Indian Clearing Corporation Limited

ICCL

Reliability builds relationships

INDIAN CLEARING CORPORATION LIMITED

ANNUAL REPORT

FINANCIAL YEAR ENDED MARCH 31, 2017

Board of Directors

Mr. S. Sundareshan, Chairman, Public Interest Director

Ms. Maya Sinha, Public Interest Director

Prof. T. Ramabhadran Public Interest Director

Mr. Prasad Dahapute, Public Interest Director

Mr. Nehal Vora, Shareholder Director

Mr. Neeraj Kulshrestha, Shareholder, Director

Mr. Kumar Kanakasabapathy, Managing Director & CEO

Auditors

M/s. S. Panse & Co., Chartered Accountants, Mumbai (FRN: 113470W)

Secretarial Auditors

M/s Shweta Gokarn & Co., Company Secretaries
(ICSI Unique Code P1996MH007500)

Internal Auditors

M/s Dalal Doctor and Associates, Chartered Accountants

Registered Office

25th Floor, P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001.

Registrar & Share Transfer Agent

Karvy Computershare Limited, Hyderabad.

Website

www.icclindia.com

Corporate Identity Number

U67120MH2007PLC170358

Indian Clearing Corporation Limited

ICCL

Reliability builds relationships

DIRECTORS' REPORT

The Members,

Indian Clearing Corporation Limited

Your Directors have pleasure in presenting their Tenth Annual Report and Audited Accounts for the financial year ended 31st March, 2017.

i. FINANCIAL RESULTS:

The financial results for the year ended 31st March, 2017 are as follows:

(INR. In Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Income		
Income from Operations	4,170	4,254
Income from Investments and Deposits	4,625	2,702
Other Income	2	2
Total Income (A)	**8,797**	**6,958**
B. Expenditure		
Employee Benefits Expenses	745	584
Other Operating Expenses	1,628	1,346
Depreciation and Amortisation	130	108
Finance Cost	86	17
Total Expenditure (B)	**2,589**	**2,055**
Profit before Exceptional Items &Tax (A-B)	**6,208**	**4,903**
Less Exceptional Items	-	72
Profit before Tax	**6,208**	**4,831**
Less: Provision for Tax	560	7
Profit after Tax	**5,648**	**4,824**
Other Comprehensive Income	-4	3
Total Comprehensive Income	5,644	4,827
Balance of Profit brought forward from previous year	1,321	9,011
Amount available for appropriation		
APPROPRIATIONS		
Interim Dividend paid	2,294	2,771
Tax on Interim Dividend paid	467	564
Final Dividend paid	662	4,757
Tax on Proposed Dividend paid	135	969
Core Settlement Guarantee Fund	-	3,456
Balance of Profit carried to Balance Sheet	**3,407**	**1,321**

ii. PERFORMANCE & OPERATIONS

ICCL clears and settles various products traded on the BSE platform. The products cleared and settled by ICCL include:

1. **Exchange traded Products**
   - **Equity**
   - **Equity Derivatives**
     - Index Options
     - Index Futures
     - Stock Options
     - Stock futures
   - **Currency Derivatives**
     - Currency Futures
     - Currency options
   - **Interest Rate Derivatives**
   - **Small and Medium Enterprises ("BSE SME") and SME ITP**
   - **Debt**
     - Government Securities
     - Corporate Bonds

2. **Over the Counter Products**
   - Debt Market

3. **Securities Lending & Borrowing ("SLB")**
   - ICCL is authorized by SEBI to run a Securities lending & Borrowing program for its members.

4. **Mutual Funds**

During the period under review, the Company has introduced many new features and facilities to make the clearing & settlement system more efficient and user friendly for market participants in various segments.

Facilities/products recently introduced:

I. Settlement of Sovereign Gold Bonds (Primary market) bids collected by BSE

II. Clearing and settlement of Sovereign Gold Bonds contracts traded on BSE.

III. Additional features in the existing SLB platform.

IV. Facility for Custodial Participant Code entry in the Order Entry Screen for Equity Derivatives Segment and Currency Derivatives Segment.

V. Additional facilities provided to the participants on BSE's Mutual Fund Platform (BSE StAR MF)

VI. Clearing and Settlement system for trades in BSE's FC & GC group (trading on Clean price & Dirty Price basis) Securities.

VII. Acceptance of Sovereign Gold Bonds ("SGBs") from Clearing members towards their Collateral requirements (Liquid Assets).

VIII. Additional features in ICDM Trade Reporting and Settlement platform

IX. Auction facility for settlement shortages in the New Debt Segment

New initiatives / products proposed:

i. Settlement systems for the proposed Bidding Platform of BSE for Government Securities' and T-Bills' auction conducted by the Reserve Bank of India, under non-competitive bidding portion.

ii. Clearing and settlement of Cross-Currency futures and options contracts traded on BSE.

iii. Settlement of OTC instruments through approved central counterparties.

iv. Clearing and settlement of Interest Rate options contracts traded on BSE.

Clearstream and ICCL collaborate on triparty margin collateral management

- ICCL to be linked to Clearstream's Global Liquidity Hub.
- Clearing members/custodians can use the Global Liquidity Hub to manage margin requirements at ICCL.
- Collaboration extends the reach of the Global Liquidity Hub in Asia.

ICCL and the Luxembourg-based international central securities depository Clearstream have agreed to collaborate on collateral management. They have signed an agreement on linking ICCL to Clearstream's integrated collateral management engine, the Global Liquidity Hub.

This step enables clearing members to manage their ICCL margin requirements resulting from trades executed on the BSE platform with the Global Liquidity Hub. Collateral can be pooled at the Global Liquidity Hub from assets held at Clearstream and partner agent banks to avoid bottlenecks in the sourcing of the right high-grade collateral to meet the CCP's margin requirements.

This link to the triparty collateral management solution of Clearstream enables foreign investors trading on the BSE platform to deposit and use AAA rated foreign sovereign bonds as collateral with ICCL towards their margin requirements within a highly automated and efficient triparty collateral environment. This setup is based on the guidelines prescribed by RBI and SEBI in this regard. It is in line with their objectives of strengthening the stability of Indian capital markets through the use of high-quality collateral for risk management purposes and of facilitating access for foreign investors to make India a globally competitive market.

DIVIDEND

- The shareholders at their meeting held on June 18, 2016 approved the payment of Final Dividend of INR 0.187per equity share of face value of INR 1/- each, for the financial year ended 31st March, 2016.

- The Board of Directors in their meeting held on July 22, 2016 approved the payment of Interim Dividend of INR 0.017 per equity share of face value of INR 1/- each, for the quarter ended June 30, 2016.

- The Board of Directors in their meeting held on October 17, 2016 approved the payment of Interim Dividend of INR 0.029 per equity share of face value of INR 1/- each, for the quarter ended September 30, 2016.

- The Board of Directors in their meeting held on January 23, 2017 approved the payment of Interim Dividend of INR 0.017 per equity share of face value of INR 1/- each, for the quarter ended December 31, 2016.

Further the Board, in its meeting held on April 24, 2017 have recommended a final dividend on Equity shares at the rate of INR 0.043566/- per equity share of INR 1/- each aggregating to INR 15,42,23,640/-(Rupees Fifteen Crore Forty Two Lakh Twenty Three Thousand Six Hundred Forty only) excluding dividend distribution tax.

The dividend, if approved at the ensuing Annual General Meeting, will be paid to those members whose names appear in the Register of Members on June 16, 2017, being record date.

