Clearcorp Dealing Systems (India) Limited

Financial Statements

2018-2019

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Board of Directors:

Mr. R. Sridharan (Managing Director)

Mr. N. S. Venkatesh

Mr. Ananth Narayan

Mr. Narayan Seshadri

Chief Financial Officer

Mr. Deepak Chande

Company Secretary & Compliance Officer

Mr. Pankaj Srivastava

Auditors:

M/s Kalyaniwalla & Mistry LLP

Chartered Accountants

Registered and Corporate Office:

CCIL Bhavan,
S. K. Bole Road,
Dadar (West),
Mumbai-400 028
Tel: 61546200/24396200 Fax: 24326042
Website: www.ccilindia.com
CIN-U74999MH2003PLC140849

Financial Statements 2018 - 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of ***CLEARCORP DEALING SYSTEMS (INDIA) LIMITED*** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 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, 2019, its Profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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, changes in equity 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. 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 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 section143(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, the Statement of Profit and Loss, the Statement of Changes in Equity 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, 2019 and taken on record by the Board of Directors, none of the Directors of the

Company are disqualified as on March 31, 2019, 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) The Company does not have any pending litigations which would impact its financial position.

   ii) The Company did not have any long term contracts including derivative contracts for which there were 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.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Reg. No.: 104607W / W100166

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

Mumbai: May 3, 2019.

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, 2019:

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 in respect of intangible assets comprising of software.

    b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. In case of intangibles comprising of software, Management certifies the software in use and the same is properly dealt with in the books of account.

    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. 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 section189 of the Companies Act, 2013. Therefore, the provisions of sub-clause (a), (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. The Company has not given any loans or guarantees nor has it made any investments.

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

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

7. Statutory Dues:

a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, 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, Goods and Service Tax, Duty of Customs 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 and penalty and interest thereon	549	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
		22 Against which an amount of Rs. 6 lakhs being a refund of an earlier year had been adjusted	AY 2012-13	Commissioner of Income Tax (A)
		0*	AY 2013-14	Commissioner of Income Tax (A)
		0*	AY 2016-17	Centralised Processing Centre
		29	AY 2017-18	Intimation u/s 143(1)

* 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 or the Government. The Company has not issued any debentures.

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 by, or on the Company by its officers or Employees has been noticed or reported during the year.

11. According to the information and explanations given to us and on the basis of the records examined by us, 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 Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. In our opinion and 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 any non-cash transactions with Directors or persons connected with him.

16. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, 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

Mumbai: May 3, 2019.

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, 2019.

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, 2019, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Reg. No.: 104607W / W100166

Sd/-

Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai: May 3, 2019.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

BALANCE SHEET AS AT 31 MARCH, 2019

(₹ in lakhs)

	Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I.	**ASSETS**				
	Non Current Assets				
	Property, Plant and Equipment	4	119	7	4
	Intangible Assets	5	697	667	916
	Intangible Assets under Development -Software		472	383	235
	Non-Current Financial Assets				
	Non Current Loans	6	0*	0*	0*
	Other Non-Current Financial Assets	7	140	80	546
	Deferred Tax Assets (net)	8	74	54	-
	Other Non-Current Assets	9	226	226	-
	Non-Current Tax Assets (net)	10	61	60	38
	Total Non-Current Assets		**1,789**	**1,477**	**1,739**
	Current Assets				
	Current Financial Assets				
	Investments	11	1,153	-	-
	Trade Receivables	12	220	195	195
	Cash and Cash Equivalents	12a	21	35	22
	Other Bank Balances	12b	6,248	6,138	4,444
	Other Current Financial Assets	13	82	140	153
	Other Current Assets	14	60	39	84
	Total Current Assets		7,784	6,547	4,898
	TOTAL ASSETS		**9,573**	**8,024**	**6,637**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	15	1,000	1,000	1,000
	Other Equity	16	7,808	6,335	4,935
	Total Equity		**8,808**	**7,335**	**5,935**
	Non Current Liabilities				
	Deferred Tax Liabilities (net)	8	-	-	38
	Non-Current Provisions	17	277	247	249
	Total Non-Current Liabilities		**277**	**247**	**287**
	Current Liabilities				
	Current Financial Liabilities				
	Trade Payables	18			
	- Total outstanding due to micro and small enterprises				
	- Total outstanding due to creditors other than micro and small enterprises		57	76	19
	Other Current Financial Liabilities		153	118	93
	Other Current Liabilities	19	54	50	53
	Current Provisions	20	216	190	188
	Current Tax Liabilities (net)	21	8	8	62
	Total Current Liabilities	22	488	442	415
	TOTAL EQUITY AND LIABILITIES		**9,573**	**8,024**	**6,637**
	Significant Accounting Policies and Notes to the Financial Statements	1-39			

* denotes amount less than ₹ 1 lakh.

As per our report of even date attached
For and on behalf of
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Daraius Z. Fraser
Partner
M. No.: 42454
Place : Mumbai
Date : May 3, 2019

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

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

Sd/-
N. S. Venkatesh
Director
(DIN:01893686)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	23	4,211	4,145
Other income	24	487	391
Total Revenue		4,698	**4,536**
Expenses			
Employee Benefits Expense	25	795	681
Finance Costs	26	5	9
Depreciation and Amortization Expenses	27	463	647
Other Expenses	28	1,323	1,218
Total Expenses		2,586	2,555
Profit Before Tax		**2,112**	**1,981**
Tax Expense:			
1. Current Tax	29	629	670
2. Deferred Tax Expense /(Income)	29	(13)	(97)
3. Tax Adjustments for earlier years	29	7	-
Total Tax Expenses		623	**573**
Profit After Tax		1,489	**1,408**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of defined benefit plans		(27)	(11)
- Income Tax on above		8	3
		(19)	**(8)**
Items that will be reclassified to Profit and Loss			
- Investments measured at FVOCI		4	-
- Income Tax relating to items that will be reclassified to profit or loss		(1)	-
		3	-
Other Comprehensive Income for the year, net of Income Tax		**(16)**	**(8)**
Total Comprehensive Income for the year		**1,473**	**1,400**
Earnings per Equity Share	30		
Basic Earnings per Share		14.89	14.08
Diluted Earnings per Share		14.89	14.08
(Equity Share of face value of ₹ 10 each)			

