The Clearing Corporation of India Limited

Financial Statements

2018-2019

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Board of Directors:

Mr. R. Sridharan (Managing Director)
Mr. Bhavesh Zaveri
Mr. M. S. Sundara Rajan
Mr. Sankarshan Basu
Mr. Sudhir Joshi
Mr. Rajendra Chitale
Mr. B. Sambamurthy
Mr. Narayan K Seshadri
Dr. G. Sivakumar
Mr. B. Prasanna
Mr. Satish C. Singh
Mr. Prashant Kumar
Ms. Meena Hemchandra

Corporate Development Officer

Mr. O. N. Ravi

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 • Fax: 24326042
Website: www.ccilindia.com
CIN-U65990MH2001PLC131804

Financial Statements 2018 - 2019

Contents

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE CLEARING CORPORATION OF INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of ***THE CLEARING CORPORATION OF 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 Standalone 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 Standalone 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, 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 Standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    e) On the basis of the written representations received from the Directors 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 4, 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 Standalone 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 showing full particulars, including quantitative details and situation of fixed assets.

    b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. 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) According to the information and explanations given to us and on the basis of the records examined by us, the title deeds of immovable properties are held in the name of the Company except a freehold land having gross block of Rs. 1,320 lakhs as at March 31, 2019.

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. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of investments made have been complied with by the Company. The Company has not given any loans or guarantees.

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
Income-tax Act, 1961	Income- tax	20	AY 2006-07	Assistant Commissioner of Income Tax
		19	AY 2009-10	Deputy Commissioner of Income Tax
		4	AY 2011-12	Assessing Officer
		32	AY 2015-16	Intimation u/s 143(1)
		430	AY 2016-17	Assessing Officer
		161	AY 2017-18	Intimation u/s 143(1)

8. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions, debenture holders and Government.

9. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.

10. During the course of our examination of the books of account and records of the Company, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud 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 Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

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. 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 4, 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 Standalone 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 ***THE CLEARING CORPORATION OF INDIA LIMITED*** ("the Company") as of March 31, 2019, in conjunction with our audit of the Standalone 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 4, 2019.

THE CLEARING CORPORATION OF 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	13,790	13,731	14,172
	Capital Work-In-Progress		1	-	-
	Intangibles	5	5,460	1,585	2,107
	Intangible Assets Under Development		681	3,819	2,592
	Investments in Subsidiaries	6	1,450	1,450	1,450
	Financial Assets				
	Non Current Loans	7	30	65	65
	Other Non Current Financial Assets	8	4,055	-	9,411
	Other Non Current Assets	9	310	29	26
	Non Current Tax Assets (Net)	10	1,065	659	657
	Total Non Current Assets		**26,842**	**21,338**	**30,480**
	Current Assets				
	Financial Assets				
	Investments	11	8,74,013	5,99,316	6,18,995
	Trade Receivables	12	3,582	3,080	3,441
	Cash and Cash Equivalents	13a	4,17,074	45,612	57,779
	Other Bank Balances	13b	3,75,618	3,88,214	2,93,247
	Other Current Financial Assets	14	65	61	23
	Other Current Assets	15	858	529	521
	Total Current Assets		**16,71,210**	**10,36,812**	9,74,006
	TOTAL ASSETS		**16,98,052**	**10,58,150**	**10,04,486**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	Equity Share Capital	16	5,000	5,000	5,000
	Other Equity	17	2,92,826	2,58,414	2,28,907
	Total Equity		**2,97,826**	**2,63,414**	**2,33,907**
	Non Current Liabilities				
	Financial Liabilities				
	Borrowings	18	5,000	5,000	-
	Deferred Tax Liabilities (Net)	19	1,732	1,201	1,312
	Provisions	20	**1,376**	**1,265**	**1,265**
	Total Non-Current Liabilities		**8,108**	**7,466**	**2,577**
	Current Liabilities				
	Financial Liabilities				
	Borrowings	21	-	6	-
	Trade Payables	22			
	- Total outstanding due to micro and small enterprises		11	17	8
	- Total outstanding due to creditors other than micro and small enterprises		256	245	222
	Other Current Financial Liabilities	23	13,90,155	7,85,299	7,66,338
	Other Current Liabilities	24	434	506	214
	Provisions	25	1,195	1,094	1,218
	Current Tax Liabilities (net)	26	67	103	2
	Total Current Liabilities		13,92,118	7,87,270	7,68,002
	TOTAL EQUITY AND LIABILITIES		**16,98,052**	**10,58,150**	**10,04,486**
	Significant Accounting Policies and Notes to the Financial Statements	1-44			

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 4, 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/-
M. S. Sundara Rajan
Director
(DIN:00169775)

Sd/-
Rajendra Chitale
Director
(DIN:00015986)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

THE CLEARING CORPORATION OF 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			
- Income from Operations	27	35,872	36,257
- Other Operating Revenues	28	20,157	14,337
Other income	29	17,917	14,779
Total Revenue		**73,946**	**65,373**
Expenses			
Employee Benefits Expense	30	4,533	4,131
Finance Costs	31	2,121	2,010
Depreciation and Amortization Expenses	32	2,637	1,988
Other Expenses	33	9,636	8,702
Total Expenses		**18,927**	**16,831**
Profit Before Tax		**55,019**	**48,542**
Tax Expense:			
Current Tax	34	19,428	17,259
Deferred Tax Expense / (Income)	34	126	(83)
Total Tax Expenses		**19,554**	**17,176**
Profit After Tax		**35,465**	**31,366**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of defined benefit plans		(42)	4
- Income tax relating to items that will not be reclassified to Profit or Loss		15	(2)
		(27)	2
Items that will be reclassified to Profit and Loss			
- Investments measured at FVOCI		1,202	(86)
- Income Tax relating to items that will be reclassified to profit or loss		(420)	30
		782	(56)
Other Comprehensive Income for the year, net of Income Tax		**755**	**(54)**
Total Comprehensive Income for the year		**36,220**	**31,312**
Earnings per Equity Share			
Basic Earnings per Share		70.93	62.73
Diluted Earnings per Share		70.93	62.73
(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 4, 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/- **M. S. Sundara Rajan** Director (DIN:00169775)	Sd/- **Rajendra Chitale** Director (DIN:00015986)
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	55,019	48,542
	Adjustments for		
	Depreciation and amortisation expense	2,637	1,987
	Unrealised (gain) / loss on exchange	(36)	(40)
	Interest on taxes	-	1
	Interest income on investments made out of own funds	(17,068)	(14,026)
	Interest income recorded at amortised cost	-	-
	Provision written back	(5)	(20)
	Profit/(Loss) on Sale of Propery, Plant and Equipment (net)	(0)*	(0)*
	Remeasurement of defined benefit obligation	(42)	4
	Fair valuation of variable pay	(35)	(23)
	Provision for Dividend on Preference Share	512	513
	Finance cost	27	31
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**41,009**	**36,969**
	Adjustments:		
	Decrease/(Increase) in trade receivables	(502)	362
	Decrease/(Increase) non current loans	(114)	16
	Decrease/(Increase) in other non-current / current assets	(2,43,750)	(36,432)
	Increase/(Decrease) in trade payables	6	31
	Increase/(Decrease) in financial liabilities	6,04,278	24,761
	Increase/(Decrease) in other liabilities and provisions	226	(114)
	CASH GENERATED FROM OPERATING ACTIVITIES	**4,01,153**	**25,593**
	Taxes paid (net of refund)	**(19,869)**	(17,161)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**3,81,284**	**8,432**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(716)	(159)
	Purchase of intangible assets	(5,857)	(866)
	Capital work-in-progress	(1)	-
	Expenses on intangible assets under development	3,138	(1,227)
	Sale of Fixed Assets	0*	0*
	Purchase of Government of India Treasury Bills out of Own Funds	(1,37,687)	(1,01,290)
	Redemption of T Bills with Government of India made out of Own Funds	92,097	82,090
	Placement of Fixed Deposits with Banks made out of Own Funds	(1,06,848)	(1,39,230)
	Redemption of Fixed Deposits with Banks made out of Own Funds	1,34,216	1,29,398
	Interest income	13,658	13,502
	NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES **(B)**	**(8,000)**	**(17,782)**

* denotes amount less than ₹ 1 Lakh

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
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Preference Shares (RNCPS II)	-	5,000
Redemption of Preference Shares (RNCPS I)	-	(5,000)
Dividend/Dividend Distribution Tax paid	(1,822)	(2,817)
Net cash used by Financing activities (C)	**(1,822)**	**(2,817)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**3,71,462**	**(12,167)**
Cash and Cash Equivalents at the beginning of the year	45,612	57,779
Cash and Cash Equivalents at the end of the year	**4,17,074**	**45,612**

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 4, 2019

Signatures to the Financial Statements and Notes thereon

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
R. Sridharan	**M. S. Sundara Rajan**	**Rajendra Chitale**
Managing Director	Director	Director
(DIN:00868787)	(DIN:00169775)	(DIN:00015986)
Sd/-	Sd/-	
Deepak Chande	**Pankaj Srivastava**	
Chief Financial Officer	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

(₹ in lakhs)

A **Equity share capital**	**Note**	
Balance as at 1 April 2017	16	5000
Changes in equity share capital during the period		-
Balance as at 31 March 2018	16	5000
Changes in equity share capital during the period		-
Balance as at 31 March 2019	16	5000

B Other Equity

(₹ in lakhs)

	Reserves and surplus				Other comprehensive income		Total
	Settlement reserve fund	General reserve	Contingency reserve fund	Retained earnings	Fair valuation of Debt instruments measured at FVOCI	Remeasurement of defined benefit plan	
Balance as at 1 April 2017	**1,00,000**	**91,732**	**30,205**	**7,191**	**(221)**	**-**	**2,28,907**
Profit for the year	-	-	-	31,366	-	-	31,366
Gain/loss on re-measurement of defined benefit plans	-	-	-		-	2	2
Fair value changes in investments measured at OCI	-	-	-		(56)	-	(56)
Total comprehensive income	-	-	-	**31,366**	(56)	2	31,312
Dividend paid on equity shares	-	-	-	(1,805)	-	-	(1,805)
Transferred from Retained earnings	10,000	5,000	15,013	(30,013)	-	-	-
Balance as at 31 March 2018	**1,10,000**	**96,732**	**45,218**	**6,739**	**(277)**	**2**	**2,58,414**
Balance as at 1 April 2018	**1,10,000**	**96,732**	**45,218**	**6,739**	**(277)**	**2**	**2,58,414**
Profit for the year	-	-	-	35,465	-	-	35,465
Fair value changes in investments measured at OCI	-	-	-	-	-	(27)	(27)
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	782	-	782
Total comprehensive income	-	-	-	35,465	782	(27)	36,220
Dividend paid on equity shares	-	-	-	(1,500)	-	-	(1,500)
Dividend distribution tax paid - equity shares	-	-	-	(308)	-	-	(308)
Transferred from Retained earnings	20,000	4,000	10,013	(34,013)			-
Balance as at 31 March 2019	**1,30,000**	**1,00,732**	**55,231**	**6,383**	**505**	**(25)**	**2,92,826**

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 4, 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/-
M. S. Sundara Rajan
Director
(DIN:00169775)

Sd/-
Rajendra Chitale
Director
(DIN:00015986)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

THE CLEARING CORPORATION OF INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

1 Background of the Company and nature of operations

The Clearing Corporation of India Limited ('the Company') was incorporated on April 30, 2001 having CIN U65990MH2001PLC131804. It provides clearing and settlement services for the transactions in the Money Market, Government Securities Market, Foreign Exchange Market, etc. and carries out related activities. The Company acts as a central counterparty for the trades executed by its members and extends settlement guarantee in terms of the Bye-laws, Rules and Regulations for various types of operations. The Company is authorized as a Payment System provider under 'The Payment and Settlement Systems Act, 2007' by Reserve Bank of India.

The Company is a public limited company incorporated and domicled in India. The address of it's corporate office 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 was covered under the IND-AS road map prescribed by the Ministry of Corporate Affairs (MCA) with effect from April 01, 2016. However, the Reserve Bank of India (RBI) had deferred the applicability of IND-AS for banks. Accordingly, the MCA had issued a clarification regarding the deferment of applicability of IND-AS to the associates, subsidiaries and joint ventures of banks upto March 31, 2018. The Company, being an associate of State Bank of India continued to prepare its financial statements in the previous GAAP. Now, though the RBI has further deferred the applicability of IND-AS for banks, no deferment has been notified by the MCA for associates, subsidiaries and joint ventures of banks. Accordingly, IND-AS has become applicable to the Company with effect from April 01, 2018.

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 01, 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.

These standalone Ind AS financial statements were authorized for issue by the Company's Board of Directors on 4th May, 2019.

The financial statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statement, including the preparation of the opening Ind AS balance sheet as at April 01, 2017, being the date of transition to Ind AS.

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.

(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 2.5(a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.5(b))

iii. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used; (Note 2.5(j))

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.5(g))

v. Fair value of financial instruments (Note 36)

vi. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 2.5(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 following:

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

b) Furniture and fittings (Chairs), which are depreciated over 5 Years, and;

c) Non Carpeted Road, which is depreciated over 5 Years.

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)
Buildings- Residential	60	5
Buildings- Office	60	-
Non-carpeted road	5	-
Computer Systems - hardware	3 to 6	-
Electrical installations and equipments	10	-
Furinture and fittings	5 to 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 asset's 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 at

- 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.

Dividend Income on equity investments is recognized when the right to receive is established.

Debt instruments at amortized cost

A debt instrument' is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

(iii) 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.

(iv) 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

(i) Recognition and initial measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit or loss. Any gain or loss on derecognition is also recognised in Statement of profit or loss.

(iii) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharges, cancelled or expires.

3. 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.

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 services 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.

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

Explanation of transition to Ind AS:

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 preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI

- 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.

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		**2,37,265**	**2,66,763**
Summary of Ind AS adjustments			
Preference share capital considered as liability under Ind AS	1	(5,000)	(5,000)
Investments carried at FVOCI - GOI T-bills			
- Reversal of provision for diminution created under IGAAP	2	-	95
- Effective interest rate (EIR) adjustments on investments	3	(43)	(39)
- Marked-to-Market (MTM) Gain / (Loss) on investments	4	(252)	(335)
Investments carried at FVOCI - US T-bills			
- Reversal of provision for diminution created under IGAAP	2	88	108
- Effective interest rate (EIR) adjustments on investments	3	(3)	(14)
- Marked-to-Market (MTM) Gain / (Loss) on investments	4	(86)	(90)
Reversal of provision for proposed dividend (along with tax) on equity shares	1	1,805	1,808
Present valuation of provision for variable pay	5	45	36
Deferred tax - Indexation benefit on freehold land	7	-	-
Deferred tax on Ind AS	7	87	82
Total Ind AS adjustments		**(3,358)**	**(3,349)**
Net worth under Ind AS		**2,33,907**	**2,63,414**

Reconciliation of total comprehensive income as per previous GAAP and that computed under Ind AS

(₹ in lakhs)

Particulars	Note	31 March 2018
Profits as per previous GAAP		**31,819**
Summary of Ind AS adjustments		
In the statement of profit and loss:		
Preference dividend (related tax thereon) reclassified as finance cost	1	(513)
Reversal of provision for diminution created under IGAAP for GOI and US Tbills	2	116
Investments carried at FVOCI - GOI T-bills		
- EIR adjustments on investments	3	4
Investments carried at FVOCI - US T-bills		
- EIR adjustments on investments	3	(13)
Interest unwinding on provision for variable pay (liability)	5	(31)
Discounting of provision for variable pay	5	23
Remeasurements to defined benefit obligation	6	(4)

(₹ in lakhs)

Particulars	Note	31 March 2018
In other comprehensive income:		
Items that will not be reclassified to profit and loss		
- Remeasurements of the defined benefit plans	6	4
- Income tax relating to items that will not be reclassified to profit or loss	7	(2)
Items that will be reclassified to profit and loss		
- Investments measured at FVOCI	4	(86)
- Income tax relating to items that will be reclassified to profit or loss	7	30
Deferred tax on Ind AS	7	(35)
Total Ind AS adjustments		**(507)**
Total comprehensive income as per Ind AS		**31,312**

Reconciliation of Cash flows as per previous GAAP and that computed under Ind AS

(₹ in lakhs)

Particulars	Notes	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities	8	8,432	-	8,432
Net cash flow from investing activities		(17,782)	-	(17,782)
Net cash flow from financing activities		(2,817)	-	(2,817)
Net increase in cash and cash equivalents	8	(12,167)	-	(12,167)
Cash and cash equivalents as on April 1, 2016	8	57,779	-	57,779
Cash and cash equivalents as on March 31, 2017	8	45,612	-	45,612

Notes to the reconciliation:

1. Redeemable, Non Convertible, Cumulative Preference Shares

In case of a redeemable preference shares, an entity has an obligation to pay cash (for both dividends and repayment of principal) to the holders of the instrument. Accordingly under Ind AS the preference shares issued by the Company are classifed as a liability, since the preference shares are mandatorily redeemable on 22 March 2023 and the dividend payout is cumulative. Further the dividend (including the dividend distribution tax) are classified as finance cost.

