

The Clearing Corporation of India Limited



Financial Statements

2017-2018



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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. K. K. Mahajan
Mr. B. Prasanna
Mr. Satish C. Singh

Corporate Development Officer

Mr. O. N. Ravi

Chief Financial Officer

Mr. Deepak Chande

Company Secretary

Mr. Pankaj Srivastava

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
CIN-U65990MH2001PLC131804



THE CLEARING CORPORATION OF INDIA LIMITED

Financial Statements 2017 - 2018

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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, 2018, 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, 2018 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, 2018 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2018, 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.

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

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

Mumbai, May 10, 2018



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, 2018:

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. In case of intangibles, Management furnishes an annual Certificate of the software in use.
- 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, 2018.

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, Goods and Service 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.

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	20	AY 2006 -07	Assistant Commissioner of 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)
		13	AY 2016 -17	Intimation u/s 143(1)

- b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Service 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 :
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 complied with the provisions of section 42 of the Companies Act, 2013 for issue of private placement of Redeemable, Non Convertible, Cumulative Preference Shares 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.

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

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

Mumbai, May 10, 2018

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, 2018.

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, 2018, 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, 2018, 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.

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

Sd/-

Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai, May 10, 2018

THE CLEARING CORPORATION OF INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lakhs)

	Note No.	As at 31.03.2018	As at 31.03.2017
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	10,000	10,000
Reserves and Surplus	3	2,56,763	2,27,265
Non-Current Liabilities			
Deferred Tax Liabilities	4	1,283	1,399
Long-Term Provisions	5	1,294	1,303
Current Liabilities			
Trade Payables			
(a) Total outstanding dues of micro and small enterprises	6	17	8
(b) Total outstanding dues of other creditors		244	222
Other Current Liabilities	7	7,85,792	7,61,039
Short-Term Provisions	8	2,923	3,542
TOTAL		10,58,316	10,04,778
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
-Tangible Assets	9	13,731	14,172
-Intangible Assets		1,586	2,107
-Intangible Assets under Development-Software		3,819	2,592
Non-Current Investments	10	1,450	1,450
Long-Term Loans and Advances	11	621	720
Other Non-Current Assets	12	29	9,437
Current Assets			
Current Investments	13	5,91,632	612,942
Trade Receivables	14	3,241	3,442
Cash and Bank Balances	15	4,25,990	3,43,055
Short-Term Loans and Advances	16	32	48
Other Current Assets	17	16,185	14,813
TOTAL		10,58,316	10,04,778
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS	1-36		

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 10, 2018

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat

Chairperson

(DIN:00542778)

Sd/-

Deepak Chande

Chief Financial Officer

Sd/-

R. Sridharan

Managing Director

(DIN:00868787)

Sd/-

Pankaj Srivastava

Company Secretary

Sd/-

Rajendra Chitale

Director

(DIN:00015986)



THE CLEARING CORPORATION OF INDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from Operations			
Income from Operations	18	33,757	42,249
Other Operating Revenues	19	14,341	15,219
		48,098	57,468
Other Income	20	14,784	14,855
Total Revenue		62,882	72,323
Expenses			
Employee Benefits Expense	21	4,149	5,062
Finance Costs	22	1,466	1,709
Depreciation and Amortization Expense	23	1,988	1,963
Other Expenses	24	6,317	5,823
Total Expenses		13,920	14,557
Profit Before Tax		48,962	57,766
Tax Expense			
- Current Tax		17,259	20,072
- Deferred Tax		(116)	70
- Tax Adjustments relating to earlier years		-	0 *
Profit After Tax		31,819	37,624
Earnings per Equity Share:			
-Basic		62.61	74.23
-Diluted		62.61	74.23
(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 10, 2018

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

Sd/-

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Chairperson

(DIN:00542778)

Sd/-

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R. Sridharan

Managing Director

(DIN:00868787)

Sd/-

Pankaj Srivastava

Company Secretary

Sd/-

Rajendra Chitale

Director

(DIN:00015986)

THE CLEARING CORPORATION OF INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	(₹ in lakhs)	
	2017-18	2016-17
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	48,962	57,766
Add : Adjustments for :		
Depreciation and Amortization Expense	1,988	1,963
Diminishing value in current investments	116	88
Interest on Taxes	1	20
Unrealised (gain)/loss on exchange	(41)	20
Less: Adjustments for :		
Interest Income on Investments made out of Own Funds	14,029	14,153
Provision Written Back	19	29
Profit/(Loss) on Sale of Fixed Asset (net)	0 *	0 *
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	36,978	45,675
Adjustments for :		
(Increase)/ Decrease in Non Current Assets / Current Assets	(36,061)	(30,809)
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	24,670	70,580
CASH GENERATED FROM OPERATIONS	25,587	85,446
Direct Taxes paid	(17,161)	(20,522)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	8,426	64,924
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,252)	(2,419)
Sale of Fixed Assets	0 *	0 *
Interest Received on Investments/Fixed Deposits made out of Own Funds	13,502	13,884
Purchase of Government of India Treasury Bills out of Own Funds	(1,01,290)	(78,324)
Sale/Redemption of Investments out of Own Funds	82,090	11,123
Placement of Fixed Deposits with Banks made out of Own Funds	(1,39,230)	(1,32,398)
Redemption of Fixed Deposits with Banks made out of Own Funds	129,398	165,000
Investment in Equity Shares of Subsidiary Company	-	(200)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(17,782)	(23,334)

* denotes amount less than ₹1 lakh



THE CLEARING CORPORATION OF INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	2017-18	2016-17
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Preference Shares (RNCPS II)	5,000	-
Redemption of Preference Shares (RNCPS I)	(5,000)	-
Dividend/Dividend Distribution Tax paid	(2,817)	(2,317)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	(2,817)	(2,317)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(12,173)	39,273
CASH AND CASH EQUIVALENTS		
OPENING BALANCE	57,779	18,507
CLOSING BALANCE		
Before adjustment of unrealised foreign exchange	45,583	57,858
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	23	(79)
	45,606	57,779
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(12,173)	39,273

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 10, 2018

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat

Chairperson

(DIN:00542778)

Sd/-

Deepak Chande

Chief Financial Officer

Sd/-

R. Sridharan

Managing Director

(DIN:00868787)

Sd/-

Pankaj Srivastava

Company Secretary

Sd/-

Rajendra Chitale

Director

(DIN:00015986)

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations :

The Clearing Corporation of India Limited ('the Company') was incorporated on April 30, 2001 having CIN U65990MH2001PLC131804, 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) Interest Income is recognised on a time proportion basis.
- (v) 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.



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

(ii) **Defined Benefits plans:**

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

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to the 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, 2018

NOTE 2 : SHARE CAPITAL	As at 31.03.2018		As at 31.03.2017	
	Number	₹ in lakhs	Number	₹ in lakhs
<u>Authorised</u>				
Equity Shares of ₹ 10 each	5,00,00,000	5,000	5,00,00,000	5,000
Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	5,00,00,000	5,000	5,00,00,000	5,000
	10,00,00,000	10,000	10,00,00,000	10,000
<u>Issued, Subscribed and Paid up</u>				
Equity Shares of ₹ 10 each	5,00,00,000	5,000	5,00,00,000	5,000
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II)	5,00,00,000	5,000	-	-
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS I)	-	-	5,00,00,000	5,000
TOTAL	10,00,00,000	10,000	10,00,00,000	10,000

Notes:

- (a) There has been no change in the number of Equity Shares outstanding at the beginning and at the end of the year. Reconciliation of preference shares outstanding at the beginning and at the end of the year is as follows :

Particulars	2017-18	2016-17
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II)		
Issued during the year	5,00,00,000	-
No of Shares at the end of the year	5,00,00,000	-
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS I)		
No of Shares at the beginning of the year	5,00,00,000	5,00,00,000
Redeemed during the year	5,00,00,000	-
No of Shares at the end of the year	-	5,00,00,000

- (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.

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 22, 2023 (Previous Year - redeemable on March 23,2018).

