

Clearcorp Dealing Systems (India) Limited



Financial Statements

2008-2009



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

■ Board of Directors:

Dr. R. H. Patil (Chairman)
Mr. Syed Shahabuddin (Managing Director)
Mr. K. Sivaprakasam
Mr. R. V. Joshi
Mr. M. M. Bagora

■ Company Secretary:

Ms. Sandhya Sati

■ Auditors:

M/s. Lodha & Co.
Chartered Accountants

■ Registered Office:

5th, 6th & 7th Floor, Trade World,
C-Wing, Kamala City,
Senapati Bapat Marg,
Lower Parel (W),
Mumbai 400 013.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Financial Statements 2008-2009

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CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

AUDITORS' REPORT

To the members of
CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of CLEARCORP DEALING SYSTEMS (INDIA) LIMITED as at 31st March 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

- (e) On the basis of written representations received from directors as on 31st March, 2009, and taken on record by the Board of Directors, wherever applicable, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 'Significant Accounting Policies and Notes to the Accounts' in Schedule '10' and other notes appearing elsewhere in the accounts, 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:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of the Profit & Loss Account, of the profit for the year ended as on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

Sd/-
R.P.BARADIYA
Partner
(Membership No. 44101)

Place : Mumbai
Date : May 14, 2009



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 OF CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) All the assets have been physically verified by the management at reasonable intervals during the year. No discrepancies were noticed on such verification.
c) No substantial part of the fixed assets has been disposed off during the year.
2. The Company does not have any inventory. Therefore, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the purchases are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The Company has neither purchased any inventory nor sold any goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. There are no particulars of contracts or arrangements referred to in Section 301 of the Act which need to be entered in the register required to be maintained under that section.
6. No deposits within the meaning of Sections 58A, 58AA or any other relevant provision of the Act and rules framed there under have been accepted by the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. As per the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any services rendered by the Company. Therefore, the provisions of clause 4(viii) of the Order are not applicable to the Company.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

9. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
(b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information given to us, the Company has not defaulted during the year in repayment of dues to any bank or financial institution.
12. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not carrying the business of dealing or trading in shares, securities, debentures and other investments. However, proper records have been maintained in respect of transactions and contracts entered into, wherever the investments are made by the Company in securities. The securities have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loan.
17. The Company has not raised any funds on short term basis.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered and recorded in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & CO.**
Chartered Accountants

Sd/-
R.P.BARADIYA
Partner
(Membership No. 44101)

Place : Mumbai
Date : May 14, 2009

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2009

(Rs. in thousands)

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Equity Share Capital	1	50,000	50,000
Reserves and Surplus	2	50,049	35,430
Net Deferred Tax Liability		35	--
TOTAL		100,084	85,430
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	73,443	9,968
Less : Depreciation		23,911	9,920
Net Block		49,532	48
Capital Work-In-Progress		41,246	26,477
		90,778	26,525
Net Deferred Tax Asset		--	3,052
Current Assets, Loans and Advances			
(i) Sundry Debtors	4	18,979	12,143
(ii) Cash and Bank balances		3,558	71,036
(iii) Accrued Interest		--	3,777
(iv) Loans and Advances		13,531	8,298
		36,068	95,254
Less : Current Liabilities and Provisions	5		
(i) Current Liabilities		21,661	35,919
(ii) Provisions		5,101	3,482
		26,762	39,401
Net Current Assets		9,306	55,853
TOTAL		100,084	85,430
Significant Accounting Policies and Notes to Accounts	10		

The Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date
For LODHA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
R. P. Baradiya
Partner

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Syed Shahabuddin
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
R. V. Joshi
Director

