

Clearcorp Dealing Systems (India) Ltd.



Financial Statements

2015-2016



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Board of Directors:

Mrs. Usha Thorat (Chairperson)
Mr. R. Sridharan (Managing Director)
Mr. K. Sivaprakasam
Mr. M. R. Ramesh
Mr. C. M. Dixit
Mr. C.E. S. Azariah
Mr. N. S. Venkatesh

Company Secretary:

Mrs. Sandhya Sati

Auditors:

M/s. Lodha & Co.
Chartered Accountants

Registered and Corporate Office:

CCIL Bhavan,
College Lane,
Off. S. K. Bole Road,
Dadar (West),
Mumbai-400 028
Tel: 61546200 Fax: 24326042
Website: www.ccilindia.com
CIN-U74999MH2003PLC140849



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Financial Statements 2015 - 2016

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INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CLEARCORP DEALING SYSTEMS (INDIA) LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 there under.

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 31st March, 2016, 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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".
3. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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 as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position. (Refer note no. 23 (i) to the financial statements).
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred, to the investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

Sd/-
R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: May 9, 2016



ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE 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 our audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
c) The Company does not own any immovable properties. Therefore, Para 3 (i)(c) of the Order is not applicable to the Company.
2. The Company does not have any inventory. Therefore, Para 3 (ii) of the Order is not applicable to the Company.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, Para 3 (iii) of the Order is not applicable to the Company.
4. During the year, the Company has not entered into transaction in respect of loans, investments, guarantees and security. Therefore, Para 3(iv) of the Order is not applicable to the Company.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
6. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Act for any of the activities of the Company.
7. a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the Company 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 year of more than six months from the date they became payable.
b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except the following :



Name of the Statute	Nature of Dues	Period to which it relates	₹ In Lakhs	Forum where dispute is pending
The Finance Act, 1994	Service Tax	October-2009 to June -2012	193	Commissioner of Service Tax - Audit-II (Mumbai)

8. The Company has not taken any loan or borrowing from a financial institution, bank, government or debenture holders. Therefore, Para 3 (viii) of the Order is not applicable to the Company.
9. The Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past and has not taken any term loan. Therefore, Para 3 (ix) of the Order is not applicable to the Company.
10. 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 by officers or employees of the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. The Company has not paid or provided any managerial remuneration. Therefore, Para 3 (xi) of the Order is not applicable to the Company.
12. In our opinion, the Company is not Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
13. All transactions with the related parties are in compliance with section 177 and 188 of Act and the details have been disclosed in the Financial Statements (Refer note no. 28 to the financial statements) as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act. Therefore, Para 3 (xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

Sd/-
R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: May 9, 2016



“Annexure B”

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **CLEARCORP DEALING SYSTEMS (INDIA) LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial information for the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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 authorisations of management and directors of the company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. 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, 2016, 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 the Institute of Chartered Accountants of India.

Place: Mumbai

Date: May 9, 2016

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

Sd/-
R.P. Baradiya
Partner
Membership No. 44101



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

(₹ in lakhs)

	Note No.	As at 31.03.2016	As at 31.03.2015
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	1,000	1,000
Reserves and Surplus	3	3,909	3,095
Non-current Liabilities			
Deferred Tax Liabilities	4	100	53
Long-Term Provisions	5	158	134
Current Liabilities			
Trade Payables	6	38	39
Other Current Liabilities	7	147	189
Short-term Provisions	8	94	76
TOTAL		5,446	4,586
<u>ASSETS</u>			
Non-current Assets			
Fixed Assets			
-Tangible Assets	9	8	17
-Intangible Assets		1,019	1,032
-Intangible Assets under Development-Software		209	224
Long-term Loans and Advances	10	38	36
Other Non-Current Assets	11	3,380	297
Current Assets			
Trade Receivables	12	143	199
Cash and Bank Balances	13	321	2,327
Short-term Loans and Advances	14	29	19
Other Current Assets	15	299	435
TOTAL		5,446	4,586

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
TO THE FINANCIAL STATEMENTS**

1-33

As per our attached report of even date

For and on behalf of

LODHA & COMPANY
CHARTERED ACCOUNTANTS

Firm Reg. No. 301051E

Sd/-

R.P.Baradiya

PARTNER

Place : Mumbai

Date : May 9, 2016

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat

Chairperson

(DIN:00542778)

Sd/-

Sandhya Sati

Company Secretary

Sd/-

R. Sridharan

Managing Director

(DIN:00868787)

Sd/-

C. M. Dixit

Director

(DIN:00524318)