The total dividend amount is INR 3,836 Lakh (Previous year INR 3,433 Lakh). The total tax on dividend thereon is INR 781 lakh (Previous year INR 699 Lakh).

iii. SECURITIES CONTRACTS (REGULATION)(STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2012:

SEBI vide notification dated June 20, 2012 had notified new Regulations – The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 – to regulate recognition, ownership and governance in Stock Exchanges and Clearing Corporations and matters connected therewith or incidental thereto.

Further SEBI had issued a circular no. CIR/MRD/DSA/33/2012 dated 13th December, 2012 on Procedural norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations. SEBI has vide letter no. SEBI/HO/MRD/DRMNP/OW/P/2016/26970/1 dated September 28, 2016 granted recognition to ICCL to act as a Clearing Corporation for a period of one year from October 3, 2016 to October 2, 2017.

iv. RISK AND INTERNAL ADEQUACY

Your Company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with the Risk Management Committee.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Risk Management / Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Your Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise.

1. ICCL has taken Counterparty Default Insurance for USD 60 million.

a) ICCL remains committed to the safety of investors and members.

b) ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

c) To further add to this security, ICCL has subscribed to a unique Insurance Policy for USD 60 million across all segments. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL net-worth making the resources of the non-defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

However, as a second line of defense to the margining and risk management systems, ICCL has subscribed to the Insurance policy. In the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk, in accordance with the default waterfall. The magnitude of potential loss due to default a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL, with its net-worth of over INR 500 Crore, which is nearly 3 times its default fund requirements, is well capitalized and instills a high level of confidence in its members and investors of the ability of ICCL to handle extreme loss situations. The additional capital cushion of USD 60 million, provided by the Insurance cover, along with the net-worth covers over 5 times the default fund requirement of ICCL and further increases the safety for domestic and international participants alike.

2. India Ratings & Research assigned rating of 'IND AAA'; Outlook Stable and CARE assigned 'CARE AAA(IS)' rating to ICCL

ICCL continues to remain the only clearing corporation in India to be granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

3. **ICCL has applied for ESMA recognition under the EMIR**

ICCL has applied to European Securities and Market Authority ("ESMA") as a Third Country Central Counterparty ("TC-CCP") under the European Market Infrastructure Regulations ("EMIR"). ICCL has received a notification of completeness of application from ESMA and is currently awaiting recognition.

4. ICCL published its self-assessment of the PFMIs prescribed by CPMI-IOSCO

ICCL continued being the leader in Risk Management practices and disclosures by being the first CCP in India to publish its self-assessment of the Committee on Payments and Market Infrastructures ("CPMI") - International Organization of Securities Commissions ("IOSCO") Principles of Financial Market Infrastructures ("PFMIs") on its website to ensure a clear understanding and assessment of the risks associated with ICCL.

v. DIRECTORS

Mr.S. Sundareshan (Chairman) (DIN: 01675195), Ms. Maya Sinha (DIN: 03056226), Mr. Ramabhadran Thirumalai (DIN: 07059883) and Mr. Prasad Dahapute (DIN: 03471995) are Public Interest Directors of ICCL. Mr. Nehal Vora (DIN: 02769054) and Mr. Neeraj Kulshrestha (DIN: 02994647) are Shareholder Directors of ICCL, representing BSE Ltd. Mr. K. Kumar (DIN: 06632984) is the Managing Director & CEO of the Company.

In accordance with Article 131 of the Articles of Association of the Company read with applicable provisions of Companies Act, 2013, Mr. Neeraj Kulshrestha retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re–appointment. Your Board recommends the appointment of Mr. Neeraj Kulshrestha as Director of the Company.

vi. MEMBERSHIP

During the FY 2016-17, ICCL received 43 applications from Clearing Member (CMs). Of this, 32 applications were received for the Equity Cash Segment, 1 for Equity Derivatives Segment and 10 for Currency Derivatives Segment of BSE. As on March 31, 2017 total Clearing Members with ICCL operating in different Segments of BSE were 1607. Of this 1359 were in the Equity Cash Segment, 125 in the Equity Derivatives Segment, 88 in the Currency Derivatives Segment and 35 in the New Debt Segment of BSE. Total applications received for surrender / cancellation of Clearing Membership with ICCL across different Segments of BSE were 15. Of these 12 were for the Equity Derivatives Segment and 3 for the Currency Derivatives Segment of BSE. As on March 31, 2017, 11 applications received for surrender / cancellation had been approved by SEBI / Clearing Corporation and 4 applications were under process / pending with SEBI.

vii. DETAILS OF INSPECTIONS CONDUCTED DURING THE FINANCIAL YEAR 2016-17

ICCL carries out inspections of its Clearing Members as per its inspection policy. ICCL had conducted inspections of 82 (Eighty Two) Clearing Members, for the period 2015-16, during the financial year 2016-17.

viii. HUMAN RESOURCE

ICCL has aligned the compensation packages of Management and laid down HR policies to make benefits and compensation more transparent and employee-friendly.

Also, the organizational structure of ICCL has undergone significant restructuring to enhance accountability and efficiency with a view to aligning performance management and reward strategies.

As of March 31, 2017, ICCL had 54 employees.

ix. THE COMPANIES ACT

Disclosure in Directors Report as per Companies Act, 2013

I. Extract Annual Return (sec 92)

The details forming part of the extract of the Annual Return in form MGT 9 is enclosed as **Annexure - A**.

II. Number of Board Meetings

During the year, seven Board Meetings were convened and held on 29th April, 2016, 18th June 2016, 22nd July, 2016, 17th October, 2016, 2nd December 2016, 23rd January 2017 and 7th March 2017.

During the year under review Circular Resolutions of the Board of Directors have been passed on August 22, 2016, October 10, 2016, December 22, 2016, January 02, 2017, and February 28, 2017.

During the year under review following Circular Resolution has been passed by the below mentioned Committees:

1. Committee for monitoring compliance with SEBI Inspection Observations on August 22, 2016.
2. Nomination and Remuneration/Compensation Committee dated December 22, 2016
3. Audit Committee dated January 02, 2017.

III. Directors' Responsibility Statement

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed:-

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c. the directors had taken proper and sufficient care for the 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 fraud and other irregularities;
d. the directors had prepared the annual accounts on a going concern basis; and
e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

IV. Declarations by Independent Directors

All Public Interest Directors / Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

V. Company's policy on Directors' appointment and remuneration

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

VI. Comment on Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Shweta Gokarn & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report along with the comments thereto is enclosed as Annexure – B.

M/s. Shweta Gokarn & Co., Company Secretaries undertook the secretarial audit of ICCL for the financial year 2016-17 and reported the following observation:

In terms of the requirement of Regulation 30(4) of the SECCR, the Advisory Committee of the Company is required to meet at least four times in a year with a maximum gap of three months between two meetings. The gap between below stated two meetings of Advisory Committee exceeded the said limit of three month, which is not in compliance with the requirements of Regulation 30(4) of the SECCR:

- *Gap between the meeting held on 17th June, 2016 and 19th September, 2016;*
- *Gap between the meeting held on 1st December, 2016 and 31st March, 2017*

The Management response with regard to the above observation is as follows:

There was an inadvertent delay in scheduling the meetings of the Advisory Committee. The Company shall henceforth ensure due compliance with the relevant meeting norms.

VII. Particulars of Loans, Guarantees or Investments by the Company under Section 186 of the Companies Act, 2013

A detailed disclosure of the particulars relating to Loans and investments by the company as per Section 186 of the Companies Act, 2013 read with The Companies (Meetings of the Board and its Powers) Rules, 2014 is given in the Financial Statements.