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



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(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 31.03.2018		As at 31.03.2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
State Bank of India	84,00,000	16.80	1,06,00,000	21.20
Life Insurance Corporation of India	50,00,000	10.00	50,00,000	10.00
STCI Finance Limited	50,00,000	10.00	50,00,000	10.00
IDBI Bank Limited	12,50,000	2.50	37,50,000	7.50
ICICI Bank Limited	49,50,000	9.90	27,50,000	5.50
8.5% Redeemable, Non Convertible, Cumulative Preference Shares : (RNCPS II)				
The Kalupur Commercial Co-operative Bank Limited	1,40,00,000	28.00	-	-
Kotak Mahindra Bank Limited	80,00,000	16.00	-	-
The South Indian Bank Limited	50,00,000	10.00	-	-
The Karur Vysya Bank Limited	50,00,000	10.00	-	-
The Federal Bank Limited	50,00,000	10.00	-	-
Yes Bank Limited	50,00,000	10.00	-	-
The Lakshmi Vilas Bank Limited	50,00,000	10.00	-	-
8.5% Redeemable, Non Convertible, Cumulative Preference Shares (RNCPS I) :				
The Kalupur Commercial Co-operative Bank Limited	-	-	1,90,00,000	38.00
Kotak Mahindra Bank Limited	-	-	80,00,000	16.00
The South Indian Bank Limited	-	-	50,00,000	10.00
The Karur Vysya Bank Limited	-	-	50,00,000	10.00
The Federal Bank Limited	-	-	50,00,000	10.00
Yes Bank Limited	-	-	50,00,000	10.00



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
NOTE 3 : RESERVES AND SURPLUS		
General Reserve		
Opening Balance	91,732	86,732
Add: Transferred from Surplus	5,000	5,000
Closing Balance	96,732	91,732
Settlement Reserve Fund		
Opening Balance	1,00,000	1,00,081
Add: Transferred from Surplus	10,000	-
Less: Transferred to Contingency Reserve Fund	-	81
Closing Balance	1,10,000	1,00,000
Contingency Reserve Fund		
Opening Balance	30,205	-
Add: Transferred from Surplus	15,013	30,124
Transferred from Settlement Reserve Fund	-	81
Closing Balance	45,218	30,205
Surplus		
Opening Balance	5,328	5,145
Add: Net Profit After Tax transferred from Statement of Profit & Loss	31,819	37,624
Amounts available for Appropriation	37,147	42,769
Appropriations :		
- Interim Dividend on Preference Shares {Refer Note (c) below}	414	-
- Proposed Dividend on Equity Shares	1,500	1,500
- Proposed Dividend on Preference Shares {Refer Note (d) below}	12	425
- Dividend Distribution Tax - Equity Shares	308	305
- Dividend Distribution Tax - Preference Shares	87	87
- Transfer to General Reserve	5,000	5,000
- Transfer to Settlement Reserve Fund	10,000	-
- Transfer to Contingency Reserve Fund	15,013	30,124
Closing Balance	4,813	5,328
TOTAL	256,763	227,265

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 ₹1,00,000 lakhs (Previous year - ₹1,00,081 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. Bank Deposits / Current Investments amounting to ₹30,205 lakhs (Previous year - Nil) are earmarked for this purpose.

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- (c) Interim Dividend represents dividend of ₹0.85 per Preference Share on 8.5% Preference Shares of ₹10 each aggregating to ₹ 414 Lakhs (Previous year - Nil) paid on pro-rata basis, for the period April 1, 2017 till the date of redemption.
- (d) Proposed Dividend on Preference Shares consist of dividend of ₹0.85 per Preference Share on 8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹10 each aggregating to ₹12 lakhs provided on pro-rata basis for the period from the date of issue till March 31, 2018 (Previous year - ₹425 Lakhs).

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
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NOTE 4 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

Timing difference on account of Depreciation	1,816	1,883
<u>Less : Deferred Tax Assets</u>		
Timing difference in respect of Tax Disallowances	533	484
TOTAL	1,283	1,399

NOTE 5 : LONG TERM PROVISIONS

Provision for Employee Benefits	1,294	1,303
TOTAL	1,294	1,303

NOTE 6 : TRADE PAYABLES

(a) Total outstanding dues of micro and small enterprises	17	8
(b) Total outstanding dues of other creditors	244	222
TOTAL	261	230

NOTE 7 : OTHER CURRENT LIABILITIES

Due to Clearcorp Dealing Systems (India) Ltd.-Subsidiary Company	140	153
Settlement Dues Payables	-	19,452
Creditors for Capital Expenses { Refer note (a) below }	742	575
Interest Accrued but not Due	4,564	2,427
Deposits from Members { Refer note (b) below }	7,79,471	7,37,877
Statutory Dues payable	507	233
Other payables { Refer note (c) below }	368	321
TOTAL	7,85,792	7,61,039



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Notes :

- (a) Creditors for Capital Expenses includes amount less than ₹1 lakh (Previous year amount less than ₹1 lakh) 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	3,02,822 (2,80,140)	47,20,670 (43,16,759)	--
Forex Settlement	3,76,692 * (3,81,511) *	-- --	-- --
CBLO Settlement	47,405 (40,291)	3,13,27,050 (2,97,36,663)	4,15,000 @ (3,65,000) @
Default Funds	52,552 (35,935)	5,59,555 (4,85,300)	-- --
Total	7,79,471 (7,37,877)	3,66,07,275 (3,45,38,722)	4,15,000 (3,65,000)

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 31.03.2018	As at 31.03.2017
US Government Treasury Bills (under Current Investments)	3,67,200	3,67,748
Government of India Treasury Bills (under Current Investments)	1,32,539	1,72,386
Balance in Bank Accounts		
- In Current Accounts	9,963	3,456
- In Deposit Accounts	2,69,769	1,94,287
	7,79,471	7,37,877

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 579,133 thousands (Previous year - US Dollars 588,401 thousands).

@ The Company has accepted Bank Guarantees as additional collaterals

- (c) Other payables includes ₹20 lakhs (Previous year - ₹31 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, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
<u>NOTE 8 : SHORT TERM PROVISIONS</u>		
Provision for Employee Benefits	1,101	1,225
Proposed Dividend on Equity Shares	1,500	1,500
Proposed Dividend on Preference Shares	12	425
Provision for Dividend Distribution Tax-Equity Shares	308	305
Provision for Dividend Distribution Tax-Preference Shares	2	87
TOTAL	2,923	3,542

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 9 : FIXED ASSETS

(₹ in lakhs)

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		As at 01.04.2017	Additions	Disposal	As at 31.03.2018	Up to 31.03.2017	Depreciation for the year	On Disposals	Up to 31.03.2018	As on 31.03.2018	As on 31.03.2017
Tangible Assets											
1	Freehold Land	1,320	-	-	1,320	-	-	-	-	1,320	1,320
2	Buildings - Residential	1,139	-	-	1,139	218	17	-	235	904	921
3	Buildings - Office	11,370	-	-	11,370	1,013	171	-	1,184	10,186	10,357
4	Computer Systems Hardware	3,818	155	-	3,973	2,891	261	-	3,152	821	927
5	Furniture and Fittings	584	2	-	586	456	30	-	486	100	128
6	Electrical Installations and Equipment	1,568	-	-	1,568	1,115	99	-	1,214	354	453
7	Office Equipment	900	2	17	885	858	17	17	858	27	42
8	Non Carpeted Road	27	-	-	27	3	5	-	8	19	24
	Total	20,726	159	17	20,868	6,554	600	17	7,137	13,731	14,172
Intangible Assets											
1	Computer Software	11,880	866	1,340	11,406	9,772	1,388	1,340	9,820	1,586	2,107
	Total	11,880	866	1,340	11,406	9,772	1,388	1,340	9,820	1,586	2,107
	Grand Total	32,606	1,025	1,357	32,274	16,326	1,988	1,357	16,956	15,317	
	Previous Year	30,970	1,645	9	32,606	14,372	1,963	9	16,326		16,279

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 in an Apartment Condominium.

