

**Clearcorp Dealing Systems (India) Limited**



**Financial Statements**

**2009-2010**



## 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**

**Mr. M. R. Ramesh**

**Mr. K. R. Ramamoorthy**

### ■ 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 2009-2010

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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 CLEARCORP DEALING SYSTEMS (INDIA) LIMITED as at 31st March 2010, 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, 2010, and taken on record by the Board of Directors, wherever applicable, we report that none of the directors is disqualified as on 31st March, 2010 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 '11' 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, 2010;
  - 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)  
(Firm Registration No. 301051E)

Place: Mumbai  
Date : May 4, 2010

## 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, 2010 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 thereunder 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



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Act, for any services rendered by the Company. Therefore, the provisions of the clause 4(viii) of the Order are not applicable to the Company.

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 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, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. 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. Funds raised on short-term basis have not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered and recorded in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures.



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

20. The Company has not raised any money by public issue.
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)  
(Firm Registration No. 301051E)

Place: Mumbai  
Date : May 4, 2010



**CLEARCORP DEALING SYSTEMS (INDIA) LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2010**

(Rs. in thousands)

	Schedule	As at 31.03.2010	As at 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Equity Share Capital	1	100,000	50,000
Reserves and Surplus	2	78,757	50,049
<b>Net Deferred Tax Liability</b>		--	35
<b>TOTAL</b>		<b>178,757</b>	<b>100,084</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	85,195	73,443
Less : Depreciation		79,150	23,911
Net Block		6,045	49,532
Capital Work-In-Progress		71,719	41,246
		<b>77,764</b>	<b>90,778</b>
<b>Net Deferred Tax Asset</b>		7,377	--
<b>Current Assets, Loans and Advances</b>			
(i) Sundry Debtors	4	10,480	18,979
(ii) Cash and Bank balances		84,455	3,558
(iii) Accrued Interest		3,433	--
(iv) Loans and Advances		17,206	13,531
		<b>115,574</b>	<b>36,068</b>
<b>Less : Current Liabilities and Provisions</b>			
(i) Current Liabilities	5	13,523	21,661
(ii) Provisions		8,435	5,101
		<b>21,958</b>	<b>26,762</b>
<b>Net Current Assets</b>		<b>93,616</b>	<b>9,306</b>
<b>TOTAL</b>		<b>178,757</b>	<b>100,084</b>

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/-  
M. M. Bagora  
*Director*

Place : Mumbai  
Date : May 4, 2010

Sd/-  
Sandhya Sati  
*Company Secretary*

**CLEARCORP DEALING SYSTEMS (INDIA) LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

		(Rs. in thousands)	
	Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
<b>INCOME</b>			
Income from Operations	6	187,431	101,691
Other Income	7	3,806	3,707
		<u>191,237</u>	<u>105,398</u>
<b>EXPENDITURE</b>			
Employment Cost	8	33,136	29,845
Operating, Administration and Other Expenses	9	58,175	38,147
Depreciation		55,239	13,991
		<u>146,550</u>	<u>81,983</u>
<b>Profit Before Tax</b>		<b>44,687</b>	<b>23,415</b>
<b>Provision for Tax</b>			
- Current tax		23,390	5,400
- Tax adjustments relating to earlier years		--	(40)
- Deferred tax Liability / (Asset)		(7,411)	3,086
- Fringe Benefit tax		--	350
<b>Net Profit After Tax</b>		<b>28,708</b>	<b>14,619</b>
Balance brought forward from last year		47,610	32,991
<b>Profit available for appropriation</b>		<b>76,318</b>	<b>47,610</b>
<b>APPROPRIATIONS:</b>			
Balance carried to Balance Sheet		76,318	47,610
		<u>76,318</u>	<u>47,610</u>
Basic and Diluted earnings per share (Rs.) (Equity Share of face value of Rs. 10 each)		3.05	2.92

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/-  
M. M. Bagora  
Director