Sd/-
M. M. Bagora
Director

Place : Mumbai
Date : May 14, 2009

Sd/-
Sandhya Sati
Company Secretary



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

		(Rs. in thousands)	
	Schedule	For the year ended 31.03.2009	For the year ended 31.03.2008
INCOME			
Income from Operations	6	101,691	83,355
Other Income	7	3,707	7,008
		105,398	90,363
EXPENDITURE			
Employment Cost	8	29,845	25,130
Operating, Administration and Other Expenses	9	38,147	32,754
Depreciation		13,991	8,741
		81,983	66,625
Profit Before Tax		23,415	23,738
Provision for Tax			
- Current tax		5,400	10,800
- Tax adjustments relating to earlier years		(40)	--
- Deferred tax Liability / (Asset)		3,086	(2,224)
- Fringe Benefit tax		350	326
Net Profit After Tax		14,619	14,836
Balance brought forward from last year		32,991	18,502
Profit available for appropriation		47,610	33,338
APPROPRIATIONS:			
Special Reserve		--	347
Balance carried to Balance Sheet		47,610	32,991
		47,610	33,338
Basic and Diluted earnings per share (Rs.) (Equity Share of face value of Rs. 10 each)		2.92	2.97

Significant Accounting Policies and Notes to the Accounts 10

The Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date
For LODHA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
R. P. Baradiya
Partner

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Syed Shahabuddin
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
R. V. Joshi
Director

Sd/-
M. M. Bagora
Director

Place : Mumbai
Date : May 14, 2009

Sd/-
Sandhya Sati
Company Secretary

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	(Rs. in thousands)	
	2008-09	2007-08
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	23,415	23,738
Add : Adjustments for -		
Depreciation	13,991	8,741
Less: Adjustments for -		
Interest Income	3,365	6,557
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	34,041	25,922
Adjustments for :		
(Increase)/ decrease in Trade and Other Receivables	(12,069)	(12,238)
Increase/(decrease) in Trade and Other Payables	(12,596)	33,835
CASH GENERATED FROM OPERATIONS	9,376	47,519
Direct Taxes paid	(5,753)	(10,459)
NET CASH FROM OPERATING ACTIVITIES (A)	3,623	37,060
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(78,243)	(35,185)
Interest received	7,142	5,497
NET CASH USED IN INVESTING ACTIVITIES (B)	(71,101)	(29,688)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH USED IN FINANCING ACTIVITIES (C)	--	--
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(67,478)	7,372
CASH AND CASH EQUIVALENTS - OPENING BALANCE	71,036	63,664
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	3,558	71,036
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(67,478)	7,372

1. The above cash flow statement has been prepared using the indirect method as per Accounting Standard 3 issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been regrouped, reclassified and rearranged to conform to current year's presentation, wherever necessary.

As per our attached report of even date
For LODHA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
R. P. Baradiya
Partner

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Syed Shahabuddin
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
R. V. Joshi
Director

Sd/-
M. M. Bagora
Director

Place : Mumbai
Date : May 14, 2009

Sd/-
Sandhya Sati
Company Secretary



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009

	(Rs. in thousands)	
	As at 31.03.2009	As at 31.03.2008
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs. 10 each	50,000	50,000
Issued, Subscribed and Paid-up		
50,00,000 Equity Shares of Rs. 10 each fully paid up (All the above shares are held by The Clearing Corporation of India Limited, Holding Company and its nominees)	50,000	50,000
TOTAL	50,000	50,000

SCHEDULE 2: RESERVES AND SURPLUS

General Reserve				
As per last Balance Sheet	166		100	
Add: Transferred from Special Reserve *	2,273	2,439	66	166
Special Reserve				
As per last Balance Sheet	2,273		1,992	
Add: Transferred from Profit and Loss Account	--		347	
Less: Transferred to General Reserve *	2,273	--	66	2,273
Balance as per annexed Profit and Loss Account		47,610		32,991
TOTAL		50,049		35,430

* (Refer Note no.14 of Schedule 10)

SCHEDULE 3 : FIXED ASSETS

(Rs. in thousands)