Sd/-

Deepak Chande

Chief Financial Officer



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue from Operations	16	3,235	2,904
Other Income	17	278	235
Total Revenue		3,513	3,139
Expenses:			
Employee Benefits Expense	18	606	553
Finance Costs	19	1	18
Depreciation and Amortization Expense	20	508	180
Other Expenses	21	1,159	1,109
Total Expenses		2,274	1,860
Profit Before Tax for the Year		1,239	1,279
Tax Expense			
- Current Tax		389	268
- Deferred Tax		48	145
- Tax Adjustments relating to earlier years		(12)	(31)
Profit After Tax for the Year		814	897
Earnings per Equity Share:			
-Basic		8.14	8.97
-Diluted		8.14	8.97
(Equity Share of face value of ₹10 each)			

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1-33

As per our attached report of even date

For and on behalf of

LODHA & COMPANY
CHARTERED ACCOUNTANTS

Firm Reg. No. 301051E

Sd/-

R.P.Baradiya
PARTNER

Place : Mumbai

Date : May 9, 2016

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat
Chairperson
(DIN:00542778)

Sd/-

Sandhya Sati
Company Secretary

Sd/-

R. Sridharan
Managing Director
(DIN:00868787)

Sd/-

C. M. Dixit
Director
(DIN:00524318)

Sd/-

Deepak Chande
Chief Financial Officer



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	2015-16	2014-15
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX FOR THE YEAR	1,239	1,279
Add: Adjustments for -		
Depreciation and Amortization Expense	508	181
Interest on Taxes	1	18
Less: Adjustments for -		
Interest Income	273	228
Provision Written Back	2	4
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>1,473</u>	<u>1,246</u>
Adjustments for :		
(Increase)/ Decrease in Non Current Assets / Current Assets	208	(240)
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	1	78
CASH GENERATED FROM OPERATIONS	<u>1,682</u>	<u>1,084</u>
Direct Taxes paid	(381)	(281)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	<u>1,301</u>	<u>803</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(471)	(568)
Placement of Fixed Deposit with Banks	(3,530)	(2,775)
Redemption of Fixed Deposit with Banks	2,570	2,330
Interest Received	249	205
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	<u>(1,182)</u>	<u>(808)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>119</u>	<u>(5)</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	27	32
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	146	27
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>119</u>	<u>(5)</u>

As per our attached report of even date

For and on behalf of

LODHA & COMPANY
CHARTERED ACCOUNTANTS
Firm Reg. No. 301051E
Sd/-
R.P.Baradiya
PARTNER

Place : Mumbai
Date : May 9, 2016

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

Sd/-
Usha Thorat
Chairperson
(DIN:00542778)

Sd/-
Sandhya Sati
Company Secretary

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

Sd/-
C. M. Dixit
Director
(DIN:00524318)

Sd/-
Deepak Chande
Chief Financial Officer



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

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.

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 recognised as and when the Service is performed as per the relevant agreements.
- (ii) Other Revenue Income is recognised as and when there is a reasonable certainty of ultimate realisation.

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

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

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.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

The estimated useful life of assets considered for providing depreciation/amortization is as under:

Asset	Useful Life (In Years)
Computer Systems - Hardware	3-6
Furniture and fittings	10
Office Equipment	5
Computer Software	3

(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 the 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 Statement of Profit and 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.

(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



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 Statement of Profit and Loss.

(g) **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.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 2 : SHARE CAPITAL	As at 31.03.2016		As at 31.03.2015	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity Shares of ₹ 10 each	10,000,000	1,000	10,000,000	1,000
	10,000,000	1,000	10,000,000	1,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each	10,000,000	1,000	10,000,000	1,000
Total	10,000,000	1,000	10,000,000	1,000

Notes :

(a) There has been no change in the number of Equity Shares outstanding at the beginning of the current year and the previous year.

