

Clearcorp Dealing Systems (India) Limited



Financial Statements

2016-2017



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Board of Directors:

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

Chief Financial Officer

Mr. Deepak Chande

Company Secretary:

Mrs. Sandhya Sati

Auditors:

Kalyaniwalla & Mistry LLP
Chartered Accountants

Registered and Corporate Office:

CCIL Bhavan,
College Lane,
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 2016 - 2017

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of **CLEARCORP DEALING SYSTEMS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Financial Statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or



error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2017, from being appointed as a Director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) There were no pending litigations which could impact the financial position of the Company.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management Representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note 31).

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

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

Place: Mumbai
Date: May 15, 2017



Annexure A to the Independent Auditor's Report

The Annexure referred to in **paragraph 1 'Report on Other Legal and Regulatory Requirements'** in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2017:

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016:

1. Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The Company does not have immovable property and hence the provisions of sub clause (c) of paragraph 3(i) of the Order are not applicable.

2. Inventory:

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

3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of sub-clause (a) and (b) and (c) of paragraph 3 (iii) of the Order are not applicable.

4. According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of loans given, guarantees given and investments made have been complied with by the Company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, in respect of any of the activities of the Company.

7. Statutory Dues:

- a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax or Cess outstanding on account of any dispute, other than the following :

Name of the Statute	Nature of Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	768	October 2009 to June 2012	Commissioner of Service Tax Audit -I, Mumbai
Income-tax Act, 1961	Income- tax	0*	AY 2009-10	Deputy Commissioner of Income Tax
		4	AY 2011-12	Deputy Commissioner of Income Tax
		0*	AY 2013-14	Commissioner of Income Tax (A)

* Amounts less than ₹1 Lakh.

8. According to the information and explanations given to us and based on the documents and records produced before us, there are no dues to banks, financial institutions, debenture holders and Government.
9. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.
10. During the course of our examination of the books of account and records of the Company, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the Company, has been noticed or reported during the year.
11. The provisions of section 197 of the Act are not applicable to the Company since the Company has not paid or provided any managerial remuneration.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.



14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

Place: Mumbai
Date: May 15, 2017

Annexure B to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **CLEARCORP DEALING SYSTEMS (INDIA) LIMITED** ("the Company") as of March 31, 2017, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis



for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

Place: Mumbai
Date: May 15, 2017



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(₹ in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	1,000	1,000
Reserves and Surplus	3	4,929	3,909
Non-Current Liabilities			
Deferred Tax Liabilities	4	43	100
Long-Term Provisions	5	255	158
Current Liabilities			
Trade Payables			
(a) Total outstanding dues of micro and small enterprises	6	-	-
(b) Total outstanding dues of other creditors		20	38
Other Current Liabilities	7	147	125
Short-Term Provisions	8	207	116
TOTAL		6,601	5,446
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets	9		
-Tangible Assets		4	8
-Intangible Assets		916	1,019
-Intangible Assets under Development-Software		235	209
Long-Term Loans and Advances	10	0 *	38
Other Non-Current Assets	11	546	25
Current Assets			
Trade Receivables	12	195	143
Cash and Bank Balances	13	4,302	3,676
Short-Term Loans and Advances	14	16	29
Other Current Assets	15	387	299
TOTAL		6,601	5,446

* denotes amount less than ₹1 lakh.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS 1-35

As per our attached report of even date
For and on behalf of

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

Sd/-
Darius Z. Fraser
PARTNER

M. No.: 42454

Place: Mumbai

Date: May 15, 2017

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

Sd/-
Usha Thorat
Chairperson
(DIN:00542778)

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

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

Sd/-
Sandhya Sati
Company Secretary

Sd/-
Deepak Chande
Chief Financial Officer



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from Operations	16	3,815	3,235
Other Income	17	338	278
Total Revenue		4,153	3,513
Expenses			
Employee Benefits Expense	18	813	606
Finance Costs	19	3	1
Depreciation and Amortization Expense	20	635	508
Other Expenses	21	1,138	1,159
Total Expenses		2,589	2,274
Profit Before Tax		1,564	1,239
Tax Expense			
- Current Tax		601	389
- Deferred Tax		(57)	48
- Tax Adjustments relating to earlier years		0 *	(12)
Profit After Tax		1,020	814
Earnings per Equity Share:			
- Basic		10.20	8.14
- Diluted		10.20	8.14
(Equity Share of face value of ₹10 each)			
* denotes amount less than ₹1 lakh			

As per our attached report of even date
For and on behalf of

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

Sd/-
Darius Z. Fraser
PARTNER
 M. No.: 42454
 Place: Mumbai
 Date: May 15, 2017

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

Sd/-
Usha Thorat
 Chairperson
 (DIN:00542778)