2. Reversal of provision for diminution created under IGAAP for GOI and US Tbills

As per Ind AS 109, Governemnt of India and US Treasury Bills are measured at FVOCI and subject to expected credit loss (ECL). Accordingly provision for dimunition in the value of investment, created under IGAAP is reversed.

3. EIR adjustments on investments

The treasury bills, are issued at a discount and redeemed at face value upon maturity. Currently under Previous GAAP the discount on T bills is accreted on straight line basis, however as per Ind AS 109 the Company has accrued such discount on EIR basis.

4. MTM Gain / (Loss) on investment

The investment in treasury bills is a financial asset that meets the held to collect and sale criteria (business model test) referred to in Ind AS 109 and have thus been classified as Fair value through other comprehensive income (FVOCI). Accordingly any gains / (losses) arising on the fair valuation of the treasury bills on the reporting date shall be recorded in the other comprehensive income.

5. 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 is discounted to its fair value, to reflect the time value of money.

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

6. Remeasurement of defined benefit obligation

Both under Previous GAAP and Ind AS the Company has 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.

7. 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.

8. 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).

2. Deemed cost for investment in subsidiary, joint controlled entities and associates

The Company has elected to continue with the carrying value of its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has measured all its investments in subsidiaries at their previous GAAP carrying value.

Note 4 - Property, plant and equipment

A. Reconciliation of carrying amount

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

(₹ in lakhs)

DESCRIPTION	Freehold land	Buildings - Residential	Buildings - Office	Furniture and Fixtures	Electrical Installations and Equipement	Office Equipment	Computers	Non Carpeted Road	Total
Cost as at 1 April, 2018	1,320	921	10,357	130	453	44	1,082	24	14,331
Additions	-	38	-	2	-	20	655	-	715
Cost as at 31 March 2019 (A)	1,320	959	10,357	132	453	64	1,737	24	15,046
Accumulated depreciation as at 1 April 2018	-	17	171	30	99	17	261	5	600
Depreciation charged during the year	-	17	172	30	99	10	322	5	655
Accumulated depreciation as at 31 March 2019 (B)	-	34	343	60	198	27	583	10	1,255
Net carrying amount as at 31 March 2019 (A) - (B)	1,320	925	10,014	72	255	37	1,154	14	13,790

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

(₹ in lakhs)

DESCRIPTION	Freehold land	Buildings - Residential	Buildings - Office	Furniture and Fixtures	Electrical Installations and Equipement	Office Equipment	Computers	Non Carpeted Road	Total
Deemed Cost as at 1 April, 2017	1,320	921	10,357	128	453	42	927	24	14,172
Additions	-	-	-	2	-	2	155	-	159
Cost as at 31 March 2018 (A)	1,320	921	10,357	130	453	44	1,082	24	14,331
Accumulated depreciation as at 1 April 2017	-	-	-	-	-	-	-	-	-
Depreciation charged during the year	-	17	171	30	99	17	261	5	600
Accumulated depreciation as at 31 March 2018 (B)	-	17	171	30	99	17	261	5	600
Net carrying amount as at 31 March 2018 (A) - (B)	1,320	904	10,186	100	354	27	821	19	13,731
Net carrying amount as at 01 April, 2017	1,320	921	10,357	128	453	42	927	24	14,172

Note 4 - Property, plant and equipment

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 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	Freehold land	Buildings - Residential	Buildings - Office	Furniture and Fixtures	Electrical Installations and Equipement	Office Equipment	Computers	Non Carpeted Road	Total
Gross Block as at April 01, 2017	1,320	1,139	11,370	584	1,568	900	3,818	27	20,726
Accumulated Depreciation upto March 31, 2017	-	218	1,013	456	1,115	858	2,891	3	6,554
Net Block as at April 01, 2017	**1,320**	**921**	**10,357**	**128**	**453**	**42**	**927**	**24**	**14,172**

Notes :

1. Freehold Land represents allocated cost of land related to Company's office building at Dadar (Mumbai), the conveyance for which is yet to be executed in favour of the Company.
2. Cost of building under "Building - Residential" includes ₹14,000 paid towards 14 shares of ₹1,000 each in an Apartment Condominium.

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	2,973
Additions	5,857
Disposals	-
Cost as at 31 March 2019 (A)	**8,830**
Accumulated amortisation as at 1 April 2018	1,388
Amortisation recognised for the year	1,982
Disposals	-
Accumulated amortisation as at 31 March 2019 (B)	**3,370**
Net carrying amount as at 31 March 2019 (A) - (B)	**5,460**

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	2,107
Additions	866
Cost as at 31 March 2018 (A)	**2,973**
Accumulated amortisation as at 1 April 2017	-
Amortisation recognised for the year	1,388
Accumulated amortisation as at 31 March 2018 (B)	1,388
Net carrying amount as at 31 March 2018 (A)- (B)	**1,585**

Changes in the carrying value of intangibles as at 1 April 2017:

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 01, 2017	11,880
Accumulated amortisation / impairment upto March 31, 2017	9,773
Net Block as at April 01, 2017	2,107

THE CLEARING CORPORATION OF 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			
Investments in Subsidiaries			
Investment in equity instruments in wholly owned subsidiaries (Unquoted)			
Clearcorp Dealing Systems (India) Limited 1,00,00,000 (31 March 2018: 1,00,00,000; 1 April 2017: 1,00,00,000) Equity shares of face value ₹ 10 each (fully paid up)	1,000	1,000	1,000
Legal Entity Indentifier India Limited 45,00,000 (31 March 2018: 45,00,000; 1 April 2017: 45,00,000) Equity shares of face value ₹10 each (fully paid up)	450	450	450
	1,450	**1,450**	**1,450**
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate book value of unquoted investments	1,450	1,450	1,450
Aggregate amount of impairment in value of investments	-	-	-
Note 7			
Non Current Loans			
(Unsecured, considered good)			
Security Deposits	30	65	65
	30	**65**	**65**
Note 8			
Other Non Current Financial Assets			
(Unsecured, considered good)			
Fixed Deposits with Banks^	4,055	-	9,411
	4,055	**-**	**9,411**

^Bank Deposits includes deposits amounting to ₹ 2,555 lakhs (Previous year -Nil) earmarked for Contingency Reserve Fund.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 9			
Other Non Current Assets			
(Unsecured considered good unless otherwise stated)			
Capital Advance	293	-	-
Prepaid Expenses	17	29	26
	310	**29**	**26**

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 10			
Non Current Tax Assets (Net)			
Advance Taxes (Net of provision for taxes)	1,065	659	657
	1,065	**659**	**657**
Note 11			
Current Investments			
Quoted Debt Securities			
Investments in Government securities at fair value through other comprehensive income (FVOCI)			
- Investment in US Government Treasury Bills	4,21,392	3,68,314	3,68,128
- Investment in Government of India Treasury Bills	4,52,621	2,31,002	2,50,867
	8,74,013	**5,99,316**	**6,18,995**
Aggregate book value of quoted investments	8,55,911	5,91,836	6,13,030
Aggregate market value of quoted investments	8,74,013	5,99,316	6,18,995
Aggregate book value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-
Note 12			
Trade Receivables			
(Unsecured, Considered Good)			
Trade Receivables outstanding for a period less than six months	3,582	3,080	3,441
Others Trade Receivables	0 *	0 *	0 *
	3,582	**3,080**	**3,441**
Note 13a			
Cash and Cash Equivalents			
Cash on Hand	0 *	0 *	0 *
Cheques on Hand	1	-	-
Balances with Banks			
- in current accounts	8,745	13,656	5,859
- in deposit accounts (original maturity of upto 3 months)	4,08,328	31,956	51,920
	4,17,074	**45,612**	**57,779**
Note 13b			
Other Bank Balances			
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date * ^ @ #	3,75,618	3,88,214	2,93,247
	3,75,618	**3,88,214**	**2,93,247**

*denotes amount less than ₹ 1 Lakh

* Includes ₹ 48,602 lakhs (31 March 2018: ₹ 63,885 lakhs; 1 April 2017 : ₹ 63,769 lakhs) earmarked for Settlement Reserve Fund

^ Includes ₹ 21,703 lakhs (31 March 2018: ₹ 26,921 lakhs; 1 April 2017 : Nil) earmarked for Contingency Reserve Fund

@ Includes ₹ 80,198 lakhs (31 March 2018: ₹ 89,100 lakhs; 1 April 2017 : ₹ 1,53,363 lakhs) are held in custody by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks amounts of ₹ 70,688 lakhs (31 March 2018: ₹ 80,865 lakhs; 1 April 2017: ₹ 1,04,155 lakhs). Outstanding Overdraft as on 31 March 2019 Nil lakhs (31 March 2018: Nil; 1 April 2017: Nil).

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 14			
Other Current Financial Assets			
(Unsecured, considered good)			
Due from Legal Entity Identifier India Limited-Subsidiary Company	65	61	23
	65	**61**	**23**
Note 15			
Other Current Assets			
(Unsecured, considered good)			
Prepaid Expenses	450	329	263
Service Tax Input Credit	-	-	210
Advance to Suppliers	181	32	48
Others	227	168	0*
	858	**529**	**521**

* denotes amount less than ₹ 1 Lakh

Note 16

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	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
Redeemable, Non Convertible, Cumulative Preference Shares of ₹10/- each*	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
Issued, subscribed and fully paid up						
Equity shares of ₹10/- each fully paid	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000

* 5,00,00,000 Nos 8.50% redeemable cumulative non-convertible preference shares of ₹10 each (total face value of ₹ 5,000) are classified as financial liability (see Note 18)

b. Reconciliation of number of equity 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
Equity shares outstanding at the beginning of the year	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
Equity shares outstanding at the end of the year	**5,00,00,000**	**5,000**	**5,00,00,000**	**5,000**	**5,00,00,000**	**5,000**

c. Particulars of shareholders holding more than 5% of equity 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
State Bank of India	84,00,000	16.80%	84,00,000	16.80%	1,06,00,000	21.20%
Life Insurance Corporation of India	50,00,000	10.00%	50,00,000	10.00%	50,00,000	10.00%
STCI Finance Limited	50,00,000	10.00%	50,00,000	10.00%	50,00,000	10.00%
IDBI Bank Limited	Nil	Nil	12,50,000	2.50%	37,50,000	7.50%
ICICI Bank Limited	49,50,000	9.90%	49,50,000	9.90%	27,50,000	5.50%
HDFC Bank Limited	45,00,000	9.00%	25,00,000	5.00%	25,00,000	5.00%

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 amount of capital paid-up on shares.

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

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.

There are no securities convertible into equity / preference shares.

There are no calls unpaid.

No shares have been forfeited.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 17			
Other Equity			
(Refer Statement of Changes in Equity)			
Settlement Reserve Fund	1,30,000	1,10,000	1,00,000
Contingency Reserve Fund	55,231	45,218	30,205
General Reserve	1,00,732	96,732	91,732
Other Comprehensive Income	480	(275)	(221)
Retained Earnings	6,383	6,739	7,191
	2,92,826	**2,58,414**	**2,28,907**

17.1 Nature and purpose of reserves

Settlement Reserve Fund

Settlement reserve fund represents amounts set aside from the profits of the Company from time to time as may be considered appropriate by the Board of Directors, to ensure that there are sufficient assigned financial resources which may be utilised for meeting claims in relation to any participants' default. Bank Deposits / Current Investments amounting to ₹ 1,10,000 lakhs (31 March 2018: ₹ 1,00,000 lakhs; 1 April 2017: ₹ 1,00,081 lakhs) are earmarked for this purpose.

Contingency Reserve Fund

Contingency reserve fund represents amounts set aside from the profits of the Company from, time to time as may be considered appropriate by the Board of Directors to ensure that there are sufficient assigned financial resources which may be utilised for meeting Non-default losses. Bank deposits / Current investments amounting to ₹ 45,218 lakhs (31 March 2018: ₹ 30,205 lakhs; 1 April 2017: Nil) are earmarked for this purpose.

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 and fair valuation gain or loss on investments clasified as FVOCI.

Retained Earnings

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 18			
Borrowings			
Redeemable Preference Shares (Unsecured)			
- 8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS II)	5,000	5,000	-
	5,000	5,000	-

Terms of preference shares:

The Company has only one class of Preference Shares being Redeemable, Cumulative, Non-convertible and Non-participating Preference Shares. The shareholders have right to vote only on resolutions which directly affect their interest. The Preference Shareholders are entitled to dividend @ 8.50% p.a.and shares are redeemable on March 22, 2023 (Previous Year - redeemable on March 23,2018). In the event of liquidation, Preference Shares will have preferential right of return of amount paid-up on the shares together with the arrears of cumulative preferential dividend, if any, due on the date of winding up but shall not have further right or claim over the surplus assets of the Company.

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 19			
Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities			
Difference between book base and tax base of property, plant and equipment and intangible assets	1,936	1,816	1,883
Fair valuation of investments carried at FVOCI	272	-	-
Fair valuation of variable compensation	15	13	15
	2,223	1,829	1,898
Deferred Tax Assets			
Tax Disallowances	486	462	453
Investments measured using EIR	5	18	16
Fair valuation of investments carried at FVOCI	-	148	117
	491	628	586
Deferred Tax Assets (Net) / (Deferred Tax Liabilities (Net))	**1,732**	**1,201**	**1,312**
Note 20			
Long Term Provisions			
Provision for Employee Benefits:			
- Gratuity (Refer Note 41)	-	-	22
- Leave Encashment	1,022	990	887
- Others	354	275	356
	1,376	**1,265**	**1,265**
Note 21			
Current Borrowings			
Line of Credit from a Bank	-	6	-
	-	**6**	**-**
Note 22			
Trade Payables			
Total outstanding due to micro and small enterprises	11	17	8
Total outstanding due to creditors other than micro and small enterprises.	256	245	222
	267	262	230
Note 23			
Other Current Financial Liabilities			
Interest accrued but not due	8,579	4,564	2,427
Deposits from Members ##	10,00,044	7,79,471	7,37,877
Prefunded Settlement Obligations	3,79,750	-	19,452

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 23 (Contd.)			
Due to Clearcorp Dealing Systems (India) Ltd. (Subsidiary Co.)	82	140	153
Other Liabilities ^	396	368	342
Creditors for Capital Expenses*	792	742	575
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS I)	-	-	5,000
Dividend on Redeemable Preference Shares Classified as Financial Liabilities (including related Dividend Distribution Tax)	512	14	512
	13,90,155	**7,85,299**	**7,66,338**

* Creditors for Capital Expenses includes amount less than ₹ 1 lakh (31 March 2018 and 1 April 2017 - amount less than ₹ 1 lakh) due to Micro and Small Enterprises.

^ Other Liabilities includes ₹ 24 lakhs (31 March 2018: ₹ 20 lakhs, 1 April 2017: ₹ 31 lakhs) due to Micro and Small Enterprises.

Deposits from members represents collaterals received in the form of cash. Total collaterals received from members and outstanding at the end of the year are as under :

Particulars	Cash Collaterals	Govt. Securities #	Guarantees**
As at 31 March 2019			
Securities Settlement	3,93,975	51,86,371	-
Forex Settlement *	4,45,825	-	-
TREPS Settlement	65,520	3,12,90,727	3,55,000
Default Funds	94,724	6,20,594	-
Total	**10,00,044**	**3,70,97,692**	**3,55,000**
As at 31 March 2018			
Securities Settlement	3,02,822	47,20,670	-
Forex Settlement	3,76,692	-	-
CBLO Settlement	47,405	3,13,27,050	4,15,000
Default Funds	52,552	5,59,555	-
Total	**7,79,471**	**3,66,07,275**	**4,15,000**
As at 1 April 2017			
Securities Settlement	2,80,140	43,16,759	-
Forex Settlement	3,81,511	-	-
CBLO Settlement	40,291	2,97,36,663	3,65,000
Default Funds	35,935	4,85,300	-
Total	**7,37,877**	**3,45,38,722**	**3,65,000**

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 23 (Contd.)			
The Collaterals received in the form of cash have been invested as under and are included in respective accounts:			
US Government Treasury Bills (under Current Investments)	4,18,804	3,67,200	3,67,748
Government of India Treasury Bills (under Current Investments)	2,99,419	1,32,539	1,72,386
Balance in Bank Accounts (under Cash and Cash Equivalents)			
- In Current Accounts	2,817	9,963	3,456
- In Deposit Accounts	2,79,004	2,69,769	1,94,287
	10,00,044	**7,79,471**	**7,37,877**

Collaterals received in the form of Government Securities are held by the Company under it's Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.

* Equivalent to US Dollars 6,44,523 thousands (31 March 2019 - US Dollars 5,79,133 thousands, 1 April 2017 - US Dollars 5,88,401 thousands).