VIII. Particulars of Contracts or Arrangements with Related Parties referred to in sub-section (1) of Section 188

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. A detailed disclosure of these transactions with the Related Parties is annexed with this report in Form AOC-2 in **Annexure – C.**

IX. Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

X. Technology upgrade

To be in line with best practices with regards to risk mitigation, ICCL has setup the new DR (Disaster Recovery) site to a different seismic zone at Hyderabad.

During the year April 2016 – till date:

- Live trading was carried out successfully from DR site on July 4 & 5, 2016 and October 10 – 14, 2016.
- Mock trading was conducted from DR site on:- April 23, May 28, June 16 & July 2, September 17 & 24 and October 8, 2016.
- Live trading session from the Disaster Recovery (DR) site at Hyderabad on 10th, 13th and 14th October 2016 was carried out successfully.

XI. Annual Evaluation of the Performance of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has an evaluation Policy of its own performance.

FAMILIARISATION PROGRAMME FOR PUBLIC INTEREST DIRECTORS

The Public Interest Directors periodically undergo structured familiarisation program. Presentations are made giving a brief overview of the operations of the Company and about the overall securities market. The details of the familiarisation program is available at: http://www.icclindia.com/downloads/Familiarisation_program.pdf

XII. Change in the Nature of Business

Your Company has not undergone any changes in the nature of the business during the Financial Year.

- **Clearing charges in Equity Cash Segment, Equity Derivatives Segment and Currency Derivatives Segment**

Your Company commenced levying clearing charges from April 03, 2017 onwards, on per trade basis at the rate of INR 0.01 per trade, on all trades cleared in the Equity Cash Segment, Equity Derivatives Segment and Currency Derivatives Segment.

- **Payment of Interest on cash collateral in equity derivatives segment and currency derivatives segment**

ICCL started paying interest from April 03, 2017 onwards, at the rate of 4% per annum on cash collateral maintained by members in the Equity Derivatives Segment and Currency Derivatives Segment. The interest is calculated on a weekly basis on the cash collateral maintained throughout the week in the Equity Derivatives Segment and the Currency Derivatives Segment.

XIII. Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014:

Appointment

Mr. Prasad Dahapute was appointed as a Public Interest Director with effect from 29/04/2016. SEBI vide its letter dated April 27, 2016, Mr. Neeraj Kulshrestha was appointed as a Shareholder Director with effect from 27/04/2016. Ms. Myna Venkatraman, appointed as Chief Financial Officer with effect from 07/09/2016.

Cessation

Mr. M. N. Hariharan, Chief Financial Officer had resigned with effect from 30/06/2016. The Board records its deep appreciation of the valuable services rendered by them during their association with the Company.

Retirement by Rotation

In accordance with the provisions of Companies Act, 2013 and the Company's Articles of Association Mr. Neeraj Kulshrestha shall retire by rotation in this Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment.

Key Managerial Personnel

Mr. K. Kumar, Managing Director & CEO, Ms. Myna Venkatraman, Chief Financial Officer, and Mr. Prasad Sawant, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company pursuant to the provisions of Companies Act, 2013.

Changes in Key Managerial Personnel

The extension of tenure of Mr. K. Kumar as Managing Director & CEO was approved for a period of three years with effect from September 6, 2016 to September 5, 2019. M. N. Hariharan, Chief Financial Officer had resigned with effect from 30/06/2016. Ms. Myna Venkatraman joined as the Chief Financial Officer on September 7, 2016.

XIV. Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

Nil

XV. Deposits

The Company has not accepted any public deposits during the financial year ended on 31st March, 2017 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

XVI. Details of Deposits not in compliance with the requirements of the Act

Since the Company has not accepted any deposits during the financial year ended on 31st March, 2017, there has been no non-compliance with the requirements of the Act.

XVII. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations In future

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going Concern status and your company's Operations in Future. The details of the order of the Calcutta High Court is given as Item XXIV.

XVIII. Changes in Share Capital

Company has not issued any share capital during the year.

XIX. Audit Committee

The Board has a well-defined Audit Committee the details of which have been given in the Corporate Governance Report.

XX. Report on performance of subsidiaries, associates companies and joint ventures:

Not applicable. ICCL is a wholly owned subsidiary of BSE Limited.

XXI. Vigil Mechanism

The Company has a Whistle Blower Policy, hosted on its website, to deal with instances of fraud and mismanagement, if any.

XXII. Disclosures if MD/WTD is receiving remuneration or commission from a MD/WTD or subsidiary company: Nil

XXIII. DISCLOSURE ABOUT ESOP AND SWEAT EQUITY SHARE: Nil

XXIV. ORDER OF COURT:

Calcutta Stock Exchange (CSE) had filed a writ petition before the Hon'ble High Court, Calcutta against SEBI. ICCL was made a respondent along with the Ministry of Finance and Ministry of Corporate Affairs.

The petition had been filed by CSE on account of SEBI's letter dated November 3, 2014 directing CSE to accept the exit policy for non-operational stock exchanges. CSE had filed the writ petition, *inter alia* seeking the following:

i. to direct SEBI to withdraw its notice dated November 3, 2014, issued to CSE, to follow the exit policy circular.
ii. to allow CSE to continue as a stock exchange. CSE sought liberty to enter into agreement with MCX-SX or ICCL or to setup its own company for Clearing & Settlement.
iii. to review the SEBI (SECC) Regulations, 2012.

The Hon'ble High Court, Calcutta, vide its interim order dated March 29, 2017, directed that the appeals along with the connected applications shall be placed for appeals in the monthly list of May 2017.

XXV. DETAILS OF EMPLOYEES DRAWING SALARY ABOVE PRESCRIBED LIMITS

In compliance with the requirements of Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012, a statement containing details of employees is enclosed as **Annexure - D**.

XXVI. PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in ICCL's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. ICCL is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended 31 March, 2017, no complaints have been received pertaining to sexual harassment.

XXVII. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A] Conservation of Energy, Technology Absorption:

Considering the nature of operations of the Company, your Directors have nothing to report pursuant to Section 134 of the Companies Act, 2013.

B] Foreign Exchange Earning and Outgo:

The particulars of foreign exchange earning and outgo during the year under review are furnished here under

Foreign Exchange Earning: Nil

Foreign Exchange Outgo: INR 78 Lakhs (Previous Year INR 21 Lakhs) (on accrual basis)

XXVIII. AUDITORS

Subject to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s S. Panse & Co., Chartered Accountants, Mumbai are the Statutory Auditors of the Company holding office from the conclusion of this Annual General Meeting up to the conclusion of the eleventh Annual General Meeting of the Company (F.Y. 2018-19), subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013. M/s. S. Panse & Co., Chartered Accountants, Mumbai shall be paid remuneration of Rs. 5.5 Lakh per annum in addition to the reimbursement of service tax and actual out of pocket expenses for conducting the Statutory Audit, Audit of Internal Financial Controls, three limited reviews i.e. for June, September and December quarters for the financial year 2017-18, Tax Audit and issuing net worth certificate.

AUDITORS REPORT

The Auditors' Report on the financial statements of the company for financial year ended 31st March, 2017 does not contain any reservation, qualification or adverse remark.

XIX. CORPORATE SOCIAL RESPONSIBILITY

As mentioned in Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Companies (Corporate Social Responsibility Policy) Rules, 2014 further elaborates in detail the formulation of the policy, the roles and responsibilities of the same and such other relevant matters including CSR Expenditures and CSR Reporting. ICCL has complied with the requirements of the said section.

The composition of the CSR Policy has been disclosed in the Corporate Governance Report which forms a part of the Annual Report, enclosed as **Annexure - E**. The disclosure required to be made in the Directors' Report as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure – F**.