As per our report of even date attached
For and on behalf of
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Daraius Z. Fraser
Partner
M. No.: 42454
Place : Mumbai
Date : May 3, 2019

Signatures to the Financial Statements and Notes thereon
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R. Sridharan
Managing Director
(DIN:00868787)

Sd/-
N. S. Venkatesh
Director
(DIN:01893686)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

THE CLEARING CORPORATION OF INDIA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31, MARCH 2019

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	2,112	1,981
Adjustments for		
Depreciation and amortisation expense	463	648
Interest on taxes	-	4
Interest income	(486)	(390)
Provision written back	(1)	(0)*
Remeasurement of defined benefit obligation	(27)	(11)
Fair valuation of variable pay	(7)	(4)
Finance cost	5	5
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,059**	**2,233**
Adjustments:		
Decrease/(Increase) in Trade Receivables	(25)	(0)*
Decrease/(Increase) in Advance To Suppliers	(18)	(1)
Decrease/(Increase) in Other Non-Current / Current Assets	55	(165)
Increase/(Decrease) in Trade Payables	(19)	56
Increase/(Decrease) in Other Current Financial Liabilities	40	21
Increase/(Decrease) in Other Liabilities and Provisions	59	(2)
CASH GENERATED FROM OPERATING ACTIVITIES	**2,151**	**2,142**
Taxes paid (net of refund)	(637)	(743)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**1,514**	**1,399**
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(124)	(6)
Addition to intangible assets	(481)	(395)
Expenses on intangible assets under development	(89)	(148)
Purchase of Government of India Treasury Bills	(1,117)	-
Placement of Fixed Deposits with Banks	(6,181)	(5,543)
Redemption of Fixed Deposits with Banks	6,008	4,375
Interest income	456	331
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)	**(1,528)**	**(1,386)**
(C) CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net cash used by Financing activities (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(14)	13
Cash and Cash Equivalents at the beginning of the year	35	22
Cash and Cash Equivalents at the end of the year	**21**	**35**

* denotes amount less than ₹ 1 Lakh

As per our report of even date attached
For and on behalf of
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Daraius Z. Fraser
Partner
M. No.: 42454
Place : Mumbai
Date : May 3, 2019

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

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

Sd/-
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Director
(DIN:01893686)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

THE CLEARING CORPORATION OF INDIA LIMITED

Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2019

Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2019

A Equity share capital	**Note**	(₹ in lakhs)
Balance as at 1 April 2017	15	1,000
Changes in equity share capital during the period		-
Balance as at 31 March 2018	15	1,000
Changes in equity share capital during the period		-
Balance as at 31 March 2019	15	1,000

B Other Equity

(₹ in lakhs)

	Reserves and surplus		Other comprehensive income		
	General reserve	Retained Earnings	Fair valuation of Debt instruments measured at FVOCI	Remeasurement of defined benefit plan	Total
Balance as at 1 April 2017	**24**	**4,911**		**-**	**4,935**
Profit for the year	-	1,408		-	1,408
Gain/loss on re-measurement of defined benefit plans	-	-		(8)	(8)
Total Comprehensive Income	**-**	**1,408**		**(8)**	**1,400**
Transfers/utilisations	-	-			-
Balance as at 31 March 2018	**24**	**6,319**		**(8)**	**6,335**
Profit for the year		1,489			1,489
Fair valuation of Debt instruments measured at FVOCI			3	(19)	(16)
Total Comprehensive Income	-	**1,489**	**3**	**(19)**	**1,473**
Balance as at 31 March 2019	**24**	**7,808**	**3**	**(27)**	**7,808**

As per our report of even date attached
For and on behalf of
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration No: 104607W / W100166

Sd/-
Daraius Z. Fraser
Partner
M. No.: 42454
Place : Mumbai
Date : May 3, 2019

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For and on behalf of the Board of Directors

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Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

The accompanying notes form an integral part of these Financial Statements

1 Background of the Company and nature of operations

Clearcorp Dealing Systems (India) Limited ('the Company') was incorporated on June 11, 2003 having CIN U74999MH2003PLC140849, provides dealing systems / platforms, facilitates trading in the money market instruments, foreign exchange and other financial market instruments and carries out related activities.

Clearcorp Dealing Systems (India) Limited is a wholly owned subsidary company of The Clearing Corporation of India Limited and incorporated and domicled in India. The registered office of the Company is CCIL Bhavan, S .K.Bole Road,Dadar (West), Mumbai 400028, Maharashtra.

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of preparation and measurement

(a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 and other relevant provisions of the Act, considered as the "Previous GAAP".

The Company is not a listed Company nor did it have a Networth above ₹ 250 crores on 31st March 2014 or at the end of any financial year thereafter. Accordingly it was not directly covered under IND AS roadmap prescribed by the Ministry of Corporate Affairs (MCA). However, it was covered by the roadmap in terms of the provision that requires subsidiary companies of the holding company covered under Ind AS roadmap to comply with Ind AS requirements. Ind AS has become applicable to the holding company w.e.f. current financial year i.e. 2018-19. Consequently Ind AS has also become applicable to the Company with effect from the current financial year 2018-19.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The financial statements for the year ended March 31, 2018 and the opening balance sheet as at April 1, 2017, have been restated in accordance with Ind AS for comparative information. An explanation of how the transition to Ind AS has affected the Company's equity financial position, financial performance and its cash flows is provided in Note 3.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

The Financial Statements have been prepared in accrural and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS balance sheet as at April 1, 2017, being the date of transition to Ind As.

The standalone Ind AS financial statements were authorized for issue by the Company's Board of Directors on 03 May 2019.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit plans are measured at fair value of plan assets less present value of defined benefit obligations.

2.2 Key estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgements are :

i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4(a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.4(b))

iii. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used; (Note 2.4(j))

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4(g))

v. Fair value of financial instruments (Note 31)

vi. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 2.4(i))

2.3 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 a) Standard issued but not effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs ('MCA') on 30th March, 2019) which are effective for annual period beginning after 1st April, 2019. The Company intends to adopt these standards or amendments from the effective date.

1. Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company is in the process of analysing the impact of new lease standard on its financial statements.

b) Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective amended standards.

1. Amendment to Ind AS 12 Income Taxes :

   Appendix C – Uncertainty over Income Tax Treatments The Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

2. Amendments to Ind AS 12 Income Taxes

   The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

3. Amendments to Ind AS 19 Employee Benefits

   This amendment requires:

   - To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
   - To recognise in statement of profit or loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

2.5 Significant Accounting Policies

a) Property plant and equipments:

Recognition and measurement

Property, plant and equipment 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. Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment, is provided on Straight Line Method (SLM) prescribed under Schedule II of the Act, except for the assets whose cost is ₹ 5,000 or less are fully written off in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The Estimated useful life of property, plant and equipment considered for providing depreciation are as under:

Asset	Estimated useful life (in years)	Estimated scrap value (% of cost)
Computer Systems - hardware	3-6	-
Furinture and fittings	10	-
Office equipments	5	-

b) **Intangible assets**

Expenses incurred towards acquisition or development of software by an external vendor is capitalized as Computer Software. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses. Intangible Assets are amortised on a straight line basis over the estimated useful life.

Amortization

Amortization of Intangible Assets is based on Internal technical assessment/advice. Intangible asset whose cost is Rs. 5,000 or less are fully written off in the year of acquisition. Residual value, is estimated to be immaterial by Management. The estimated useful life of intangible assets comprising of Computer Software considered for providing depreciation is 3 years.

c) **Impairment of non-financial assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an individual asset exceeds its recoverable amount.

The recoverable amount is the greater of the assets, net selling price and value in use. In determining net selling price, recent market transactions are taken into account, if available.

If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

d) Borrowing costs:

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

e) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as forward contracts, futures and currency options.

1. Financial assets

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset, except for an item measured at fair value through profit and loss (FVTPL), is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Classification and subsequent measurement of financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured a

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

The classification of debt investment as amortised cost or FVOCI is based on the business model and cash flow characteristics of such instrument.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investments measured at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments.

The Company measures its investment in Treasury Bills at FVOCI since it satisfies both the business model test and the SPPI specified in Ind AS 109.

In case of investment in discounted securities/instruments, the discount is accrued over the period to maturity and included in Income from Investments.

Equity investments:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

For other equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit or loss on disposal of the investments. These investments in equity are not held for trading. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in the Statement of Profit or Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

(i) The contractual rights to receive cash flows from the financial asset have expired, or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financials assets carried at amortised costs are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. Such liabilities shall be subsequently measured at fair value.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, deposits from members, loans and borrowings.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

Loans and borrowing:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

f) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents cash and short term deposits as defined above, as they are considered an integral part of the Company's cash Management.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is probable.

h) Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115.

(i) Revenue from operations is recognized as and when the service is rendered as per the relevant agreements.

(ii) Other revenue income is recognised as and when services are rendered and when there is a reasonable certainty of ultimate realisation.

(iii) Interest income on financial assets is recognized on an accrual basis using effective interest method.

Revenue is reported excluding applicable taxes.

For income from investments refer point (e) on financial instruments.

i) 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 Statement of Profit & Loss for the respective financial year.

(ii) Defined Benefits plans:

Gratuity: Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for. Provision for Gratuity is made as per actuarial valuation as at the end of the year. Actuarial gains/ losses at the end of the year accrued to the defined benefit plans are taken to the Other Comprehensive income (OCI) 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.

j) Income-tax

Income tax expense /income comprises current tax expense income and deferred tax expense income. It is recognized in the Statement of Profit or Loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax:

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax:

Deferred Income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

iii) Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognized.

MAT

MAT Credit I recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

k) Foreign currency transactions

Functional and Presentation currency

The Company's financial statements are prepared and presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined. Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit or Loss in the year in which they arise.

l) Dividend

Final dividend on shares is recorded as a liability on the date of approval by the equity shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

m) Earnings per share:

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Note 3

First Time Adoption of Mandatory Exceptions and Optional Exemption:

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP')

The financial statements for the current year have been prepared under Ind AS. Previous year's figures have been regrouped, to conform to current year's presentation.

The accounting policies set out in note 2 have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the "transition date").

In preparing opening Ind AS balance sheet and in presenting the comparative information, the Company has adjusted amounts reported in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables.

Optional exemptions availed and mandatory exceptions

In preparing the first Ind AS financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Mandatory Exceptions

1. Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in the preparation of the financial statements that were not required under the previous GAAP is determination of the discounted value for financial instruments carried are amortised cost.

2. Classification and measurement of financial assets

As permitted under Ind AS 101, Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Reconciliation of net worth as per previous GAAP and that computed under Ind AS (₹ in lakhs)

Particulars	Note	As on 1 April 2017	As on 31 March 2018
Net worth under previous GAAP		**5,929**	7,330
Summary of Ind AS adjustments			
Fair valuation of long term variable pay to employees	**1**	8	7
Deferred tax on Ind AS adjustments	**3**	(2)	(2)
Total Ind AS adjustments		**6**	**5**
Net worth under Ind AS		**5,935**	**7,335**

Reconciliation of Net Profit as per previous GAAP and that computed under Ind AS **(₹ in lakhs)**

Particulars	Note	31 March 2018
Profits as per previous GAAP		1,401
Summary of Ind AS adjustments		
Fair valuation of long term variable pay to employees	1	(1)
Remeasurement of defined benefit plan	2	11
Deferred tax on Ind AS adjustments	3	(3)
Other Comprehensive Income		(8)
Total Ind AS adjustments		(1)
Net worth under Ind AS		**1,400**

Reconciliation of Cash flows as per previous GAAP and that computed under Ind AS as on 31 March,2018

(₹ in lakhs)

Particulars	Notes	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities	4	1,399	-	1,399
Net cash flow from investing activities	4	(1,386)	-	(1,386)
Net cash flow from financing activities	4	-	-	-
Net increase in cash and cash equivalents		13	-	13
Cash and cash equivalents as on April 1, 2017		22	-	22
Cash and cash equivalents as on March 31, 2018		35	-	35

Notes to the reconciliation:

1. **Fair valuation of long term variable pay to employees**

   The Company creates a provison for the total variable pay payable to its employees under IGAAP, but does not discount the same to fair value to reflect time value of money. Ind AS 37, requires the provisions to be discounted where the effect of time value of money is material. Accordingly, since 50% of the variable pay is payable in 15 months from the date of provision the same has been discounted to its fair value, to reflect the time value of money.