** The Company has accepted Bank Guarantees as additional collaterals.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 24			
Other Current Liabilities			
Statutory Dues	434	506	214
	434	**506**	**214**
Note 25			
Short Term Provisions			
Provision for Employee Benefits:			
- Leave Encashment	134	128	208
- Others	1,061	966	1,010
	1,195	**1,094**	**1,218**
Note 26			
Current Tax Liabilities (Net)			
Provision for taxation (Net of Advance Tax)	67	103	2
	67	**103**	**2**

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 27		
Income from Operations		
- Transaction Charges - Securities Settlement - Outright Trades	15,953	19,113
- Transaction Charges - Securities Settlement - Repo Trades	4,059	3,908
- Transaction Charges - CBLO Settlement	1,596	2,525
- Transaction Charges - TREPS Settlement Segment	1,108	-
- Transaction Charges - Forex Settlement	5,335	4,855
- Transaction Charges - CLS Settlement	2,375	2,084
- Trade Processing Charges - Trade Repository	697	343

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- Portfolio Compression Charges	659	308
- Forex Forward Charges	2,020	2,030
- Derivatives Charges	1,859	860
- Other Fees and Charges	211	231
	35,872	**36,257**

Note 28

Other Operating Revenues

Interest / Income on investments made out of operational funds		
- Income on Current Investments	23,548	14,372
- Interest on Fixed Deposits with Banks	17,807	11,790
	41,355	26,162
Less : Interest Paid on Deposits from Members	21,198	11,825
	20,157	**14,337**

Note 29

Other Income

Interest / Income on investments made out of own funds		
- on Current Investments	7,952	6,232
- on Fixed Deposits with Banks	9,116	7,793
Profit on Sale of Property, Plant and Equipments (Net)	0*	0*
Profit on Foreign Currency Transactions and Translation (Net)	36	40
Business Support / Management Charges from Subsidiary Companies	727	636
Others	86	78
	17,917	**14,779**

* denotes amount less than ₹ 1 Lakh

Note 30

Employee Benefits Expenses

Salaries	3,824	3,462
Contribution to Provident and other funds (Refer Note 41)	528	507
Staff Welfare Expenses	181	162
	4,533	4,131

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 31		
Finance Cost		
Line of Credit Commitment and Other Charges	1,564	1,461
Dividend on preference shares	512	513
Interest on Taxes	18	5
Interest on Others	27	31
	2,121	2,010
Note 32		
Depreciation		
Depreciation of property, plant and equipment (Refer Note 4)	655	600
Amortisation of intangible assets (Refer Note 5)	1,982	1,388
	2,637	1,988
Note 33		
Other Expenses		
Power and Fuel	425	405
Repairs and Maintenance -Buildings	80	79
Repairs and Maintenance -Computer Systems and Equipment	2,238	1,800
Repairs and Maintenance -Others	113	109
Insurance	15	13
Rates and Taxes	154	124
Communication Expenses	272	243
CLS Settlement Charges	1,525	1,343
Expenditure towards Corporate Social Responsibility	1,035	1,088
Professional Fees	387	266
Directors' Sitting Fees	75	63
- Audit Fees	13	13
- Reimbursement of Expenses	-	0 *
Sharing of Income with Subsidiary Company		
- Transaction Charges - Securities Settlement	1,911	1,860
- Transaction Charges - Forex Settlement	529	640
- Derivatives Charges	5	1
Others	859	655
	9,636	**8,702**

* denotes amount less than ₹ 1 Lakh

Note 34

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	19,428	17,259
Changes in estimates related to prior period	-	-
	19,428	17,259
Deferred tax expense		
Origination and reversal of temporary differences	126	(83)
	126	(83)
Tax expense for the year	**19,554**	**17,176**

(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 liability (asset)	(42)	15	(27)	4	(2)	2
Items that will be reclassified to profit or loss						
Investments measured at FVOCI	1,202	(420)	782	(86)	30	(56)
	1,160	**(405)**	**755**	**(82)**	**28**	**(54)**

(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	55,019	48,542
Statutory income tax rate	34.944	34.608
Expected income tax expense	19,226	16,799

Note 34 (Contd.)

(c) Reconciliation of effective tax rate

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Expenses not allowed under Income tax		
- Municipal tax considered under Income from House Property	0*	0*
- Expenditure towards Corporate Social Responsibilities	433	377
- Interest U/s 234 of Income Tax Act	6	0*
- Interest on Late payment of TDS	0*	0*
- Others	0*	
Income credited to Statement of Profit & Loss to be considered separately	-	-
- Rent on Residential Flat let out	(5)	(5)
Deduction u/s 80G	(258)	(234)
Income from House Property	4	3
Deferred tax created on indexation benefit of land	-	-
Deferred tax not created on reclassification of dividend	-	178
Others	(26)	57
Changes due to change in tax rate	174	1
Total tax expense	**19,554**	**17,176**
Current tax	19,428	17,259
Deferred tax	126	(83)
	19,554	17,176

* denotes amount less than ₹ 1 lakh

(d) Movement in deferred tax balances

(₹ in lakhs)

					As at 31 March 2019		
	Net Balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Others (Equity)	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	1,816	120			1,936		1,936
Fair valuation of investments carried at FVOCI	-	(148)	420		272		272
Fair valuation of variable compensation	13	3			15		15

Note 34 (Contd.)

(d) Movement in deferred tax balances

	Net Balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Others (Equity)	As at 31 March 2019: Net deferred tax asset/ liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Indexation benefit of freehold land	-	-			-	-	-
Tax disallowances	(462)	(10)	(15)		(486)	(486)	-
Remeasurment of defined benefit obligation	-	-					
Investments measured using EIR	(18)	13			(5)	(5)	
Fair valuation of variable compensation	-	-			-	-	
Fair valuation of investments carried at FVOCI	(148)	148			-		
Tax assets (Liabilities)	**1,201**	**126**	**405**	**-**	**1,732**	**(491)**	**2,223**
Set off tax							
Net tax assets	**1,201**	**126**	**405**	**-**	**1,732**	**(491)**	**2,223**

(e) Movement in deferred tax balances

(₹ in lakhs)

	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Others (Equity)	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	1,883	(67)	-		1,816	-	1,816
Fair valuation of investments carried at FVOCI	-	30	(30)		-	-	-
Fair valuation of variable compensation	15	(3)	-		13	-	13
Deferred tax asset							
Indexation benefit of freehold land	-	-	-		-	-	-
Tax disallowances	(453)	(8)	-		(462)	(462)	-
Remeasurment of defined benefit obligation	-	(2)	2		-	-	
Investments measured using EIR	(16)	(2)	-		(18)	(18)	
Fair valuation of variable compensation	-	-	-		-	-	
Fair valuation of investments carried at FVOCI	(117)	(31)	-		(148)	(148)	
Tax assets (Liabilities)	**1,312**	**(83)**	**(28)**	**-**	**1,201**	**(628)**	**1,829**
Set off tax							
Net tax assets	**1,312**	**(83)**	**(28)**	**-**	**1,201**	**(628)**	**1,829**

The company offsets tax assets and liabilities fond only fit 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 levies 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 period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Note 35

Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(₹ 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	35,465	31,366
	35,465	**31,366**
ii. Weighted average number of ordinary shares		
Number of shares oustanding at the beginning of the year	5,00,00,000	5,00,00,000
Add/(Less): Effect of shares issued/ (bought back)		
Weighted average number of shares for calculating basic EPS	**5,00,00,000**	**5,00,00,000**
Effect of dilution		
Share options	-	-
Weighted average number of shares for calculating diluted EPS	**5,00,00,000**	**5,00,00,000**
iii. Basic earnings per share (₹)	70.93	62.73
iv. Diluted earnings per share (₹)	70.93	62.73

Note 36

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	-	-	30	30	-	-	-	-
Other non current financial assets	-	-	4,055	4,055	-	-	-	-
Current investments								
- Investment in US Government Treasury Bills	-	4,21,392	-	4,21,392	-	4,21,392	-	4,21,392
- Investment in Government of India Treasury Bills	-	4,52,621	-	4,52,621	58,628	3,93,993	-	4,52,621
Trade receivables	-	-	3,582	3,582	-	-	-	
Cash and cash equivalents	-	-	4,17,074	4,17,074	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	3,75,618	3,75,618	-	-	-	-
Current loans	-	-	-	-	-	-	-	-
Derivative instruments	-	-	-	-	-	-	-	-
Other current financial assets	-	-	65	65	-	-	-	-
	-	**8,74,013**	**8,00,424**	**16,74,437**	**58,628**	**8,15,385**	-	**8,74,013**
Financial Liabilities								
Borrowings (Preference Shares)	-	-	5,000	5,000	-	-	-	-
Trade payables	-	-	267	267	-	-	-	-
Other current financial liabilities	-	-	13,90,155	13,90,155	-	-	-	-
	-	-	**13,95,422**	**13,95,422**	-	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above

Note 36 (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 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	-	-	65	65	-	-	-	-
Other non current financial assets	-	-	-	-	-	-	-	-
Current investments					-			
- Investment in US Government Treasury Bills	-	3,68,314	-	3,68,314	-	3,68,314	-	3,68,314
- Investment in Government of India Treasury Bills	-	2,31,002	-	2,31,002	23,282	2,07,720	-	2,31,002
Trade receivables	-	-	3,080	3,080		-	-	-
Cash and cash equivalents	-	-	45,612	45,612	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	3,88,214	3,88,214	-	-	-	-
Other current financial assets	-	-	61	61	-	-	-	-
	-	**5,99,316**	**4,37,031**	**10,36,347**	**23,282**	**5,76,033**	-	**5,99,316**
Financial Liabilities								
Borrowings	-							
- Preference Shares	-	-	5,000	5,000	-	-	-	-
- Line of Credit from a Bank	-	-	6	6	-	-	-	-
Trade payables	-	-	262	262	-	-	-	-
Other current financial liabilities	-	-	7,85,299	7,85,299	-	-	-	-
	-	-	**7,90,567**	**7,90,567**	-	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above

Note 36 (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 1 April 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	-	-	65	65	-	-	-	-
Other non current financial assets	-	-	9,411	9,411	-	-	-	-
Current investments					-			
- Investment in US Government Treasury Bills	-	3,68,128	-	3,68,128	-	3,68,128	-	3,68,128
- Investment in Government of India Treasury Bills	-	2,50,867	-	2,50,867	-	2,50,867	-	2,50,867
Trade receivables	-	-	3,441	3,441	-	-	-	-
Cash and cash equivalents	-	-	57,779	57,779	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	2,93,247	2,93,247	-	-	-	-
Other current financial assets	-	-	23	23	-	-	-	-
	-	**6,18,995**	**3,63,966**	**9,82,961**	**-**	**6,18,995**	**-**	**6,18,995**
Financial Liabilities								
Borrowings			-	-	-	-	-	
Trade payables			230	230	-	-	-	-
Other current financial liabilities			7,66,338	7,66,338	-	-	-	-
								-
	-	**-**	**7,66,568**	**7,66,568**	**-**	**-**	**-**	**-**

Note: There are no other categories of financial instruments other than those mentioned above

Note 36 (Contd.)

Financial Instruments - Fair values

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.

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 on the basis of 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.
Investment in U.S.Government Securities	The fair value of treasury bills is calculated basis of the market price of these instruments as at the balance sheet date.Market price is calculated on the basis of the price published by FED Reserve.	N.A.	N.A.

Transfers between Levels

There have been no transfers between levels during the reporting periods

Note 36

Financial instruments – Fair values and Risk management (Continued)

Risk Management

Introduction

The Company's activities expose it to a number of financial risks, principally liquidity risk, credit risk and market risk (Interest rate risk and foreign exchange risk). In addition to the financial risks, the Company is also exposed to other risks such as operational, legal, compliance and reputational risk. The Company has put in place an Integrated Enterprise Risk Management Framework in order to identify, measure, monitor and effectively manage various risks it is exposed to. The framework prescribes the governance structures and responsibilities and includes written risk policies at all levels, which defines Company's s risk appetite, highlights the key risks, and describe the manner in which those risks are properly managed.

Overall responsibility for risk management rests with the Board. The Board has constituted a Committee of Directors for Risk Management (CODRM) which is responsible for developing and monitoring Risk Policies and deciding all issues relating to risk management of the Company. The Company's Senior Management is responsible for day to day overseeing of the Compliance of the Risk policiies. The Company also has a dedicated Risk Management Department which is responsible for day to day administartion of Risk Management Activity specially managing risks faced by the Company as a Central Counter Party (CCP). The Company has an elaborate Operation Audit, Internal Audit, Systems Audit and other Control Mechanisms entrusted to independednt external professionals.

a. Credit Risk

Risk Description

The Credit risk, for the Company, could arise on account of failure of a member to honor its settlement obligation or upon default by a settlement Bank. Credit risk could also arises on account of investment activity of the Company.

Risk Management Approach

The Company counters Credit Risk exposure to members by reducing the exposures through multi-lateral netting and settling transactions on Delivery Vesus Payment (DVP) or Payment versus Payment (PVP) basis and therefore does not run any Principal Credit Risk. Moreover, the Company has set criteria for membership for each type of settlement.

Most of the settlements happen in the Books of Reserve Bank of India and therefore there is no Settlement Bank Risk in respect of the same. Wherever settlements are settled through Commercial Banks, Settlement Bank Risk is mitigated by the company by prescribing stringent minimum eligibility criteria for selection of the Settlement Banks and setting of apprpriate exposure control limits.

The Company regularly invests its internally generated funds and funds received from its members towards Margin and Default funds. The Company has a detailed Investment Policy, approved by the CODRM and the Board, which prescribes eligible instruments, exposure limits, Guidelines on Risk management and other aspects relating to the investment activity. The CODRM and the Board review the Investment Policy annually. In accordance with the Investment policy the Company invests only into highly secure and liquid avenues such as Deposit with high net-worth Commercial Banks and short term Government Securities such as Government treasury Bills. The total credit risk of the Company is represented by the total financial assets of the Company. 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 and concentration limits on the amounts to be invested.

Note 36

Financial instruments – Fair values and Risk management (Continued)

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 ₹ 7,96,746 lakhs at 31 March 2019 (31 March 2018: ₹ 4,33,826 lakhs, 1 April 2017 : ₹ 3,60,436 lakhs). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit ratings.

Offsetting of financial assets and liabilities

The disclosures set out in the following tables include recongnised financial assets and financial liabilities that:

- are offset in the Company's statement of financial position; or
- are subject to an enforceable netting arrangement and other provisions under Bye laws, Rules and regulation of the Company, irrespective of whether they are offset in the statement of financial position.

The Company receives collateral in the form of cash (including US Dollars towards forex settlement) and Government securities in respect of settlement transactions pertaining to the following operations :

- security settlement;
- forex settlement; and
- derivatives.

Financial assets and financial liabilities are subject to offsetting, enforceable netting arrangements and other provisions under Bye laws, Rules and Regulations of the Company:

(₹ in lakhs)

As at 31 March 2019	Gross amounts of financial assets	Gross amounts of financial liabilites	Net amounts presented in Statement of Financial Position after setoff of financial assets & liabilities	Related amount not offset in Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
Types of financial assets						
Forex settlement (Including Forwards)	7,20,576	7,20,576	-	-	-	-
Derivative settlement (IRS)	1,04,734	1,04,734	-	-	-	-
Securities settlement (including TREPS)	3,31,633	3,31,633	-	-	-	-
Total	**11,56,943**	**11,56,943**	-	-	-	-

Note 36

Financial instruments - Fair values and Risk management (Continued)

(₹ in lakhs)

As at 31 March 2018	Gross amounts of financial assets	Gross amounts of financial liabilites	Net amounts presented in Statement of Financial Position after setoff of financial assets & liabilities	Related amount not offset in Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
Types of financial assets						
Forex settlement (Including Forwards)	2,28,778	2,28,778	-	-	-	-
Derivative settlement (IRS)	27,926	27,926	-	-	-	-
Securities settlement (including TREPS)	4,31,551	4,31,551	-	-	-	-
Total	**6,88,255**	**6,88,255**	-	-	-	-

(₹ in lakhs)

As at 1 April 2017	Gross amounts of financial assets	Gross amounts of financial liabilites	Net amounts presented in Statement of Financial Position after setoff of financial assets & liabilities	Related amount not offset in Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
Types of financial assets						
Forex settlement (Including Forwards)	5,75,498	5,75,498	-	-	-	-
Derivative settlement (IRS)	14,485	14,485	-	-	-	-
Securities settlement (including TREPS)	3,90,241	3,90,241	-	-	-	-
Total	**9,80,224**	**9,80,224**	-	-	-	-

b. **Liquidity risk**

Risk description

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due. The Company, being a Central Counter party (CCP), is required to have adequate liquid resources in order to meet liquidity requirement in case if any member fails to honour its settlement obligations. Liquidity risk also exists as a result of day to day operational flows such as repayment of cash collaterals to members, Trade payables etc.

Risk management approach

Liquidity risk is managed by ensuring that the Company has sufficient Lines of credit from the participant banks, overdraft facility against the time deposits placed with Commercial banks and easily marketable securities collected as collaterals. etc. The Company also maintains adequate balances with Banks and keeps its investments in highly liquid avenues to enable it to meet Cash collateral withdrawals by members, Trade payables, etc.