XX. ACKNOWLEDGEMENTS:

The Board thanks the Government of India, Securities and Exchange Board of India, Reserve Bank of India, the Government of Maharashtra and other State Governments and various government agencies for their continued support, cooperation and advice.
The Board is grateful to the members of various committees constituted during the year. The Board also acknowledges the support extended by clearing members, issuers, investors in the capital market, and other market intermediaries and associates. The Board expresses sincere thanks to all its business associates, consultants, bankers, auditors, solicitors and lawyers for their continued partnership and confidence in the Clearing Corporation.

The Board wishes to thank all the employees for the dedication and excellence displayed in discharge of their duties for the Clearing Corporation.

Finally, the Board expresses its gratitude to you as shareholders for the confidence reposed in the management of the Exchange.

For and on behalf of the Board

K. Kumar	**S. Sundareshan**
Managing Director & CEO	**Chairman, Public Interest Director**
DIN: 06632984	**DIN: 01675195**

Place: Mumbai
Date: April 24, 2017
Registered Office: 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001.

Annexure - A

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-**U67120MH2007PLC170358**

ii) Registration Date: **April 26, 2007**

iii) Name of the Company: **Indian Clearing Corporation Limited**

iv) Category / Sub-Category of the Company: **Company limited by shares**

v) Address of the Registered office and contact details: **25th Floor, P.J Towers, Dalal Street Mumbai-400 001**

vi) Whether listed company Yes / No: **NO**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Karvy Computershare Limited,
Address: Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.
Contact details: Tel. No.: 91-40-6716 1509/1624/1623

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of main products/ services	NIC Code of the Product /Service	% to total turnover of the company
1	Income from Operations	6611	47%
2	Income from Invest/Deposits	6611	53%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable section
1	BSE Limited	L67120MH2005PLC155188	Holding	100%	Sections 2(46) of the Companies Act, 2013

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(i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
g) Individual/ HUF	-	-	-	-	-	-	-	-	-
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt(s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	3,53,99, 99,994	6	3,54,00, 00,000	100	3,53,99, 99,994	6	3,54,00, 00,000	100	00
k) Banks / FI	-	-	-	-	-	-	-	-	-
l) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	3,53,99, 99,994	6	3,54,00, 00,000	100	3,53,99, 99,994	6	3,54,00, 00,000	100	00
(2) Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-

(A)(2):-									
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	3,53,99,99,994	6	3,54,00,00,000	100	3,53,99,99,994	6	3,54,00,00,000	100	00
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions									
Sub-total(B)(2):-	-	-	-	-	-	-	-	-	-

Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**3,53,99,99,994**	**6**	**3,54,00,00,000**	**100**	**3,53,99,99,994**	**6**	**3,54,00,00,000**	**100**	**00**

(ii) Shareholding of Promoters

Sr. No.	**Name of the shareholder**	**Shareholding at the Beginning of the Year**		**Shareholding at the end of the year**				
		Number of shares held	**% of total shares of the Company**	**% of shars pledged/encumbered to total shares**	**No of shares**	**% of total shares of the Company**	**% of Shares pledged/encumbered to total shares**	**% change in shareholding during the year**
1	BSE Limited	3,54,00,00,000	100.00	---	3,54,00,00,000	100.00	---	**NIL**
TOTAL		**3,54,00,00,000**	**100.00**	---	**3,54,00,00,000**	100.00	---	**NIL**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		Number of shares held	% of total shares of the Company	No. of Shares	% of total shares of the company
	At the beginning of the Year	3,54,00,00,000	100	3,54,00,00,000	100
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/bonus/ sweat equity etc.	NIL	NIL	NIL	NIL
	At the end of the Year	3,54,00,00,000	100	3,54,00,00,000	100

(iv) Shareholding Pattern of Top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
	For Each of the Top 10 Shareholders	Number of shares	% of total shares of the Company	Number of shares	% of total shares of the company
	At the beginning of the Year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/bonus/sweat equity etc.	NIL	NIL	NIL	NIL
	At the end of the Year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
	For Each of the Directors and KMP	Number of shares	% of total shares of the Company	No. of Shares	% of total shares of the company
	At the beginning of the Year				

Sr. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
	For Each of the Directors and KMP	**Number of shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the company**
	1. Mr. Nehal Vora (Equity Share held as nominees of BSE Ltd)	1	0.00	1	0.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/bonus/sweat equity etc.	NIL	NIL	NIL	NIL
	At the end of the Year 1. Mr. Nehal Vora (Equity Share held as nominees of BSE Ltd)	1	0.00	1	0.00

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for the payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i. Principal Amount ii. Interest due but not paid iii. Interest accrued but not due	**NIL**	**NIL**	**NIL**	
Total (i+ii+iii)				
Change in Indebtedness during the financial year • Addition • Reduction	**NIL**	**NIL**	**NIL**	
Indebtedness at the end of the financial year **i.** Principal Amount ii. Interest due but not paid **iii.** Interest accrued but not due	**NIL**	**NIL**	**NIL**	
Total (i+ii+iii)				

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VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Lakh)

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (INR)
		Mr. K. Kumar	--
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	89	89
2.	Stock Options	**NIL**	**NIL**
3.	Sweat Equity	**NIL**	**NIL**
4.	Commission - As % of profit - Others, specify	**NIL**	**NIL**
5.	Others, please specify (Pension, severance pay etc.)	**NIL**	**NIL**
	Total (A)	89	89
	Ceiling as per the Act	241	

B. Remuneration to other directors:

(Amount in Lakh)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. S. Sundaresh an	Ms. Maya Sinha	Mr. Ramabhad ran Thirumala i	Mr. Prasad Dahapute	Mr. Nehal Vora	Mr. Neeraj Kulshrest ha	
1.	Independent Directors • Fees for attending Board, Committee Meetings • Commission • Others, please specify	12.78 NIL NIL	14.40 NIL NIL	9.27 NIL NIL	5.94 NIL NIL	NIL NIL NIL	NIL NIL NIL	42.39 NIL NIL
	Total (1)	**12.78**	**14.40**	**9.27**	**5.94**	**NIL**	**NIL**	**42.39**
	Other Non-Executive Directors • Fees for	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
	attending Board, Committee Meetings • Commission • Others, please specify (Pension, severance pay etc.)							
	Total (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total (B)=(1+2)	**12.78**	**14.40**	**9.27**	**5.94**	**NIL**	**NIL**	**42.39**
	Total Managerial Remuneration	**12.78**	**14.40**	**9.27**	**5.94**	**NIL**	**NIL**	**42.39**
	Overall Ceiling as per the Act							**531**

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Amount in Lakh)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	89	8	31*	128
2.	Stock Options	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	**89**	**8**	**31***	**128**

*Note: The remuneration to CFO includes the remuneration paid to Mr. M.N. Hariharan (01.4.16 – 30.6.16) – INR 14 Lakhs and Ms. Myna Venkatraman (7.9.16 – 31.3.17) – INR 17 Lakhs

VII. Penalties/Punishment/ Compounding of Offence

Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment /Compounding fees imposed	Authorised (RD/NCLT/ Court)	Appeal made, if any(give Details)
A. COMPANY					
Penalty	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Punishment	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Compounding	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment /Compounding fees imposed	Authorised (RD/NCLT/ Court)	Appeal made, if any(give Details)
B. DIRECTORS					
Penalty	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Punishment	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Compounding	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
C. Other Officers in default					
Penalty	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Punishment	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Compounding	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