Place : Mumbai  
Date : May 4, 2010

Sd/-  
Sandhya Sati  
Company Secretary



**CLEARCORP DEALING SYSTEMS (INDIA) LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

	2009-10	2008-09
	(Rs. in thousands)	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	44,687	23,415
Add : Adjustments for -		
Depreciation	55,239	13,991
Less: Adjustments for -		
Interest Income	3,793	3,365
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	96,133	34,041
Adjustments for :		
(Increase)/ decrease in Trade and Other Receivables	4,824	(12,069)
Increase/(decrease) in Trade and Other Payables	(7,064)	(12,596)
CASH GENERATED FROM OPERATIONS	93,893	9,376
Direct Taxes paid	(21,131)	(5,753)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	72,762	3,623
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(42,225)	(78,243)
Interest received	360	7,142
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(41,865)	(71,101)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of equity shares	50,000	--
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	50,000	--
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	80,897	(67,478)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	3,558	71,036
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	84,455	3,558
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	80,897	(67,478)

1. The above cash flow statement has been prepared using the indirect method as per Accounting Standard 3.
2. Cash and Cash Equivalents includes Bank Deposit of Rs. 2,500 thousands (Previous Year - Nil) under lien with Bank (Refer Note no. 13 in Schedule 10).
3. 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/-  
**M. M. Bagora**  
*Director*

Place : Mumbai  
Date : May 4, 2010

Sd/-  
**Sandhya Sati**  
*Company Secretary*

**CLEARCORP DEALING SYSTEMS (INDIA) LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010**

	(Rs. in thousands)	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,000 (Previous year - 50,00,000) Equity Shares of Rs. 10 each	<u>100,000</u>	<u>50,000</u>
<b>Issued, Subscribed and Paid-up</b>		
1,00,00,000 (Previous year-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)	100,000	50,000
<b>TOTAL</b>	<u>100,000</u>	<u>50,000</u>

**SCHEDULE 2: RESERVES AND SURPLUS**

<b>General Reserve</b>			
As per last Balance Sheet	2,439		166
Add: Transferred from Special Reserve	--	2,439	<u>2,273</u>
			2,439
<b>Special Reserve</b>			
As per last Balance Sheet	--		2,273
Less: Transferred to General Reserve	--	--	<u>2,273</u>
			--
<b>Balance as per annexed Profit and Loss Account</b>	<u>76,318</u>		<u>47,610</u>
<b>TOTAL</b>	<u>78,757</u>		<u>50,049</u>

**SCHEDULE 3 : FIXED ASSETS**

(Rs. in thousands)											
SR. NO.	DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
		As on 01.04.2009	Additions during the year	Deductions during the year	As on 31.03.2010	Upto 01.04.2009	For the year	Deductions during the year	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
1	Computer Systems-Hardware	2,037	--	--	2,037	1,445	367	--	1,812	225	592
2	Computer Systems-Software	71,406	11,692	--	83,098	22,466	54,866	--	77,332	5,766	48,940
3	Furniture	--	60	--	60	--	6	--	6	54	--
	<b>TOTAL</b>	<u>73,443</u>	<u>11,752</u>	--	<u>85,195</u>	<u>23,911</u>	<u>55,239</u>	--	<u>79,150</u>	<u>6,045</u>	<u>49,532</u>
	<b>PREVIOUS YEAR</b>	<u>9,968</u>	<u>63,475</u>	--	<u>73,443</u>	<u>9,920</u>	<u>13,991</u>	--	<u>23,911</u>	<u>49,532</u>	
	<b>CAPITAL WORK-IN PROGRESS</b>										
	Computer Systems- Software Systems (Under Development)									71,719	41,246
	<b>GRAND TOTAL</b>									<u>77,764</u>	<u>90,778</u>