Note 36

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					
Borrowings	5,000	5,000	-	5,000	-
Trade payables	267	267	267	-	-
Other current financial liabilities	13,90,155	13,90,155	13,90,155	-	-
Total	**13,95,422**	**13,95,422**	**13,90,422**	**5,000**	**-**

		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					
Borrowings					
- Preference Shares	5,000	5,000	-	5,000	-
- Line of Credit from a Bank	6	6	6	-	-
Trade payables	262	262	262	-	-
Other current financial liabilities	7,85,299	7,85,299	7,85,299	-	-
Total	**7,90,567**	**7,90,567**	**7,85,567**	**5,000**	**-**

		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					
Borrowings	-	-	-	-	-
Trade payables	230	230	230	-	-
Other current financial liabilities	7,66,338	7,66,338	7,66,338	-	-
Total	**7,66,568**	**7,66,568**	**7,66,568**	**-**	**-**

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 provides Central Counterparty (CCP) clearing services for both cash market and derivative products. The Company settles cash transactions cleared by it on a Delivery versus Payment (or Payment versus Payment in case of currencies). The failure of a member therefore exposes it to market risk arising out of adverse movement in prices of securities cleared or adverse movements in interest rates and exchange rates. In case of derivative products like rupee derivatives and forward USD INR transactions, the company is also exposed to pre-settlement risk which is manifested in the form of market risk.

Note 36

Financial instruments – Fair values and Risk management (Continued)

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 Company is exposed to the interest rate risk due to interest paid to members, at variable rate, on the deposits received from them towrads margins and default fund contributions.

Risk Management Approach

The Company seeks to cover its market risk exposure through collection of various margins. The potential future exposure is covered by collecting Initial Margin and Volatility Margin. The current exposure is covered by collecting mark to market margins. The efficiency of the margining models is monitored closely through a rigorous daily back-testing process.

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 - INR Investments	8,32,294	6,51,171	6,05,444
Financial Assets - US Dollar Investments	8,29,720	3,68,314	3,68,128
Financial Liabilities	(5,000)	(5,006)	-
	16,57,014	10,14,479	9,73,572
Variable Rate Instruments			
Financial Assets	-	-	-
Financial Liabilities - INR (Deposits from Members)	(5,54,219)	(4,02,779)	(3,56,366)
Financial Liabilities - US Dollar (Deposits from Members)	(4,45,825)	(3,76,692)	(3,81,511)
Financial Liabilities - US Dollar (Prefunded Settlement Obligation)	(3,79,750)	-	(19,452)
	(13,79,794)	(7,79,470)	(7,57,329)
Total	**2,77,220**	**2,35,009**	**2,16,243**

Interest Rate Sensitivity Analysis

The Company aims to minimise its exposure to interest rate fluctuations. Any exposure is predominantly due to the mismatch between the Company's interest bearing assets and interest bearing liabilities (including deposits from members). Since the return paid on member liabilities is generally reset to prevailing market interest rates and after retaing a spread the Company's exposure is limited . Further, the maximum fixed exposure on any asset in the investment portfolio (including Deposits with Banks) is 13 months.

The following table shows the estimated impact of the exposure described in the paragraph above on the profit after tax and on retained earnings within shareholders' equity:

Interest Rate Sensitivity - Variable Rate Instruments

A change of 50 basis points (bps) for INR investments / liabilities and 20 basis points (bps) for US Dollar investments / liabilities in interest rates at the reporting date would have increased / decreased profit or loss by amounts shown below. This analysis assumes that all other variables remains constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the financial assets / finanacial liabilities outstanding during the year.

Note 36

Financial instruments - Fair values and Risk management (Continued)

(₹ in lakhs)

	INR INVESTMENTS / LIABILITIES Profit or Loss		US DOLLAR INVESTMENTS / LIABILITIES Profit or Loss	
	50 bp Increase	**50 bp Decrease**	**20 bp Increase**	**20 bp Decrease**
As at 31 March 2019				
Variable-rate Instruments	(2,771)	2,771	(1,651)	1,651
Cash Flow Sensitivity (Net)	**(2,771)**	**2,771**	**(1,651)**	**1,651**
As at 31 March 2018				
Variable-rate Instruments	(2,014)	2,014	(753)	753
Cash Flow Sensitivity (Net)	**(2,014)**	**2,014**	**(753)**	**753**
As at 1 April 2017				
Variable-rate Instruments	(1,782)	1,782	(802)	802
Cash Flow Sensitivity (Net)	**(1,782)**	**1,782**	**(802)**	**802**

(Note: The impact is indicated on the profit/loss before tax basis)

d. Foreign Exchange Risk

Risk Description

The functional currency of the Company is Indian Rupee. Though the Company is a Central counter party for Foreign Exchange Settlements it is not exposed to any foreign currency risk on account of its collateral and settlement operations all its settlement obligations are received and paid in respective foreign currencies. Also, collaterals are recieved and repaid in USD Dollars and Investment of collaterals are in US Dollars. Foreign Exchange Risk for the Company primiarily arises on account of foreighn 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 denominated in USD 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
Financial Assets (A)			
US Govt. Treasury Bills	4,21,392	3,68,314	3,68,128
Bank Balance in Current Accounts	4,09,497	10,679	33,678
	8,30,889	**3,78,993**	**4,01,806**
Financial Liabilities (B)			
Deposits from Members	4,45,825	3,76,692	3,81,511
Interest payable to Members	5,188	2,366	909

Note 36

Financial instruments - Fair values and Risk management (Continued)

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Expenses Payable	141	118	105
Prefunded Settlement Obligations	3,79,750	-	19,452
	8,30,904	**3,79,176**	**4,01,977**
Net Exposure (A - B)	**(15)**	**(183)**	**(171)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD at 31 March 2019 and 2018 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.

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
5% movement				
USD	(0.75)	0.75	(9.17)	9.17
	(0.75)	**0.75**	**(9.17)**	**9.17**

(**Note:** The above impact is indicated on the profit/loss before tax basis)

Note 37

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

A. Relationships –

Category I: Subsidiaries (Parties where control exists)

Clearcorp Dealing Systems (India) Limited (Clearcorp)

Legal Entity Identifier India Limited (LEIL)

Category II: Party having Substantial Interest

State Bank of India

Category III: Key Management Personnel (KMP)

Mr. R. Sridharan -Managing Director

Mrs. Usha Thorat -Chairperson (up to October 26, 2018)

<u>Non Executive Directors</u>

Mr. Bhavesh Zaveri

Mr. M S Sundara Rajan

Mr. Sankarshan Basu

Mr. Sudhir Joshi

Note 37

Related party disclosures (Continued)

Mr. Rajendra Chitale

Mr. B. Sambamurthy

Mrs. Anshula Kant (up to September 28, 2018)

Mr. Narayan K. Seshadri

Dr. G Sivakumar

Mr.C Venkat Nageswar (up to November 29, 2018)

Mr. K. K. Mahajan (up to December 26, 2018)

Mr. B. Prasanna

Mr. Satish C. Singh

Mr. Prashant Kumar (from November 16, 2018)

Ms. Meena Hemchandra (from January 23, 2019)

Other Key Management Personnel

Mr. Deepak Chande - Chief Financial Officer

Mr. Pankaj Srivastava -Company Secretary

Category IV: Other Related Parties

CCIL Employees Group Gratuity Fund Trust

CCIL Employees Superannuation 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	221	263
Post-employment defined benefit	23	16
Other long term benefits	5	5
Total	**249**	**284**

Compensation of the Company's' key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (See Note 30).

Note 37

Related party disclosures (Continued)

c) Transactions :

(₹ in lakhs)

	Particulars	Subsidiary Companies	Other Related Parties	Party having substantial interest	KMP
1)	Income from Operations	- -	- -	1,859 (2,105)	- -
2)	Business Support Charges and Other receipts	879 (750)	- -	- -	- -
3)	Rent received for residential accommodation	15 (14)	- -	- -	- -
4)	Reimbursement/Sharing of expenses - (Receipt)	287 (217)	- -	- -	- -
5)	LEI Renewal charges (Expense)	0 (0)	- -	- -	- -
6)	Collaterals Cash Received	- -	- -	43,058 (91,213)	- -
7)	Collaterals Cash Repaid	- -	- -	40,268 (1,00,584)	- -
8)	Collaterals Securities Received (at face value)	- -	- -	76,35,850 (29,32,251)	- -
9)	Collaterals Securities Returned (at face value)	- -	- -	96,13,113 (7,00,650)	- -
10)	Interest on deposits from members	- -	- -	474 (374)	- -
11)	Operational Income shared	2,884 (2,933)	- -	- -	- -
12)	Contribution to employee benefit trust	- -	412 (264)	- -	- -
13)	Director Sitting Fees	- -	- -	- -	75 (63)

Note 37

Related party disclosures (Continued)

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

(₹ in lakhs)

	Particulars		Subsidiary Companies	Party having substantial interest	Key Management Personnel
1)	Receivable	2018-19	65	127	-
		2017-18	(61)	(98)	-
		2016-17	(23)	(163)	-
2)	Payable	2018-19	82	218	5
		2017-18	(140)	(141)	(6)
		2016-17	(153)	(50)	(8)
3)	Collaterals outstanding - Cash	2018-19	-	20,042	-
		2017-18	-	(16,403)	-
		2016-17	-	(25,824)	-
4)	Collaterals outstanding - Securities (at face value)	2018-19	-	20,65,166	-
		2017-18	-	(40,42,429)	-
		2016-17	-	(18,10,828)	-

Notes:

1. "0" denotes amount less than ₹ 1 lakh.
2. Figures in brackets represent corresponding amounts in the previous year.
3. Transactions with Subsidiaries are in accordance with the terms of agreements entered into in this regard.
4. Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.
5. Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.
6. The amounts are inclusive of Service Tax / GST wherever applicable.
7. The above related party information has been disclosed to the extent such parties have been identified by the Company. This has been relied upon by the Auditors.

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 38			
Commitments			
Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for	728	378	843
	728	**378**	**843**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 39			
Contingent Liabilities			
Claims against the Company not acknowledged as debt -			
- Income Tax Demands for various assessment years disputed by the Company	666	88	55
Total	**666**	**88**	**55**

Note 40

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, 31 March 2018 and 1 April 2017. 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	35	37	39
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	-	-	-

Note 41

Employee benefits

Amounts recognised as expense:

(i) Defined contribution plan

(1) Employer’s contribution to provident fund amounting to ₹ 216 lakhs (31 March 2018: ₹ 199 lakhs) has been included in Note 30 under contribution to provident fund and other funds.

(2) Employer’s Contribution to Superannuation Fund amounting to ₹ 58 lakhs (31 March 2018: ₹ 56 lakhs) has been included in Note 30 under contribution to provident fund and other funds.

(3) Employer’s Contribution to NPS amounting to ₹ 64 lakhs (31 March 2018: ₹ 49 lakhs) has been included in Note 30 under contribution to provident fund and other funds.

Note 41

Employee benefits (Continued)

(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 an Independent Actuary.

Gratuity cost amounting to ₹ 214 (31 March 2018: ₹ 182 lakhs) has been included in Note 27 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	1,817	1,500	1,401
Fair value of plan assets as at the end of the year	1,972	1,523	1,379
Net asset / (liability) to be recognized in the balance sheet	**155**	**23**	**(22)**
Non-current portion	**-**	**-**	**22**
Current portion	-	-	-
B. Change in projected benefit obligation			
Projected benefit of obligation at the beginning of the year	1,500	1,401	1,107
Current service cost	173	184	137
Interest cost	117	104	89
Benefits paid	(19)	(185)	(66)
Actuarial (gain) / loss on obligation	46	(3)	134
Projected benefit obligation at the end of the year	**1,817**	**1,500**	1,401
C. Change in plan assets			
Fair value of plan assets at the beginning of the year	1,523	1,378	1,174
Expected return on plan assets	119	102	94
Contributions made	346	205	166
Benefits paid	(19)	(163)	(66)
Return on plan assets, excluding amount recognized in net interest expense	3	1	10
Fair value of plan assets at the end of the year	**1,972**	**1,523**	1,378
D. Amount recognised in the statement of profit and loss			
Current service cost	173	184	
Net Interest cost / (income) on the net defined benefit asset / liability	(2)	2	
Expenses recognised in the statement of profit and loss	**171**	**186**	
E. Amount recognised in other comprehensive income			
Acturial (gains) / loss			
- change in demographic assumption	(2)	(1)	
- change in financial assumption	19	(66)	
- experience variation	29	64	
Return on plan assets, excluding amount recognised in net interest expense	(3)	(1)	
	42	**(4)**	

Note 41
Employee benefits (Continued)

F. Major categories of plan assets as a percentage of total plan :

1. 100 % Insurance funds

(₹ in lakhs)

G. Assumptions used	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate	7.70%	7.80%	7.40%
Expected rate of return on assets	8.00%	8.00%	7.50%
Employee attrition rate	3.00%	3.00%	3.00%
Future salary increase	8.00%	8.00%	8.00%
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)

	As at 31 March 2019		As at 31 March 2018	
	Increase to	Decrease to	Increase to	Decrease to
Discount rate (1% movement)	1,643	2,021	1,351	1,675
Salary growth rate (1% movement)	2,018	1,641	1,673	1,350
Attrition rate (1% movement)	1,809	1,826	1,494	1,506
Mortality rate (1% movement)	1,817	1,817	1,500	1,500

I. Expected future cash flows

(₹ in lakhs)

Particulars	1 year	2 to 5 years	6 to 10 years	More than 10 years	Total
As at 31 March 2019					
Defined benefit obligations (Gratuity)	131	545	550	3,589	4,815
Total	**131**	**545**	**550**	**3,589**	**4,815**

(₹ in lakhs)

Particulars	1 year	2 to 5 years	6 to 10 years	More than 10 years	Total
As at 31 March 2018					
Defined benefit obligations (Gratuity)	110	445	429	3,217	4,200
Total	**110**	**445**	**429**	**3,217**	**4,200**

Note 42

Segment Reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

Note 43

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	1,035	1,088
Amount spent and debited to Statement of Profit and Loss during the year	1,035	1,088

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

Note 44

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

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in lakhs)

Sr. No.	Particulars		
1.	Name of the subsidiary	Clearcorp Dealing Systems (India) Limited	Legal Entity Identifier India Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.	N.A.
4.	Share Capital	1,000	450
5.	Reserves & Surplus	7,808	267
6.	Total Assets	9,573	1,082
7.	Total Liabilities	765	365
8.	Investments	1,153	-
9.	Turnover	4,211	983
10.	Profit before taxation	2,112	448
11.	Provision for taxation	623	123
12.	Profit after taxation	1,489	325
13.	Proposed Dividend	-	-
14.	% of shareholding	100	100

Notes:

1.	Names of subsidiaries which are yet to commence operations	None
2.	Names of subsidiaries which have been liquidated or sold during the year.	None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of Associates/Joint Ventures	None
2.	Latest audited Balance Sheet Date	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end	
	i.No.	N.A.
	ii. Amount of Investment in Associates/Joint Venture	N.A.
	iii.Extend of Holding %	N.A.
4.	Description of how there is significant influence	N.A.
5.	Reason why the associate/joint venture is not consolidated	N.A.
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.
	Profit / Loss for the year	
	i. Considered in Consolidation	N.A.
	i. Not Considered in Consolidation	N.A.

	Notes:	
1.	Names of associates or joint ventures which are yet to commence operations.	None
2.	Names of associates or joint ventures which have been liquidated or sold during the year.	None

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/-
M. S. Sundara Rajan
Director
(DIN:00169775)

Sd/-
Rajendra Chitale
Director
(DIN:00015986)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE CLEARING CORPORATION OF INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of ***THE CLEARING CORPORATION OF INDIA LIMITED*** ("the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 their consolidated state of affairs as at March 31, 2019, of the Consolidated Profits, Consolidated Changes in Equity and its Consolidated Cash Flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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 respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 consolidated 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 consolidated 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 section143(3) of the Act, we report to the extent applicable 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 of the aforesaid Consolidated Financial Statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act.

    e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2019 and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group Companies 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 Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) There were no pending litigations which would impact the consolidated financial position of the Group.

   ii) The Group 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 Holding Company and its subsidiary companies.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Reg. No.: 104607W / W100166

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

Mumbai: May 4, 2019

Annexure A to the Independent Auditor's Report

Referred to in Para 1(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated 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 ***THE CLEARING CORPORATION OF INDIA LIMITED*** (hereinafter referred to as "the Holding Company") and its subsidiary companies as of March 31, 2019, in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies are 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 respective 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 Holding Company and its subsidiary companies have, 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 4, 2019.