Annexure - B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Indian Clearing Corporation Limited,
25th Floor, P. J. Towers,
Dalal Street, Mumbai 400001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Clearing Corporation Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period'), complied with the Statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECCR");
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment

and External Commercial Borrowings; (Not applicable to the Company during the year under review as the company does not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);

6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):--
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the year under review);
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the year under review);
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999 and The Securities and Exchange Board of India (Shared based Employee Benefits) Regulations, 2014 notified on 28th October 2014; (Not applicable to the Company during the year under review);
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the year under review);
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the year under review);
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the year under review) and

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Securities of India

ii. Regulations 17 to 27, 46(2)(b) to 46(2)(i) and Para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the requirement of Regulation 35 of the SECCR;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *Subject to the following observations :-*

In terms of the requirement of Regulation 30(4) of the SECCR, the Advisory Committee of the Company is required to meet at least four times in a year with a maximum gap of three months between two meetings. The gap between below stated two meetings of Advisory Committee exceeded the said limit of three month, which is not in compliance with the requirements of Regulation 30(4) of the SECCR:

- *Gap between the meeting held on 17th June, 2016 and 19th September, 2016;*
- *Gap between the meeting held on 1st December, 2016 and 31st March, 2017*

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For Shweta Gokarn & Co.
Company Secretaries

Ms. Shweta Gokarn
ACS: 30393
CP No: 11001

Place: Navi Mumbai
Date: April 24, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A to the Secretarial Audit Report

To,
The Members,
Indian Clearing Corporation Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai 400001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis

5. Where ever required, I have obtained and relied on the Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shweta Gokarn & Co.
Company Secretaries

Ms. Shweta Gokarn
ACS: 30393
CP No: 11001

Place: Navi Mumbai
Date: April 24, 2017

Indian Clearing Corporation Limited

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Annexure - C

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:**NIL**

(a) Name(s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any
(e) Justification for entering into such contracts or arrangements or transactions
(f) date(s) of approval by the Board
(g) Amount paid as advances, if any:
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. Details of material contracts or arrangement or transactions at arm's length basis
(a) Name(s) of the related party and nature of relationship

S. No.	Name of the related party	Nature of relationship
1.	BSE Limited	Holding Company
2.	Marketplace Technologies Private Ltd.	Fellow Subsidiary
3.	Central Depository Services (India) Ltd.	Fellow Subsidiary

(b) Nature of contracts/arrangements/transactions

S. No.	Name of the related party	Nature of contracts/arrangements/ transactions
1.	BSE Limited	Rendering/availing various services viz. infrastructure and operational expenses, incurred by BSE on behalf of ICCL.
2.	Marketplace Technologies Private Ltd.	Availing Technology related services
3.	Central Depository Services (India) Ltd.	Availing of depository participant services

(c) Duration of the contracts / arrangements/transactions:

Till the termination by either of the parties and on a transaction need basis.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

ICCL reimburses the costs incurred by BSE on behalf of ICCL, towards providing infrastructure and operational expenses.

(e) Date(s) of approval by the Board, if any:

April 29, 2016, July 22, 2016, October 17, 2016 and January 23, 2017.

(f) Amount paid as advances, if any: **N.A.**

For and on behalf of the Board of Directors

K. Kumar	**S. Sundareshan**
Managing Director & CEO	**Chairman, Public Interest Director**
DIN: 06632984	**DIN: 01675195**

Date: April 24, 2017
Place: Mumbai
Registered Office: 25th Floor, P. J. Towers,
Dalal Street, Fort, Mumbai – 400001.

Indian Clearing Corporation Limited

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Annexure - D

STATEMENT UNDER RULE 5 OF THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATION) REGULATIONS, 2012, FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

S. No.	Name	Age (yrs.)	Date of Joining	Total Remuneration *	Designation/Nature of Duties	Educational Qualifications	Experience in years	Previous Employment
1.	Mr. K. Kumar	62	05-09-2013	80,70,720	Managing Director and Chief Executive Officer	M.A. (Hons) (Economics) (BITS, Pilani)	38	United Stock Exchange of India Ltd. (USEIL)
2.	Mr. Tushar Ambani	52	25-09-1984	51,81,315	Chief Operating Officer	L.L.B. (General) and B.Com	33	Not applicable
3.	Ms. Myna Venkatraman+	51	07-09-2016	16,99,736	Chief Financial Officer	A.C.A. and B.Com	32	Hewlett Packard Financial Services
4.	Mr. M.N. Hariharan$	52	13-07-2015	13,74,391	Chief Financial Officer	A.C.A. and B.Com	27	Virtuous Retail Services Pvt. Ltd.
5.	Mr. Dilip Kakwani#	52	17-10-2016	2,57,231	Head Operations	B.Com	35	IL&FS Securities Services Limited
6.	Mr. Piyush Chourasia	32	01-10-2011	33,89,333	Chief Risk Officer and Head Strategy	PGDM (IIM Ahmedabad) and B. Tech (NIT Nagpur)	8	United Stock Exchange of India Ltd. (USEIL)
7.	Mr. Arup Mukherjee!	52	04-05-2015	21,99,368	Chief Regulatory Officer	M.M.S. (Finance) and B.Com	29	National Stock Exchange of India Limited (NSEIL)
8.	Mr. Prasad Sawant@	28	27-11-2015	2,04,272	Company Secretary and Compliance Officer	B.Com, ACS, LL.B, Dip. in Securities Law (GLC Mumbai)	5	Zyfin Research Ltd.

* Total Remuneration stated above is excluding unpaid 50% of total variable pay as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2012.

Notes:

1. Nature of employment : Contractual
2. Remuneration as shown above includes Salary, Allowances, Ex-gratia, Performance Linked Bonus and other perquisites.
3. None of the employees named above is relative of any Director of the Company.
4. None of the employees named above hold any equity shares in the Company.

5. $ Mr. M. N. Hariharan resigned as the Chief Financial officer on June 30, 2016.

6. + Ms. Myna Venkatraman was appointed as the Chief Financial Officer on September 7, 2016.

7. @Mr. Prasad Sawant was appointed as the Compliance Officer on December 22, 2016.

8. !Mr. Arup Mukherjee ceased to be the Chief Regulatory Officer with effect from December 21, 2016.

9. The tenure of Mr. Tushar Ambani as a KMP ended on January 23, 2017.

10. # Mr. Dilip Kakwani was appointed as the Head-Operations (KMP) on March 07, 2017.

For and on behalf of the Board

K. Kumar	**S. Sundareshan**
Managing Director & CEO	**Chairman, Public Interest Director**
DIN: 06632984	**DIN: 01675195**

Place: Mumbai
Date: April 24, 2017
Registered Office: 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001.

Annexure - E

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31,2017

(As required under Schedule V of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. The Company's Corporate Governance Philosophy

Indian Clearing Corporation Limited (ICCL) is a Qualified Central Counterparty (QCCP) in the Indian securities markets. ICCL has qualified as QCCP in view of the fact that it is regulated by Securities and Exchange Board of India (SEBI) under SEBI Act 1992, Securities Contract (Regulation) Act, 1956 (SCRA) and Rules and Regulations made there under.

Indian Clearing Corporation Ltd. (ICCL) is a wholly owned subsidiary of BSE Ltd and was incorporated in 2007 to function as a full fledged Clearing Corporation. ICCL has been set up with an objective of promoting financial stability, integrity and expanding its capacities to support an efficient securities markets. ICCL is working towards becoming a globally recognized CCP that clears and settles trades for a multitude of diverse and sophisticated products.