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
<u>NOTE 10 : NON CURRENT INVESTMENTS</u>		
LONG TERM, TRADE, UNQUOTED (AT COST) :		
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 - 45,00,000) equity shares of ₹10 each, fully paid up	450	450
TOTAL	1,450	1,450
<u>NOTE 11: LONG TERM LOANS AND ADVANCES</u>		
(Unsecured, Considered Good)		
Security Deposits {Refer Note below}	65	65
Advance Tax { Net of Provision amounting to ₹1,05,968 lakhs (Previous Year ₹88,689 lakhs) }	556	655
TOTAL	621	720

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, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
NOTE 12: OTHER NON CURRENT ASSETS		
Bank Deposits with residual maturity of more than 12 months	-	9,400
Interest Accrued on Deposits with Banks	0 *	11
Prepaid Expenses	29	26
TOTAL	29	9,437

NOTE 13 : CURRENT INVESTMENTS

QUOTED :

Investment in Government Securities {Refer Note below}	5,91,836	6,13,030
Less : Provision for Diminution in value of Current Investments	(204)	(88)
TOTAL	5,91,632	6, 12,942

* denotes amount less than ₹1 lakh

Note : Details of Current Investments

Sr. No.	Investment	No. of Units		Amount (₹ in lakhs)	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
	Investments in Government Securities (Quoted) (at Cost)				
(i)	US Government Treasury Bills (Fair Value - ₹3,68,314 lakhs, Previous year - ₹3,68,128 lakhs)	56,90,000	56,90,000	3,67,200	3,67,748
(ii)	Government of India Treasury Bills (Fair Value - ₹2,31,301 lakhs, Previous year - ₹2,51,439 lakhs)	23,87,69,200	25,99,74,050	2,24,636	2,45,282
				5,91,836	6,13,030

Note:

- Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹36,115 lakhs (Previous year - ₹36,312 lakhs) earmarked for Settlement Reserve Fund.
- Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹3,284 lakhs (Previous year - Nil) earmarked for Contingency Reserve Fund.
- Investment in US Government Treasury Bills shown under Sr.No. (i) above represents Treasury bills amounting to USD 5,65,541 Thousands (Previous year USD 5,67,174 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, 2018

	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
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	3,241	3,442
Others Trade Receivables	0 *	0 *
TOTAL	3,241	3,442
NOTE 15 : CASH AND BANK BALANCE		
(A) Cash and Cash Equivalents		
Balances with Banks		
in Current Accounts	13,491	5,859
in Deposit Accounts (original maturity of upto 3 months)	32,115	51,920
	45,606	57,779
Cash on Hand	0 *	0 *
	45,606	57,779
(B) Other Bank Balances		
Bank Deposits with residual maturity upto 12 months { Refer notes below }	3,80,384	2,85,276
	3,80,384	2,85,276
TOTAL	4,25,990	3,43,055

Notes :

Bank Deposits with residual maturity upto 12 months includes -

- i) Bank deposits amounting to ₹63,885 lakhs (Previous year ₹63,769 lakhs) earmarked for Settlement Reserve Fund.
- ii) Bank deposits amounting to ₹26,921 lakhs (Previous year - Nil) earmarked for Contingency Reserve Fund.
- iii) Bank Deposit Receipts amounting to ₹89,100 lakhs (Previous year ₹1,15,363 lakhs) are held in custody by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks amounts to ₹80,865 lakhs (Previous year ₹1,04,155 lakhs). Outstanding Overdraft as on 31.03.2018 - 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, 2018

	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
NOTE 16 : SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances to suppliers and Others	32	48
TOTAL	32	48

NOTE 17 : OTHER CURRENT ASSETS

Interest Accrued on Deposits with Banks	7,829	7,970
Interest Accrued on Current Investments	7,959	6,348
Due from Legal Entity Identifier India Limited - Subsidiary Company	61	23
Service Tax Input Credit	-	210
Prepaid Expenses	329	262
Others	7	0 *
TOTAL	16,185	14,813

* denotes amount less than ₹1 Lakh

	(₹ in lakhs)	
	For the year ended 31.03.2018	For the year ended 31.03.2017
NOTE 18 : INCOME FROM OPERATIONS		
<i>(Refer Note 28)</i>		
Transaction Charges -Securities Settlement	21,163	31,032
Transaction Charges -CBLO Settlement	2,525	2,569
Transaction Charges -Forex Settlement	4,214	3,797
Transaction Charges -CLS Settlement	2,084	1,750
Trade Processing Charges - Trade Repository	343	345
Portfolio Compression Charges	308	147
Forex Forward Charges	2,030	2,061
Derivatives Charges	859	316
Other fees and charges	231	232
TOTAL	33,757	42,249

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<u>NOTE 19 : OTHER OPERATING REVENUES</u>		
Interest / Income on investments made out of Operational Funds		
- Income on Current Investments	14,376	9,786
- Interest on Fixed Deposits with Banks	11,790	13,820
	26,166	23,606
Less: Interest Paid on Deposits from Members	11,825	8,387
TOTAL	14,341	15,219

NOTE 20 : OTHER INCOME

Interest / Income on Investments made out of Own Funds		
- Income on Current Investments	6,236	1,580
- Interest on Fixed Deposits with Banks	7,793	12,575
	14,029	14,155
Profit on Sale of Fixed Assets (Net)	0 *	0 *
Profit on Foreign Currency Transactions and Translation (Net)	41	-
Business Support Charges from Subsidiary Companies	636	651
Others	78	49
TOTAL	14,784	14,855

* denotes amount less than ₹1 lakh

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

(Refer Note 28)

Salaries	3,485	4,346
Contributions to Provident and Other Funds	502	558
Staff Welfare Expenses	162	158
TOTAL	4,149	5,062



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<u>NOTE 22 : FINANCE COST</u>		
Line of Credit Commitment and Other Charges	1,461	1,689
Others	5	20
TOTAL	1,466	1,709
<u>NOTE 23 : DEPRECIATION AND AMORTIZATION EXPENSE</u>		
Depreciation on Tangible Assets	600	656
Amortisation of Intangible Assets	1,388	1,307
TOTAL	1,988	1,963
<u>NOTE 24 : OTHER EXPENSES</u>		
<i>(Refer Note 28)</i>		
Power and Fuel	405	491
Repairs and Maintenance -Buildings	79	99
Repairs and Maintenance -Computer Systems and Equipment	1,800	1,539
Repairs and Maintenance -Others	109	106
Insurance	13	13
Rates and Taxes	124	139
Communication Expenses	243	230
CLS Settlement Charges	1,343	1,147
Loss on Foreign Currency Transactions and Translation (Net)	-	20
Expenditure towards Corporate Social Responsibility	1,088	1,029
Professional Fees	266	187
Directors' Sitting Fees	63	73
Diminution in value in Current Investments	116	88
Payment to Auditors :		
- Audit Fees	13	12
- Reimbursement of Expenses	0 *	-
Others	655	650
TOTAL	6,317	5,823

* denotes amount less than ₹1 lakh

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 25 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)		
Particulars	As at 31.03.2018	As at 31.03.2017
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debt-		
- Income Tax Demands for various assessment years disputed by the Company	88	55
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	378	843
TOTAL	466	898

NOTE 26 : EARNINGS IN FOREIGN EXCHANGE

(₹ in lakhs)		
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest on Deposits with Banks	56	13
Income on US Government Treasury Bills	3,913	1,763
Datafeed Charges	45	23
Miscellaneous Receipts	0 *	1
TOTAL	4,014	1,800

* denotes amount less than ₹1 lakh

NOTE 27 : VALUE OF IMPORTS AND EXPENDITURE IN FOREIGN CURRENCY

Value of Imports on CIF basis	13	-
Expenditure in Foreign Currency :		
- Interest paid to Members	3,974	1,732
- CLS Settlement Charges	1,342	1,142
- Other Expenditure	346	317
TOTAL	5,675	3,191



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 31.03.2018	For the year ended 31.03.2017
<u>Revenue from Operations</u>		
Transaction Charges - Securities Settlement	1,859	1,637
Transaction Charges - Forex Settlement	640	523
Derivative charges	1	0 *
TOTAL	2,500	2,160
<u>Employee Benefits Expense</u>		
Salaries	53	37
Contributions to Provident and Other Funds	4	3
Staff Welfare Expenses	13	12
TOTAL	70	52
<u>Other Expenses</u>		
Repairs and Maintenance - Computer Systems and Equipment	1	1
Communication Expenses	78	95
Travelling Expenses	0 *	1
Others	1	2
TOTAL	80	99

* denotes amount less than ₹1 Lakh

NOTE 29 : EMPLOYEE BENEFITS - GRATUITY

Amounts Recognised as Expense:

(i) Defined Contribution Plan

- (1) Employer's Contribution to Provident Fund amounting to ₹199 lakhs (Previous year - ₹184 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
- (2) Employer's Contribution to Superannuation Fund amounting to ₹56 lakhs (Previous year - ₹59 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
- (3) Employer's Contribution to NPS amounting to ₹49 lakhs (Previous year - ₹39 lakhs) has been included in Note 21

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

under Contribution to Provident Fund and Other Funds.