**CLEARCORP DEALING SYSTEMS (INDIA) LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2010**

	(Rs. in thousands)	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES</b>		
(i) Sundry Debtors (Unsecured, Considered good)		
More than six months	--	6,135
Others	10,480	12,844
	<u>10,480</u>	<u>18,979</u>
(ii) Cash and Bank Balances		
Cash in hand	5	22
Balances with Scheduled Banks in Current Accounts	4,650	3,536
in Deposit Accounts	79,800	--
	<u>84,450</u>	<u>3,536</u>
	<u>84,455</u>	<u>3,558</u>
(iii) Interest Accrued On Deposits with Banks	3,433	--
(iv) Loans and Advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	1,421	931
Amount receivable from The Clearing Corporation of India Limited - Holding Company	3,184	--
Deposits	12,601	12,600
	<u>17,206</u>	<u>13,531</u>
<b>TOTAL</b>	<u><u>115,574</u></u>	<u><u>36,068</u></u>

**SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS**

(i) <b>CURRENT LIABILITIES</b>		
Sundry Creditors		
(a) Due to Creditors other than Micro and Small Enterprises	11,459	17,441
(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
Other Liabilities	2,064	3,420
	<u>13,523</u>	<u>21,661</u>
(ii) <b>PROVISIONS</b>		
Provision for Employee Benefits	5,818	4,744
Provision for Income Tax (Net of payments Rs. 45,183 thousands, Previous year Rs.24,061 thousands)	2,617	349
Provision for Fringe Benefit Tax (Net of payments Rs. 645 thousands, Previous Year Rs. 975 thousands)	--	8
	<u>8,435</u>	<u>5,101</u>
<b>TOTAL</b>	<u><u>21,958</u></u>	<u><u>26,762</u></u>

**CLEARCORP DEALING SYSTEMS (INDIA) LIMITED**  
**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

	(Rs. in thousands)	
	For the year ended 31.03.2010	For the year ended 31.03.2009
<b>SCHEDULE 6 : INCOME FROM OPERATIONS</b>		
(Refer Note no. 2(b) of Schedule 10)		
Transaction Charges	160,660	78,040
Membership Fees	600	900
NDS Helpdesk Support Charges	9,240	9,240
Datafeed Charges	16,931	13,511
<b>TOTAL</b>	<b>187,431</b>	<b>101,691</b>
<b>SCHEDULE 7 : OTHER INCOME</b>		
Interest on Fixed Deposits With Banks (Tax Deducted at Source Rs.361 thousands, Previous year Rs. 660 thousands)	3,793	3,365
Miscellaneous Income	13	342
<b>TOTAL</b>	<b>3,806</b>	<b>3,707</b>
<b>SCHEDULE 8 : EMPLOYMENT COST</b>		
Salaries & Allowances	27,914	23,905
Contribution to Provident & Other Funds	2,479	2,641
Staff Welfare & Training Expenses	2,743	3,299
<b>TOTAL</b>	<b>33,136</b>	<b>29,845</b>
<b>SCHEDULE 9 : OPERATING, ADMINISTRATION AND OTHER EXPENSES</b>		
Rent	14,330	10,017
Rates & Taxes	62	22
Electricity Charges	1,837	1,911
Insurance	361	559
Repairs & Maintenance Expenses - Computer Systems	22,115	10,307
Repairs & Maintenance Expenses - Others	330	362
Usage Charges	8,771	8,591
Communication Expenses	4,470	1,074
Directors' Sitting Fees	390	340
Auditors' Remuneration		
- Audit fees	138	100
- Tax Audit fees	28	15
- Taxation Matters	--	13
- Others (including service tax)	11	28
Expenses towards Increase in Authorised Capital	350	--
Other expenses	4,982	4,808
<b>TOTAL</b>	<b>58,175</b>	<b>38,147</b>



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

#### Schedule 10: Significant Accounting Policies and Notes to the Accounts

1. Nature of Operations :

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

2. Significant Accounting Policies:

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

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

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

(b) **Revenue Recognition:**

- (i) Transaction Charges income 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 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) 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%



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

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

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

- (iii) Software expenses incurred for Company's core business applications are capitalized as Computer Systems - Software.