The interest income represents the undiwnding of the discount at each reporting period, to bring the provision back to its actual amount.

2. Remeasurement of defined benefit obligation

Both under Previous GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to profit or loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

3. Deferred Tax

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

4. Cash flow statement

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

B. Optional exemptions availed

1. Property, plant and equipment and Intangible assets

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2017).

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 4

Property, Plant and Equipment

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2019:

(₹ in lakhs)

DESCRIPTION	Computer Systems	Furniture & fixtures	Office equipment	Total
Cost as at 1 April 2018	3	1	6	10
Additions	124	-	-	124
Disposals	-	-	-	-
Cost as at 31 March 2019 (A)	**127**	**1**	**6**	**134**
Accumulated depreciation as at 1 April 2018	2	0	1	3
Depreciation charged during the year	11	0	1	12
Disposals	-	-	-	-
Accumulated depreciation as at 31 March 2019 (B)	**13**	**0**	**2**	**15**
Net carrying amount as at 31 March 2019 (A) - (B)	**114**	**1**	**4**	**119**

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2018:

(₹ in lakhs)

DESCRIPTION	Computer Systems	Furniture & fixtures	Office equipment	Total
Cost as at 1 April 2017	3	1	-	4
Additions	-	-	6	6
Disposals	-	-	-	-
Cost as at 31 March 2018 (A)	**3**	**1**	**6**	**10**
Accumulated depreciation as at 1 April 2017	-	-	-	-
Depreciation charged during the year	2	0	1	3
Disposals	-	-	-	-
Accumulated depreciation as at 31 March 2018 (B)	**2**	**0**	**1**	**3**
Net carrying amount as at 31 March 2018 (A) - (B)	**1**	**1**	**5**	**7**

The Company has availed the deemed cost exemption available under Ind AS 101 in relation to the property plant and equipment on the date of transition (1 April 2017) and hence the net block carrying amount under the previous GAAP has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2017 under the previous GAAP.

(₹ in lakhs)

DESCRIPTION	Computer Systems	Furniture & fixtures	Office equipment	Total
Gross Block	**115**	**2**	**0**	**117**
Accumulated Depreciation	**112**	**1**	**0**	**113**
Net Block	**3**	**1**	**-**	**4**

"0" denotes amount less than ₹ 1 lakh.

Note 5

Intangibles

Changes in the carrying value of intangibles for the year ended 31 March 2019:

(₹ in lakhs)

DESCRIPTION	Computer Software
Cost as at 1 April 2018	1,311
Additions	481
Disposals	-
Cost as at 31 March 2019 (A)	**1,792**
Accumulated amortisation as at 1 April 2018	644
Amortisation recognised for the year	451
Disposals	-
Accumulated amortisation as at 31 March 2019 (B)	**1,095**
Net carrying amount as at 31 March 2019 (A) - (B)	**697**

Changes in the carrying value of intangibles for the year ended 31 March 2018:

(₹ in lakhs)

DESCRIPTION	Computer Software
Deemed Cost as at 1 April 2017	916
Additions	395
Disposals	-
Cost as at 31 March 2018 (A)	**1,311**
Accumulated amortisation as at 1 April 2017	-
Amortisation recognised for the year	644
Disposals	-
Accumulated amortisation as at 31 March 2018 (B)	**644**
Net carrying amount as at 31 March 2018 (A)-(B)	**667**

The Company has availed the deemed cost exemption available under Ind AS 101 in relation to the intangible assets on the date of transition (1 April 2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortisation on 1 April, 2017 under the previous GAAP.

(₹ in lakhs)

DESCRIPTION	Computer Software
Gross Block as at April 1 2017	4,465
Accumulated amortisation / impairment upto March 31 2017	3,549
Net Block as at April 1 2017	916

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 6			
Non Current Loans			
(Unsecured, considered good)			
Security deposits	0*	0*	0*
	0	**0**	**0**
Note 7			
Other Non-Current Financial Assets			
(Unsecured, considered good)			
Fixed deposits with banks^	140	80	546
	140	**80**	**546**

^ Bank Deposits with maturity of more than 12 months includes deposit amounting to ₹ 25 lakhs (31 March 2018 ₹ 75 Lakhs, 1 April 2017 ₹ 100 Lakhs) kept with a bank under lien in favour of Forex Dealers Association of India (FEDAI).

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 8			
Deferred Tax Assets (net)			
Deferred Tax Liabilities			
Difference between book base and tax base of property, plant and equipment and intangible assets	7	22	115
Fair valuation of investments carried at FVOCI	1	-	-
Provision for variable pay recorded at present value	2	2	2
	10	24	117
Deferred Tax Assets			
Tax disallowances	84	78	72
MAT credit	-	-	7
	84	78	79
Deferred Tax Assets (net)/ (Deferred Tax Liabilities (net))	**74**	**54**	**(38)**
Note 9			
Other Non Current Assets			
(Unsecured, considered good)			
Service Tax demand (paid under protest)	226	226	-
	226	**226**	**-**

* denotes amount less than ₹ 1 lakh

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 10			
Non Current Tax Assets (Net)			
Advance Taxes (Net of provision for taxes)	61	60	38
	61	**60**	**38**
Note 11			
Investments			
Quoted debt securities			
Investments in Government Securities at Fair Value through Other Comprehensive Income (FVOCI)	1,153	-	-
- Investment in Government of India Treasury Bills			
	1,153	-	-
Aggregate book value of quoted investments	1,117	-	-
Aggregate market value of quoted investments	1,153	-	-
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	220	195	195
Others Trade Receivables	-	0*	0*
	220	**195**	**195**
Note 12a			
Cash and Cash Equivalents			
Cash on hand	0*	0*	0*
Balances with Banks			
- in current accounts	21	35	22
	21	**35**	**22**
Note 12b			
Other Bank Balances			
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date * *	6,248	6,138	4,444
	6,248	**6,138**	**4,444**

** Bank Deposits with residual maturity upto 12 months includes deposits amounting to ₹ 75 lakhs (31 March 2018 : ₹ 25 lakhs, 1 April 2017 : NIL) kept with a bank under lien in favour of Forex Dealers Association of India (FEDAI).