(ii) Defined Benefit Plan

In terms of the Company's gratuity plan, on leaving of service every employee who has completed 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.

Gratuity cost amounting to ₹182 lakhs (Previous year - ₹256 lakhs) has been included in Note 21 under Contribution to Provident and Other Funds.

(₹ in lakhs)

Description	Gratuity	
	2017-18	2016-17
A. Amount recognised in the Statement of Profit and Loss for the year		
- Current Service Cost	184	137
- Interest Cost	104	89
- Expected Return on Plan Assets	(103)	(94)
- Net actuarial (Gain) / Loss recognized during the year	(3)	124
- Expenses to be recognized in the Statement of Profit and Loss	182	256
B. Actual Return on Plan Assets		
- Actual Return of Plan Assets	103	104
C. Amount recognised in the Balance Sheet		
- Present Value of Obligation	1500	1401
- Fair Value of Plan Assets	1523	1379
- Funded status {surplus / (deficit)}	23	(22)
- Net Asset/(Liability) to be recognized in the Balance Sheet	23	(22)
D. Change in Present Value of Obligation		
- Present Value of Obligation at the beginning of the year	1401	1107
- Current Service Cost	184	137
- Interest Cost	104	89
- Benefits paid	(185)	(66)
- Actuarial (Gain) / Loss on Obligation	(3)	134
- Present Value of Obligation at the end of the year	1,500	1,401
E. Change in Plan Assets		
- Fair Value of Plan Assets at the beginning of the year	1378	1174
- Expected Return on Plan Assets	103	94
- Contributions Made	205	166
- Benefits Paid	(163)	(66)
- Actuarial Gains / (Loss) on Plan Assets	0	10
- Fair Value of Plan Assets at the end of the year	1,523	1,378



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Description	Gratuity	
	2017-18	2016-17
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	143	164
H. Actuarial Assumptions		
- Discount Rate	7.80%	7.40%
- Expected Rate of Return on assets	8.00%	7.50%
- 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	64	42
- Gain/(Loss) on Plan Assets	-	10
J. Actuarial Valuation Method	Projected Unit Credit	Projected Unit Credit

NOTE 30 : BASIC AND DILUTED EARNINGS PER SHARE

Basic and Diluted Earning Per Share is calculated as under:

Particulars		2017-18	2016-17
(i)	Net Profit as per Statement of Profit & loss (₹ in lakhs)	31,819	37,624
(ii)	Dividend on Preference Capital & Dividend Distribution tax thereon (₹ in lakhs)	513	512
(iii)	Net Profit attributable to Equity Shareholders (₹ in lakhs)	31,306	37,113
(iv)	Number of Equity Shares outstanding at the beginning of the year	5,00,00,000	5,00,00,000
(v)	Number of Equity Shares outstanding at the end of the year	5,00,00,000	5,00,00,000
(vi)	Weighted Average Number of Equity Shares outstanding during the year	5,00,00,000	5,00,00,000
(vii)	Nominal value of Equity shares (Amt. in ₹)	10.00	10.00
(viii)	Basic and Diluted Earnings Per share (Amt. in ₹)	62.61	74.23

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 (upto 16.11.2017)
 Mr. Deepak Chande - Chief Financial Officer
 Mr. Pankaj Srivastava -Company Secretary (from 17.11.2017)

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

Nature of Relationship	Subsidiary- Clearcorp	Subsidiary- LEIL	Party having substantial interest	Key Management Personnel
Particulars				
Income from Operations	-----	-----	2,105 (1,466)	-----
Business Support Charges and Other receipts	699 (703)	51 (50)	-----	-----
Rent received for residential accommodation	14 (10)	-----	-----	-----
Reimbursement/Sharing of expenses - (Receipt)	103 (135)	115 (49)	-----	-----
LEI Renewal charges (Expense)	-----	0 (0)	-----	-----
Collaterals Cash Received	-----	-----	91,213 (61,737)	-----
Collaterals Cash Repaid	-----	-----	1,00,584 (55,670)	-----



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Nature of Relationship	Subsidiary-Clearcorp	Subsidiary-LEIL	Party having substantial interest	Key Management Personnel
Particulars				
Collaterals Securities Received (at face value)	-----	-----	29,32,251 (38,74,807)	-----
Collaterals Securities Returned (at face value)	-----	-----	7,00,650 (22,90,000)	-----
Interest on deposits from members	-----	-----	374 (319)	-----
Operational Income shared	2,933 (2,483)	-----	-----	-----
Investment in equity shares	-----	-	-----	-----
		(200)		
Remuneration				
- Mr. R. Sridharan	-----	-----	-----	114 (72)
- Mr.O.N.Ravi	-----	-----	-----	67 (94)
- Mr. Deepak Chande	-----	-----	-----	92 (83)
- Mr. Pankaj Srivastava	-----	-----	-----	11 (-)
Outstanding Balance as at the year end :				
Receivable	-----	61 (23)	98 (163)	-----
Payable	140 (153)	-----	141 (50)	-----
Collaterals outstanding - Cash	-----	-----	16,403 (25,824)	-----
Collaterals outstanding - Securities (at face value) {Refer Note (e) below}	-----	-----	40,42,429 (18,10,828)	-----
Payable				
- Mr. R. Sridharan	-----	-----	-----	1 (-)
- Mr.O.N.Ravi	-----	-----	-----	- (7)
- Mr. Deepak Chande	-----	-----	-----	4 (1)
- Mr. Pankaj Srivastava	-----	-----	-----	1 (-)

Notes:

- (a) Figures in brackets represent corresponding amounts in the previous year.
- (b) "0" denotes amount less than ₹1 lakh.
- (c) Transactions with Subsidiaries are in accordance with the terms of agreements entered into in this regard.
- (d) Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.
- (e) Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.
- (f) The amounts are inclusive of Service Tax / GST wherever applicable.
- (g) 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, 2018

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 31.03.2018		As at 31.03.2017	
	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)
ASSETS				
US Govt. Treasury Bills	5,64,541	3,67,200	5,67,174	3,67,748
Bank Balance in Current Accounts	16,413	10,676	21,941	14,226
Accrued Interest on US T Bills	1,874	1,219	722	468
Accrued Interest on Deposits with Banks	5	4		
Total	5,82,833	3,79,099	5,89,837	3,82,442
LIABILITIES				
Deposits from Members	5,79,133	3,76,692	5,88,401	3,81,511
Interest payable to Members	3,638	2,366	1,402	909
Expenses Payable	181	118	162	105
Total	5,82,952	3,79,176	5,89,965	3,82,525
Net Assets / (Liabilities)	(119)	(77)	(128)	(83)

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.



