others	106	102
Insurance	13	11
Rates and Taxes	135	125
Communication Expenses	328	351
CLS Settlement Charges	1,147	1,033
Net Loss on Foreign Currency Transaction and Translation	20	6
Expenditure towards Corporate Social Responsibility	1,052	983
Professional Fees	210	210
Directors' Sitting Fees	98	99
Diminution in value of Current Investments	88	-
Payment to Auditors	15	15
Others	732	587
<b>TOTAL</b>	<b>6,349</b>	<b>5,586</b>

**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 25: CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
<b>(i) <u>Contingent Liabilities</u></b>		
Claims against the Company not acknowledged as debt:		
- Service Tax Demands including penalty and Interest	768	488
- Income Tax Demands for various assessment years disputed by the Company	60	-
<b>(ii) <u>Commitments</u></b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,333	1,370
<b>Total</b>	<b>2,161</b>	<b>1,858</b>

**NOTE 26 : EMPLOYEE BENEFITS - GRATUITY**

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



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Description	Gratuity	
	2016-17	2015-16
<b>A. Amount recognised in the Statement of Profit and Loss for the year</b>		
- Current Service Cost	158	120
- Interest Cost	103	87
- Expected Return on Plan Assets	(109)	(92)
- Net actuarial (Gain) / Loss recognized during the year	144	51
- Total Expenses recognized in the Statement of Profit and Loss	296	166
<b>B. Actual Return on Plan Assets</b>		
- Actual Return of Plan Assets	121	102
<b>C. Amount recognised in the Balance Sheet</b>		
- Present Value of Obligation	1622	1282
- Fair Value of Plan Assets	1610	1368
- Funded status {surplus / (deficit)}	(12)	86
- Net Asset/(Liability) recognized in the Balance Sheet	(12)	86
<b>D. Change in Present Value of Obligation</b>		
- Present Value of Obligation at the beginning of the year	1281	1087
- Current Service Cost	158	120
- Interest Cost	103	87
- Benefits paid	(76)	(73)
- Actuarial (Gain) / Loss on Obligation	155	61
- Present Value of Obligation at the end of the year	1,632	1282
<b>E. Change in Plan Assets</b>		
- Fair Value of Plan Assets at the beginning of the year	1368	1157
- Expected Return on Plan Assets	109	92
- Contributions Made	196	182
- Benefits Paid	(76)	(73)
- Actuarial Gains / (Loss) on Plan Assets	12	10
- Fair Value of Plan Assets at the end of the year	1,610	1368
<b>F. Major categories of Plan Assets as a percentage of total plan</b>	100% Insurance Policy	
<b>G. Estimated contribution to be made in next financial year</b>	179	Not Available
<b>H. Actuarial Assumptions</b>		
- Discount Rate	7.40%	8.06%
- Expected Rate of Return on assets	7.50%	8.06%
- Employee Attrition Rate	3%	3%
- Mortality Rate/ Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
- Future salary increase	8.00%	8.00%
<b>I. Experience adjustments on plan assets and liabilities</b>		
- (Gain)/Loss on Plan Liabilities	48	(319)
- Gain/(Loss) on Plan Assets	12	10

**Notes:**

- (a) Actuarial Valuation has been done using Projected Unit Credit Method.
- (b) Amounts Recognised as Expense:

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- (i) Defined Contribution Plan
- (1) Employer's Contribution to Provident Fund amounting to ₹213 lakhs (Previous year - ₹194 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
- (2) Employer's Contribution to Superannuation Fund amounting to ₹66 lakhs (Previous year - ₹96 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
- (ii) Defined Benefit Plan
- Gratuity cost amounting to ₹296 lakhs (Previous year - ₹166 lakhs) has been included in Note 21 under Contribution to Provident and Other Funds.