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

Voting Rights :

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

Dividend :

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

Winding up:

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

(c) **Equity Shares in the Company held by the Holding Company:**

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Clearing Corporation of India Limited	10,000,000	100%	10,000,000	100%

(d) 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.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	As at 31.03.2016	As at 31.03.2015
<u>NOTE 3 : RESERVES AND SURPLUS</u>		
General Reserve		
Balance as per last balance sheet	24	24
Surplus		
Opening Balance	3,071	2,174
Add: Net Profit After Tax transferred from Statement of Profit & Loss	814	897
Closing Balance	3,885	3,071
TOTAL	3,909	3,095
<u>NOTE 4 : DEFERRED TAX LIABILITIES</u>		
<u>Deferred Tax Liabilities</u>		
Arising out of timing difference in depreciation	170	107
<u>Less : Deferred Tax Assets</u>		
Arising out of timing difference in respect of expenses allowable on payment basis	70	54
TOTAL	100	53
<u>NOTE 5 : LONG TERM PROVISIONS</u>		
Provision for Employee Benefits	158	134
TOTAL	158	134
<u>NOTE 6 : TRADE PAYABLES</u>		
Due to Creditors other than Micro and Small Enterprises	38	39
TOTAL	38	39



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	<u>As at</u> <u>31.03.2016</u>	<u>As at</u> <u>31.03.2015</u>
<u>NOTE 7 : OTHER CURRENT LIABILITIES</u>		
Creditors for Capital Expenses	80	104
Statutory Dues payable	31	47
Other payables	36	38
TOTAL	147	189

NOTE 8 : SHORT TERM PROVISIONS

Provision for Employee Benefits	94	76
TOTAL	94	76

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block As on 31.03.2016 (31.03.2015)		
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Depreciation for the year		On disposals	Closing Balance
Tangible Assets									
Computer Systems - Hardware	115 (108)	- (7)	-	115 (115)	99 (91)	9 (8)	-	108 (99)	7 (16)
Furniture and fittings	2 (2)	-	-	2 (2)	1 (1)	0 (0)	-	1 (1)	1 (1)
Office Equipment	0 (0)	-	-	0 (0)	0 (0)	-	-	0 (0)	-
Total	117 (110)	- (7)	-	117 (117)	100 (92)	9 (8)	-	109 (100)	8 (17)
Intangible Assets									
Computer Software	3,453 (2,413)	486 (1,040)	-	3,938 (3,453)	2,421 (2,249)	499 (172)	-	2,919 (2,421)	1,019 (1,032)
Total	3,453 (2,413)	486 (1,040)	-	3,938 (3,453)	2,421 (2,249)	499 (172)	-	2,919 (2,421)	1,019 (1,032)
Grand Total	3,570 (2,523)	486 (1,047)	-	4,055 (3,570)	2,521 (2,341)	508 (180)	-	3,028 (2,521)	1,027 (1,049)

Notes:

1. "0" denotes amount less than ₹ 1 lakh.
2. Figures in brackets represent corresponding amounts in the previous year.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	As at 31.03.2016	As at 31.03.2015
<u>NOTE 10 : LONG TERM LOANS AND ADVANCES</u>		
(Unsecured, Considered Good)		
Security Deposits	0 *	0 *
Advance Tax (Net of Provisions)	38	36
TOTAL	38	36

NOTE 11 : OTHER NON-CURRENT ASSETS

Bank Deposits with original maturity of more than 12 months {Refer Note below}	3,380	295
Interest Accrued on Deposits with Banks	0 *	2
Prepaid Expenses	0 *	-
TOTAL	3,380	297

Note:

Bank Deposits with original maturity of more than 12 months comprises of deposits amounting to ₹ 50 lakhs (Previous Year ₹ 50 lakhs) kept with a bank under lien in favour of Forex Dealers Association of India (FEDAI).

NOTE 12 : TRADE RECEIVABLES

(Unsecured, Considered Good)

Trade Receivables outstanding for a period less than six months from the date they are due for payment	143	199
Due from Others	0 *	-
TOTAL	143	199

* denotes amount less than ₹1 lakh.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	As at 31.03.2016	As at 31.03.2015
<u>NOTE 13 : CASH AND BANK BALANCES</u>		
(A) Cash and Cash Equivalents:		
Balance with Banks in Current Accounts	66	27
in Deposit Accounts (original maturity of up to 3 months)	80	-
	<u>146</u>	<u>27</u>
Cash on Hand	0 *	0 *
	<u>146</u>	<u>27</u>
(B) Other Bank Balances:		
Bank Deposits with original maturity of more than 3 months but upto 12 months	175	2,300
	<u>175</u>	<u>2,300</u>
TOTAL	<u><u>321</u></u>	<u><u>2,327</u></u>
<u>NOTE 14 : SHORT TERM LOANS AND ADVANCES</u> (Unsecured, Considered Good)		
Advances to suppliers and Others	29	19
	<u>29</u>	<u>19</u>
TOTAL	<u><u>29</u></u>	<u><u>19</u></u>
<u>NOTE 15 : OTHER CURRENT ASSETS</u>		
Interest Accrued on Deposits with Banks	154	128
Due from Holding Company	93	180
Service Tax Input Credit	46	102
Prepaid Expenses	6	25
	<u>299</u>	<u>435</u>
TOTAL	<u><u>299</u></u>	<u><u>435</u></u>