ICCL operates under the regulation of the Securities and Exchange Board of India (SEBI). Mr. S. Sundareshan, Ms. Maya Swaminathan Sinha, Mr. Ramabhadran Thirumalai, Mr. Prasad Dahaputeare Independent Directorsand Mr. K. Kumar is the MD & CEO of ICCL. The total number of employees as on 31st March 2017 stood at 54 (Fifty Four).The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'BEST PRACTICES' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, and the Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. As a clearing corporation is a systemically important institution in the financial sector, the Board has the additional responsibility towards all the stakeholders in the securities markets.

ICCL has taken Counterparty Default Insurance for USD 60 million.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy for USD 60 million across all segments. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL networth making the resources of the non-defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

However, as a second line of defense to the margining and risk management systems, ICCL has subscribed to the Insurance policy. In the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk, in accordance with the default waterfall. The magnitude of potential loss due to default a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL, with its networth of over INR 500 Crore, which is nearly 3 times its default fund requirements, is well capitalized and instills a high level of confidence in its members and investors of the ability of ICCL to handle extreme loss situations. The additional capital cushion of USD 60 million provided by the Insurance cover, along with the networth covers over 5 times the default fund requirement of ICCL and further increases the safety for domestic and international participants alike.

ICCL continues to remain the only clearing corporation in India to be granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

2. Board of Directors

Profile –

Mr. S. Sundareshan is an IAS officer of the 1976 Batch belonging to the Kerala Cadre. Mr. S. Sundareshan has held several senior positions of responsibility in the Government of India and the Government of Kerala in his career spanning 38 years including Joint Secretary in the Department of Economic Affairs, Ministry of Finance, Government of India; Minister (Economic and Commercial) in the Embassy of India at Tokyo, Japan; Secretary, Revenue, Expenditure, Public Works Department and Secretary, Irrigation in the State of Kerala.

He has been the Managing Director of several State Public Sector Undertakings. His most recent appointment was as the Secretary, Department Of Heavy Industry, Ministry of Heavy Industries & Public Enterprises during which time, he was also on the Board of Oil and Natural Gas Corporation Ltd. (ONGC), GAIL India Ltd. and Indian Oil Corporation Ltd. and the Chairman of Petronet LNG Ltd.

Mr. Sundareshan was the Chairman of the Forward Market Commission from 2005-2007. He was instrumental in putting in place appropriate regulations and structures for the growth of the commodities futures market.

He holds an MBA Degree from the University of Leeds, United Kingdom and an M.A. from the University of Bombay.

Details of directorship in other companies:

i. Patspin India Limited
ii. GTN Textiles Limited
iii. Tide Water Oil Corporation Limited
iv. India Power Corporation Limited
v. Krishnapatnam Port Company Limited
vi. Great Eastern Energy Corporation Limited
vii. Price Thomas Holdings Limited (a company incorporated in the United Kingdom)

Mr. Sundareshan does not hold any shares or any convertible instruments in the Company or any of its subsidiaries.

Ms. Maya Sinha has completed Masters from Delhi School of Economics, Delhi University where she has specialized in Econometrics, Monetary finance, Public Economics from 1978-1980 and further from 1975-1978, she has done BA (Honors) in Economics and Mathematics from Lady Shri Ram College, Delhi University. From 1981-2003, she was a member of Indian Revenue Services (IRS-Income Tax) has worked in various capacities such as Assistant Commissioner, deputy Commissioner, Joint Commissioner, Additional Commissioner and Commissioner in metro cities of New Delhi, Mumbai and

Chennai as well as non-metros like Nagpur. She had opportunity to function in New Delhi as well as Mumbai in prestigious investigation Directorate of Income Tax Department, involving conducting searches and in depth investigation in large tax evasion. From 2003-2006, she was a Financial Advisor and Commissioner of Khadi and Village Industries Commission (KVIC). From 2006-2010, she was Deputy Chairman of Jawaharlal Nehru Port Trust (JNPT), the largest container Port of India.

Details of directorship in other companies:

i. Clear Maze Consulting Private Limited
ii. Shreyas Shipping and Logistic Limited
iii. Shriram City Union Finance Limited
iv. Punjab Biomass Power Limited
v. CMC Skills Private limited
vi. G R Infraprojects Limited
vii. Mitcon Consultancy & Engineering Services Limited
viii. Airasia (India) Limited

Ms. Sinha does not hold any shares or any convertible instruments in the Company or any of its subsidiaries.

Prof. Ramabhadran Thirumalai is an Assistant Professor of Finance at the Indian School of Business ("ISB"). He is working on issues related to pre-trade transparency in equity markets, arbitrage trading between individual stock futures and underlying stocks, retail and institutional investor trading frictions in equity markets, intraday stock return momentum and promoting share pledges in India. He has held positions at the Indiana University's Kelley School of Business in Bloomington and the University of Pittsburgh's Joseph M. Katz Graduate School of Business. His research interests are in market microstructure and corporate finance.

He holds a PhD in Finance from the Kelley School of Business at Indiana University, Bloomington, an MS in Statistics from the University of South Carolina, Columbia and a BE (Honours) in Chemical Engineering from Birla Institute of Technology and Science, Pilani.

Details of directorship in other companies: Nil

Prof. Ramabhadran does not hold any shares or any convertible instruments in the Company or any of its subsidiaries.

Mr. Prasad Dahapute is the founder of the Varhad Group and Managing Director of Varhad Capital.

Prior to setting up of Varhad, he was Head of Research at PUG Securities and Co-head of Equity Research at Standard Chartered, heading India equity research team independently. He was instrumental in getting mandates in private equity and joint ventures. Mr. Dahapute has worked with HSBC as utility analyst for India, China and Korea and Antique Stock Broking as Senior Vice President, Research. He started his career at Power Finance Corporation, New Delhi in treasury as well as credit assessment. He had vetted project finance of INR164bn. Mr. Dahapute was rated among top 30 equity analysts in India by Asia money for 3 years in a row from 2007 to 2009. Mr. Dahapute is an MBA from Symbiosis Institute of Business Management (SIBM), Pune and a Bachelor of Engineering from Government College of Engineering, Jalgaon.

Details of directorship in other companies:

i. Octopus Mobiles Private Limited
ii. Varhad Capital Private Limited
iii. Varhad Investment Managers Private Limited
iv. Sahindra Energy Storage Private Limited
v. Sahindra Green World Private Limited

Mr. Prasad Dahapute does not hold any shares or any convertible instruments in the Company or any of its subsidiaries.

Mr. Nehal Vora is Shareholder Director, Indian Clearing Corporation Ltd. (a wholly owned subsidiary of BSE Ltd) and is Chief Regulatory Officer, BSE Limited (BSE).

He has more than 17 years of rich and varied experience in the area of Compliance and regulation.

Mr. Vora is the Chief Regulatory Officer of BSE Limited and heads all the regulatory functions at BSE. He is also Head – Planning and Policy at BSE.

As a board member of Indian Clearing Corporation Limited he oversees the activities of the clearing corporation in a supervisory capacity especially in the areas of regulation. Other Board Memberships include that of National Power Exchange Ltd, Asian Indices Pvt Ltd, The BSE Institute Ltd, Institutional Investor Advisory Services India Limited (IIAS) and United Stock Exchange (USE).

Earlier, as Director, Compliance at Merrill Lynch, India he headed the compliance for the broking, investment banking and fixed income businesses. In recognition of his commitment and dedication to the Compliance Function at Merrill Lynch, he was awarded OGC Living the Mission Award in 2008.