* denotes amount less than ₹ 1 lakh

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 13			
Other Current Financial Assets			
(Unsecured, considered good)			
Due from The Clearing Corporation of India Limited (Holding Co.)	82	140	153
	82	**140**	**153**
Note 14			
Other Current Assets			
(Unsecured, considered good)			
Prepaid expenses	24	21	27
Service tax input credit	-	-	41
Advance to suppliers	36	18	16
Others	0*	-	-
	60	**39**	**84**

* denotes amount less than ₹ 1 Lakh

Note 15

Equity Share Capital

a. Details of authorised, issued and subscribed share capital

	31 March 2019		31 March 2018		1 April 2017	
	Number	₹ in lakhs	Number	₹ in lakhs	Number	₹ in lakhs
Authorised capital						
Equity shares of ₹ 10/- each	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10/- each fully paid	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000

b. Reconciliation of number of shares at the beginning and at the end of the year

	31 March 2019		31 March 2018		1 April 2017	
	Number	₹ in lakhs	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000
Add: Shares issued during the year	-	-	-	-		
Shares outstanding at the end of the year	1,00,00,000	1,000	1,00,00,000	1,000	1,00,00,000	1,000

c. Particulars of shareholders holding more than 5% of shares held

Name of shareholder	31 March 2019		31 March 2018		1 April 2017	
	No of equity shares held	Percentage	No of equity shares held	Percentage	No of equity shares held	Percentage
The Clearing Corporation of India Limited	1,00,00,000	100%	1,00,00,000	100%	1,00,00,000	100%

d. Terms/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 number of shares held by the Shareholders.

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. There are no shares reserved for issue under options and contracts or commitments for sale of shares.

e. For the period of five years immediately preceding the date of the Balance Sheet, the Company has not

i) Allotted any shares as fully paid up pursuant to contracts without payment being received in cash; or

ii) Allotted any shares as fully paid up bonus shares; or

iii) Bought back any of its Equity Shares.

f. There are no securities convertible into equity / preference shares.

g. There are no calls unpaid.

h. No shares have been forfeited.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 16			
Other Equity			
(Refer Statement of Changes in Equity)			
General Reserve	24	24	24
Retained Earnings	7,809	6,319	4,911
Other Comprehensive Income	(24)	(8)	-
	7,808	**6,335**	**4,935**

16.1 Nature and Purpose of Reserves

Retained Earnings

Retained Earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Other Comprehensive Income

Other comprehensive income represents the acturial loss on fair valuation of defined benefit obligation.

Note 17			
Non-Current Provisions			
Provision for Employee Benefits:	215	203	192
- Leave Encashment	62	44	57
- Others	**277**	**247**	**249**

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 18			
Trade Payables			
Total outstanding due to micro and small enterprises	-	-	-
Total outstanding due to creditors other than micro and small enterprises	57	76	19
	57	**76**	**19**
Note 19			
Other Current Financial Liabilities			
Creditors for Capital Expenses	109	82	81
Other Payables^	44	36	12
	153	**118**	**93**

^ Other payables includes ₹ 2 lakhs (31 March 2018: ₹ 3 lakhs, 1 April 2017: ₹ 3 lakhs) due to Micro and Small Enterprises

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 20			
Other Current Liabilities			
Statutory Dues	54	50	53
	54	**50**	**53**
Note 21			
Current Provisions			
Provision for Employee Benefits:			
- Leave Encashment	20	19	17
- Others	196	171	171
	216	**190**	**188**
Note 22			
Current Tax Liabilities (Net)	8	8	62
Provision for taxation (Net of Advance Tax)	**8**	**8**	**62**

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 23		
Revenue from Operations		
Transaction Charges - Repo Trading System	1,911	1,859
Transaction Charges - CBLO Trading System	798	1,263
Transaction Charges - TREPS Trading System	554	-
Transaction charges - Forex Trading System	529	640
Datafeed Charges	357	337
Other Fees and Charges	62	46
	4,211	**4,145**

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 24		
Other Income		
Interest/Income on Investments		
Interest on Fixed Deposits with Banks	454	390
Income on Current Investments	32	-
Miscellaneous Income	1	1
	487	**391**
Note 25		
Employee Benefits Expense		
Salaries, Wages and Bonus	682	578
Contribution to Provident and Other Funds [Refer note 36]	82	74
Staff Welfare Expenses	31	29
	795	**681**
Note 26		
Finance Cost		
Interest on Taxes	0*	4
Interest on Others	5	5
	5	**9**
Note 27		
Depreciation		
Depreciation of property, plant and equipment (refer note 4)	12	3
Amortisation of intangible assets (refer note 5)	451	644
	463	**647**
Note 28		
Other Expenses		
Rent	15	14
Repairs and maintenance -computer systems and equipment	415	349
Rates and taxes	0*	1
Communication expenses	120	112
Business support services expenses	626	597
Net loss on foreign currency transactions and translation	1	1
Expenditure towards corporate social responsibility	32	27
Professional fees	31	21
Directors' sitting fees	5	16
Payment to auditors :		
- Audit fees	3	2
- Reimbursement of expenses	-	0*
Others	75	78
	1,323	**1,218**

* denotes amount less than ₹ 1 Lakh

Note 29

Income Taxes

Tax Expense

(a) Amounts recognised in statement of profit and loss

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current year	629	670
Changes in estimates related to prior period	7	-
	636	670
Deferred tax expense		
Origination and reversal of temporary differences	(13)	(97)
	(13)	(97)
Tax expense for the year	**623**	**573**

(b) Amounts recognised in other comprehensive income

(₹ in lakhs)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before Tax	Tax (Expense) Benefit	Net of Tax	Before Tax	Tax (Expense) Benefit	Net of Tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(27)	8	(19)	(11)	3	(8)
Items that will be reclassified to profit or loss						
Investments measured at FVOCI	4	(1)	3	-	-	-
	(23)	**7**	**(16)**	**(11)**	**3**	(8)

Note 29 (Contd.)