Sd/-
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, 2017

(₹ in lakhs)

	2016-17	2015-16
(A) CASHFLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX FOR THE YEAR	1,564	1,239
Add: Adjustments for -		
Depreciation and Amortization Expense	635	508
Interest on Taxes	3	1
Less: Adjustments for -		
Interest Income	332	273
Provision Written Back	5	2
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,865	1,473
Adjustments for :		
(Increase)/ Decrease in Non Current Assets / Current Assets	(117)	208
Increase/(Decrease) in Non Current Liabilities / Current Liabilities	178	1
CASH GENERATED FROM OPERATIONS	1,926	1,682
Direct Taxes paid	(549)	(381)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	1,377	1,301
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(553)	(471)
Placement of Fixed Deposit with Banks	(4,850)	(4,055)
Redemption of Fixed Deposit with Banks	3,590	3,095
Interest Received	312	249
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(1,501)	(1,182)
(C) CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(124)	119
CASH AND CASH EQUIVALENTS - OPENING BALANCE	146	27
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	22	146
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(124)	119

As per our attached report of even date

For and on behalf of

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Reg. No.: 104607W / W100166

Sd/-

Darius Z. Fraser

PARTNER

M. No.: 42454

Place: Mumbai

Date: May 15, 2017

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-

Usha Thorat

Chairperson

(DIN:00542778)

Sd/-

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, 2017

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 are prudent and reasonable. Future results could differ from these estimates.

(b) Revenue Recognition :

- (i) Revenue from operations is recognised as and when the service is rendered as per the relevant agreements.
- (ii) Interest Income is recognised on time proportion basis.

(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
Amortization of Intangible Assets is based on internal technical assessment / advice.
- (iv) 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, 2017

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

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.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(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 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, 2017

NOTE 2 : SHARE CAPITAL	As at 31.03.2017		As at 31.03.2016	
	Number	₹ in lakhs	Number	₹ in lakhs
<u>Authorised</u>				
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
<u>Issued, Subscribed and Paid up</u>				
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 or end of the respective years.

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

Voting Rights :

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

Dividend :

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

Winding up:

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

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

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
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.
- (e) There are no securities convertible into equity / preference shares.
- (f) There are no calls unpaid.
- (g) No shares have been forfeited.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
<u>NOTE 3 : RESERVES AND SURPLUS</u>		
General Reserve		
Balance as per last balance sheet	24	24
Surplus		
Opening Balance	3,885	3,071
Add: Net Profit After Tax transferred from Statement of Profit & Loss	1,020	814
Closing Balance	4,905	3,885
TOTAL	4,929	3,909
<u>NOTE 4 : DEFERRED TAX LIABILITIES</u>		
<u>Deferred Tax Liabilities</u>		
Timing difference on account of depreciation	115	170
<u>Less : Deferred Tax Assets</u>		
Timing difference In respect of tax disallowances	72	70
TOTAL	43	100
<u>NOTE 5 : LONG TERM PROVISIONS</u>		
Provision for Employee Benefits	255	158
TOTAL	255	158
<u>NOTE 6 : TRADE PAYABLES</u>		
(a) Total outstanding dues of micro and small enterprises	-	-
(b) Total outstanding dues of other creditors	20	38
TOTAL	20	38
<u>NOTE 7 : OTHER CURRENT LIABILITIES</u>		
Creditors for Capital Expenses	81	80
Statutory Dues payable	51	31
Other payables {Refer Note (a) below}	15	14
TOTAL	147	125

Notes :

(a) Other payables includes ₹3 lakhs (Previous year - Nil) due to Micro and Small Enterprises {Refer Note 28}



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
<u>NOTE 8 : SHORT TERM PROVISIONS</u>		
Provision for Employee Benefits	190	116
Provision for Taxation {Net of Advance Tax ₹2,163 lakhs }	17	-
TOTAL	207	116



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Particulars	Gross Block			Depreciation			Net Block			
	As at April 01, 2016	Additions	Disposals	As at March 31, 2017	Upto March 31, 2016	Depreciation for the year	On disposals	Upto March 31, 2017	As on March 31, 2017	As on March 31, 2016
Tangible Assets										
Computer Systems - Hardware	115	-	-	115	108	4	-	112	3	7
Furniture and fittings	2	-	-	2	1	0	-	1	1	1
Office Equipment	0	-	-	0	0	-	-	0	-	-
Total	117	-	-	117	109	4	-	113	4	8
Intangible Assets										
Computer Software	3,938	527	-	4,465	2,919	630	-	3,549	916	1,019
Total	3,938	527	-	4,465	2,919	630	-	3,549	916	1,019
Grand Total	4,055	527	-	4,582	3,028	634	-	3,662	920	1,027
<i>Previous year</i>	3,570	486	-	4,055	2,521	508	-	3,028	1,027	