THE CLEARING CORPORATION OF INDIA LIMITED

CONSOLIDATED 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	13,910	13,738	14,175
Capital work-in-progress		1	-	-
Intangibles	5	6,157	2,253	3,022
Intangible assets under development		1,164	4,202	2,828
Non Current Loans	6	30	65	65
Other Non Current Financial Assets	7	4,451	95	9,958
Other Non Current Assets	8	536	255	27
Non Current Tax Assets (Net)	9	1,135	725	696
Total Non Current Assets		**27,384**	**21,333**	**30,771**
Current Assets				
Financial Assets				
Investments	10	8,75,166	5,99,318	6,18,995
Trade Receivables	11	3,802	3,275	3,636
Cash and cash Equivalents	12a	4,17,115	45,661	57,858
Bank balances other than cash and cash equivalents	12b	3,82,590	3,94,757	2,97,872
Other Current Assets	13	924	577	672
Total Current Assets		**16,79,597**	**10,43,588**	**9,79,033**
TOTAL ASSETS		**17,06,981**	**10,64,921**	**10,09,804**
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	5,000	5,000	5,000
Other Equity	15	3,00,860	2,64,670	2,33,672
Total Equity		**3,05,860**	**2,69,670**	**2,38,672**
Non Current Liabilities				
Financial Liabilities				
Borrowings	16	5,000	5,000	-
Deferred Tax Liabilities (Net)	17	1,647	1,119	1,350
Provisions	18	1,693	1,527	1,514
Total Non-Current Liabilities		**8,340**	**7,646**	**2,864**
Current Liabilities				
Financial Liabilities				
Borrowings	19	-	6	-
Trade Payables	20			
-Total outstanding due to micro and small enterprises		11	17	8
- Total outstanding due to creditors other than micro and small enterprises		433	321	241
Other Current Financial Liabilities	21	13,90,246	7,85,278	7,66,278
Other Current Liabilities	22	581	579	269
Provisions	23	1,435	1,293	1,408
Current Tax Liabilities (net)	24	75	111	64
Total Current Liabilities		**13,92,781**	**7,87,605**	**7,68,268**
TOTAL EQUITY AND LIABILITIES		**17,06,981**	**10,64,921**	**10,09,804**
Significant Accounting Policies and Notes to the Financial Statements	1-41			

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 4, 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/-
M. S. Sundara Rajan
Director
(DIN:00169775)

Sd/-
Rajendra Chitale
Director
(DIN:00015986)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

THE CLEARING CORPORATION OF INDIA LIMITED

CONSOLIDATED 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			
- Income from Operations	25	38,622	38,186
- Other Operating Revenues	26	20,157	14,337
Other income	27	17,659	14,497
Total Revenue		**76,438**	**67,020**
Expenses			
Employee Benefits Expense	28	5,511	4,895
Finance Costs	29	2,127	2,019
Depreciation and Amortization Expenses	30	3,101	2,635
Other Expenses	31	8,131	6,873
Total Expenses		**18,870**	**16,422**
Profit Before Tax		**57,568**	**50,598**
Tax Expense:			
Current Tax	32	20,159	17,940
Deferred Tax Expense / (Income)	32	123	(196)
MAT credit entitlement	32	11	(11)
Tax adjustments for earlier years	32	7	-
Total Tax Expenses		**20,300**	**17,733**
Profit After Tax		**37,268**	**32,865**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of defined benefit plans		(81)	(7)
- Income tax relating to items that will not be reclassified to Profit or Loss		26	2
		(55)	(5)
Items that will be reclassified to Profit and Loss			
- Investments measured at FVOCI		1,206	(86)
- Income Tax relating to items that will be reclassified to profit or loss		(421)	30
		785	(56)
Other Comprehensive Income for the year, net of Income Tax		**730**	**(61)**
Total Comprehensive Income for the year		**37,998**	**32,804**
Earnings per Equity Share			
Basic Earnings per Share		74.54	65.73
Diluted Earnings per Share		74.54	65.73
(Equity Share of face value of ₹ 10 each)			

* 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 4, 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/-
M. S. Sundara Rajan
Director
(DIN:00169775)

Sd/-
Rajendra Chitale
Director
(DIN:00015986)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

CONSOLIDATED 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	57,568	50,598
		-	-
	Adjustments for	-	-
	Depreciation and amortisation expense	3,101	2,635
	Unrealised (gain) / loss on exchange	(36)	(40)
	Interest on taxes	0*	5
	Interest income on investments made out of own funds	(17,604)	(14,430)
	Provision written back	(6)	(21)
	Profit/(Loss) on Sale of Propery, Plant and Equipment (net)	(0)*	(0)*
	Remeasurement of defined benefit obligation	(81)	(7)
	Fair valuation of variable pay	(41)	(27)
	Provision for Dividend on Preference Share	512	513
	Finance cost	32	36
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**43,445**	**39,262**
	Adjustments		
	Decrease/(Increase) in Trade Receivables	(527)	361
	Decrease/(Increase) non current loans	(132)	52
	Decrease/(Increase) in Other Non-Current / Current Assets	(2,43,844)	(36,780)
	Increase/(Decrease) in Trade Payables	107	89
	Increase/(Decrease) in Other Current Financial Liabilities	6,04,490	25,021
	Increase/(Decrease) in Other Liabilities and Provisions	398	(71)
	CASH GENERATED FROM OPERATING ACTIVITIES	**4,03,937**	**27,933**
	Taxes paid (net of refund)	(20,613)	(17,920)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**3,83,324**	**10,013**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(839)	(166)
	Purchase of intangible assets	(6,349)	(1,261)
	Capital work-in-progress	(1)	-
	Expenses on intangible assets under development	3,138	0*
	Expenses on intangible assets under development	(89)	(1,374)
	Sale of Fixed Assets	0*	0*
	Purchase of Government of India Treasury Bills out of Own Funds	(1,38,804)	(1,01,290)
	Redemption of T Bills with Government of India made out of Own Funds	92,097	82,090
	Placement of Fixed Deposits with Banks made out of Own Funds	(1,14,054)	(1,45,213)

* denotes amount less than ₹ 1 Lakh

THE CLEARING CORPORATION OF INDIA LIMITED

CONSOLIDATED 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
Redemption of Fixed Deposits with Banks made out of Own Funds	1,40,709	1,33,978
Interest income	14,144	13,843
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)	**(10,048)**	**(19,393)**
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Preference Shares (RNCPS II)	-	5,000
Redemption of Preference Shares (RNCPS I)	-	(5,000)
Dividend/Dividend Distribution Tax paid	(1,822)	(2,817)
Net cash used by Financing activities (C)	**(1,822)**	**(2,817)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**3,71,454**	**(12,197)**
Cash and Cash Equivalents at the beginning of the year	45,661	57,858
Cash and Cash Equivalents at the end of the year	**4,17,115**	**45,661**

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 4, 2019

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

Sd/-	Sd/-	Sd/-
R. Sridharan	**M. S. Sundara Rajan**	**Rajendra Chitale**
Managing Director	Director	Director
(DIN:00868787)	(DIN:00169775)	(DIN:00015986)
Sd/-	Sd/-	
Deepak Chande	**Pankaj Srivastava**	
Chief Financial Officer	Company Secretary	

THE CLEARING CORPORATION OF INDIA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31 MARCH, 2019

Consolidated statement of changes in equity (SOCIE) for the year ended 31 march, 2019 (₹ in lakhs)

A Equity share capital	Note	
Balance as at 1 April 2017	14	5,000
Changes in equity share capital during the period		-
Balance as at 31 March 2018	14	5,000
Changes in equity share capital during the period		-
Balance as at 31 March 2019	14	5,000

B Other Equity (₹ in lakhs)

	Reserves and surplus				Other comprehensive income		Total
	Settlement reserve fund	General reserve	Contingency reserve fund	Retained earnings	Fair valuation of Debt instruments measured at FVOCI	Remeasurement of defined benefit plan	
Balance as at 1 April 2017	**1,00,000**	**91,756**	**30,205**	**11,932**	**(221)**	**-**	**233,673**
Profit for the year	-	-	-	32,865	-	-	32,865
Gain/loss on re-measurement of defined benefit plans	-	-	-		-	(6)	(6)
Fair value changes in investments measured at OCI	**-**	**-**	**-**		**(56)**	**-**	**(56)**
Total comprehensive income	-	-	-	**32,865**	**(56)**	**(6)**	**32,803**
Dividend paid on equity shares	-	-	-	(1,805)	-	-	(1,805)
Transferred from Retained earnings	10,000	5,000	15,013	(30,013)	-	-	-
Tax on buy back of equity shares	-	-	-	-	-	-	-
Balance as at 31 March 2018	**1,10,000**	**96,756**	**45,218**	**12,979**	**(277)**	**(6)**	**2,64,670**
Balance as at 1 April 2018	**1,10,000**	**96,756**	**45,218**	**12,979**	**(277)**	**(6)**	**2,64,670**
Profit for the year	-	-	-	37,268	-	-	37,268
Fair value changes in investments measured at OCI	-	-	-	-	785		785
Gain/loss on re-measurement of defined benefit plans	-	-	-		-	(54)	(54)
Total comprehensive income	**-**	**-**	**-**	**37,268**	**785**	**(54)**	**37,999**
Dividend paid on equity shares	**-**	**-**	**-**	**(1,808)**	**-**	-	(1,808)
Transferred from Retained earnings	20,000	4,000	10,013	(34,013)	**-**	-	-
Tax on buy back of equity shares	-	-	-	-	-	-	-
Balance as at 31 March 2019	**1,30,000**	**1,00,756**	**55,231**	**14,426**	**507**	**(60)**	**300,860**

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 4, 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/-
M. S. Sundara Rajan
Director
(DIN:00169775)

Sd/-
Rajendra Chitale
Director
(DIN:00015986)

Sd/-
Deepak Chande
Chief Financial Officer

Sd/-
Pankaj Srivastava
Company Secretary

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

1 Background of the Company and nature of operations

The Consolidated Financial Statements relates to The Clearing Corporation of India Limited ('the Company' or 'the Parent Company') and its wholly owned subsidiaries namely Clearcorp Dealing Systems (India) Limited and Legal Entity Identifier India Limited ('the Subsidiary Companies'), collectively referred to as 'the Group'.

The Clearing Corporation of India Limited provides clearing and settlement services for the transactions in the Money Market, Government Securities Market, Foreign Exchange Market, etc. and carries out related activities. The Company acts as a central counterparty for the trades executed by its members and extends settlement guarantee in terms of the Bye-laws, Rules and Regulations for various types of operations. The Company is authorized as a Payment System provider under 'The Payment and Settlement Systems Act, 2007' by Reserve Bank of India.

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

Legal Entity Identifier India Limited ('the Company') is the Local Operating Unit (LOU) for the issuance, maintenance and provision of Legal Entity Identifier (LEI) services in India. The LEI is a global reference number that uniquely identifies every legal entity or structure that is party to a financial transaction, in any jurisdiction. The Company has been recognized by the Reserve Bank of India as an "Issuer" of Legal Entity Identifiers under the Payment and Settlement Systems Act, 2007, and accredited by the Global Legal Entity Identifier Foundation (GLEIF) as a LOU for issuance and management of LEI's.

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of preparation and measurement

(a) <u>Basis of preparation</u>

These consolidated 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 Group's consolidated 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 Group was covered under the IND-AS road map prescribed by the Ministry of Corporate Affairs (MCA) with effect from April 01, 2016. However, the Reserve Bank of India (RBI) had deferred the applicability of IND-AS for banks. Accordingly, the MCA had issued a clarification regarding the deferment of applicability of IND-AS to the associates, subsidiaries and joint ventures of banks upto March 31, 2018. The Company, being an associate of State Bank of India continued to prepare its financial statements in the previous GAAP. Now, though the RBI has further deferred the applicability of IND-AS for banks, no deferment has been notified by the MCA for associates, subsidiaries and joint ventures of banks. Accordingly, IND-AS has become applicable to the Group with effect from April 01, 2018.

These consolidated financial statements are the Group's first Ind AS consoldiated financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Group's equity financial position, financial performance and its cash flows is provided in Note 3.

The conslidated Ind AS financial statements were authorized for issue by the Company's Board of Directors on 4th May, 2019.

The consolidated financial statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statement, including the preparation of the opening Ind AS balance sheet as at April 01, 2017, being the date of transition to Ind AS.

Current vs non-current classification

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

(b) Basis of measurement

These consoliated 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.

(c) Basis of consolidation

The consolidated financial statements of the Parent Company and the Subsidiaries have been prepared in accordance with the consolidation procedures prescribed under Ind AS 110 'Consolidated Financial Statements'.

The consolidated financial statements have been prepared on the following basis:

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Particulars of the subsidiaries

Name of the Company	Country of Incorporation	Subsidiary w.e.f.	Percentage of holding		
			As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Clearcorp Dealing Systems (India) Limited	India	11.06.2003	100%	100%	100%
Legal Entity Identifier India Limited	India	05.10.2015	100%	100%	100%

2.2 Key estimates and assumptions

In preparing these consolidated 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 2.5(a))

ii. Determination of the estimated useful lives of intangible assets and determining intangible assets having an indefinite useful life; (Note 2.5(b)

iii. Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used; (Note 2.5(j))

iv. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.5(g))

v. Fair value of financial instruments (Note 34)

vi. Recognition and measurement of defined benefit obligations, key actuarial assumptions; (Note 2.5(i))

2.3 Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. The Group 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 Group 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 Group 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 Group is in the process of analysing the impact of new lease standard on its financial statements.

2.4 b) Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's consolidated 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 Group 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 following:

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

b) Furniture and fittings (Chairs), which are depreciated over 5 Years, and;

c) Non Carpeted Road, which is depreciated over 5 Years.

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)
Buildings - Residential	60	5
Buildings - Office	60	-
Non-carpeted road	5	-
Computer Systems - hardware	3 to 6	-
Electrical installations and equipments	10	-
Furniture and fittings	5 to 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 asset's 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 Group 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 at

- 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 Group 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 Group 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:

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.

Dividend Income on equity investments is recognized when the right to receive is established.

Debt instruments at amortized cost

A debt instrument' is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

(iii) 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 Group's balance sheet) when:

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

(ii) The Group 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 Group has transferred substantially all the risks and rewards of the asset, or

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

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

(iv) Impairment of financial assets

The Group recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Group 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

(i) Recognition and initial measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit or loss. Any gain or loss on derecognition is also recognised in Statement of profit or loss.

(iii) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharges, cancelled or expires.

3. 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 Group's cash management.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group 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 Group.

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.

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 services is recognized as and when the service is performed as per the relevant agreements.

(ii) Other revenue income is recognised as and when services are rendered and 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 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 Group 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 Group 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.

k) Foreign currency transactions

Functional and Presentation currency

The Groups's financial statements are prepared in Indian Rupees (INR) which is also Group'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 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:

ic 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.

n) As per Ind AS-108 'Operating segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS -108 'Operating segments' as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 'Operating segments' has been given in the consolidated financial statements. (Note 42)

Note 3

Explanation of transition to Ind AS:

These are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Group had prepared its consolidated 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 consolidated financial statements for the current year have been prepared under Ind AS. Previous year's figures have been regrouped, to confirm current year's presentation.

The accounting policies set out in note 2 have been applied in preparing these consoldiated 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 Group has adjusted amounts reported in the consolidated 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 Group 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 Group 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 Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI

- 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, the Group 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.

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED 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		**2,42,023**	**2,73,010**
Summary of Ind AS adjustments			
Preference share capital considered as liability under Ind AS	1	(5,000)	(5,000)
Investments carried at FVOCI - GOI T-bills			
- Reversal of provision for diminution created under IGAAP	2	-	95
- Effective interest rate (EIR) adjustments on investments	3	(43)	(38)
- Marked-to-Market (MTM) Gain / (Loss) on investments	4	(252)	(334)
Investments carried at FVOCI - US T-bills			
- Reversal of provision for diminution created under IGAAP	2	88	108
- Effective interest rate (EIR) adjustments on investments	3	(3)	(13)
- Marked-to-Market (MTM) Gain / (Loss) on investments	4	(86)	(90)
Reversal of provision for proposed dividend (along with tax) on equity shares	1	1,805	1,808
Present valuation of provision for variable pay	5	53	44
Deferred tax on Ind AS	7	87	80
Total Ind AS adjustments		**(3,350)**	**(3,340)**
Net worth under Ind AS		**2,38,672**	**2,69,670**

Reconciliation of total comprehensive income as per previous GAAP and that computed under Ind AS

(₹ in lakhs)

Particulars	Note	31 March 2018
Profits as per previous GAAP		**33,308**
Summary of Ind AS adjustments		
In the statement of profit and loss:		
Preference dividend (related tax thereon) reclassified as finance cost	1	(513)
Reversal of provision for diminution created under IGAAP for GOI and US Tbills	2	117
Investments carried at FVOCI - GOI T-bills		
- EIR adjustments on investments	3	4
Investments carried at FVOCI - US T-bills		
- EIR adjustments on investments	3	(13)
Interest unwinding on provision for variable pay (liability)	5	(31)
Discounting of provision for variable pay	5	22
Remeasurements to defined benefit obligation	6	8
In other comprehensive income:		
Items that will not be reclassified to profit and loss		
- Remeasurements of the defined benefit plans	6	(7)
- Income tax relating to items that will not be reclassified to profit or loss	7	1

(₹ in lakhs)

Particulars	Note	31 March 2018
Items that will be reclassified to profit and loss		
- Investments measured at FVOCI	4	(86)
- Income tax relating to items that will be reclassified to profit or loss	7	30
Deferred tax on Ind AS	7	(36)
Total Ind AS adjustments		**(504)**
Total comprehensive income as per Ind AS		**32,804**

Reconciliation of Cash flows as per previous GAAP and that computed under Ind AS

(₹ in lakhs)

Particulars	Notes	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities	8	10,013	(0)	10,013
Net cash flow from investing activities	8	(19,393)	0	(19,393)
Net cash flow from financing activities	8	(2,817)	-	(2,817)
Net increase in cash and cash equivalents	8	(12,197)	(0)	(12,197)
Cash and cash equivalents as on April 1, 2017	8	57,858	(0)	57,858
Cash and cash equivalents as on March 31, 2018	8	45,661	-	45,661

Notes to the reconciliation:

1. **Redeemable, Non Convertible, Cumulative Preference Shares**

   In case of a redeemable preference shares, an entity has an obligation to pay cash (for both dividends and repayment of principal) to the holders of the instrument. Accordingly under Ind AS the preference shares issued by the Group shall be classifed as a liability, since the preference shares are mandatorily redeemable on 22 March 2023 and the dividend payout is cumulative. Further the dividend (including the dividend distribution tax) shall be classified as finance cost.