(c) Reconciliation of effective tax rate

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	**2,112**	**1,981**
Statutory income tax rate	29.12%	29.12%
Expected income tax expense	615	577
Tax effect of:		
Expenses not allowed under Income tax		
Interest U/s 234 of Income Tax Act	0*	1
Interest on TDS late payment	-	0*
Changes due to change in tax rate	-	0*
Others	1	(5)
Changes in estimates related to prior period	7	
Total tax expense	623	573
Tax expense as per profit or loss	**623**	**573**

* denotes amount less than ₹ 1 lakh

(d) Movement in deferred tax balances

(₹ in lakhs)

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	As at 31 March 2019: Net deferred tax asset/liability	As at 31 March 2019: Deferred tax asset	As at 31 March 2019: Deferred tax liability
Deferred tax liability						
Difference between book base and tax base of tangible and intangible assets	(22)	15	-	(7)	-	(7)
Fair valuation of variable pay	(2)	(1)	-	(2)	-	(2)
Fair valuation of investments carried at FVOCI	-	-	(1)	(1)	-	(1)
Deferred tax asset						
Tax disallowances	78	7	-	84	84	-
Remeasurment of defined benefit obligation		(8)	8	-	-	-
Tax assets (Liabilities)	**54**	**13**	**7**	**74**	**84**	**(10)**
Set off tax	-	-	-	-	-	-
Net tax assets	**54**	**13**	**7**	**74**	**84**	**(10)**

Note 29 (Contd.)

(₹ in lakhs)

(e) Movement in deferred tax balances

	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	As at 31 March 2018 Net deferred tax asset/liability	Deferred tax asset	Deferred tax liability
Deferred Tax Liability						
Difference between book base and tax base of tangible and intangible assets	(115)	93	-	(22)	-	(22)
Fair valuation of variable pay	(2)	0	-	(2)	-	(2)
Deferred Tax Asset						
Tax disallowances	72	6	-	78	78	-
Remeasurment of defined benefit obligation	-	(3)	3	-	-	-
MAT Credit	7	-	-	-	-	-
Tax assets (Liabilities)	**(38)**	**97**	**3**	**54**	**78**	**(24)**
Set off tax						
Net tax assets	**(38)**	**97**	**3**	**54**	**78**	**(24)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

"0" denotes amount less than ₹ 1 lakh.

Note 30

Earnings per share (EPS)

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i. Profit attributable to equity holders (₹ in lakhs)		
Profit attributable to equity holders for basic and diluted EPS	1,489	1,408
	1,489	**1,408**
ii. Weighted average number of ordinary shares		
Issued ordinary shares at April 1	1,00,00,000	1,00,00,000
Add/(Less): Effect of shares issued/ (bought back)		
Weighted average number of shares for calculating basic and diluted EPS	**1,00,00,000**	**1,00,00,000**
iii. Basic and Diluted earnings per share (₹)	14.89	14.08

Note 31

Financial Instruments - Fair values

A. Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

	As at 31 March 2019							
	Carrying Amount				Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non Current Loans	-	-	0*	0*	-	-	-	-
Other non-current financial assets	-	-	140	140	-	-	-	-
Investments								
- Investment in Government of India Treasury Bills		1,153		1,153	-	1,153	-	1,153
Trade receivables	-	-	220	220	-	-	-	-
Cash and cash equivalents	-	-	21	21	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	6,248	6,248	-	-	-	
Other current financial assets	-	-	82	82	-	-	-	-
	-	**1,153**	**6,711**	**7,865**	-	**1,153**	-	**1,153**
Financial liabilities								
Trade payables	-	-	57	57	-	-	-	-
Other current financial liabilities			153	153				
	-	-	**210**	**210**	-	-	-	-

* denotes amount less than ₹ 1 lakh

Note 31 (Contd.)

Financial Instruments - Fair values

A. Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31 March 2018							
	Carrying Amount				Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non Current Loans	-	-	0*	0*	-	-	-	-
Other non-current financial assets	-	-	80	80	-	-	-	-
Trade receivables	-	-	195	195	-	-	-	-
Cash and cash equivalents	-	-	35	35	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	6,138	6,138	-	-	-	-
Other current financial assets	-	-	140	140	-	-	-	-
	-	-	**6,588**	**6,588**	-	-	-	-
Financial liabilities								
Trade payables	-	-	76	76	-	-	-	-
Other current financial liabilities			118	118				
	-	-	**194**	**194**	-	-	-	-

* denotes amount less than ₹ 1 lakh

Note 31 (Contd.)

Financial Instruments - Fair values

A. Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

	As at 31 March 2017							
	Carrying Amount				Fair Value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non Current Loans	-	-	0*	0 *	-	-	-	-
Other non-current financial assets	-	-	546	546	-	-	-	-
Trade receivables	-	-	195	195	-	-	-	-
Cash and cash equivalents	-	-	22	22	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	4,444	4,444	-	-	-	-
Other current financial assets	-	-	153	153	-	-	-	-
	-	-	**5,360**	**5,360**	-	-	-	-
Financial liabilities								
Trade payables	-	-	19	19	-	-	-	-
	-	-	**93**	**93**	-	-	-	-
	-	-	**112**	**112**	-	-	-	-

* denotes amount less than ₹ 1 lakh

The fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses, if any, of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

Note 31 (Contd.)
Financial Instruments - Fair values

B. Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

Financial instruments measured at fair value

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the balance sheet as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Government Securities	The fair value of treasury bills is calculated basis the market price of these instruments as at the balance sheet date. Market price is calculated on the basis of the price published by FIBIL.	N.A.	N.A.

Note 31

Financial instruments – Fair values and Risk management (Continued)

Risk Management

Introduction

The Company's activities expose it to a number of financial risks, principally market risk (Price Risk and interest rate risk), foreign exchange risk, credit risk and liquidity risk. These risks arise mainly on account of Investment Activity of the Company. In addition to the financial risks, the Company is also exposed to other risks such as operational, legal, compliance and reputational risk. The Company manages these risks through various control mechanisms.