Prior to that he has worked with the Securities and Exchange Board of India (SEBI) for more than 10 years in varied areas of derivatives, venture capital and surveillance. He holds a Commerce degree from MumbaiUniversity, a Master of Management Studies degree in Finance from the Narsee Monjee Institute of Management Studies, University of Mumbai.

Details of directorship in other companies:

i. Central Depository Services (India) Limited
ii. BSE Investments Limited
iii. BSE Sammaan CSR Limited
iv. BSE CSR Integrated Foundation
v. India International Clearing Corporation(IFSC) Limited
vi. India International Exchange (IFSC) Limited

Mr. Nehal Vora holds one equity share in the Company as a nominee of the holding Company, BSE Limited.

Mr. Neeraj Kulshrestha is a Shareholder Director on the Indian Clearing Corporation Limited.

Mr. Kulshrestha joined BSE as Chief Operations Officer in 2015. He is responsible for Trading (Operations and Development), Listing (Sales and Operations), Membership and IT operations. He is on the Board of Asia Index Private Limited.

Mr. Kulshrestha has about 27 year experience in Capital Markets, which includes Securities Markets and General Insurance.

Earlier, he was an Executive Director in Morgan Stanley India for 10 years. Prior to his tenure with Morgan Stanley India, Mr. Kulshrestha was with National Stock Exchange (NSE) and had managed various functions like Trading Operations, Inspection and Investigation, Futures and Options Clearing and Trading at NSE. He was also the CEO of India Index Services Ltd. and Dotex International Ltd.

Mr. Kulshrestha is a Bachelors in Computer Science from Delhi University and MBA (Finance) from Indore University.

Details of directorship in other companies:

i. Asia Index Private Limited
ii. BSE Investments Limited

Mr. Neeraj Kulshresthadoes not hold any shares or any convertible instruments in the Company or any of its subsidiaries

Mr. K Kumar is MD & CEO, Indian Clearing Corporation Ltd. (a wholly owned subsidiary of BSE Ltd). He has exhaustive knowledge of Membership, Inspection, Compliance, Regulatory, Trading, Clearing & Settlement systems and processes of Stock Exchange and Clearing Corporation. He has rich experience of over 35 years. He is associated with ICCL Ltd since April 2013 onwards. He has raised the credibility bar with investors by putting stringent measures in place, for ensuring smooth completion of transactions. He has overall rich managerial and administrative capability. He is committed to fulfilling the duties and responsibilities in strict accordance with the Articles of Association and other regulations while working to increase transparency of information and long-term returns for the company.

Mr. Kumar is Master Honours (M.A.) (Economics) from Birla Institute of Technology and Science, Pilani.

Mr. Kumar has worked in Stock Exchanges like NSE, USE and in Finance Companies like Cazenove, IL&S and Aloula Geojit (at Riyadh). He was part of the 5 Member Core Team which set up NSE. He has also worked in SBI and IDBI.

Details of directorship in other companies:

i. BSE CSR Integrated Foundation

Mr. Kumar does not hold any shares or any convertible instruments in the Company or any of its subsidiaries.

3. CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

As on 31st March 2017, the Company has seven Directors on its Board, of which four are independent, two non-executive and one executive.

Appointment and Tenure

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and SECC Regulations 2012.
- The Independent Directors will serve a maximum of two terms of 3 years each.

Independent Directors' Meetings

The Independent Directors meet at least twice in a year.

Board Induction and Training

Upon appointment, Company provides new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors and Company's current structure and performance of business.

The details of the familiarisation program provided to the Independent Directors is given at http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx

Board Evaluation

The Board of Directors has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships held by them in other Companies are given below:

Name of the members of Governing Board	Director Identification Number (DIN)	Type of Director i.e.PID/ SHD/MD	Meetings held during the tenure of the member	Meetings attended by the member	No. of Directorship in Other Companies
Mr. S. Sundareshan	01675195	PID	7	7	7
Ms. Maya Swaminathan Sinha	03056226	PID	7	7	8
Mr. Ramabhadran Thirumalai	07059883	PID	7	7	-
Mr. Prasad Dahapute*	03471995	PID	7	7	4
Mr. Nehal Vora	02769054	SHD	7	6	6
Mr. Neeraj Kulshrestha**	02994647	SHD	7	5	2
Mr. K Kumar	06632984	MD	7	7	1

Indian Clearing Corporation Limited
ICCL
Reliability builds relationships

***Appointed as director with effect from April 29, 2016.**
****Appointed as director with effect from April 27, 2016.**

During the Financial Year 7 Board Meetings were held on the following dated:

i. 29th April, 2016
ii. 18th June 2016
iii. 22nd July, 2016
iv. 17th October, 2016
v. 2nd December 2016
vi. 23rd January 2017
vii. 7th March 2017

Shareholder Information:

General Body Meetings.

Details of last three Annual General Meeting and Extra ordinary General Meeting and the summary of Special Resolution passed therein are as under:

Annual General Meeting				
Financial year ended	**Date & Time**	**Venue**	**Special Resolution/Business Passed**	**Names of the Directors who attended the General Meetings to be inserted**
March 31, 2014	May 26, 2014, 3:00 P.M.	15th Floor, Conference Room, P.J Towers, Dalal Street, Fort, Mumbai-400 001.	• Appointment of Mr. K. Kumar as Managing Director & Chief Executive Officer • Power to make Inter Corporate Loans, Investments, Give Guarantees, provide Securities etc, under section 186 of the Companies Act 1956. • Consider and recommend increase in borrowing limits up to Rs. 1000 Crores. • Power to create charge and/or mortgage on the	• Mr. M. B. N. Rao • Mr. G. Sethu • Mr. Ashishkumar Chauhan • Mr. Nehal Vora • Mr. K. Kumar

			properties of the Company under section 180(1) (a) of the Companies Act, 2013.	
March 31, 2015	June 22, 2015, 3:00 P.M.	25th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.	• Increase in Remuneration of MD & CEO for September 6, 2014 to September 5, 2015.	• Ms. Maya Swaminathan Sinha • Mr. Ashishkumar Chauhan • Mr. Nehal Vora • Mr. Kumar
March 31, 2016	June 18, 2016	15th Floor, Conference Room, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.	• Extension of tenure of Mr. K. Kumar as Managing Director & CEO for a further period of three years	• Mr. S. Sundareshan • Ms. Maya Sinha • Prof. T. Ramabhadran • Mr. Nehal Vora • Mr. K. Kumar • Mr. Prasad Dahapute`
Extra Ordinary General Meeting				
Financial year ended	**Date & Time**	**Venue**	**Special Resolution/Business Passed**	
March 31, 2015	September 05, 2014, 5:00 P.M	15th Floor, Conference Room. P.J Towers, Dalal Street, Mumbai- 400 001	• Alteration of Memorandum of Association- Object Clause.	• Mr. Ashishkumar Chauhan • Mr. K. Kumar
March 31, 2016	September 21, 2015	Board Room, BSE Limited, 25th floor, P.J. Towers, Dalal Street, Mumbai – 400 001.	• To consider and approve the borrowing power upto Rs. 1500 Crs. and creation of charge. • To consider and approve increase in remuneration payable to Mr. K Kumar, MD & CEO.	• Mr. S. Sundareshan • Mr. Maya Sinha • Mr. Ramabhadran Thirumalai • Mr. Nehal Vora • Mr. K. Kumar •

During the previous three financial years (2013-14, 2014-15, 2015-16) and in the current financial year 2016-17, the company did not hold any general meeting through postal ballot.