Notes:

1. "0" denotes amount less than ₹ 1 lakh.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE 10: LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security Deposits	0 *	0 *
Advance Tax {Net of Provision for Taxation ₹1,839 lakhs }	-	38
TOTAL	0 *	38

NOTE 11: OTHER NON CURRENT ASSETS

Bank Deposits with residual maturity of more than 12 months {Refer Note below}	535	25
Interest Accrued on Deposits with Banks	11	0 *
Prepaid Expenses	0 *	0 *
TOTAL	546	25

Note:

Bank Deposits with maturity of more than 12 months comprises of deposits amounting to ₹100 lakhs (Previous Year ₹50 lakhs) kept with a bank under lien in favour of Forex Dealers Association of India (FEDAI).

NOTE 12 : TRADE RECEIVABLES

(Unsecured, Considered Good)		
Trade Receivables outstanding for a period less than Six months from the date they are due for payment	195	143
Others Trade Receivable	0 *	0 *
TOTAL	195	143

* denotes amount less than ₹1 lakh



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
NOTE 13 : CASH AND BANK BALANCE		
(A) Cash and Cash Equivalents		
Balances with Banks		
in Current Accounts	22	66
in Deposit Accounts {original maturity of upto 3 months}	-	80
	<u>22</u>	<u>146</u>
Cash on Hand	0 *	0 *
	<u>22</u>	<u>146</u>
(B) Other Bank Balances		
Bank Deposits with residual maturity upto 12 months	4,280	3,530
	<u>4,280</u>	<u>3,530</u>
TOTAL	<u><u>4,302</u></u>	<u><u>3,676</u></u>
NOTE 14 : SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances to suppliers and Others	16	29
	<u>16</u>	<u>29</u>
NOTE 15 : OTHER CURRENT ASSETS		
Interest Accrued on Deposits with Banks	165	154
Due from The Clearing Corporation of India Limited - Holding Company	153	93
Service Tax Input Credit	41	46
Prepaid Expenses	28	6
	<u>387</u>	<u>299</u>

* denotes amount less than ₹1 lakh



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
--	----------------------------------	----------------------------------

NOTE 16 : REVENUE FROM OPERATIONS

Transaction Charges - Repo Trading System	1,637	1,314
Transaction Charges - CBLO Trading System	1,284	1,156
Transaction Charges - Forex Trading System	523	418
Datafeed Charges	320	302
Other fees and charges	51	45
TOTAL	3,815	3,235

NOTE 17 : OTHER INCOME

Interest on Fixed Deposits with Banks	332	274
Others	6	4
TOTAL	338	278

NOTE 18 : EMPLOYEE BENEFITS EXPENSE

Salaries	702	507
Contributions to Provident and Other Funds	83	64
Staff Welfare Expenses	28	35
TOTAL	813	606

NOTE 19 : FINANCE COST

Interest on Taxes	3	1
TOTAL	3	1



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	(₹ in lakhs)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
<u>NOTE 20 : DEPRECIATION AND AMORTIZATION EXPENSE</u>		
Depreciation on Tangible Assets	5	9
Amortisation of Intangible Assets	630	499
TOTAL	635	508

NOTE 21 : OTHER EXPENSES

Rent	10	8
Repairs and Maintenance - Computer Systems and Equipment	267	274
Rates and Taxes	3	0 *
Communication Expenses	98	125
Business Support Services Expenses	615	618
Expenditure towards Corporate Social Responsibility	23	20
Professional Fees	20	19
Directors' Sitting Fees	23	23
Payment to Auditors (Refer Note 32)	2	3
Others	77	69
TOTAL	1,138	1,159

* denotes amount less than ₹1 lakh

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 22 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
(i) Contingent Liabilities		
Claims against the Company not acknowledged as debt -		
- Service Tax Demands including penalty and Interest	768	488
- Income Tax Demands for various assessment years disputed by the Company	5	-
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	469	59
Total	1,242	547

NOTE 23 : VALUE OF IMPORTS AND EXPENDITURE IN FOREIGN CURRENCY

(₹ in lakhs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Value of Imports on CIF basis	2	-
Expenditure in Foreign Currency :		
- Travelling Expenses	1	1
Total	3	1



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 24 : EARNINGS IN FOREIGN EXCHANGE

	(₹ in lakhs)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
Datafeed Charges	57	65
	57	65