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 31.03.2018			As at 31.03.2017		
	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.	17	20	0 *	8	31	0 *
(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:

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

NOTE 36:

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/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

Place : Mumbai
Date : May 10, 2018

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	6,330	(49)
6.	Total Assets	8,017	512
7.	Total Liabilities	688	111
8.	Investments	-	-
9.	Turnover	4,145	283
10.	Profit before taxation	1,971	79
11.	Provision for taxation	570	(17)
12.	Profit after taxation	1,401	96
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/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

Place : Mumbai
Date : May 10, 2018

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, 2018, 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, 2018, 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, 2018 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, 2018, 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.

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

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

Mumbai, May 10, 2018



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, 2018.

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, 2018, 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 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, 2018, 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.

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

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

Mumbai, May 10, 2018



THE CLEARING CORPORATION OF INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

		(₹ in lakhs)	
	Note No.	As at 31.03.2018	As at 31.03.2017
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	10,000	10,000
Reserves and Surplus	3	2,63,010	2,32,023
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	1,283	1,443
Long-Term Provisions	5	1,561	1,558
Current Liabilities			
Trade Payables	6		
(a) Total outstanding dues of micro and small enterprises		17	8
(b) Total outstanding dues of other creditors		320	242
Other Current Liabilities	7	7,85,844	7,61,035
Short-Term Provisions	8	3,122	3,749
TOTAL		10,65,157	10,10,058
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets	9		
-Tangible Assets		13,738	14,176
-Intangible Assets		2,252	3,023
-Intangible Assets under Development-Software		4,202	2,828
Deferred Tax Assets (Net)	10	73	-
Long-Term Loans and Advances	11	689	721
Other Non-Current Assets	12	350	9,983
Current Assets			
Current Investments	13	5,91,632	6,12,942
Trade Receivables	14	3,436	3,637
Cash and Bank Balances	15	4,32,347	3,47,594
Short-Term Loans and Advances	16	53	105
Other Current Assets	17	16,385	15,049
TOTAL		10,65,157	10,10,058
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS	1-32		

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 10, 2018

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat

Chairperson

(DIN:00542778)

Sd/-

Deepak Chande

Chief Financial Officer

Sd/-

R. Sridharan

Managing Director

(DIN:00868787)

Sd/-

Pankaj Srivastava

Company Secretary

Sd/-

Rajendra Chitale

Director

(DIN:00015986)

THE CLEARING CORPORATION OF INDIA LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from Operations			
Income from Operations	18	38,185	46,065
Other Operating Revenues	19	14,341	15,219
		52,526	61,284
Other Income	20	14,501	14,534
Total Revenue		67,027	75,818
Expenses			
Employee Benefits Expense	21	4,930	5,918
Finance Costs	22	1,470	1,712
Depreciation and Amortization Expense	23	2,635	2,598
Other Expenses	24	6,988	6,349
Total Expenses		16,023	16,577
Profit Before Tax		51,004	59,241
- Current Tax		17,940	20,672
- MAT Credit Entitlement		(11)	-
- Deferred Tax		(233)	12
- Tax Adjustments relating to earlier years		-	1
Profit After Tax		33,308	38,556
Earnings per Equity Share:			
-Basic		65.59	76.09
-Diluted		65.59	76.09

(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 10, 2018

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat

Chairperson

(DIN:00542778)

Sd/-

Deepak Chande

Chief Financial Officer

Sd/-

R. Sridharan

Managing Director

(DIN:00868787)

Sd/-

Pankaj Srivastava

Company Secretary

Sd/-

Rajendra Chitale

Director

(DIN:00015986)



THE CLEARING CORPORATION OF INDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	(₹ in lakhs)	
	2017-18	2016-17
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	51,004	59,241
Add : Adjustments for :		
Depreciation and Amortization Expense	2,635	2,598
Diminution in value of current investments	116	88
Interest on Taxes	5	23
Unrealised (gain)/loss on exchange	(41)	20
Less: Adjustments for :		
Interest Income on Investments made out of Own Funds	14,433	14,493
Provision Written Back	19	34
Profit/(Loss) on Sale of Fixed Asset (net)	-	0 *
Provision for Diminishing value in current investment written back	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>39,267</u>	<u>47,443</u>
Adjustments for :		
(Increase)/ Decrease in Non Current Assets / Current Assets	(36,146)	(31,163)
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	24,806	70,932
CASH GENERATED FROM OPERATIONS	<u>27,927</u>	<u>87,212</u>
Direct Taxes paid	<u>(17,920)</u>	<u>(21,071)</u>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	10,007	66,141
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,801)	(2,972)
Sale of Fixed Assets	-	0 *
Interest Income on Investments made out of Own Funds	13,843	14,204
Purchase of Government of India Treasury Bills out of Own Funds	(1,01,290)	(78,324)
Sale/Redemption of Investments out of Own Funds	82,295	11,123
Placement of Fixed Deposits with Banks made out of Own Funds	(1,45,213)	(1,37,451)
Redemption of Fixed Deposits with Banks made out of Own Funds	1,33,773	1,68,786
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	<u>(19,393)</u>	<u>(24,634)</u>

* denotes amount less than ₹1 Lakh

THE CLEARING CORPORATION OF INDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	(₹ in lakhs)	
	2017-18	2016-17
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Preference Shares (RNCPS II)	5,000	-
Redemption of Preference Shares (RNCPS I)	(5,000)	-
Dividend/Dividend Distribution Tax paid	(2,817)	(2,317)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES (C)	<u>(2,817)</u>	<u>(2,317)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u><u>(12,203)</u></u>	<u><u>39,190</u></u>
CASH AND CASH EQUIVALENTS		
OPENING BALANCE	57,858	18,668
CLOSING BALANCE		
Before adjustment of unrealised foreign exchange	45,632	57,937
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	23	(79)
	<u>45,655</u>	<u>57,858</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u><u>(12,203)</u></u>	<u><u>39,190</u></u>

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 10, 2018

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

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Usha Thorat

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Managing Director

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Pankaj Srivastava

Company Secretary

Sd/-

Rajendra Chitale

Director

(DIN:00015986)



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

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

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Financial Statements'.

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

- (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 31.03.2018	Reporting date	Financial Statements	Relationship
Clearcorp Dealing Systems (India) Limited	11.06.2003	India	100%	31.03.2018	Audited	Subsidiary
Legal Entity Identifier India Limited	05.10.2015	India	100%	31.03.2018	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) Interest Income is recognised on a time proportion basis.
- (v) 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



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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,
- 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 (RPF) 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, 2018

(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, 2018

NOTE 2 : SHARE CAPITAL	As at 31.03.2018		As at 31.03.2017	
	Number	₹ in lakhs	Number	₹ in lakhs
<u>Authorised</u>				
Equity Shares of ₹ 10 each	5,00,00,000	5,000	5,00,00,000	5,000
Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each	5,00,00,000	5,000	5,00,00,000	5,000
	10,00,00,000	10,000	10,00,00,000	10,000
<u>Issued, Subscribed and Paid up</u>				
Equity Shares of ₹ 10 each	5,00,00,000	5,000	5,00,00,000	5,000
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II)	5,00,00,000	5,000	-	-
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS I)	-	-	5,00,00,000	5,000
TOTAL	10,00,00,000	10,000	5,00,00,000	10,000

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.

Particulars	2017-18	2016-17
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II)		
Issued during the year	5,00,00,000	-
No of Shares at the end of the year	5,00,00,000	-
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS I)		
No of Shares at the beginning of the year	5,00,00,000	5,00,00,000
Redeemed during the year	5,00,00,000	-
No of Shares at the end of the year	-	5,00,00,000

- (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.

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 22, 2023 (Previous Year - redeemable on March 23,2018).