SR. NO.	DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		As on 01.04.2008	Additions during the year	Deductions during the year	As on 31.03.2009	Upto 01.04.2008	For the year	Deductions during the year	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
1	Computer Systems- Hardware	1,329	708	--	2,037	1,281	164	--	1,445	592	48
2	Computer Systems- Software	8,639	62,767	--	71,406	8,639	13,827	--	22,466	48,940	--
	TOTAL	9,968	63,475	--	73,443	9,920	13,991	--	23,911	49,532	48
	PREVIOUS YEAR	1,259	8,709	--	9,968	1,179	8,741	--	9,920		
	CAPITAL WORK-IN PROGRESS										
	Computer Systems- Software Systems (Under Development)									41,246	26,477
	GRAND TOTAL									90,778	26,525

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009

	(Rs. in thousands)	
	As at 31.03.2009	As at 31.03.2008
SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES		
(i) Sundry Debtors (Unsecured, Considered good)		
More than six months	6,135	--
Others	<u>12,844</u>	<u>12,143</u>
	18,979	12,143
(ii) Cash and Bank Balances		
Cash in hand	22	10
Balances with Scheduled Banks in Current Accounts	3,536	2,826
in Deposit Accounts	<u>--</u>	<u>68,200</u>
	3,536	71,026
	3,558	71,036
(iii) Interest Accrued On Deposits with Banks	<u>--</u>	<u>3,777</u>
(iv) Loans and Advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value or for value to be received	931	1,098
Deposits	<u>12,600</u>	<u>7,200</u>
	13,531	8,298
TOTAL	<u>36,088</u>	<u>95,254</u>

SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS

(i) CURRENT LIABILITIES		
Sundry Creditors		
(a) Due to Creditors other than Micro and Small Enterprises	17,441	29,627
(b) Due to Micro and Small Enterprises (Refer Note No. 15 of Schedule 10)	--	--
Amount payable to The Clearing Corporation of India Limited - Holding Company	800	1,312
Other Liabilities	<u>3,420</u>	<u>4,980</u>
	21,661	35,919
(ii) PROVISIONS		
Provision for Employee Benefits	4,744	3,084
Provision for Income Tax (Net of payments Rs. 24,061 thousands, Previous year - Rs.22,532 thousands)	349	378
Provision for Fringe Benefit Tax (Net of payments Rs. 975 thousands, Previous Year - Rs. 611 thousands)	<u>8</u>	<u>20</u>
	5,101	3,482
TOTAL	<u>26,762</u>	<u>39,401</u>



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	(Rs. in thousands)	
	For the year ended 31.03.2009	For the year ended 31.03.2008
SCHEDULE 6 : INCOME FROM OPERATIONS		
(Refer Note no. 1(b) of Schedule 10)		
Transaction Charges	78,040	64,884
Membership Fees	900	525
NDS Helpdesk Support Charges	9,240	9,240
Datafeed Charges	13,511	8,706
TOTAL	101,691	83,355
SCHEDULE 7 : OTHER INCOME		
Interest on Fixed Deposits With Banks (Tax Deducted at Source Rs. 660 thousands, Previous year - Rs. 1,349 thousands)	3,365	6,557
Other Income	342	451
TOTAL	3,707	7,008
SCHEDULE 8 : EMPLOYMENT COST		
Salaries & Allowances	23,905	20,134
Contribution to Provident & Other Funds	2,641	2,151
Staff Welfare & Training Expenses	3,299	2,845
TOTAL	29,845	25,130
SCHEDULE 9 : OPERATING, ADMINISTRATION AND OTHER EXPENSES		
Rent	10,017	8,374
Rates & Taxes	22	24
Electricity Charges	1,911	1,686
Insurance	559	775
Repairs & Maintenance Expenses - Computer Systems	10,307	6,400
Repairs & Maintenance Expenses - Others	362	1,205
Usage Charges	8,591	8,338
Communication Expenses	1,074	976
Directors' Sitting Fees	340	195
Auditors' Remuneration		
- Audit fees	100	100
- Tax Audit fees	15	15
- Taxation Matters	13	--
- Others (including service tax)	28	30
Other expenses	4,808	4,636
TOTAL	38,147	32,754

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts

1. Significant Accounting Policies:

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

The Company follows mercantile system of accounting and the financial statements are prepared under the historical cost convention, on a going concern basis and as per applicable Indian Accounting Standards. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

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

(b) **Revenue Recognition:**

- (i) Transaction Charges income is recognised on settlement of respective transactions in terms of the contract with members.
- (ii) Non-refundable one time membership fee is recognised as income in the year in which respective operations commence or in the year in which the membership of the applicant is approved, whichever is later.
- (iii) Revenue from Services is recognized as and when the Service is performed as per the relevant agreements.
- (iv) Other Revenue Income is recognised as and when there is a reasonable certainty of ultimate realisation.