Overall responsibility for risk management rests with the Board. Day to day responsibility is delegated to the Senior Management of the Company. The Company has an elaborate Operations Audit, Internal Audit, Systems Audit and other Control Mechanisms entrusted to independednt external professionals.

For each of the principal risk types, a description and outline of the risk management approach is provided below.

a. Credit Risk

Risk Description

The Credit risk, for the Company, could arise on account of investment activity of the Company.

Risk Management Approach

The Company regularly invests its internally generated funds, in accordance with its Investment Policy approved by the Board. The Board reviews the Investment Policy annually. The Company invests only into highly secure and liquid avenues such as Government Securities and Deposits with high net-worth Commercial Banks. There is no credit risk in case of investment into Government Securities. Credit risk in case of deposits with banks, is mitigated by prescribing stringent eligibility criteria for the investee banks and setting of exposure limits on the amounts to be invested.

Cash and cash equivalents and Other bank balances (Including bank deposits having maturity more than 12 months)

The Company held cash and cash equivalents and other bank balances of ₹ 6,409 lakhs at 31 March 2019 (31 March 2018: ₹ 6,253 lakhs, 1 April 2017 : ₹ 5,012 lakhs). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit ratings.

Loans and advances to related parties

The amount is due from the Holding Company and hence the Company does not expect any losses from non-performance by this counter-party.

b. Liquidity risk

Risk description

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due.

Liquidity risk is managed by ensuring that the Company maintains adequate balances with banks and keeps its investment in highly liquid avenues to enables it to meet payment obligations, which is generally trade payables.

Note 31

Financial instruments - Fair values and Risk management (Continued)

Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in lakhs)

		Contractual cash flows			
As at 31 March 2019	**Carrying amount**	**Total**	**Upto 1 year**	**1 to 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade payables	57	57	57	-	-
Other current financial liabilities	153	153	153	-	-
Total	**210**	**210**	**210**	**-**	**-**

		Contractual cash flows			
As at 31 March 2018	**Carrying amount**	**Total**	**Upto 1 year**	**1 to 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade payables	76	76	76	-	-
Other current financial liabilities	118	118	118		
Total	**194**	**194**	**194**	**-**	**-**

		Contractual cash flows			
As at 1 April 2017	**Carrying amount**	**Total**	**Upto 1 year**	**1 to 5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade payables	19	19	19	-	-
Other current financial liabilities	93	93	93		
Total	**112**	**112**	**112**	-	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows.

c. Market Risk (Price Risk and Interest Rate Risk)

Risk Description

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk. However, Company is exposed to the price risk in case of its investment in Government Treasury Bills.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the Management of the Company is as follows :

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fixed-rate instruments			
Financial assets	7,542	6,218	4,990
Financial liabilities	-	-	-
Total	**7,542**	**6,218**	**4,990**

Note 31

d. Foreign Exchange Risk

Risk Description

The functional currency of the Company is Indian Rupee. Foreign Exchange Risk for the Company primiarily arises on account of foreign currency revenues and expenses, which is not significant.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at 31 March 2019, 31 March 2018 and 1 April 2017 are as below:

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	USD	GBP	USD	GBP	USD	GBP
Financial assets (A)						
Trade and other receivables	0 *	0*	3	7	-	-
Financial liabilities (B)						
Trade and other payables	-	-	-	-	-	-
Net exposure (A - B)	**0***	**0***	**3**	**7**	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at 31 March 2019, 31 March 2018 and 01April 2017 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of Profit or Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
5% Movement						
USD	0.00*	(0.00)*	0.14	(0.14)	-	-
GBP	0.01	(0.01)	0.36	(0.36)	-	-
					-	
	0.01	**(0.01)**	**0.50**	**(0.50)**	**-**	**-**

* denotes amount less than ₹ 1 lakh

Note 32

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships –

Category I: Holding Company (Parties where control exists):

The Clearing Corporation of India Limited

Category II: Fellow Subsidiary:

Legal Entity Identifier India Limited

Category III: Key Management Personnel (KMP)

Mr. R. Sridharan -Managing Director

Non Executive Directors

Mrs.Usha Thorat (Chairperson upto 25.10.2018)

Mr. N.S.Venkatesh

Mr. Ananth Narayan (from 09.05.2018)

Mr. Narayan Seshadri (from 13.08.2018)

Mr. C. M. Dixit (Upto 22.02.2018)

Mr. C. E. S. Azariah (Upto 22.02.2018)

Other Key Management Personnel

Mr. Deepak Chande - Chief Financial Officer

Ms. Sandhya Sati - Company Secretary (upto 06.02.2018)

Mr. Pankaj Srivastava - Company Secretary (from 09.05.2018)

Category IV: Other Related Parties

Clearcorp Employees Group Gratuity Fund Trust

Clearcorp Employees Superannuation Fund Trust

b) Transactions with key management personnel :

Key management personnel compensation

(₹ in lakhs)

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Short-term employee benefits	-	22
Post-employment defined benefit	-	3
Other long term benefits	-	11
Share-based payments	-	-
Termination benefits	-	-
Total	**-**	**36**

Compensation of the Company's' key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 25).

Note 32

Related party disclosures (Continued):

c) Transactions other than those with key management personnel :

(₹ in lakhs)

	Particulars	Holding Company	Other Related Parties	Fellow Subsidary Company	KMP
1)	Share of operational income received	2,884		-	-
		(2,933)		-	-
2)	LEI Renewal Charges			0	-
		-		(0)	-
3)	Rent Paid for Residential Accommodation	15		-	-
		(14)		-	-
4)	Business Support Charge	739		-	-
		(699)		-	-
5)	Reimbursement/Sharing of expenses (payment)	137		-	-
		(103)		-	-
6)	Contribution to employee benefit trust	-	81	-	-
		-	(53)	-	-
7)	Director Sitting Fees	-			5
		-			(16)

d) The related party balances outstanding at year end are as follows:

(₹ in lakhs)

	Particulars		Holding Company	Other related parties	Fellow Subsidary Company	Key Management Personnel
1)	Receivable	2018-19	82			
		2017-18	(140)	-	-	-
		2016-17	(153)	-	-	-
2)	Payable	2018-19	-		-	-
		2017-18	-	-	-	-
		2016-17	-	-	-	(2)

Notes:

(a) Figures in brackets represent corresponding amounts in the previous year.