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



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- (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 31.03.2018		As at 31.03.2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
State Bank of India	84,00,000	16.80	1,06,00,000	21.20
Life Insurance Corporation of India	50,00,000	10.00	50,00,000	10.00
STCI Finance Limited	50,00,000	10.00	50,00,000	10.00
IDBI Bank Limited	12,50,000	2.50	37,50,000	7.50
ICICI Bank Limited	49,50,000	9.90	27,50,000	5.50
8.5% Redeemable, Non Convertible, Cumulative Preference Shares : (RNCPS II)				
The Kalupur Commercial Co-operative Bank Limited	1,40,00,000	28.00	-	-
Kotak Mahindra Bank Limited	80,00,000	16.00	-	-
The South Indian Bank Limited	50,00,000	10.00	-	-
The Karur Vysya Bank Limited	50,00,000	10.00	-	-
The Federal Bank Limited	50,00,000	10.00	-	-
Yes Bank Limited	50,00,000	10.00	-	-
The Lakshmi Vilas Bank Limited	50,00,000	10.00	-	-
8.5% Redeemable, Non Convertible, Cumulative Preference Shares (RNCPS I) :				
The Kalupur Commercial Co-operative Bank Limited	-	-	1,90,00,000	38.00
Kotak Mahindra Bank Limited	-	-	80,00,000	16.00
The South Indian Bank Limited	-	-	50,00,000	10.00
The Karur Vysya Bank Limited	-	-	50,00,000	10.00
The Federal Bank Limited	-	-	50,00,000	10.00
Yes Bank Limited	-	-	50,00,000	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 securities convertible into equity / preference shares.
- (g) There are no calls unpaid.
- (h) No shares have been forfeited.

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
NOTE 3 : RESERVES AND SURPLUS		
General Reserve		
Opening Balance	91,756	86,756
Add: Transferred from Surplus	5,000	5,000
Closing Balance	96,756	91,756
Settlement Reserve Fund		
Opening Balance	1,00,000	1,00,081
Add: Transferred from Surplus	10,000	-
Less: Transferred to Contingency Reserve Fund	-	81
Closing Balance	1,10,000	1,00,000
Contingency Reserve Fund		
Opening Balance	30,205	-
Add: Transferred from Surplus	15,013	30,124
Transferred from Settlement Reserve Fund	-	81
Closing Balance	45,218	30,205
Surplus		
Opening Balance	10,062	8,948
Add: Net Profit After Tax transferred from Statement of Profit & Loss	33,308	38,556
Amounts available for Appropriation	43,370	47,503
Appropriations :		
- Interim Dividend on Preference Shares {Refer Note (c) below}	414	-
- Proposed Dividend on Equity Shares	1,500	1,500
- Proposed Dividend on Preference Shares {Refer Note (d) below}	12	425
- Dividend Distribution Tax - Equity Shares	308	305
- Dividend Distribution Tax - Preference Shares	87	87
- Transfer to General Reserve	5,000	5,000
- Transfer to Settlement Reserve Fund	10,000	-
- Transfer to Contingency Reserve Fund	15,013	30,124
Closing Balance	11,036	10,062
TOTAL	2,63,010	2,32,023

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 ₹1,00,000 lakhs (Previous year - ₹1,00,081 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. Bank Deposits / Current Investments amounting to ₹30,205 lakhs (Previous year - Nil) are earmarked for this purpose.



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- (c) Interim Dividend represents dividend of ₹0.85 per Preference Share on 8.5% Preference Shares of ₹10 each aggregating to ₹414 Lakhs (Previous year - Nil) paid on pro-rata basis, for the period April 1, 2017 till the date of redemption.
- (d) Proposed Dividend on Preference Shares consist of dividend of ₹0.85 per Preference Share on 8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹10 each aggregating to ₹12 lakhs provided on pro-rata basis for the period from the date of issue till March 31, 2018 (Previous year - Nil).

	(₹ in lakhs)	
	As at 31.03.2018	As at 31.03.2017
<u>NOTE 4 : DEFERRED TAX LIABILITIES (NET)</u>		
<u>Deferred Tax Liabilities</u>		
Timing difference on account of Depreciation	1,816	1,999
<u>Less : Deferred Tax Assets</u>		
Timing difference in respect of Tax Diallowances	533	556
TOTAL	1,283	1,443
<u>NOTE 5 : LONG TERM PROVISIONS</u>		
Provision for Employee Benefits	1,561	1,558
TOTAL	1,561	1,558
<u>NOTE 6 : TRADE PAYABLES</u>		
(a) Total outstanding dues of micro and small enterprises	17	8
(b) Total outstanding dues of other creditors	320	242
TOTAL	337	250
<u>NOTE 7 : OTHER CURRENT LIABILITIES</u>		
Settlement Dues Payables	-	19,452
Creditors for Capital Expenses { Refer note (a) below }	824	656
Interest Accrued but not Due	4,564	2,427
Deposits from Members { Refer note (b) below }	7,79,471	7,37,877
Statutory Dues Payable	562	289
Other payables { Refer note (c) below }	423	334
TOTAL	7,85,844	7,61,035

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Notes :

- (a) Creditors for Capital Expenses includes amount less than ₹1 lakh (Previous year amount less than ₹1 lakh) 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 :

(₹ in lakhs)

Particulars	Cash Collaterals	Govt. Securities #	Guarantees
Securities Settlement	3,02,822 (2,80,140)	47,20,670 (43,16,759)	--
Forex Settlement	3,76,692 * (3,81,511) *	-- --	-- --
CBLO Settlement	47,405 (40,291)	3,13,27,050 (2,97,36,663)	4,15,000 @ (3,65,000) @
Default Funds	52,552 (35,935)	5,59,555 (4,85,300)	-- --
Total	7,79,471 (7,37,877)	3,66,07,275 (3,45,38,722)	4,15,000 (3,65,000)

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 31.03.2018	As at 31.03.2017
US Government Treasury Bills (under Current Investments)	3,67,200	3,67,748
Government of India Treasury Bills (under Current Investments)	1,32,539	1,72,386
Balance in Bank Accounts		
- In Current Accounts	9,963	3,456
- In Deposit Accounts	2,69,769	1,94,287
	7,79,471	7,37,877

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 579,133 thousands (Previous year - US Dollars 588,401 thousands).

@ The Company has accepted Bank Guarantees as additional collaterals

(c) Other payables includes ₹23 lakhs (Previous year - ₹34 lakhs) due to Micro and Small Enterprises {Refer Note 34}



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
<u>NOTE 8 : SHORT TERM PROVISIONS</u>		
Provision for Employee Benefits	1,300	1,415
Provision for Taxation {Net of Advance Tax ₹2,163}	-	17
Proposed Dividend on Equity Shares	1,500	1,500
Proposed Dividend on Preference Shares	12	425
Provision for Dividend Distribution Tax - Equity Shares	308	305
Provision for Dividend Distribution Tax - Preference Shares	2	87
TOTAL	3,122	3,749

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Sr. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block			
		As at 01.04.2017	Additions	Disposal	As at 31.03.2018	Up to 31.03.2017	Depreciation for the half year	On Disposals	Up to 31.03.2018	As on 31.03.2018	As on 31.03.2017
Tangible Assets											
1	Freehold Land	1,320	-	-	1,320	-	-	-	-	1,320	1,320
2	Buildings - Residential	1,139	-	-	1,139	219	17	-	236	903	920
3	Buildings - Office	11,370	-	-	11,370	1,012	171	-	1,183	10,187	10,358
4	Computer Systems Hardware	3,931	155	-	4,086	3,001	263	-	3,264	822	930
5	Furniture and Fittings	586	2	-	588	457	30	-	487	101	129
6	Electrical Installations and Equipment	1,568	-	-	1,568	1,115	99	-	1,214	354	453
7	Office Equipment	900	8	17	891	858	18	17	859	32	42
8	Non Carpeted Road	27	-	-	27	3	5	-	8	19	24
	Total	20,841	165	17	20,989	6,665	603	17	7,251	13,738	14,176
Intangible Assets											
1	Computer Software	16,345	1,261	1,340	16,266	13,322	2,032	1,340	14,014	2,252	3,023
	Total	16,345	1,261	1,340	16,266	13,322	2,032	1,340	14,014	2,252	3,023
	Grand Total	37,186	1,426	1,357	37,255	19,987	2,635	1,357	21,265	15,990	
	<i>Previous Year</i>	<i>35,024</i>	<i>2,171</i>	<i>9</i>	<i>37,186</i>	<i>17,398</i>	<i>2,598</i>	<i>9</i>	<i>19,987</i>		<i>17,199</i>