#### (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 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 Profit and 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 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 and 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.

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

4. (a) Value of imports on CIF basis:- Nil (Previous Year - Nil).

- (b) Expenditure in Foreign Currency:

(Rs. in thousands)

Particulars	2009-10	2008-09
Travelling Expenses	297	390
Training & Conference Fees	292	1,280
Business Promotion Expenses	135	31
<b>Total</b>	<b>724</b>	<b>1,701</b>

- (c) Earnings in Foreign Exchange:

(Rs. in thousands)

Particulars	2009-10	2008-09
Datafeed Charges	4,699	4,679

5. (a) Other income includes foreign exchange difference (gain) amounting to Nil (Previous Year - Rs. 102 thousands).
- (b) Other expense includes foreign exchange difference (loss) - Rs. 89 thousands (Previous Year - Nil).

## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

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

6. Provision for Employee Benefits includes -

(Rs. in thousands)

	Particulars	2009-10	2008-09
(a)	Provision for Gratuity	905	773
(b)	Provision for Leave Entitlement	4,648	3,749
(c)	Provident/Pension Fund Contribution	265	222
	<b>TOTAL</b>	<b>5,818</b>	<b>4,744</b>

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	
		2009-10	2008-09
A.	Expense recognised in the statement of Profit & Loss Account for the year		
	- Current Service Cost	657	535
	- Interest Cost	238	164
	- Expected return on plan assets	(154)	(121)
	- Net actuarial (gain) / loss recognised during the year	(336)	198
	Total Expense recognised in Profit & Loss Account	406	776
B.	Actual return on plan assets		
	- Expected return of plan assets	154	121
	- Actuarial gain / (loss) on plan assets	17	12
	- Actual return of plan assets	171	133
C.	Net Asset / (Liability) recognised in the Balance Sheet		
	- Present value of obligation	2,996	2,419
	- Fair value of plan assets	2,091	1,646
	- Funded status {surplus / (deficit)}	(905)	(773)
	Net Asset / (Liability) recognised in the Balance Sheet	(905)	(773)
D.	Change in Present value of Obligation during the year		
	- Present value of obligation at the beginning of the year	2,419	1,510
	- Current Service Cost	657	535
	- Interest Cost	238	164
	- Benefits paid	--	--
	- Actuarial (gain) / loss on obligation	(318)	210
	- Present value of obligation at the end of the year	2,996	2,419



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

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

Description	Gratuity	
	2009-10	2008-09
E. Change in Assets during the year		
- Fair value of plan assets at the beginning of the year	1,646	1,139
- Expected return on plan assets	154	121
- Contributions made	274	374
- Benefits paid	--	--
- Actuarial (gains) / loss on plan assets	17	12
- Fair value of plan assets at the end of the year	2,091	1,646
F. Major categories of plan assets as a percentage of total plan	100% Qualifying insurance policy	
G. Actuarial Assumptions		
- Discount rate	8.00%	7.75%
- 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	5.00%	6.00%

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

(Rs. in thousands)

	2009-10	2008-09
<b>Deferred tax Assets /(Liability)</b>		
(i) Depreciation	5,532	(1,572)
(ii) Provision for Leave Entitlement	1,544	1,274
(iii) Provision for Gratuity	301	263
<b>Net Deferred Tax Asset/(Liability)</b>	<b>7,377</b>	<b>(35)</b>

## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

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

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

Particulars	2009-10	2008-09
(i) Numerator - Net Profit attributable to Equity Shareholders (Rs. in thousands)	28,708	14,619
(ii) Denominator - Weighted Average Number of Equity Shares outstanding during the year	9410959	5000000
(iii) Nominal value of Equity shares	Rs.10.00	Rs.10.00
(iv) Basic and Diluted Earnings Per share - for the year	Rs. 3.05	Rs. 2.92