(c) **Fixed Assets, Depreciation and Impairment Loss:**

- (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) Depreciation is provided on Straight Line Method as per rates specified below and in the manner specified in Schedule XIV to the Companies Act, 1956 (Act):

Asset	Depreciation Rate	SLM Depreciation rates prescribed in the Schedule
Computer Systems- Hardware	50.00%	16.21%
Computer Systems - Software	100%	16.21%

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



CLEARCOP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

- (iii) Software expenses incurred for Company's core business applications are capitalized as Computer Systems - Software.
- (iv) In case the recoverable amount of the fixed assets is lower than its carrying amount, a provision is made for impairment loss.

(d) Employee Benefits:

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

(i) Defined Contribution plans:

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

Contributions to the defined contribution plans are charged to Profit & Loss Account 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 on the basis of actuarial valuation on Projected Unit Credit Method 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 Profit & Loss Account 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.

(e) Income Tax:

Provision for current tax and fringe benefit 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 calculated 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.

(f) 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 Profit & Loss account.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

(g) Provisions and Contingent Liabilities:

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

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

Contingent Liability is disclosed in the case of -

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

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

2. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) - Nil (Previous year - Nil).

3. (a) Value of imports on CIF basis:- Rs.31 thousands (Previous Year - Rs. 162 thousands).

(b) Expenditure in Foreign Currency:

(Rs. in thousands)

Particulars	2008-09	2007-08
Travelling Expenses	390	136
Training & Conference Fees	1,280	--

(c) Earnings in Foreign Exchange:

(Rs. in thousands)

Particulars	2008-09	2007-08
Datafeed Charges	5,382	3,895

4. (a) Other income includes foreign exchange difference income amounting to Rs. 102 thousands (Previous Year - Nil).

(b) Other expense includes foreign exchange difference expense - Nil (Previous Year - Rs. 60 thousands).

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

5. The Company has during the year changed the mode of calculating depreciation on the 'Computer Systems - Software' from '100% written off in the year of installation' to '100% on pro rata on day basis'. Consequently, depreciation charged for the year is lower by Rs. 48,940 thousands; Profit before Tax for the year and Fixed Assets as at the Balance Sheet date is higher by the aforesaid amount.

6. Provision for Employee Benefits includes -

(Rs. in thousands)

	Particulars	2008-09	2007-08
(a)	Provision for Gratuity	773	371
(b)	Provision for Leave Encashment	3,320	2,197
(c)	Amount payable to Regional Provident Fund Commissioner	222	193
(d)	Provision for Medical Leave	429	323
	TOTAL	4,744	3,084

7. Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits in respect of Gratuity (based on Actuarial Valuation):

(Rs. in thousands)

	Description	Gratuity	
		2008-09	2007-08
A.	Expense recognised in the statement of Profit & Loss Account for the year		
	- Current Service Cost	535	381
	- Interest Cost	164	107
	- Expected return on plan assets	(121)	--
	- Net actuarial (gain) / loss recognised during the year	198	(3)
	Total Expense recognised in Profit & Loss Account	776	485
B.	Actual return on plan assets		
	- Expected return of plan assets	121	--
	- Actuarial gain / (loss) on plan assets	12	65
	Actual return of plan assets	133	65
C.	Net Asset / (Liability) recognised in the Balance Sheet		
	- Present value of obligation	2,419	1,510
	- Fair value of plan assets	1,646	1,139
	- Funded status {surplus / (deficit)}	(773)	(371)
	Net Asset / (Liability) recognised in the Balance Sheet	(773)	(371)