2. **Reversal of provision for diminution created under IGAAP for GOI and US Tbills**

   As per Ind AS 109, Governemnt of India and US Treasury Bills are measured at FVOCI and subject to expected credit loss (ECL). Accordingly provision for dimunition in the value of investment, created under IGAAP is reversed.

3. **EIR adjustments on investments**

   The treasury bills, are issued at a discount and redeemed at face value upon maturity. Currently under Previous GAAP the discount on T bills is accreted on straight line basis, however as per Ind AS 109 the Group has accrued such discount on EIR basis.

4. **MTM Gain / (Loss) on investment**

   The investment in treasury bills is a financial asset that meets the held to collect and sale criteria (business model test) referred to in Ind AS 109 and have thus been classified as Fair value through other comprehensive income (FVOCI). Accordingly any gains / (losses) arising on the fair valuation of the treasury bills on the reporting date shall be recorded in the other comprehensive income.

5. Fair valuation of long term variable pay to employees

The Group 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 18 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.

6. Remeasurement of defined benefit obligation

Both under Previous GAAP and Ind AS the Group 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.

7. 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.

8. 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 Group 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).

2. Deemed cost for investment in subsidiary, joint controlled entities and associates

The Group has elected to continue with the carrying value of its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Group has measured all its investments in subsidiaries at their previous GAAP carrying value.

Note 4 - Property, plant and equipment

A. Reconciliation of carrying amount

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

(₹ in lakhs)

DESCRIPTION	Freehold land	Buildings - Residential	Buildings - Office	Furniture and Fixtures	Electrical Installations and Equipement	Office Equipment	Computers	Non Carpeted Road	Total
Cost as at 1 April 2018	1,320	921	10,357	130	453	50	1,085	24	14,340
Additions	-	38	-	2	-	20	779	-	840
Disposals	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2019 (A)	1,320	959	10,357	133	453	71	1,864	24	15,180
Accumulated depreciation as at 1 April 2018	-	17	171	30	98	18	264	5	603
Depreciation charged during the year	-	17	172	30	99	11	333	5	667
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2019 (B)	-	34	343	60	198	29	597	11	1,271
Net carrying amount as at 31 March 2019 (A) - (B)	1,320	925	10,014	73	255	42	1,267	13	13,910

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

(₹ in lakhs)

DESCRIPTION	Freehold land	Buildings - Residential	Buildings - Office	Furniture and Fixtures	Electrical Installations and Equipement	Office Equipment	Computers	Non Carpeted Road	Total
Cost as at 1 April 2017	1,320	921	10,357	128	453	42	930	24	14,175
Additions	-	-	-	2	-	8	155	-	166
Disposals	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2018 (A)	1,320	921	10,357	130	453	50	1,085	24	14,341
Accumulated depreciation as at 1 April 2017	-	-	-	-	-	-	-	-	-
Depreciation charged during the year	-	17	171	30	98	18	264	5	603
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2018 (B)	-	17	171	30	98	18	264	5	603
Net carrying amount as at 31 March 2018 (A) - (B)	1,320	904	10,186	100	355	32	821	19	13,738
Net carrying amount as at 1 April, 2017	1,320	921	10,357	128	453	42	930	24	14,175

Note 4 - Property, plant and equipment

A. Reconciliation of carrying amount

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

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 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	Freehold land	Buildings - Residential	Buildings - Office	Furniture and Fixtures	Electrical Installations and Equipement	Office Equipment	Computers	Non Carpeted Road	Total
Gross Block	1,320	1,139	11,370	586	1,568	900	3,933	27	20,842
Accumulated Depreciation	-	218	1,013	457	1,115	858	3,003	3	6,667
Net Block	**1,320**	**921**	**10,357**	**128**	**453**	**42**	**930**	**24**	**14,175**

Notes :

1. Freehold Land represents allocated cost of land related to Company's office building at Dadar (Mumbai), the conveyance for which is yet to be executed in favour of the Company.
2. Cost of building under Building - Residential" includes ¤14,000 paid towards 14 shares of ¤1,000 each in an Apartment Condominium.

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

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	4,283
Additions	6,338
Disposals	-
Cost as at 31 March 2019 (A)	**10,622**
Accumulated amortisation as at 1 April 2018	2,032
Amortisation recognised for the year	2,433
Disposals	-
Accumulated amortisation as at 31 March 2019 (B)	**4,465**
Net carrying amount as at 31 March 2019 (A) - (B)	**6,157**

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	3,022
Additions	1,261
Disposals	-
Cost as at 31 March 2018 (A)	**4,283**
Accumulated amortisation as at 1 April 2017	-
Amortisation recognised for the year	2,032
Disposals	-
Accumulated amortisation as at 31 March 2018 (B)	2,032
Net carrying amount as at 31 March 2018 (A)- (B)	**2,253**

Changes in the carrying value of intangibles as at 1 April 2017:

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	16,344
Accumulated amortisation / impairment	13,322
Net Block	**3,022**

THE CLEARING CORPORATION OF INDIA LIMITED

NOTES TO THE CONSOLIDATED 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	30	65	65
	30	**65**	**65**
Note 7			
Other non-current financial assets			
(Unsecured, considered good)			
Fixed deposits with banks^	4,451	95	9,958
	4,451	**95**	**9,958**

^Bank Deposits includes deposits amounting to ¤ 2,555 lakhs (Previous year -Nil) earmarked for Contingency Reserve Fund.

^ 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			
Other non-current assets			
(Unsecured considered good unless otherwise stated)			
Capital advance	293	-	-
Service tax demand (paid under protest)	226	226	-
Prepaid expenses	17	29	27
	536	**255**	**27**
Note 9			
Non-current tax assets (net)			
Advance taxes (net of provision for taxes)	1,135	725	696
	1,135	**725**	**696**
Note 10			
Current Investments			
Quoted debt securities			
- Investment in US Government Treasury Bills	4,21,392	3,68,315	3,68,128
- Investment in Government of India Treasury Bills	4,53,774	2,31,003	2,50,867
	8,75,166	**5,99,318**	**6,18,995**
Aggregate book value of quoted investments	8,57,028	5,91,836	6,13,030
Aggregate market value of quoted investments	8,75,166	5,99,316	6,18,995
Aggregate book value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 11			
Trade receivables			
(Unsecured, Considered Good)			
Trade Receivables outstanding for a period less than six months	3,802	3,275	3,636
Others trade receivables	0*	0*	0*
	3,802	**3,275**	**3,636**
Note 12a			
Cash and cash equivalents			
Cash on hand	0 *	0 *	0*
Cheque On Hand	2	-	-
Balances with banks	-	-	-
- in current accounts	8,785	13,705	5,898
- in deposit accounts (original maturity of upto 3 months)	4,08,328	31,956	51,960
	4,17,115	**45,661**	**57,858**
Note 12b			
Bank balances other than cash and cash equivalents			
Fixed deposits with original maturity of more than 3 months but less than 12 months of reporting date *^@	3,82,590	3,94,757	2,97,872
	3,82,590	**3,94,757**	**2,97,872**

* Includes ¤ 48,602 lakhs (31 March 2018: ¤ 63,885 lakhs; 1 April 2017 : ¤ 63,769 lakhs) earmarked for Settlement Reserve Fund

^ Includes ¤ 21,703 lakhs (31 March 2018: ¤ 26,921 lakhs; 1 April 2017 : Nil) earmarked for Contingency Reserve Fund

@ Includes ¤ 80,198 lakhs (31 March 2018: ¤ 89,100 lakhs; 1 April 2017 : ¤ 1,53,363 lakhs) are held in custody by various banks against overdraft limits sanctioned by them. The total overdraft limits sanctioned by these banks amounts of ¤ 70,688 lakhs (31 March 2018: ¤ 80,865 lakhs; 1 April 2017: ¤ 1,04,155 lakhs). Outstanding Overdraft as on 31 March 2019 Nil lakhs (31 March 2018: Nil; 1 April 2017: Nil).

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).

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 13			
Other current assets			
(Unsecured, considered good)			
Prepaid expenses	475	354	292
Service tax input credit	-	-	275
Advance to suppliers	218	54	105
Others	231	169	0*
	924	**577**	**672**

* denotes amount less than ¤ 1 lakh

Note 14

Equity Share Capital

a. Details of authorised, issued and subscribed share capital

	31 March 2019		31 March 2018		1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
Authorised capital						
Equity shares of ₹10/- each	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
Redeemable, Non Convertible, Cumulative Preference Shares of ₹10/- each*	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
Issued, subscribed and fully paid up						
Equity shares of ₹10/- each fully paid	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000

* 500 lakhs 8.50% redeemable cumulative non-convertible preference shares of ₹10 each (total face value of ₹5,000) are classified as financial liability (see Note 16)

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	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	5,00,00,000	5,000	5,00,00,000	5,000	5,00,00,000	5,000

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
State Bank of India	84,00,000	16.80%	84,00,000	16.80%	1,06,00,000	21.20%
Life Insurance Corporation of India	50,00,000	10.00%	50,00,000	10.00%	50,00,000	10.00%
STCI Finance Limited	50,00,000	10.00%	50,00,000	10.00%	50,00,000	10.00%
IDBI Bank Limited	Nil	Nil	12,50,000	2.50%	37,50,000	7.50%
ICICI Bank Limited	49,50,000	9.90%	49,50,000	9.90%	27,50,000	5.50%
HDFC Bank Limited	45,00,000	9.00%	25,00,000	5.00%	25,00,000	5.00%

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 amount of capital paid-up on shares.

Note 14

Equity Share Capital (Contd.)

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.

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has neither issued any bonus shares nor has there been any buy back of shares during the five years immediately preceding 31 March 2019.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 15			
Other equity			
(Refer Statement of Changes in Equity)			
Settlement reserve fund	1,30,000	1,10,000	1,00,000
Contingency reserve fund	55,231	45,218	30,205
General reserve	1,00,756	96,756	91,756
Other comprehensive income	447	(283)	(221)
Retained earnings	14,426	12,979	11,932
	3,00,860	**2,64,670**	**2,33,672**

15.1 Nature and purpose of reserves

Settlement reserve fund

Settlement reserve fund represents amounts set aside from the profits of the Company from time to time as may be considered appropriate by the Board of Directors, to ensure that there are sufficient assigned financial resources which may be utilised for meeting claims in relation to any participants' default. Bank Deposits / Current Investments amounting to □ 1,10,000 lakhs (31 March 2018: □ 1,00,000 lakhs; 1 April 2017: □ 1,00,081 lakhs) are earmarked for this purpose.

Contingency Reserve Fund

Contingency reserve fund represents amounts set aside from the profits of the Company from, time to time as may be considered appropriate by the Board of Directors to ensure that there are sufficient assigned financial resources which may be utilised for meeting Non-default losses. Bank deposits / Current investments amounting to' □ 45,218 lakhs (31 March 2018: □ 30,205 lakhs; 1 April 2017: Nil) are earmarked for this purpose.

Other Comprehensive Income

Other comprehensive income represents the acturial loss on fair valuation of defined benefit obligation and fair valuation gain or loss on investments clasified as FVOCI.

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.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 16			
Borrowings			
Redeemable Preference Shares (Unsecured)			
- 8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ¤ 10 each (RNCPS II)	5,000	5,000	-
	5,000	5,000	-

Terms of preference shares:

The Company has only one class of Preference Shares being Redeemable, Cumulative, Non-convertible and Non-participating Preference Shares. The shareholders have right to vote only on resolutions which directly affect their interest. The Preference Shareholders are entitled to dividend @ 8.50% p.a. and shares are redeemable on March 22, 2023 (Previous Year - redeemable on March 23,2018).

In the event of liquidation, Preference Shares will have preferential right of return of amount paid-up on the shares together with the arrears of cumulative ’preferential dividend, if any, due on the date of winding up but shall not have further right or claim over the surplus assets of the Company.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 17			
Deferred tax liabilities (net)			
Deferred Tax Liabilities			
Difference between book base and tax base of property, plant and equipment and intangible assets	1,944	1,840	2,002
Fair valuation of investments carried at FVOCI	273	-	-
Fair valuation of variable compensation	17	15	17
	2,234	1,855	2,019
Deferred Tax Assets			
Indexation benefit of freehold land	-	-	-
Others	-	-	-
Tax Disallowances	582	543	535
Mat Credit	-	11	7
Carried forward loss / depreciation	-	15	31
Investments measured using EIR	5	18	16
Fair valuation of investments carried at FVOCI	-	148	117
	587	735	706
Less: Deferred tax asset not recognised in absence of probable future tax profits	-		37
Deferred tax assets (net) / (Deferred tax liabilities (net))	1,647	1,120	1,350

NOTES TO THE CONSOLIDATED 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			
Long-term provisions			
Provision for employee benefits:	19	3	22
- Gratuity (refer note 39)	1,251	1,198	1,078
- Leave encashment	423	326	414
- Others	**1,693**	**1,527**	**1,514**
Note 19			
Current borrowings			
Book overdraft	-	6	-
	-	**6**	**-**
Note 20			
Trade payables			
Total outstanding due to micro and small enterprises {Refer Note 38}	11	17	8
Total outstanding due to creditors other than micro and small enterprises.	433	321	241
	444	**338**	**249**
Note 21			
Other current financial liabilities			
Interest accrued but not due	8,579	4,564	2,427
Deposits from members ##	10,00,044	7,79,471	7,37,877
Settlement Dues Payable	3,79,750	-	19,452
Creditors for capital expenses*	913	825	656
Other payables^	448	404	354
8.5% Redeemable, Non Convertible, Cumulative Preference Shares of ₹ 10 each (RNCPS I)	-	-	5,000
Dividend on redeemable preference shares classified as financial liabilities (including related dividend distribution tax)	512	14	512
	13,90,246	**7,85,278**	**7,66,278**

* Creditors for Capital Expenses includes amount less than ₹ 1 lakh (31 March 2018 and 1 April 2017 - amount less than ₹ 1 lakh) due to Micro and Small Enterprises.

^ Other payables includes ₹ 26 lakhs (31 March 2018: ₹ 23 lakhs, 1 April 2017: ₹ 34 lakhs) due to Micro and Small Enterprises.{Refer Note 38}

'Deposits from members' represents collaterals received in the form of cash. Total collaterals received from members and outstanding at the end of the year are as under :

(₹ in lakhs)

Particulars	Cash Collaterals	Govt. Securities #	Guarantees**
As at 31 March 2019			
Securities Settlement	3,93,975	51,86,371	-
Forex Settlement *	4,45,825	-	-
TREPS Settlement	65,520	3,12,90,727	3,55,000
Default Funds	94,724	6,20,594	-
Total	**10,00,044**	**3,70,97,692**	**3,55,000**
As at 31 March 2018			
Securities Settlement	3,02,822	47,20,670	-
Forex Settlement	3,76,692	-	-
CBLO Settlement	47,405	3,13,27,050	4,15,000
Default Funds	52,552	5,59,555	-
Total	**7,79,471**	**3,66,07,275**	**4,15,000**
As at 1 April 2017			
Securities Settlement	2,80,140	43,16,759	-
Forex Settlement	3,81,511	-	-
CBLO Settlement	40,291	2,97,36,663	3,65,000
Default Funds	35,935	4,85,300	-
Total	**7,37,877**	**3,45,38,722**	**3,65,000**

The Collaterals received in the form of cash have been invested as under and are included in respective accounts:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
US Government Treasury Bills (under Current Investments)	4,18,804	3,67,200	3,67,748
Government of India Treasury Bills (under Current Investments)	2,99,419	1,32,539	1,72,386
Balance in Bank Accounts (under Cash and Cash Equivalents)			
- In Current Accounts	2,817	9,963	3,456
- In Deposit Accounts	2,79,004	2,69,769	1,94,287
	10,00,044	**7,79,471**	**7,37,877**

Collaterals received in the form of Government Securities are held by the Company under it's Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.