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, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
<u>NOTE 10 : DEFERRED TAX ASSETS</u>		
<u>Deferred Tax Assets</u>		
In respect of preliminary expenses and carried forward loss/depreciation	97	41
<u>Less : Deferred Tax Liabilities</u>		
On account of depreciation	24	3
	<u>73</u>	<u>38</u>
Less: Deferred tax asset not recognised in the absence of virtual certainty	-	38
TOTAL	<u>73</u>	<u>-</u>

NOTE 11: LONG TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Security Deposits	65	65
Advance Tax { Net of Provision amounting to ₹1,08,825 lakhs (Previous Year ₹88,689 lakhs) }	613	656
MAT Credit Entitlement	11	-
TOTAL	<u>689</u>	<u>721</u>

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<u>NOTE 12: OTHER NON CURRENT ASSETS</u>		
Bank Deposits with residual maturity of more than 12 months	90	9,935
Interest Accrued on Deposits with Banks	5	22
Service Tax Demand (paid under protest)	226	-
Prepaid Expenses	29	26
TOTAL	350	9,983

Note:

Bank Deposits with maturity of more than 12 months comprises of deposits amounting to ₹75 lakhs (Previous Year ₹100 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}	5,91,836	6,13,030
Less : Provision for Diminution in value of Current Investments	(204)	(88)
TOTAL	5,91,632	6,12,942



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note : Details of Current Investments

Sr. No.	Investment	No. of Units		Amount (₹ in lakhs)	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
	Investments in Government Securities (Quoted) (at Cost)				
(i)	US Government Treasury Bills (Fair Value - ₹3,68,314 lakhs, Previous year - ₹3,68,128 lakhs)	56,90,000	56,90,000	3,67,200	3,67,748
(ii)	Government of India Treasury Bills (Fair Value - ₹2,31,301 lakhs, Previous year - ₹2,51,439 lakhs)	23,87,69,200	25,99,74,050	2,24,636	2,45,282
	TOTAL			5,91,836	6,13,030

Note:

- (a) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹36,115 lakhs (Previous year - ₹36,312 lakhs) earmarked for Settlement Reserve Fund.
- (b) Investment in Government of India Treasury Bills includes Treasury Bills amounting to ₹3,284 lakhs (Previous year - Nil) earmarked for Contingency Reserve Fund.
- (c) Investment in US Government Treasury Bills shown under Sr.No. (i) above represents Treasury bills amounting to USD 5,65,541 Thousands (Previous year USD 5,67,174 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 31.03.2018	As at 31.03.2017
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	3,436	3,637
Other Trade Receivable	0 *	0 *
TOTAL	3,436	3,637

* denotes amount less than ₹1 Lakh

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
<u>NOTE 15 : CASH AND BANK BALANCE</u>		
(A) Cash and Cash Equivalents		
Balances with Banks		
in Current Accounts	13,540	5,898
in Deposit Accounts (original maturity of upto 3 months)	32,115	51,960
	45,655	57,858
 Cash on Hand	 0 *	 0 *
	45,655	57,858
 (B) Other Bank Balances		
 Bank Deposits with residual maturity upto 12 months {Refer note below }	 386,692	 289,736
	386,692	289,736
TOTAL	432,347	347,594

* denotes amount less than ₹1 lakh

Notes :

Bank Deposits with residual maturity upto 12 months includes -

- (i) Bank deposits amounting to ₹63,885 lakhs (Previous year - ₹63,769 lakhs) earmarked for Settlement Reserve Fund.
- (ii) Bank deposits amounting to ₹26,921 lakhs (Previous year - Nil) earmarked for Contingency Reserve Fund.
- (iii) Bank Deposit Receipts amounting to ₹ 89,100 lakhs (Previous year ₹1,15,363 lakhs) are held in custody by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks amounts to ₹80,865 lakhs (Previous year ₹1,04,155 lakhs). Outstanding Overdraft as on 31.03.2018 - Nil (Previous year - Nil).



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
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NOTE 16 : SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Advances to suppliers and Others	53	105
TOTAL	53	105

NOTE 17 : OTHER CURRENT ASSETS

Interest Accrued on Deposits with Banks	8,064	8,136
Interest Accrued on Current Investments	7,959	6,348
Service Tax Input Credit	-	275
Prepaid Expenses	355	291
Others	7	0 *
TOTAL	16,385	14,756

NOTE 18 : INCOME FROM OPERATIONS

	For the year ended 31.03.2018	For the year ended 31.03.2017
Transaction Charges-Clearing & Settlement	32,875	41,209
Transaction Charges- Trading System	3,762	3,444
Other fees and charges	1,548	1,412
TOTAL	38,185	46,065

NOTE 19 : OTHER OPERATING REVENUES

Interest / Income on investments made out of Operational Funds		
- Income on Current Investments	14,376	9,786
- Interest on Fixed Deposits with Banks	11,790	13,820
	26,166	23,606
Less : Interest Paid on Deposits from Members	11,825	8,387
TOTAL	14,341	15,219

* denotes amount less than ₹1 Lakh

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<u>NOTE 20 : OTHER INCOME</u>		
Interest / Income on Investments made out of Own Funds		
- Income on Current Investments	6,236	1,580
- Interest on Fixed Deposits with Banks	8,197	12,913
	14,433	14,493
Profit on Sale of Fixed Assets (Net)	0 *	0 *
Net Profit on Foreign Currency Transaction and Translation	41	-
Others	27	41
TOTAL	14,501	14,534

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

Salaries	4,145	5,085
Contributions to Provident and Other Funds	591	644
Staff Welfare Expenses	194	189
TOTAL	4,930	5,918

NOTE 22 : FINANCE COST

Line of Credit Commitment and Other Charges	1,461	1,689
Others	9	23
TOTAL	1,470	1,712

* denotes amount less than ₹1 lakh



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<u>NOTE 23 : DEPRECIATION AND AMORTIZATION EXPENSE</u>		
Depreciation on Tangible Assets	603	660
Amortisation of Intangible Assets	2,032	1,938
TOTAL	2,635	2,598

NOTE 24 : OTHER EXPENSES

Power and Fuel	405	491
Repairs and Maintenance - Buildings	79	107
Repairs and Maintenance - Computer Systems and Equipment	2,149	1,807
Repairs and Maintenance - Others	109	106
Insurance	13	13
Rates and Taxes	127	135
Communication Expenses	355	328
CLS Settlement Charges	1,343	1,147
Net Loss on Foreign Currency Transaction and Translation	1	20
Expenditure towards Corporate Social Responsibility	1,115	1,052
Professional Fees	289	210
Directors' Sitting Fees	80	98
Diminution in value of Current Investments	116	88
Payment to Auditors		
- Audit Fees	16	15
- Reimbursement of Expenses	0 *	-
Others	791	732
TOTAL	6,988	6,349

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

	(₹ in lakhs)	
Particulars	As at 31.03.2018	As at 31.03.2017
(i) <u>Contingent Liabilities</u>		
Claims against the Company not acknowledged as debt:		
- Service Tax Demands including penalty and interest - Pending settlement of the dispute, an amount of ₹226 lakhs, being the principal amount claimed by the authorities has been paid under protest and disclosed under Other Non Current Assets.	778	768
- Income Tax Demands for various assessment years disputed by the Company	118	60
(ii) <u>Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	644	1,333
TOTAL	1,540	2,161

NOTE 26 : EMPLOYEE BENEFITS - GRATUITY

Amounts Recognised as Expense:

(i) Defined Contribution Plan

- (1) Employer's Contribution to Provident Fund amounting to ₹234 lakhs (Previous year - ₹213 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 - ₹66 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.
- (3) Employer's Contribution to NPS amounting to ₹54 lakhs (Previous year - ₹43 lakhs) has been included in Note 21 under Contribution to Provident Fund and Other Funds.

(ii) Defined Benefit Plan

In terms of the Company's gratuity plan, on leaving of service every employee who has completed 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.

Gratuity cost amounting to ₹219 lakhs (Previous year - ₹296 lakhs) has been included in Note 21 under Contribution to Provident and Other Funds.