(b) “0” denotes amount less than ₹ 1 lakh.

(c) Transactions with Holding Company are in accordance with the terms of agreement entered into in this regard.

(d) No amount in respect of the related party has been provided for as doubtful debts or written off/back during the year.

(e) The amounts are inclusive of Service Tax/GST wherever applicable.

(f) 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 31 MARCH, 2019

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 33			
Commitments			
Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account not provided for	277	251	469

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 34			
Contingent Liabilities			
Claims against the Company not acknowledged as debt :			
(a) Service Tax Demands including penalty and interest - Pending settlement of the dispute, an amount of ₹ 226 lakhs, being the principal amount claimed by the authorities has been paid under protest and disclosed under other non-current assets.	775	778	768
(b) Income Tax Demands for various assessment years disputed by	57	30	5
Total	**832**	**808**	**773**

Note 35

Micro and Small Enterprises

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a. Principal and interest amount remaining unpaid	2	3	3
b. Interest due thereon remaining unpaid	-	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-	-
e. Interest accrued and remaining unpaid	-	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 36

Employee Benefits

Amounts recognised as expense:

(i) Defined Contribution Plan

(1) Employer's Contribution to Provident Fund amounting to ₹ 36 lakhs (31 March 2018 - ₹ 32 lakhs) has been included in Note 25 under Contribution to Provident Fund and Other Funds.

(2) Employer's Contribution to Superannuation Fund amounting to ₹ 9 lakhs (31 March 2018 - ₹ 9 lakhs) has been included in Note 25 under Contribution to Provident Fund and Other Funds.

(3) Employer's Contribution to NPS amounting to ₹ 6 lakhs (31 March 2018 - ₹ 5 lakhs) has been included in Note 25 under Contribution to Provident Fund and Other Funds.

(ii) Defined benefit plan

In terms of the Company's gratuity plan, on leaving of service every employee who has completed atleast five years of service gets a gratuity computed at the rate of 30 days of last drawn salary for each completed year service. The Gratuity Scheme of the Company is funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy.

In accordance with the Indian Accounting Standard on employee benefits (Ind AS 19) the following disclosures have been made which is based on Actuarial Valuation provided by Independent Actuary.

Gratuity cost amounting to ₹ 54 lakhs(31 March 2018: ₹ 37 lakhs) has been included in Note 25 under contribution to provident and other funds.

(₹ in lakhs)

	31 March 2019	31 March 2018	1 April 2017
A. Amount recognised in the balance sheet			
Present value of the obligation as at the end of the year	323	257	221
Fair value of plan assets as at the end of the year	354	273	231
Surplus/(deficit)	**31**	**16**	**10**
B. Change in projected benefit obligation			
Projected benefit obligation at the beginning of the year	257	221	175
Current service cost	29	26	22
Interest cost	20	16	14
Re-measurement (or Actuarial) (gain) / loss arising from:			
-change in financial assumptions	3	(12)	16
- experience variance (i.e. Actual experiencevs assumptions)	24	23	6
Benefits paid	(10)	(18)	(11)
Projected benefit obligation at the end of the year	**323**	**257**	**221**
C. Change in plan assets			
Fair value of plan assets at the beginning of the year	273	231	194
Investment income	21	17	16
Employer's contributions	70	43	30
Benefits paid	(10)	(18)	(11)
Return on plan assets , excluding amount recognised in net interest expense	0*	0*	2
Fair value of plan assets at the end of the year	**354**	**273**	231

* denotes amount less than ₹ 1 lakh

Note 37

Related party disclosures (Continued)

(₹ in lakhs)

	31 March 2019	31 March 2018
D. Amount recognised in the statement of profit and loss		
Current service cost	29	26
Net interest cost / (income) on the net defined benefit liability / (asset)	(1)	(1)
Expenses recognised in the statement of profit and loss	**28**	**25**

Note 37

Related party disclosures (Continued)

E. Amount recognised in other comprehensive income		
Actuarial (gains) / losses		
- change in financial assumptions		
- experience variance (i.e. actual experience vs assumptions)	3	(12)
Return on plan assets, excluding amount recognised in net interest expense	25	23
Return on plan assets, excluding amount recognised in net interest expense	(1)	(0)*
	27	**11**

* denotes amount less than ₹ 1 lakh

F. Plan Assets include the following:

1. Insurance funds

(₹ in lakhs)

G. Assumptions used	**31 March 2019**	**31 March 2018**	**1 April 2017**
Discount rate	7.70%	7.80%	7.40%
Salary growth rate	8.00%	8.00%	8.00%
Attrition rate	3.00%	3.00%	3.00%
Mortality Rate	100% (of IALM 06-08)	100% (of IALM 06-08)	100% (of IALM 06-08)

H. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lakhs)

	31 March 2019		**31 March 2018**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	291	(360)	231	(288)
Salary growth rate (1% movement)	360	(291)	287	(230)
Attrition rate (1% movement)	321	(324)	256	(258)
Mortality rate (1% movement)	323	(323)	257	(257)

I. Expected future cash flows

(₹ in lakhs)

Particulars	1 year	2 to 5 years	6 to 10 years	More than 10 years
31 March 2019				
Defined benefit obligations (Gratuity)	11	90	177	599
Total	**11**	**90**	**177**	**599**

(₹ in lakhs)

Particulars	1 year	2 to 5 years	6 to 10 years	More than 10 years
31 March 2018				
Defined benefit obligations (Gratuity)	9	77	116	535
Total	**9**	**77**	**116**	**535**

Note 37

Segment Reporting

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

Note 38

Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Gross amount required to be spent by the Company during the year	32	27
Amount spent and debited to Statement of Profit and Loss during the year	32	27

Amount debited to Statement of Profit and Loss was paid in cash during the respective year and was incurred for the purpose other than construction / acquisition of any asset.

Note 39

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