#### **NOTE 27: BASIC AND DILUTED EARNINGS PER SHARE**

Basic and Diluted Earning Per Share is calculated as under:

Particulars		2016-17	2015-16
(i)	Net profit as per Consolidated statement of Profit & loss (₹ in lakhs)	38,556	32,456
(ii)	Dividend on Preference Capital & Dividend Distribution tax thereon (₹ in lakhs)	512	512
(iii)	Net Profit attributable to Equity Shareholders (₹ in lakhs)	38,044	31,944
(iv)	Number of Equity Shares outstanding at the beginning of the year	50,000,000	50,000,000
(v)	Number of Equity Shares outstanding at the end of the year	50,000,000	50,000,000
(vi)	Weighted Average Number of Equity Shares outstanding during the year	50,000,000	50,000,000
(vii)	Nominal value of Equity shares (Amt. in ₹)	10.00	10.00
(viii)	Basic and Diluted Earnings Per share (Amt. in ₹)	76.09	63.89

#### **NOTE 28: RELATED PARTIES DISCLOSURES:**

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

Parties with whom transactions have been entered into during the year in the ordinary course of the business :

##### **Party having Substantial Interest**

State Bank of India

##### **Key Management Personnel**

Mr. R. Sridharan - Managing Director

Mr.O.N.Ravi - Company Secretary & Corporate Development Officer

Mr. Deepak Chande - Chief Financial Officer



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

( ₹ in lakhs)

Nature of Relationship	Party having substantial interest	Key Management Personnel
<b>Particulars</b>		
Income from Operations	1,499 (1,030)	-----
Collaterals Cash Received	61,737 (38,528)	-----
Collaterals Cash Repaid	55,670 (35,247)	-----
Collaterals Securities Received (at face value)	3,874,807 (1,199,783)	-----
Collaterals Securities Returned (at face value)	2,290,000 (2,343,400)	-----
Interest on deposits from members	319 (142)	-----
<b>Remuneration</b>		
- Mr. R. Sridharan	-----	72 (50)
- Mr.O.N.Ravi	-----	94 (87)
- Mr. Deepak Chande	-----	83 (81)
<b>Outstanding Balance as at the year end :</b>		
Receivable	165 (101)	-----
Payable	50 (58)	-----
Collaterals outstanding - Cash	25,824 (20,367)	-----
Collaterals outstanding - Securities (at face value) {Refer Note (c) below}	1,810,828 (226,021)	-----
<b>Payable</b>		
- Mr. R. Sridharan	-----	- (1)
- Mr.O.N.Ravi	-----	7 (4)
- Mr. Deepak Chande	-----	1 (3)

Notes:

- (a) Figures in brackets represent corresponding amounts in the previous year.
- (b) Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- (c) Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.
- (d) The amounts are inclusive of Service Tax wherever applicable.
- (e) 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 29:**

The disclosure in respect of Segment information as per Accounting Standard - 17 "Segment Reporting" for the year ended 31st March, 2017 is as under :

The Group has identified segments viz. Clearing and Settlement Services and Trading Services. 'Clearing and Settlement Services' comprises of facilitating 'Clearing and Settlement of securities/foreign exchange/money market instruments' and activities incidental thereto. 'Trading services' comprises of facilitating 'Trading of securities/ foreign exchange/money market instruments' and activities incidental thereto. Segments have been identified and reported taking into account nature of services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Group.



## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Particulars	2016-17			2015-16		
	Clearing & Settlement Services	Trading Services	Total	Clearing & Settlement Services	Trading Services	Total
<b>REVENUE</b>						
Revenue from Operations (External)	57,470	3,815	61,284	45,566	3,235	48,800
<b>Total Revenue from Operations</b>	<b>57,470</b>	<b>3,815</b>	<b>61,284</b>	<b>45,566</b>	<b>3,235</b>	<b>48,800</b>
<b>RESULT</b>						
Segment Result	42,852	1,855	44,707	33,935	1,590	35,524
Add: Other Income			14,534			14,104
<b>Profit Before Tax</b>	<b>42,852</b>	<b>1,855</b>	<b>59,241</b>	<b>34,563</b>	<b>961</b>	<b>49,628</b>
<b>Tax Expense</b>						
- Current Tax			20,672			16,846
- Deferred Tax			12			465
- Tax Adjustments relating to earlier years			1			(139)
<b>Profit After Tax</b>			<b>38,556</b>			<b>32,456</b>
<b>OTHER INFORMATION</b>						
<b>Assets</b>						
Segment Assets	1,003,610	6,449	1,010,059	897,770	5,352	903,122
<b>Total Assets</b>	<b>1,003,610</b>	<b>6,449</b>	<b>1,010,059</b>	<b>897,770</b>	<b>5,352</b>	<b>903,122</b>
<b>Liabilities</b>						
Segment Liabilities	767,362	672	768,034	696,801	537	697,338
<b>Total Liabilities</b>	<b>767,362</b>	<b>672</b>	<b>768,034</b>	<b>696,801</b>	<b>537</b>	<b>697,338</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	2,419	553	2,972	1,995	471	2,466
<b>Total Capital Expenditure</b>	<b>2,419</b>	<b>553</b>	<b>2,972</b>	<b>1,995</b>	<b>471</b>	<b>2,466</b>
<b>Depreciation/Amortisation</b>						
Segment Depreciation/Amortisation	1,963	635	2,598	1,606	508	2,114
<b>Total Depreciation/Amortisation</b>	<b>1,963</b>	<b>635</b>	<b>2,598</b>	<b>1,606</b>	<b>508</b>	<b>2,114</b>