THE CLEARING CORPORATION OF INDIA LIMITED

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

(₹ in lakhs)

Description	Gratuity	
	2017-18	2016-17
A. Amount recognised in the Statement of Profit and Loss for the year		
- Current Service Cost	210	158
- Interest Cost	120	103
- Expected Return on Plan Assets	(120)	(109)
- Net actuarial (Gain) / Loss recognized during the year	9	144
- Past Service Cost	-	-
- Expenses to be recognized in the Statement of Profit and Loss as per actuarial Valuation	219	296
B. Actual Return on Plan Assets		
- Actual Return of Plan Assets	121	121
C. Amount recognised in the Balance Sheet		
- Present Value of Obligation	1,757	1,622
- Fair Value of Plan Assets	1,796	1,610
- Funded status {surplus / (deficit)}	39	(12)
- Net Asset/(Liability) to be recognized in the Balance Sheet as per Actuarial Valuation	39	1,411
D. Change in Present Value of Obligation		
- Present Value of Obligation at the beginning of the year	1,622	1,281
- Current Service Cost	210	158
- Interest Cost	120	103
- Past Service Cost	-	-
- Benefits paid	(204)	(76)
- Actuarial (Gain) / Loss on Obligation	9	155
- Present Value of Obligation at the end of the year	1,757	1,622
E. Change in Plan Assets		
- Fair Value of Plan Assets at the beginning of the year	1,609	1,368
- Expected Return on Plan Assets	120	109
- Contributions Made	248	196
- Benefits Paid	(181)	(76)
- Actuarial Gains / (Loss) on Plan Assets	-	12
- Fair Value of Plan Assets at the end of the year	1,796	1,609
F. Major categories of Plan Assets as a percentage of total plan	100% Insurance Policy	
G. Next Year`s Contribution	153	179
H. Actuarial Assumptions		
- Discount Rate	7.80%	7.40%
- Expected Rate of Return on assets	8.00%	7.50%
- 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	88	48
- Gain/(Loss) on Plan Assets	-	12
J. Actuarial Valuation Method	Projected Unit Credit	Projected Unit Credit

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 27: BASIC AND DILUTED EARNINGS PER SHARE

Basic and Diluted Earning Per Share is calculated as under:

Particulars		2017-18	2016-17
(i)	Net profit as per Consolidated statement of Profit & loss (₹ in lakhs)	33,308	38,556
(ii)	Dividend on Preference Capital & Dividend Distribution tax thereon (₹ in lakhs)	513	512
(iii)	Net Profit attributable to Equity Shareholders (₹ in lakhs)	32,795	38,044
(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 ₹)	65.59	76.09

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 (upto 16.11.2017)

Mr. Deepak Chande - Chief Financial Officer

Mr. Pankaj Srivastava -Company Secretary (from 17.11.2017)



THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

(₹ in lakhs)

Nature of Relationship	Party having Substantial interest	Key Management Personnel
Particulars		
Income from Operations	2,154 (1,499)	-----
Collaterals Cash Received	91,213 (61,737)	-----
Collaterals Cash Repaid	1,00,584 (55,670)	-----
Collaterals Securities Received (at face value)	29,32,251 (38,74,807)	-----
Collaterals Securities Returned (at face value)	700,650 (22,90,000)	-----
Interest on deposits from members	374 (319)	-----
Remuneration		
- Mr. R. Sridharan	-----	114 (72)
- Mr.O.N.Ravi	-----	67 (94)
- Mr. Deepak Chande	-----	92 (83)
- Mr. Pankaj Srivastava	-----	11 -
Outstanding Balance as at the year end :		
Receivable	100 (165)	-----
Payable	141 (50)	-----
Collaterals outstanding - Cash	16,403 (25,824)	-----
Collaterals outstanding - Securities (at face value) {Refer Note (c) below}	40,42,429 (18,10,828)	-----
Payable		
- Mr. R. Sridharan	-----	1 -
- Mr.O.N.Ravi	-----	- (7)
- Mr. Deepak Chande	-----	4 (1)
- Mr. Pankaj Srivastava	-----	1 -

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.
- (c) Collaterals received in the form of Government Securities are held under Constituent Subsidiary General

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Ledger (CSGL) Account with Reserve Bank of India.

- (d) The amounts are inclusive of Service Tax / GST 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, 2018 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, 2018

(₹ in lakhs)

Particulars	2017-18			2016-17		
	Clearing & Settlement Services	Trading Services	Total	Clearing & Settlement Services	Trading Services	Total
REVENUE						
Revenue from Operations (External)	48,381	4,145	52,526	57,470	3,815	61,284
Total Revenue from Operations	48,381	4,145	52,526	57,470	3,815	61,284
RESULT						
Segment Result	34,312	2,191	36,503	42,852	1,855	44,707
Add: Other Income			14,501			14,534
Profit Before Tax	34,312	2,191	51,004	42,852	1,855	59,241
Tax Expense						
- Current Tax			17,940			20,672
- MAT Credit Entitlement			(11)			-
- Deferred Tax			(233)			12
- Tax Adjustments relating to earlier years			-			1
Profit After Tax			33,308			38,556
OTHER INFORMATION						
Assets						
Segment Assets	10,57,280	7,877	10,65,157	10,03,609	6,449	10,10,058
Total Assets	10,57,280	7,877	10,65,157	10,03,609	6,449	10,10,058
Liabilities						
Segment Liabilities	7,91,460	687	7,92,147	7,67,363	672	7,68,035
Total Liabilities	7,91,460	687	7,92,147	7,67,363	672	7,68,035
Capital Expenditure						
Segment Capital Expenditure	2,251	549	2,800	2,419	553	2,972
Total Capital Expenditure	2,251	549	2,800	2,419	553	2,972
Depreciation/Amortisation						
Segment Depreciation/Amortisation	1,988	647	2,635	1,963	635	2,598
Total Depreciation/Amortisation	1,988	647	2,635	1,963	635	2,598

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 30: 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:

Exposures in US Dollars

PARTICULARS	As at 31.03.2018		As at 31.03.2017	
	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)	Amount in US Dollars (in Thousands)	Amount in INR (₹ in lakhs)
ASSETS				
US Govt. Treasury Bills	564,541	367,200	567,174	367,748
Bank Balance in Current Accounts	16,413	10,676	21,941	14,226
Accrued Interest on US T Bills	1,874	1,219	722	468
Accrued Interest on Deposits with Banks	5	4	-	-
Datafeed Charges Receivable	4	3	-	-
Total	582,837	379,102	589,837	382,442
LIABILITIES				
Deposits from Members	579,133	376,692	588,401	381,511
Interest payable to Members	3,638	2,366	1,402	909
Expenses Payable	181	118	162	105
Total	582,952	379,176	589,965	382,525
Net Assets / (Liabilities)	(115)	(74)	(128)	(83)

Exposures in Great Britain Pound

PARTICULARS	As at 31.03.2018		As at 31.03.2017	
	Amount in Great Britain Pound (in Thousands)	Amount in INR (₹ in lakhs)	Amount in Great Britain Pound (in Thousands)	Amount in INR (₹ in lakhs)
ASSETS			-	-
Datafeed Charges Receivable	8	7		
TOTAL	8	7	-	-



THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 31:

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

NOTE 32:

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)
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Place : Mumbai
Date : May 09, 2018

Sd/- Deepak Chande Chief Financial Officer	Sd/- Pankaj Srivastava Company Secretary
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THE CLEARING CORPORATION OF INDIA LIMITED

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(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
Parent				
The Clearing Corporation Of India Limited	97.21	2,65,392	94.94	31,622
Subsidiaries - Indian				
Clearcorp Dealing Systems (India) Limited	2.63	7,190	4.87	1,621
Legal Entity Identifier India Limited	0.16	428	0.20	65
Subsidiaries - Foreign				
None	-	-	-	-
Minority Interest				
None	-	-	-	-
Joint Ventures				
None	-	-	-	-
TOTAL	100	2,73,010	100	33,308