* denotes amount less than ₹1 lakh.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
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NOTE 16 : REVENUE FROM OPERATIONS

Transaction Charges - Repo Trading System	1,314	1,129
Transaction Charges - CBLO Trading System	1,156	1,101
Transaction Charges - Forex Trading System	418	309
Datafeed Charges	302	291
Other fees and charges	45	74
TOTAL	3,235	2,904

NOTE 17 : OTHER INCOME

Interest on Fixed Deposits with Banks	274	229
Other Non-operating Income	4	6
TOTAL	278	235

NOTE 18 : EMPLOYEE BENEFITS EXPENSE

Salaries	507	463
Contributions to Provident and Other Funds	64	54
Staff Welfare Expenses	35	36
TOTAL	606	553

NOTE 19 : FINANCE COSTS

Interest on Taxes	1	18
TOTAL	1	18



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
NOTE 20 : DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible Assets	9	8
Amortization of Intangible Assets	499	172
TOTAL	508	180

Note:

Pursuant to the Companies Act, 2013 ("the Act") coming into effect from 1st April, 2014, the Company had realigned the remaining useful life of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Accordingly, assets which had written down value as at 01.04.2014 (net of residual value) was depreciated over the revised remaining useful lives. Consequently, the depreciation and amortization expense for the year ended 31st March, 2015 was lower by ₹ 76 lakhs (net of deferred tax ₹ 36 lakhs).

NOTE 21 : OTHER EXPENSES

Rent	8	9
Rates and Taxes	0 *	14
Repairs and Maintenance Expenses - Computer Systems	274	226
Communication Expenses	125	122
Business Support Charges to Holding Company	618	620
Expenses towards Corporate Social Responsibility	20	14
Professional Fees	19	21
Directors' Sitting Fees	23	10
Payment to Auditors (Refer Note 31)	3	4
Others	69	69
TOTAL	1,159	1,109

* denotes amount less than ₹1 lakh.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 22 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<u>(i) Contingent Liabilities</u>		
(a) Cases where litigations are pending before the various Courts of Law	-	-
(b) Other disputed matters(other than in Courts of Law) :		
Service Tax (net of input credit of ₹116 lakhs (Previous year - ₹116 lakhs) and including interest of ₹104 lakhs(Previous year ₹78 lakhs) upto the end of the year)	193	167
<u>(ii) Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	59	228
Total	252	395

NOTE 23 : VALUE OF IMPORTS AND EXPENDITURE IN FOREIGN CURRENCY

(₹ in lakhs)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Value of Imports on CIF basis	-	2
Expenditure in Foreign Currency :		
- Travelling Expenses	1	1
Total	1	3



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 24 : EARNINGS IN FOREIGN EXCHANGE

	(₹ in lakhs)	
	For the year ended 31.03.2016	For the year ended 31.03.2015
Datafeed Charges	65	63
	65	63

NOTE 25 : EMPLOYEE BENEFITS - GRATUITY

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

Description	(₹ in lakhs)	
	2015-16	2014-15
A. Amount recognised in the Statement of Profit and Loss for the year		
- Current Service Cost	18	11
- Interest Cost	11	11
- Expected Return on Plan Assets	(12)	(7)
- Net actuarial (Gain) / Loss recognized during the year	8	6
- Total Expenses recognized in the Statement of Profit and Loss	25	21
B. Actual Return on Plan Assets		
- Actual Return of Plan Assets	14	9
C. Amount recognised in the Balance Sheet		
- Present Value of Obligation	175	141
- Fair Value of Plan Assets	194	154
- Funded status {surplus / (deficit)}	19	13
- Net Asset/(Liability) recognized in the Balance Sheet	19	13
D. Change in Present Value of Obligation		
- Present Value of Obligation at the beginning of the year	141	120
- Current Service Cost	18	11
- Interest Cost	11	11
- Benefits paid	(5)	(9)
- Actuarial (Gain) / Loss on Obligation	10	8
- Present Value of Obligation at the end of the year	175	141



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lakhs)