* Equivalent to US Dollars 6,44,523 thousands (Previous year - US Dollars 5,79,133 thousands).

** The Company has accepted Bank Guarantees as additional collaterals.

Note 22

Other current liabilities

Registration charges / renewal fees payable	52	20	0*
Statutory dues	502	557	268
Other payables	27	2	1
	581	**579**	**269**

* 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 23			
Short term provisions			
Provision for employee benefits:			
- Gratuity (Refer Note 40)	1	-	-
- Leave entitlement	154	145	226
- Others	1,280	1,148	1,182
	1,435	**1,293**	**1,408**
Note 24			
Current tax liabilities (net)			
Provision for taxation (net of advance tax)	75	111	64
	75	**111**	**64**

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 25		
Income from Operations		
Transaction Charges - Securities Settlement - Outright Trades	15,953	19,113
Transaction Charges - Securities Settlement - Repo Trades	4,059	3,908
Transaction charges - CBLO settlement	1,596	2,525
Transaction Charges - TREPS Sett. Segment	1,108	-
Transaction charges - forex settlement	5,335	4,855
Transaction charges - CLS settlement	2,375	2,084
Trade processing charges - trade repository	697	343
Transaction charges - CBLO trading system	798	1,263
Transaction Charges - TREPS Trading System	554	-
Datafeed charges	357	337
LEI registration charges	835	282
Annual LEI renewal fees	149	1
Portfolio compression charges	659	308
Forex forward charges	2,020	2,030
Derivatives charges	1,859	860
Other fees and charges	268	**276**
	38,622	**38,186**

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 26		
Other Operating Revenues		
Interest / Income on investments made out of operational funds		
- Income on Current Investments	23,548	14,372
- Interest on Fixed Deposits with Banks	17,807	11,790
	41,355	26,162
Less : Interest Paid on Deposits from Members	21,198	11,825
	20,157	**14,337**
Note 27		
Other Income		
Interest / Income on investments made out of own funds		
- on Current Investments	7,984	6,232
- on Fixed Deposits with Banks	9,620	8,198
Profit on sale of Property, Plant and Equipments (net)	0*	0*
Profit on Foreign Currency Transactions and Translation (Net)	36	40
Others	18	26
Miscellaneous income	1	1
	17,659	**14,497**
Note 28		
Employee Benefits Expenses		
Salaries	4,577	4,039
Contribution to provident and other funds [Also, refer note 39]	621	580
Reimbursement for employees on deputation	94	84
Staff welfare expenses	219	192
	5,511	**4,895**
Note 29		
Finance Cost		
Line of Credit Commitment and Other Charges	1,564	1,461
Dividend on preference shares	512	513
Interest on taxes	19	9
Interest on others	32	36
	2,127	**2,019**

Note: Dividend on preference shares represents dividend of 0.85 per Preference Share on 8.5% Preference Shares of 10 each aggregating to ₹ 512 (31 March 2018 ₹ 513 Lakhs).

* denotes amount less than ¤ 1 Lakh

NOTES TO THE CONSOLIDATED 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 30		
Depreciation		
Depreciation of property, plant and equipment (refer note 4)	668	603
Amortisation of intangible assets (refer note 5)	2,433	2,032
	3,101	2,635
Note 31		
Other Expenses		
Power and Fuel	425	405
Repairs and Maintenance - Buildings	80	79
Repairs and Maintenance - Computer Systems and Equipment	2,653	2,149
Repairs and Maintenance - Others	113	109
Insurance	15	13
Rates and Taxes	154	127
Communication Expenses	392	356
CLS Settlement Charges	1,525	1,343
Loss on Foreign Currency Transactions and Translation (Net)	2	1
Expenditure towards Corporate Social Responsibility	1,067	1,115
Professional Fees	423	289
Directors' Sitting Fees	81	80
Payment to Auditors :		
- Audit Fees	17	16
- Reimbursement of Expenses	-	0*
Others	1,184	791
	8,131	**6,873**

* denotes amount less than ₹ 1 Lakh

Note 32

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	20,159	17,940
MAT credit entitlement	11	(11)
Tax Adjustments relating to earlier years	7	-
	20,177	17,929
Deferred tax expense		
Origination and reversal of temporary differences	123	(196)
	123	(196)
Tax expense for the year	**20,300**	**17,733**

(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 liability (asset)	(81)	26	(55)	(7)	2	(5)
Items that will be reclassified to profit or loss						
Investments measured at FVOCI	1,206	(421)	785	(86)	30	(56)
	1,125	**(395)**	**730**	**(93)**	**32**	**(61)**

(c) Reconciliation of effective tax rate

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory income tax rates		
The Clearing Corporation of India Limited	34.94%	34.61%
Clearcorp Dealing Systems India Limited	29.12%	29.12%
Legal Entity Identfier India Limited	27.82%	26.00%
Profit before tax	**57,578**	**50,598**
Expected income tax expense at respective statutory tax rates of Group Companies	19,965	17,397

Note 32 (Contd.)

Income taxes

(c) Reconciliation of effective tax rate

(₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Expenses not allowed under Income tax		
- Municipal tax considered under Income from House Property	0*	0*
- Expenditure towards Corporate Social Responsibilities	433	377
- Interest U/s 234 of Income Tax Act	6	1
- Interest on Late payment of TDS	0*	0*
Income credited to Statement of Profit & Loss to be considered separately		
- Rent on Residential Flat let out	(5)	(5)
Deduction u/s 80G	(258)	(234)
Income from House Property	4	3
Deferred tax created on indexation benefit of land	-	-
Deferred tax not created on reclassification of dividend	-	178
Others	(41)	39
Changes due to change in tax rate	180	2
Brought Forward business loss setoff	15	(25)
Tax Adjustments relating to earlier years	-	-
Total tax expense	**20,300**	**17,733**
Current tax	20,159	17,940
Deferred tax	123	(196)
MAT credit entitlement	11	(11)
Tax Adjustments relating to earlier years	7	-
	20,300	**17,733**

* denotes amount less than ¤ 1 lakh

Note 32 (Contd.)
Income taxes

(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	Deferred tax asset	Deferred tax liability
Deferred tax liability						
Difference between book base and tax base of tangible and intangible assets	(1,840)	(104)		(1,944)		1,944
Fair valuation of investments carried at FVOCI	-	148	(421)	(273)		273
Fair valuation of variable compensation	(15)	(2)	-	(17)		17
Deferred tax asset						
Indexation benefit of freehold land	-	-		-	-	
Tax disallowances	543	38		582	582	
Remeasurment of defined benefit obligation	-	(26)	26			
Investments measured using EIR	18	(13)		5	5	
Fair valuation of variable compensation	-	-		-	-	
Provision for expected credit loss	148	(148)		-	-	
Carried forward loss / depreciation	15	(15)				
MAT Credit	11					
Tax assets (Liabilities)	**(1,119)**	**(123)**	**(395)**	**(1,647)**	**587**	**2,234**
Set off tax						
Net tax assets	**(1,119)**	**(123)**	**(395)**	**(1,647)**	**587**	**2,234**

Note 32 (Contd.)

Income taxes

(e) Movement in deferred tax balances

(₹ in lakhs)

				As at 31 March 2018		
	Net balance 1 April 2017	**Recognised in profit or loss**	**Recognised in OCI**	**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	(2,002)	162	-	(1,840)	-	1,840
Fair valuation of investments carried at FVOCI	-	(30)	30	-	-	-
Fair valuation of variable compensation	(17)	2	-	(15)	-	15
Deferred tax asset		-				
Indexation benefit of freehold land	-	-	-	-	-	-
Tax disallowances	535	9	-	543	543	-
Remeasurment of defined benefit obligation	-	(2)	2	-	-	-
Investments measured using EIR	16	2	-	18	18	-
Provision for expected credit loss	117	31	-	148	148	-
Carried forward loss / depreciation	31	(16)	-	15	15	-
MAT Credit	7	-	-	11	11	-
Tax assets (Liabilities)	**(1,313)**	**159**	**32**	**(1,120)**	**735**	**1,855**
Less : Deferred tax asset not recongnised in absence of probable future tax profits	37	(37)		-		
Net tax assets	**(1,350)**	**196**	**32**	**(1,120)**	**735**	**1,855**

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.

Note 33

Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(₹ 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	37,268	32,865
	37,268	**32,865**
ii. Weighted average number of ordinary shares		
Number of shares oustanding at the beginning of the year	5,00,00,000	5,00,00,000
Add/(Less): Effect of shares issued/ (bought back)		
Weighted average number of shares for calculating basic EPS	**5,00,00,000**	**5,00,00,000**
Effect of dilution		
Share options	-	-
Weighted average number of shares for calculating diluted EPS	**5,00,00,000**	**5,00,00,000**
iii. Basic earnings per share (¤)	74.54	65.73
iv. Diluted earnings per share (¤)	74.54	65.73

Note 34

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	-	-	30	30	-	-	-	-
Other non current financial assets	-	-	4,451	4,451	-	-	-	-
Current investments	-	-	-	-	-	-	-	-
- Investment in US Government Treasury Bills	-	4,21,392	-	4,21,392	-	4,21,392	-	4,21,392
- Investment in Government of India Treasury Bills	-	4,53,774	-	4,53,774	58,628	3,95,146	-	4,53,774
Trade receivables	-	-	3,802	3,802	-	-	-	-
Cash and cash equivalents	-	-	4,17,115	4,17,115	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	3,82,590	3,82,590	-	-	-	-
	-	**8,75,166**	**8,07,990**	**16,83,155**	**58,628**	**8,16,538**	-	**8,75,166**
Financial Liabilities	-	-	-	-	-	-	-	-
Borrowings (Preference Shares)	-	-	5,000	5,000	-	-	-	-
Trade payables	-	-	445	445	-	-	-	-
Other current financial liabilities	-	-	13,90,246	13,90,246	-	-	-	-
	-	-	**13,95,691**	**13,95,691**	-	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above

Note 34 (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 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	-	-	65	65	-	-	-	-
Other non current financial assets	-	-	95	95	-	-	-	-
Current investments	-	-	-	-	-	-		-
- Investment in US Government Treasury Bills	-	3,68,315	-	3,68,315	-	3,68,315	-	3,68,315
- Investment in Government of India Treasury Bills	-	2,31,003	-	2,31,003	23,282	2,07,721	-	2,31,003
Trade receivables	-	-	3,275	3,275	-	-	-	-
Cash and cash equivalents	-	-	45,661	45,661	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	3,94,757	3,94,757	-	-	-	-
	-	**5,99,318**	**4,43,853**	**10,43,171**	**23,282**	**5,76,036**	-	**5,99,318**
Financial liabilities								
Borrowings	-	-	5,006	5,006	-	-	-	-
Trade payables	-	-	339	339	-	-	-	-
Other current financial liabilities	-	-	7,85,278	7,85,278	-	-	-	-
	-	**-**	**7,90,623**	**7,90,623**	**-**	**-**	**-**	**-**

Note: There are no other categories of financial instruments other than those mentioned above

Note 34 (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 1 April 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	-	-	65	65	-	-	-	-
Other non current financial assets		-	9,958	9,958	-	-	-	-
<u>Current investments</u>		-	-					
- Investment in US Government Treasury Bills	-	3,68,128	-	3,68,128	-	3,68,128	-	3,68,128
- Investment in Government of India Treasury Bills	-	2,50,867	-	2,50,867	-	2,50,867	-	2,50,867
Trade receivables	-	-	3,636	3,636	-	-	-	-
Cash and cash equivalents	-	-	57,858	57,858	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	2,97,872	2,97,872	-	-	-	-
	-	**6,18,995**	**3,69,388**	**9,88,383**	**-**	**6,18,995**	**-**	**6,18,995**
Financial liabilities	-	-	-	-	-	-	-	-
Borrowings (Preference Shares)	-	-	-	-	-	-	-	-
Trade payables	-	-	249	249	-	-	-	-
Other current financial liabilities	-	-	7,66,278	7,66,278	-	-	-	-
		-			-			-
	-	**-**	**7,66,527**	**7,66,527**	**-**	**-**	**-**	**-**

Note: There are no other categories of financial instruments other than those mentioned above

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 34 (Contd.)

Financial Instruments - Fair values

B. Fair value hierarchy

IInd 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.
Investment in U.S.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 FED Reserve.	N.A.	N.A.

Transfers between Levels

There have been no transfers between levels during the reporting periods

Note 34

Financial instruments – Fair values and Risk management (Continued)

Risk Management

Introduction

The Group's activities expose it to a number of financial risks, principally liquidity risk, credit risk and market risk (Interest rate risk and foreign exchange risk). In ad ose risks are properly managed.

Overall responsibility for risk management rests with the Board. The Board has constituted a Committee of Directors for Risk Management (CODRM) which is responsible for developing and monitoring Risk Policies and deciding all issues relating to risk management of the Company. The Company's Senior Management is responsible for day to day overseeing of the Compliance of the Risk policiies. The Company also has a dedicated Risk Management Department which is responsible for day to day administartion of Risk Management Activity specially managing risks faced by the Company as a Central Counter Party (CCP). The Company has an elaborate Operation Audit, Internal Audit, Systems Audit and other Control Mechanisms entrusted to independednt external professionals.

a. Credit Risk

Risk Description

The Credit risk, for the Company, could arise on account of failure of a member to honor its settlement obligation or upon default by a settlement Bank. Credit risk could also arises on account of investment activity of the Company.

Risk management approach

The Company counters Credit Risk exposure to members by reducing the exposures through multi-lateral netting and settling transactions on Delivery Vesus Payment (DVP) or Payment versus Payment (PVP) basis and therefore does not run any Principal Credit Risk. Moreover, the Company has set criteria for membership for each type of settlement.

Most of the settlements happen in the Books of Reserve Bank of India and therefore there is no Settlement Bank Risk in respect of the same. Wherever settlements are settled through Commercial Banks, Settlement Bank Risk is mitigated by the company by prescribing stringent minimum eligibility criteria for selection of the Settlement Banks and setting of apprpriate exposure control limits.

The Company regularly invests its internally generated funds and funds received from its members towards Margin and Default funds. The Company has a detailed Investment Policy, approved by the CODRM and the Board, which prescribes eligible instruments, exposure limits, Guidelines on Risk management and other aspects relating to the investment activity. The CODRM and the Board review the Investment Policy annually. In accordance with the Investment policy the Company invests only into highly secure and liquid avenues such as Deposit with high net-worth Commercial Banks and short term Government Securities such as Government treasury Bills. The total credit risk of the Company is represented by the total financial assets of the Company. 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 and concentration limits on the amounts to be invested.

Note 34

Financial instruments - Fair values and Risk management (Continued)

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

The Group held cash and cash equivalents and other bank balances of ¤ 8,04,157 lakhs at 31 March 2019 (31 March 2018: ¤ 4,40,513 lakhs, 1 April 2017 : ¤ 3,65,687 lakhs). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit ratings.

Offsetting of financial assets and liabilities

The disclosures set out in the following tables include recongnised financial assets and financial liabilities that:

- are offset in the Company's statement of financial position; or
- are subject to an enforceable netting arrangement and other provisions under Bye laws, Rules and regulation of the Company, irrespective of whether they are offset in the statement of financial position.

The Company receives collateral in the form of cash (including US Dollars towards forex settlement) and Government securities in respect of settlement transactions pertaining to the following segments:

- security settlement;
- forex settlement; and
- derivatives.

Financial assets and financial liabilities are subject to offsetting, enforceable netting arrangements and other provisions under Bye laws, Rules and Regulations of the Company:

(₹ in lakhs)

As at 31 March 2019	Gross amounts of financial assets	Gross amounts of financial liabilites	Net amounts presented in Statement of Financial Position after setoff of financial assets & liabilities	Related amount not offset in Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
Types of financial assets						
Forex settlement (Including Forwards)	7,20,576	7,20,576	-	-	-	-
Derivative settlement (IRS)	1,04,734	1,04,734	-	-	-	-
Securities settlement (including TREPS)	3,31,633	3,31,633	-	-	-	-
Total	**11,56,943**	**11,56 943**	-	-	-	-

Note 34

Financial instruments – Fair values and Risk management (Continued)

(₹ in lakhs)

As at 31 March 2018	Gross amounts of financial assets	Gross amounts of financial liabilites	Net amounts presented in Statement of Financial Position after setoff of financial assets & liabilities	Related amount not offset in Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
Types of financial assets						
Forex settlement (Including Forwards)	2,28,778	2,28,778	-	-	-	-
Derivative settlement (IRS)	27,926	27,926	-	-	-	-
Securities settlement (including TREPS)	4,31,551	4,31,551	-	-	-	-
Total	**6,88,255**	**6,88,255**	-	-	-	-

(₹ in lakhs)

As at 31 March 2017	Gross amounts of financial assets	Gross amounts of financial liabilites	Net amounts of financial assets presented in Statement of Financial Position	Related amount not offset in Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
Types of financial assets						
Forex settlement (Including Forwards)	5,75,498	5,75,498	-	-	-	-
Derivative settlement (IRS)	14,485	14,485	-	-	-	-
Securities settlement (including TREPS)	3,90,241	3,90,241	-	-	-	-
Total	**9,80,224**	**9,80,224**	-	-	-	-

b. **Liquidity risk**

Risk description

Liquidity risk is the risk that the Group is unable to meet its payment obligations when they fall due. The Company, being a Central Counter party (CCP), is required to have adequate liquid resources in order to meet liquidity requirement in case if any member fails to honour its settlement obligations. Liquidity risk also exists as a result of day to day operational flows such as repayment of cash collaterals to members, Trade payables etc.