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	Gratuity	
	2016-17	2015-16
A. Amount recognised in the Statement of Profit and Loss for the year		
- Current Service Cost	22	18
- Interest Cost	14	11
- Expected Return on Plan Assets	(16)	(12)
- Net actuarial (Gain) / Loss recognized during the year	20	8
- Total Expenses recognized in the Statement of Profit and Loss	40	25
B. Actual Return on Plan Assets		
- Actual Return of Plan Assets	17	14
C. Amount recognised in the Balance Sheet		
- Present Value of Obligation	221	175
- Fair Value of Plan Assets	231	194
- Funded status {surplus / (deficit)}	10	19
- Net Asset/(Liability) recognized in the Balance Sheet	10	19
D. Change in Present Value of Obligation		
- Present Value of Obligation at the beginning of the year	175	141
- Current Service Cost	22	18
- Interest Cost	14	11
- Benefits paid	(11)	(5)
- Actuarial (Gain) / Loss on Obligation	22	10
- Present Value of Obligation at the end of the year	221	175

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Description	Gratuity	
	2016-17	2015-16
E. Change in Plan Assets		
- Fair Value of Plan Assets at the beginning of the year	194	154
- Expected Return on Plan Assets	16	12
- Contributions Made	30	31
- Benefits Paid	(11)	(5)
- Actuarial Gains / (Loss) on Plan Assets	2	2
- Fair Value of Plan Assets at the end of the year	231	194
F. Major categories of Plan Assets as a percentage of total plan	100% Insurance Policy	
G. Estimated contribution to be made in next financial year	15	Not Available
H. Actuarial Assumptions		
- Discount Rate	7.40%	8.06%
- Expected Rate of Return on Plan assets	7.50%	8.06%
- Employee Attrition Rate	3%	3%
- Mortality Rate/Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
- Future salary increase	8.00%	8.00%
I. Experience adjustments on plan assets and liabilities		
- (Gain)/Loss on Plan Liabilities	6	11
- Gain/(Loss) on Plan Assets	2	2

Notes:

- (a) Actuarial Valuation has been done using Projected Unit Credit Method
- (b) Amounts Recognised as Expense:
- (i) Defined Contribution Plan
- (1) Employer's Contribution to Provident Fund amounting to ₹29 lakhs (Previous year - ₹26 lakhs) has been included in Note 18 under Contribution to Provident Fund and Other Funds.
- (2) Employer's Contribution to Superannuation Fund amounting to ₹7 lakhs (Previous year - ₹10 lakhs) has been included in Note 18 under Contribution to Provident Fund and Other Funds.
- (ii) Defined Benefit Plan
- Gratuity cost amounting to ₹40 lakhs (Previous year - ₹25 lakhs) has been included in Note 18 under Contribution to Provident and Other Funds.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 26 : EARNINGS PER SHARE

Basic and Diluted Earnings Per Share is calculated as under:

Particulars		2016-17	2015-16
(i)	Net Profit After Tax attributable to Equity Shareholders (₹ in lakhs)	1,020	814
(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 ₹)	10.20	8.14

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

Legal Entity Identifier India Limited - Fellow Subsidiary Company

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, 2017

(₹ in lakhs)

Nature of Relationship	Holding Company	Party having substantial interest in Holding Company	Fellow Subsidiary Company	Key Management Personnel
Share of Operational Income Received	2,483 (1974)	-----	-----	-----
Registration Charges	-----	-----	0 (-)	-----
Income from Operations	-----	33 (30)	-----	-----
Rent Paid for Residential Accommodation	10 (8)	-----	-----	-----
Business Support Charge	703 (641)	-----	-----	-----
Reimbursement/Sharing of expenses (payment)	135 (138)	-----	-----	-----
Remuneration : - Ms. Sandhya Sati	-----	-----	-----	26 (23)
Outstanding Balance as at the year end :				
Receivable	153 (93)	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.

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

Principal amount remaining unpaid at the end of accounting year included in Other Payables is ₹3 lakhs (Previous year - Nil).

NOTE 29:

Foreign currency exposures not hedged by any derivative instrument as on 31st March, 2017 is Nil, as on 31st March, 2016 is ₹2 lakhs (USD 3,650).

NOTE 30:

The Company has only one business segment in which it operates viz - providing dealing systems / platforms and facilitating trading in financial market instruments.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 31:

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

Particulars	SBNs*	Other denomination notes	Total
	(Amt in ₹)	(Amt in ₹)	(Amt in ₹)
Closing cash in hand as on 08.11.2016	-	4,039	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	3,261	-
(-) Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	778	-

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

NOTE 32:

Details of Payment to Auditors is as under:

Payment to Auditors	2016-17	2015-16
Audit Fees	2	2
Tax Audit Fees	-	0 *
Certification Fees	-	0 *
Reimbursement of Expenses	-	0 *
TOTAL	2	2

* denotes amount less than ₹1 lakh

NOTE 33:

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

NOTE 34:

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

NOTE 35:

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)

Place : Mumbai
 Date : May 15, 2017

Sd/-
Sandhya Sati
 Company Secretary

Sd/-
Deepak Chande
 Chief Financial Officer