## THE CLEARING CORPORATION OF INDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

#### **NOTE 30: DISCLOSURE IN RESPECT OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN EXPOSURE**

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

PARTICULARS	As at 31.03.2017		As at 31.03.2016	
	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)	Amount in US Dollars ( in Thousands )	Amount in INR (₹ in lakhs)
<b>ASSETS</b>				
US Govt. Treasury Bills	567,174	367,748	586,848	389,273
Bank Balance in Current Accounts	21,941	14,226	19,675	13,051
Accrued Interest on US T Bills	722	468	433	287
Advances	-	-	4	2
<b>Total</b>	<b>589,837</b>	<b>382,442</b>	<b>606,960</b>	<b>402,613</b>
<b>LIABILITIES</b>				
Deposits from Members	588,401	381,511	606,313	402,185
Interest payable to Members	1,402	909	630	418
Bank Charges Payable	162	105	136	90
Creditors for Capital Expenses	-	-	8	5
<b>Total</b>	<b>589,965</b>	<b>382,525</b>	<b>607,087</b>	<b>402,698</b>
<b>Net Assets / (Liabilities)</b>	<b>(128)</b>	<b>(83)</b>	<b>(127)</b>	<b>(85)</b>

#### **NOTE 31:**

Details of Specified Bank Notes (SBN)\* held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as under:

	SBNs*	Other Denomination Notes	Total
	(Amt in ₹)	(Amt in ₹)	(Amt in ₹)
<b>Closing cash in hand as on 08.11.2016</b>	<b>49,500</b>	<b>28,293</b>	<b>77,793</b>
(+)	Permitted receipts	63,000	1,23,118
(-)	Permitted payments	-	61,789
(-)	Amounts deposited in Banks	1,12,500	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>89,622</b>	<b>89,622</b>

\* Specified Bank Notes (SBN)\* means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in Ministry of Finance, Department of Economic Affairs No S.O. 3407(E), dated 8th November, 2016.



**THE CLEARING CORPORATION OF INDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE 32:**

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

**NOTE 33:**

Previous year's figures have been audited by a firm of Chartered Accountants other than Kalyaniwalla & Mistry LLP, Chartered Accountants, the current auditors.

**NOTE 34:**

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

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

Sd/-  
**Usha Thorat**  
Chairperson  
(DIN:00542778)

Sd/-  
**R. Sridharan**  
Managing Director  
(DIN:00868787)

Sd/-  
**Rajendra Chitale**  
Director  
(DIN:00015986)

Place : Mumbai  
Date : May 16, 2017

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

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



## THE CLEARING CORPORATION OF INDIA LIMITED

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(As prescribed under Schedule III of the Companies Act,2013)

(₹ in lakhs)

Name of the entity in the	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b> The Clearing Corporation Of India Limited	98.10	237,414	95.84	36,952
<b>Subsidiaries - Indian</b> Clearcorp Dealing Systems (India) Limited Legal Entity Identifier India Limited	1.97 (0.07)	4,776 (168)	4.28 (0.12)	1,648 (45)
<b>Subsidiaries - Foreign</b> None	-	-	-	-
<b>Minority Interest</b> None	-	-	-	-
<b>Joint Ventures</b> None	-	-	-	-
<b>TOTAL</b>	<b>100</b>	<b>242,023</b>	<b>100</b>	<b>38,556</b>



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