10. Disclosure in respect of Related Parties pursuant to Accounting Standard :

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
<b>(i) Transactions during the year</b>	
Operational Income shared (Receipt)	63,630 (10,151)
Usage Charges paid	8,771 (8,591)
Rent paid for residential accommodation	432 (432)
Reimbursement/Sharing of expenses - (Payment)	8,114 (5,637)
<b>(ii) Outstanding balance as at 31.03.2010</b>	
Amounts Payable	-- (800)
Amounts Receivable	3,184 ( - )
Investment by Holding Company in equity shares of the Company	100,000 (50,000)



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

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

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 31.03.2010		As at 31.03.2009	
	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)

Period	2009-10	2008-09
Not later than 1 year	10,423	13,898
Between 1 and 5 years	Nil	10,423
Later than 5 years	Nil	Nil

13. 'Balance with Scheduled Banks - In Deposit Accounts' includes a Fixed Deposit amounting Rs. 2,500 thousands kept with Bank of Baroda, having a lien in favour of Forex Dealers Association of India (FEDAI) in terms of the conditions prescribed for accreditation of forex dealing platforms of the Company.
14. 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" are not applicable.

## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

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

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15. As at March 31, 2010, 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/-  
M. M. Bagora  
*Director*

Sd/-  
Sandhya Sati  
*Company Secretary*

Place : Mumbai  
Date : May 4, 2010



## 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
---	---

1	0
---	---

  
Date Month Year

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

Public Issue	Rights Issue																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>					5	0	0	0	0
						N	I	L											
				5	0	0	0	0											
Bonus Issue	Private Placement																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
						N	I	L											
						N	I	L											

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

Total Liabilities	Total Assets																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>0</td><td>0</td><td>7</td><td>1</td><td>5</td></tr></table>				2	0	0	7	1	5	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>0</td><td>0</td><td>7</td><td>1</td><td>5</td></tr></table>				2	0	0	7	1	5
			2	0	0	7	1	5											
			2	0	0	7	1	5											

#### Sources of Funds

Paid-up Capital	Reserves & Surplus																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>				1	0	0	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>7</td><td>8</td><td>7</td><td>5</td><td>7</td></tr></table>					7	8	7	5	7
			1	0	0	0	0	0											
				7	8	7	5	7											
Secured Loans	Unsecured Loans / Deposits																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
						N	I	L											
						N	I	L											
Deferred Tax liability																			
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L										
						N	I	L											

#### Application of Funds

Net Fixed Assets	Investments																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>7</td><td>7</td><td>7</td><td>6</td><td>4</td></tr></table>				7	7	7	6	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	
			7	7	7	6	4												
						N	I	L											
Net Current Assets	Deferred tax Asset																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>9</td><td>3</td><td>6</td><td>1</td><td>6</td></tr></table>				9	3	6	1	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>7</td><td>3</td><td>7</td><td>7</td></tr></table>					7	3	7	7		
			9	3	6	1	6												
				7	3	7	7												
Misc. Expenditure	Accumulated Losses																		
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
						N	I	L											
						N	I	L											



## CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

### IV Performance of Company (Amount in Rs. Thousands)

Turnover/Total Income

			1	9	1	2	3	7
--	--	--	---	---	---	---	---	---

Total Expenditure

			1	4	6	5	5	0
--	--	--	---	---	---	---	---	---

+ -

Profit / Loss before tax

+ -

Profit / Loss after tax

<input checked="" type="checkbox"/>	
-------------------------------------	--

			4	4	6	8	7
--	--	--	---	---	---	---	---

<input checked="" type="checkbox"/>	
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			2	8	7	0	8
--	--	--	---	---	---	---	---

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

Earning per Share in Rs.

					3	.	0	5
--	--	--	--	--	---	---	---	---

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/-  
M. M. Bagora  
*Director*

Place : Mumbai  
Date : May 4, 2010

Sd/-  
Sandhya Sati  
*Company Secretary*