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

Description	Gratuity	
	2008-09	2007-08
D. Change in Present value of Obligation during the year		
- Present value of obligation at the beginning of the year	1,510	960
- Current Service Cost	535	381
- Interest Cost	164	107
- Benefits paid	--	--
- Actuarial (gain) / loss on obligation	210	61
Present value of obligation at the end of the year	2,419	1,510
E. Change in Assets during the year		
- Fair value of plan assets at the beginning of the year	1,139	--
- Expected return on plan assets	121	--
- Contributions made	374	1,074
- Benefits paid	--	--
- Actuarial (gains) / loss on plan assets	12	65
Fair value of plan assets at the end of the year	1,646	1,139
F. Major categories of plan assets as a percentage of total plan	100% Qualifying insurance policy	
G. Actuarial Assumptions		
- Discount rate	7.75%	8.00%
- Expected rate of return on assets	8.00%	8.00%
- Employee Attrition Rate	2.00%	2.00%
- Mortality Rate	LIC (1994 - 96) Ultimate	
- Future salary increases consider inflation, seniority, promotion and other relevant factors	6.00%	6.00%

8. The Components of net deferred tax asset/(liability) are as under:

(Rs. in thousands)

	2008-09	2007-08
Deferred tax Assets /(Liability)		
(i) Depreciation	(1,572)	2,069
(ii) Provision for Leave encashment	1,128	747
(iii) Provision for Gratuity	263	126
(iv) Provision for Medical Leave	146	110
Net Deferred Tax Asset/(Liability)	(35)	3,052



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

9. Basic and Diluted Earning Per Share is calculated as under:

	For the year ended 31.03.2009	For the year ended 31.03.2008
(i) Numerator - Net Profit attributable to Equity Shareholders (Rs. in thousands)	14,619	14,836
(ii) Denominator - Weighted Average Number of Equity Shares outstanding during the year	5000000	5000000
(iii) Nominal value of Equity shares	Rs.10.00	Rs.10.00
(iv) Basic and Diluted Earnings Per share - for the year	Rs. 2.92	Rs. 2.97

10. Disclosure in respect of Related Parties pursuant to Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

a. List of Related Parties:

- (i) Parties where control exists - Holding Company
The Clearing Corporation of India Limited
- (ii) Other Parties with whom the Company has entered into transactions during the year in the ordinary course of the business - None

b. Details of transactions :

(Rs. in thousands)

Nature of Relationship	Holding Company
(i) Transactions during the year	
Operational Income shared (Receipt)	10,151 (7,494)
Usage Charges paid	8,591 (8,338)
Rent paid for residential accommodation	432 (432)
Reimbursement of expenses - (Payment) Expenses shared	5,227 (8,170)
Expenses directly reimbursed	410 (1,420)
Assets transferred	-- (70)

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

Nature of Relationship	Holding Company
(ii) Outstanding balance as at 31.03.2009	
Amounts Payable	800 (1,312)
Investment by Holding Company in equity shares of the Company	50,000 (50,000)

Notes:

- (a) Figures in bracket represent corresponding amounts in the previous year.
 - (b) Transactions with holding Company are in respect of common operations and in accordance with the terms of agreement entered into in this regard.
 - (c) No amount in respect of the related parties has been provided for as doubtful debts or written off/back during the year.
 - (d) Related party relationship is as identified by the Company and relied upon by the auditors.
 - (e) All the above transactions are in the ordinary course of the business of the Company.
11. Disclosure in respect of Derivative instruments and unhedged foreign currency 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:

(Rs. in thousands)

Particulars	As at 31.03.2009		As at 31.03.2008	
	Amount in US Dollars	Amount in INR	Amount in US Dollars	Amount in INR
ASSETS				
Sundry Debtors	20	1,013	--	--

12. Minimum lease rentals payable under non-cancellable operating leases for office/residential accommodations :

(Rs. in thousands)