Risk management approach

Liquidity risk is managed by ensuring that the Company has sufficient Lines of credit from the participant banks, overdraft facility against the time deposits placed with Commercial banks and easily marketable securities collected as collaterals. etc. The Company also maintains adequate balances with Banks and keeps its investments in highly liquid avenues to enable it to meet Cash collateral withdrawals by members, Trade payables, etc.

Note 34

Financial instruments - Fair values and Risk management (Continued)

Maturities of financial liabilities

The table below analyses the Group'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					
Borrowings	5,000	5,000	-	5,000	-
Trade payables	445	445	445	-	-
Other current financial liabilities	13,90,246	13,90,246	13,90,246	-	-
Total	**13,95,691**	**13,95,691**	**13,90,691**	**5,000**	-

		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					
Borrowings					
- Preference Shares	5,000	5,000	-	5,000	-
- Line of Credit from a Bank	6	6	6	-	
Trade payables	339	339	339	-	-
Other current financial liabilities	7,85,278	7,85,278	7,85,278	-	-
Total	**7,90,623**	**7,90,623**	**7,85,623**	**5,000**	

		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	249	249	249	-	-
Other current financial liabilities	7,66,278	7,66,278	7,66,278	-	-
Total	**7,66,527**	**7,66,527**	**7,66,527**	**-**	**-**

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 provides Central Counterparty (CCP) clearing services for both cash market and derivative products. The Company settles cash transactions cleared by it on a Delivery versus Payment (or Payment versus Payment in case of currencies). The failure of a member therefore exposes it to market risk arising out of adverse movement in prices of securities cleared or adverse movements in interest rates and exchange rates. In case of derivative products like rupee derivatives and forward USD INR transactions, the company is also exposed to pre-settlement risk which is manifested in the form of market risk.

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

The Company is exposed to the interest rate risk due to interest paid to members, at variable rate, on the deposits received from them towrads margins and default fund contributions.

Risk Management Approach

The Company seeks to cover its market risk exposure through collection of various margins. The potential future exposure is covered by collecting Initial Margin and Volatility Margin. The current exposure is covered by collecting mark to market margins. The efficiency of the margining models is monitored closely through a rigorous daily back-testing process.

The interest rate profile of the Group'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 - INR Investments	8,40,815	6,57,809	6,10,655
Financial Assets - US Dollar Investments	8,29,720	3,68,314	3,68,128
Financial Liabilities	(5,000)	(5,006)	-
	16,65,536	**10,21,118**	**9,78,783**
Variable Rate Instruments			
Financial Assets	-	-	-
Financial Liabilities - INR (Deposits from Members)	(5,54,219)	(4,02,779)	(3,56,366)
Financial Liabilities - US Dollar (Deposits from Members)	(4,45,825)	(3,76,692)	(3,81,511)
Financial Liabilities - US Dollar (Prefunded Settlement Obligation)	(3,79,750)	-	(19,452)
	(13,79,794)	(7,79,470)	(7,57,329)
Total	**2,85,742**	**2,41,647**	**2,21,454**

Interest Rate Sensitivity Analysis

The Group aims to minimise its exposure to interest rate fluctuations. Any exposure is predominantly due to the mismatch between the Group's interest bearing assets and interest bearing liabilities (including deposits from members). Since the return paid on member liabilities is generally reset to prevailing market interest rates and after retaing a spread the Company's exposure is limited. Further, the maximum fixed exposure on any asset in the investment portfolio (including Deposits with Banks) is 13 months.

The following table shows the estimated impact of the exposure described in the paragraph above on the profit after tax and on retained earnings within shareholders' equity:

Interest Rate Sensitivity - Variable Rate Instruments

A change of 50 basis points (bps) for INR investments / liabilities and 20 basis points (bps) for US Dollar investments / liabilities in interest rates at the reporting date would have increased / decreased profit or loss by amounts shown below. This analysis assumes that all other variables remains constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the financial assets / finanacial liabilities outstanding during the year.

Note 34

Financial instruments - Fair values and Risk management (Continued)

(₹ in lakhs)

	INR INVESTMENTS / LIABILITIES Profit or Loss		US DOLLAR INVESTMENTS / LIABILITIES Profit or Loss	
	50 bp Increase	50 bp Decrease	20 bp Increase	20 bp Decrease
As at 31 March 2019				
Variable-rate Instruments	(2,771)	2,771	(1,651)	1,651
Cash Flow Sensitivity (Net)	**(2,771)**	**2,771**	**(1,651)**	**1,651**
As at 31 March 2018				
Variable-rate Instruments	(2,014)	2,014	(753)	753
Cash Flow Sensitivity (Net)	**(2,014)**	**2,014**	**(753)**	**753**
As at 1 April 2017				
Variable-rate Instruments	(1,782)	1,782	(802)	802
Cash Flow Sensitivity (Net)	**(1,782)**	**1,782**	**(802)**	**802**

(**Note:** The impact is indicated on the profit/loss before tax basis)

d. Foreign Exchange Risk

Risk Description

The functional currency of the Company is Indian Rupee. Though the Company is a Central counter party for Foreign Exchange Settlements it is not exposed to any foreign currency risk on account of its collateral and settlement operations all its settlement obligations are received and paid in respective foreign currencies. Also, collaterals are recieved and repaid in USD Dollars and Investment of collaterals are in US Dollars. Foreign Exchange Risk for the Company primiarily arises on account of foreighn currency revenues and expenses, which is not significant.

Note 34

Financial instruments - Fair values and Risk management (Continued)

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

The currency profile of financial assets and financial liabilities denominated in USD 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
Financial Assets (A)			
US Govt. Treasury Bills	4,21,392	3,68,314	3,68,128
Bank Balance in Current Accounts	4,09,497	10,679	33,678
Datafeed Charges Receivable	0	3	-
	8,30,889	**3,78,996**	**4,01,806**
Financial Liabilities (B)			
Deposits from Members	4,45,825	3,76,692	3,81,511
Interest payable to Members	5,188	2,366	909
Prefunded Settlement Obligations	3,79,750	-	19,452
Expense Payable	141	118	105
License Fees Payable	120	-	-
	8,31,024	**3,79,176**	**4,01,977**
Net Exposure (A - B)	**(135)**	**(180)**	**(171)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD at 31 March 2019 and 2018 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.

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
5% movement				
USD	(6.74)	6.74	(9.00)	9.00
	(6.74)	**6.74**	**(9.00)**	**9.00**

(Note: The impact is indicated on the profit/loss before tax basis)

Note 35

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

A. Relationships -

Category I: Party having Substantial Interest

State Bank of India

Category II: Key Management Personnel (KMP)

Mr. R. Sridharan -Managing Director

Mrs. Usha Thorat -Chairperson (up to October 26, 2018)

Non Executive Directors

Mr. Bhavesh Zaveri

Mr. M S Sundara Rajan

Mr. Sankarshan Basu

Mr. Sudhir Joshi

Mr. Rajendra Chitale

Mr. B. Sambamurthy

Mrs. Anshula Kant (up to September 28, 2018)

Mr. Narayan K. Seshadri

Dr. G Sivakumar

Mr.C Venkat Nageswar (up to November 29, 2018)

Mr. K. K. Mahajan (up to December 26, 2018)

Mr. B. Prasanna

Mr. Satish C. Singh

Mr. Prashant Kumar (from November 16, 2018)

Ms. Meena Hemchandra (from January 23, 2019)

Other Key Management Personnel

Mr.O. N. Ravi -Company Secretary (upto 16.11.2017)

Mr. Deepak Chande - Chief Financial Officer

Mr. Pankaj Srivastava - Company Secretary (from 17.11.2017)

Category IV: Other Related Parties

CCIL Employees Group Gratuity Fund Trust

CCIL Employees Superannuation Trust

Note 35

Related party disclosures (Continued)

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	221	263
Post-employment defined benefit	23	16
Other long term benefits	5	5
Total	**249**	**284**

Compensation of the Company's' key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (Note 28).

c) Transactions other than those with key management personnel :

(₹ in lakhs)

	Particulars	Party having substantial interest	Other Related Parties	KMP
1)	Income from Operations	1,859 (2,105)		- -
2)	Collaterals Cash Received	43,058 (91,213)	- -	- -
3)	Collaterals Cash Repaid	40,268 (1,00,584)	- -	- -
4)	Collaterals Securities Received (at face value)	76,35,850 (29,32,251)	- -	- -
5)	Collaterals Securities Returned (at face value)	96,13,113 (7,00,650)	- -	- -
6)	Interest on deposits from members	474 (374)	- -	- -
7)	Director Sitting Fees	- -	- -	75 (63)
8)	Contribution to employee benefit trust	- -	412 (264)	- -

Note 35

Related party disclosures (Continued)

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

(₹ in lakhs)

	Particulars		Party having substantial interest	Key Management Personnel
1)	Receivable	2018-19	127	
		2017-18	(98)	-
		2016-17	(163)	-
2)	Payable	2018-19	218	5
		2017-18	(141)	(6)
		2016-17	(50)	(8)
3)	Collaterals outstanding – Cash	2018-19	20,042	
		2017-18	(16,403)	-
		2016-17	(25,824)	-
4)	Collaterals outstanding – Securities (at face value)	2018-19	20,65,166	
		2017-18	(40,42,429)	-
		2016-17	(18,10,828)	-

Notes:

1 “0” denotes amount less than ₹ 1 lakh.

2 Transactions with Subsidiaries are in accordance with the terms of agreements entered into in this regard.

3 Transactions with State Bank of India in the nature of banker-customer relationship have been excluded.

4 Collaterals received in the form of Government Securities are held under Constituent Subsidiary General Ledger (CSGL) Account with Reserve Bank of India.

5 The amounts are inclusive of Service Tax / GST wherever applicable.

6 The above related party information has been disclosed to the extent such parties have been identified by the Company. This has been relied upon by the Auditors.

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 36			
Commitments			
Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,004	644	1,332

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 37			
Contingent Liabilities			
Claims against the Company not acknowledged as debt -			
- Income Tax Demands for various assessment years disputed by the Company	723	118	60
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
Total	**1,498**	**896**	**828**

Note 38

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, 31 March 2018 and 1 April 2017. 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.

(₹ in lakhs)

		31 March 2019	31 March 2018	1 April 2017
a.	Principal and interest amount remaining unpaid	37	40	42
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	-	-	-

Note 39

Employee benefits

Amounts recognised as expense:

(i) Defined contribution plan

(1) Employer's contribution to provident fund amounting to ₹ 259 lakhs (31 March 2018: ₹ 234 lakhs) has been included in Note 28 under contribution to provident fund and other funds.

(2) Employer's Contribution to Superannuation Fund amounting to ₹ 68 lakhs (31 March 2018: ₹ 66 lakhs) has been included in Note 28 under contribution to provident fund and other funds.

(3) Employer's Contribution to NPS amounting to ₹ 70 lakhs (31 March 2018: ₹ 54 lakhs) has been included in Note 28 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 ₹ 284 lakhs (31 March 2018: ₹ 219 lakhs) has been included in Note 28 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	2,159	1,759	1,622
Fair value of plan assets as at the end of the year	2,326	1,795	1,610
Net asset / (liability) to be recognized in the balance sheet	**167**	**36**	**(12)**
Non-current	(19)	(3)	(22)
Current	185	39	10
B. Change in projected benefit obligation			
Projected benefit of obligation at the beginning of the year	1,759	1,622	1,281
Current service cost	207	211	158
Past Service Cost	-	1	-
Interest cost	137	120	103
Benefits paid	(29)	(203)	(76)
Actuarial (gain) / loss on obligation	84	8	156
Projected benefit obligation at the end of the year	**2,159**	**1,759**	**1,622**
C. Change in plan assets			
Fair value of plan assets at the beginning of the year	1,795	1,609	1,368
Expected return on plan assets	140	119	109
Contributions made	416	248	196
Benefits paid	(29)	(181)	(76)
Return on plan assets, excluding amount recognized in net interest expense	3	1	12
Fair value of plan assets at the end of the year	**2,326**	**1,795**	**1,609**

Note 39
Employee benefits (Contd.)

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
D. Amount recognised in the statement of profit and loss		
Current service cost	207	212
Past service Cost	-	1
Net Interest cost / (income) on the net defined benefit asset / liability	(3)	1
Expenses recognised in the statement of profit and loss	**204**	**214**
E. Amount recognised in other comprehensive income		
Acturial (gains) / loss		
- change in demographic assumption	(2)	(1)
- change in financial assumption	22	(78)
- experience variation	65	88
Return on plan assets, excluding amount recognised in net interest expense	(4)	(1)
	82	**8**

F. Major categories of plan assets as a percentage of total plan :
1. 100 % Insurance funds

(₹ in lakhs)

G. Assumptions used	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate	7.70%	7.80%	7.40%
Expected rate of return on assets	8.00%	8.00%	7.50%
Employee attrition rate	3.00%	3.00%	3.00%
Future salary increase	8.00%	8.00%	8.00%
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)

	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,950	1,683	1,584	1,391
Salary growth rate (1% movement)	2,400	1,367	1,964	1,122
Attrition rate (1% movement)	2,149	1,521	1,753	1,251
Mortality rate (1% movement)	2,159	1,513	1,759	1,246

I. Expected future cash flows

(₹ in lakhs)

Particulars	1 year	2 to 5 years	6 to 10 years	More than 10 years	Total
31 March 2019					
Defined benefit obligations (Gratuity)	142	638	731	4,256	5,768
Total	**142**	**638**	**731**	**4,256**	**5,768**

Note 39

Employee benefits (Contd.)

(₹ in lakhs)

Particulars	1 year	2 to 5 years	6 to 10 years	More than 10 years	Total
31 March 2018					
Defined benefit obligations (Gratuity)	119	522	546	3,763	4,950
Total	**119**	**522**	**546**	**3,763**	**4,950**

Note 40

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	1,067	1,115
Amount spent and debited to Statement of Profit and Loss	1,067	1,115

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

Note 41

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

All operating segments' results are regularly reviewed by the Board of Directors, which have been identified as the Chief Operating Decision Maker ('CODM') of the Group inter-Company revenues and expenses, for which discrete financial information is available. The Board of Directors, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources.

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each business units the Board of Directors regularly reviews the performance reports.

Reportable segments

i. Clearing and settlement services

ii. Trading services

Information about reportable segments

The Board of Directors reviews profit before tax as the measure of a segment performance. The segment results are thus profit before tax attributable to the respective segments.

(₹ in lakhs)

Particulars	2018-19			2017-18		
	Clearing & Settlement Services	Trading Services	Total	Clearing & Settlement Services	Trading Services	Total
REVENUE						
Revenue from Operations (External)	54,568	4,211	58,779	48,376	4,145	52,521
Total Revenue from Operations	**54,568**	**4,211**	**58,779**	**48,376**	**4,145**	**52,521**
RESULT						
Segment Result	37,643	2,266	39,909	33,901	2,201	36,102
Add: Other Income			17,659			14,497
Profit Before Tax			**57,568**	**33,901**	**2,201**	**50,598**
Tax Expense						
- Current Tax			20,159			17,940
- MAT Credit Entitlement			123			(196)
- Deferred Tax			11			(11)
- Tax Adjustments relating to earlier years			7			-
Profit After Tax			**37,268**			**32,865**
OTHER INFORMATION						
Assets						
Segment Assets	16,97,562	9,417	17,06,979	10,57,082	7,830	10,64,911
Total Assets	**16,97,562**	**9,417**	**17,06,979**	**10,57,082**	**7,830**	**10,64,911**
Liabilities						
Segment Liabilities	14,00,432	691	14,01,122	7,94,615	635	7,95,250
Total Liabilities	**14,00,432**	**691**	**14,01,122**	**7,94,615**	**635**	**7,95,250**
Capital Expenditure						
Segment Capital Expenditure	3,445	695	4,140	2,252	549	2,801
Total Capital Expenditure	**3,445**	**695**	**4,140**	**2,252**	**549**	**2,801**
Depreciation/Amortisation						
Segment Depreciation/Amortisation	2,637	463	3,100	1,988	647	2,635
Total Depreciation/Amortisation	**2,637**	**463**	**3,100**	**1,988**	**647**	**2,635**

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Act

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
Parent								
The Clearing Corporation Of India Limited	97	2,97,826	95	33,746	103	755	93	70,709
Subsidiaries - Indian								
Clearcorp Dealing Systems (India) Limited	3	8,808	4	1,473	(2)	(16)	6	4,698
Legal Entity Identifier India Limited	0	718	1	340	(1)	(8)	1	1,033
Total	**100**	**3,07,352**	**100**	**35,559**	**100**	**731**	**100**	**76,439**