Description	Gratuity	
	2015-16	2014-15
E. Change in Plan Assets		
- Fair Value of Plan Assets at the beginning of the year	154	81
- Expected Return on Plan Assets	12	7
- Contributions Made	31	73
- Benefits Paid	(5)	(9)
- Actuarial Gains / (Loss) on Plan Assets	2	2
- Fair Value of Plan Assets at the end of the year	194	154
F. Major categories of Plan Assets as a percentage of total plan	100% Insurance Policy	
G. Actuarial Assumptions		
- Discount Rate	8.06%	8.00%
- Expected Rate of Return on Plan assets	8.06%	8.00%
- 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%

Notes:

- (a) Disclosure with respect to experience adjustments to Plan Assets and Liabilities has not been furnished as the relevant data is not readily available.
- (b) Actuarial Valuation has been done using Projected Unit Credit Method
- (c) **Amounts Recognised as Expense:**
- (i) **Defined Contribution Plan**
- (1) Employer's Contribution to Provident Fund amounting to ₹26 lakhs (Previous year - ₹24 lakhs) has been included in Note 18 under Contribution to Provident Fund and Other Funds.
- (2) Employer's Contribution to Superannuation Fund amounting to ₹10 lakhs (Previous year - ₹6 lakhs) has been included in Note 18 under Contribution to Provident Fund and Other Funds.
- (ii) **Defined Benefit Plan**
- Gratuity cost amounting to ₹25 lakhs (Previous year - ₹21 lakhs) has been included in Note 19 under Contribution to Provident and Other Funds.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 26 : EARNINGS PER SHARE

Basic and Diluted Earnings Per Share is calculated as under:

Particulars		2015-16	2014-15
(i)	Net Profit After Tax attributable to Equity Shareholders (₹ in lakhs)	814	897
(ii)	Number of Equity Shares outstanding at the beginning of the year	10,000,000	10,000,000
(iii)	Number of Equity Shares outstanding at the end of the year	10,000,000	10,000,000
(iv)	Weighted Average Number of Equity Shares outstanding during the year	10,000,000	10,000,000
(v)	Nominal value of Equity shares (Amt. in ₹)	10	10
(vi)	Basic and Diluted Earnings Per share (Amt. in ₹)	8.14	8.97

NOTE 27 : RELATED PARTY DISCLOSURES

(A) List of Related Parties and their relationship

(i) Party where control exists

The Clearing Corporation of India Limited - Holding Company

(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 in Holding Company

State Bank of India

Key Management Personnel

Mr. R. Sridharan -Managing Director

Mr. Deepak Chande - Chief Financial Officer

Ms. Sandhya Sati - Company Secretary



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(B) Transactions with Related Party :

(₹ in lakhs)

Nature of Relationship	Holding Company	Party having substantial interest in Holding Company	Key Management Personnel
Share of Operational Income Received	1,974 (1,617)	-----	-----
Income from Operations	-----	30 (28)	-----
Rent Paid for Residential Accommodation	8 (9)	-----	-----
Business Support Charge	641 (697)	-----	-----
Reimbursement/Sharing of expenses (payment)	138 (150)	-----	-----
Remuneration : - Ms. Sandhya Sati	-----	-----	23 (21)
Outstanding Balance as at the year end :			
Receivable	93 (180)	2 (2)	-----
Payable - Ms. Sandhya Sati	-----	-----	2 (2)

Notes:

- (a) Figures in brackets 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 party has been provided for as doubtful debts or written off/back during the year.
- (d) The amounts are inclusive of Service Tax wherever applicable.
- (e) The above related party information has been disclosed to the extent such parties have been identified by the management. This has been relied upon by the Auditors.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 28 : DETAILS OF AMOUNTS DUE TO MICRO AND SMALL ENTERPRISES

As at the year end, no supplier (Previous year - none) has intimated the Company about it's registration as micro/small enterprise with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").

NOTE 29 :

Foreign currency exposures not hedged by any derivative instrument as on 31st March,2016 is ₹2 lakhs (USD 3,650).

NOTE 30 :

The Holding Company has while preparing the consolidated financial statements disclosed the segment information to the extent applicable as required under the said Accounting Standard.

NOTE 31 :

Details of Payment to Auditors is as under:

Payment to Auditors	2015-16	2014-15
Audit Fees	2	2
Tax Audit Fees	0*	1
Certification Fees	0*	1
Reimbursement of Expenses	0*	0*
TOTAL	3	4

* denotes amount less than ₹1 Lakh

NOTE 32 :

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

NOTE 33 :

Previous year's figures have been 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/-
C. M. Dixit
 Director
 (DIN:00524318)

Sd/-
Sandhya Sati
 Company Secretary

Sd/-
Deepak Chande
 Chief Financial Officer

Place : Mumbai
 Date : May 9, 2016



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