	2008-09	2007-08
Not later than 1 year	13,898	6,067
Between 1 and 5 years	10,423	Nil
Later than 5 years	Nil	Nil



CLEARCROP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

13. The Company's operations fall into one business segment comprising of facilitating 'Trading' of securities/foreign exchange/money market instruments and activities incidental thereto, and all its operations are carried out in India. Therefore, the disclosures as required under Accounting Standard 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
14. Special Reserve represented amounts appropriated out of profits in respect of non-refundable one time membership fees, net of tax. The balance lying in the Reserve amounting to Rs. 2,273 thousands has been transferred to the General Reserve in the current year as decided by the Board.
15. As at March 31, 2009, no supplier has intimated the Company about its status as Micro or Small Enterprises or its Registration with appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.
16. There is no amount outstanding in respect of items which would be required to be credited to Investor Education and Protection Fund, on completion of specified period, under Section 205C of the Companies Act, 1956.
17. In the opinion of the management, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for Depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
18. Information with regard to other matters specified in clauses 3, 4C & 4D of Part II to Schedule VI of the Companies Act, 1956 are either nil or not applicable to the Company.
19. Previous year's figures have been regrouped, reclassified and rearranged to conform to current year's presentation, wherever necessary.

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Syed Shahabuddin
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
R. V. Joshi
Director

Sd/-
M. M. Bagora
Director

Sd/-
Sandhya Sati
Company Secretary

Place : Mumbai
Date : May 14, 2009

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Submitted in terms of Part IV of Schedule VI of the Companies Act, 1956)

I Registration Details

Registration No.

U	7	4	9	9	9	M	H	2	0	0	3	P	L	C	1	4	0	8	4	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

 /

0	3
---	---

 /

0	9
---	---

Date Month Year

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Rights Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Bonus Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Private Placement

							N	I	L
--	--	--	--	--	--	--	---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

			1	2	6	8	4	6
--	--	--	---	---	---	---	---	---

Total Assets

			1	2	6	8	4	6
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			5	0	0	0	0
--	--	--	---	---	---	---	---

Reserves & Surplus

			5	0	0	4	9
--	--	--	---	---	---	---	---

Secured Loans

							N	I	L
--	--	--	--	--	--	--	---	---	---

Unsecured Loans / Deposits

							N	I	L
--	--	--	--	--	--	--	---	---	---

Deferred Tax liability

							3	5
--	--	--	--	--	--	--	---	---

Application of Funds

Net Fixed Assets

			9	0	7	7	8
--	--	--	---	---	---	---	---

Investments

							N	I	L
--	--	--	--	--	--	--	---	---	---

Net Current Assets

			3	6	0	6	8
--	--	--	---	---	---	---	---

Deferred tax Asset

							N	I	L
--	--	--	--	--	--	--	---	---	---

Misc. Expenditure

							N	I	L
--	--	--	--	--	--	--	---	---	---

Accumulated Losses

							N	I	L
--	--	--	--	--	--	--	---	---	---



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

IV Performance of Company (Amount in Rs. Thousands)

Turnover/Total Income

			1	0	5	3	9	8
--	--	--	---	---	---	---	---	---

Total Expenditure

			8	1	9	8	3
--	--	--	---	---	---	---	---

+ -

Profit / Loss before tax

√	

			2	3	4	1	5
--	--	--	---	---	---	---	---

+ -

Profit / Loss after tax

√	

			1	4	6	1	9
--	--	--	---	---	---	---	---

(Please tick Appropriate box + for Profit, - for Loss)

Earning per Share in Rs.

				2	.	9	2
--	--	--	--	---	---	---	---

Dividend rate %

-	-	-
---	---	---

V Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.
(ITC Code)

N	A									
---	---	--	--	--	--	--	--	--	--	--

Product
Description

F	A	C	I	L	I	T	A	T	I	N	G		T	R	A	D	I	N	G	

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Syed Shahabuddin
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
R. V. Joshi
Director

Sd/-
M. M. Bagora
Director

Sd/-
Sandhya Sati
Company Secretary

Place : Mumbai
Date : May 14, 2009