Top 10 shareholdings as on March 31, 2017(Other than promoters): NIL

Indian Clearing Corporation Limited

Reliability builds relationships

The details of Meetings attended by the Directors are given below:

1) Audit Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees-Independent Director	No of attendees-Shareholder Director	No of attendees-MD & CEO	Date of approval of minutes of the meetings
29/04/2016	20/04/2016	2	1	-	17/05/2016
18/06/2016	15/06/2016	2	1	-	14/07/2016
22/07/2016	05/07/2016	2	1	-	10/08/2016
17/10/2016	06/10/2016	2	1	-	02/11/2016
23/01/2017	12/01/2017	2	1	-	07/02/2017
07/03/2017	28/02/2017	2	-	-	31/03/2017

2) Membership Selection Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees-Independent Director	No of attendees-Shareholder Director	No of attendees-MD & CEO	Date of approval of minutes of the meetings
29/04/2016	20/04/2016	2	-	1	17/05/2016
22/07/2016	05/07/2016	2	-	1	06/08/2016
17/10/2016	06/10/2016	2	-	1	02/11/2016
23/01/2017	12/01/2017	2	-	1	07/02/2017

3) Disciplinary Action Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees-Independent Director	No of attendees-Shareholder Director	No of attendees-MD & CEO	Date of approval of minutes of the meetings
29/04/2016	20/04/2016	2	-	1	17/05/2016
22/07/2016	05/07/2016	3	-	1	06/08/2016
02/12/2016	25/11/2016	3	-	1	23/12/2016

4) Defaulters Committee/SGF Utilisation Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees-Independent Director	No of attendees-MD & CEO	No of attendees-Outside Expert	Date of approval of minutes of the meetings
22/07/2016	05/07/2016	4	-	-	06/08/2016
23/01/2017	12/01/2017	4	1	-	07/02/2017

5) Nomination and Remuneration/Compensation Committee					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees- Independent Director**	**No of attendees- Shareholder Director**	**No of attendees- MD & CEO**	**Date of approval of minutes of the meetings**
29/04/2016	20/04/2016	2	1	-	17/05/2016
18/06/2016	15/06/2016	2	1	-	14/07/2016
22/07/2016	05/07/2016	2	1	-	10/08/2016
17/10/2016	06/10/2016	2	1	-	
23/01/2017	12/01/2017	2	1	-	07/02/2017
07/03/2017	28/02/2017	2	-	-	31/03/2017

6) Standing Committee on Technology					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees- Independent Director**	**No of attendees- Shareholder Director**	**No of attendees- Outside Expert**	**Date of approval of minutes of the meetings**
29/04/2016	20/04/2016	1	1	1	17/05/2016
22/07/2016	05/07/2016	2	1	2	06/08/2016
17/10/2016	06/10/2016	2	1	2	02/11/2016
23/01/2017	12/01/2017	2	1	2	07/02/2017

7) Sub-Committee for monitoring compliance of suggestions given in SEBI inspection report					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees- Independent Director**	**No of attendees- Shareholder Director**	**No of attendees- MD & CEO**	**Date of approval of minutes of the meetings**
29/04/2016	20/04/2016	2	1	1	17/05/2016
22/07/2016	05/07/2016	2	1	1	06/08/2016
17/10/2016	06/10/2016	2	1	1	02/11/2016
02/12/2016	25/11/2016	2	1	1	23/12/2016
23/01/2017	12/01/2017	2	1	1	07/02/2017

8) Investor Services Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees- Independent Director	No of attendees- Shareholder Director	No of attendees- MD & CEO	Date of approval of minutes of the meetings
29/04/2016	20/04/2016	2	-	1	17/05/2016
17/10/2016	06/10/2016	3	-	1	02/11/2016

9) Public Interest Directors Committee					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees-Independent Director**	**No of attendees-Shareholder Director**	**No of attendees-MD & CEO**	**Date of approval of minutes of the meetings**
22/07/2016	05/07/2016	4	-	-	06/08/2016
17/10/2016	06/10/2016	4	-	-	02/11/2016

10) Ethics Committee					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees-Independent Director**	**No of attendees-Shareholder Director**	**No of attendees-Compliance Officer**	**Date of approval of minutes of the meetings**
23/01/2017	12/01/2017	2	0	1	07/02/2017

11) Independent oversight Committee of the governing board for member regulation					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees-Independent Director**	**No of attendees-Shareholder Director**	**No of attendees-Outside Expert**	**Date of approval of minutes of the meetings**
22/07/2016	05/07/2016	2	-	-	06/08/2016
17/10/2016	06/10/2016	2	-	-	02/11/2016

12) Risk Management Committee					
Date of Meeting	**Date of issue of notice convening the meeting**	**No of attendees-Independent Director**	**No of attendees-Shareholder Director**	**No of attendees-Outside Expert**	**Date of approval of minutes of the meetings**
29/04/2016	20/04/2016	2	-	1	17/05/2016
17/10/2016	06/10/2016	2	-	2	02/11/2016
23/01/2017	12/01/2017	2	-	-	07/02/2017

13) Advisory Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees-Independent Director	No of attendees-Shareholder Director	No of attendees-Outside Expert	Date of approval of minutes of the meetings
17/06/2016	03/06/2016	1	-	11	14/07/2016
19/09/2016	01/09/2016	1	-	10	17/10/2016
01/12/2016	15/11/2016	1	-	7	23/12/2016
31/03/2017	20/03/2017	1	-	9	24/04/2017

14) Corporate Social Responsibility Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees- Independent Director	No of attendees- Shareholder Director	No of attendees- MD & CEO	Date of approval of minutes of the meetings
17/10/2016	06/10/2016	2	1	1	02/11/2016
23/01/2017	12/01/2017	2	1	1	07/02/2017
07/03/2017	28/02/2017	2	1	1	31/03/2017

15) Selection Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees- Independent Director	No of attendees- Shareholder Director	No of attendees- Outside Expert	Date of approval of minutes of the meetings
NIL					

16) Grievance Redressal Committee (GRC)					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees- Independent Director	No of attendees- Shareholder Director	No of attendees- Outside Expert	Date of approval of minutes of the meetings
NIL					

17) Stakeholder Relationship Committee					
Date of Meeting	Date of issue of notice convening the meeting	No of attendees- Independent Director	No of attendees- Shareholder Director	No of attendees- Outside Expert	Date of approval of minutes of the meetings
22/07/2016	05/07/2016	3	1	1	31/03/2017

The Details of the Directorship of the Directors in other Companies is as given below:

Sr No.	**Name of the Director**	**Directorship in other Companies**
1.	Mr. S. Sundareshan	1. Patspin India Limited 2. GTN Textiles Limited 3. Tide Water Oil Corporation Limited 4. India Power Corporation Limited 5. Krishnapatnam Port Company Limited 6. Great Eastern Energy Corporation Limited

2.	Ms. Maya Swaminathan Sinha	1. Clear Maze Consulting Private Limited 2. Shreyas Shipping and Logistic Limited 3. Shriram City Union Finance Limited 4. Punjab Biomass Power Limited 5. CMC Skills Private limited 6. G R Infraprojects Limited 7. Mitcon Consultancy & Engineering Services Limited 8. Airasia (India) Limited
3.	Mr. Prasad Dahapute	1. Octopus Mobiles Private Limited 2. Varhad Capital Private Limited 3. Varhad Investment Managers Private Limited 4. Sahindra Energy Storage Private Limited
4.	Mr. Ramabhadran Thirumalai	NIL
5.	Mr. Nehal Vora	1. Central Depository Services (India) Limited 2. BSE Investments Limited 3. BSE Sammaan CSR Limited 4. BSE CSR Integrated Foundation 5. India International Clearing Corporation (IFSC) Limited 6. India International Exchange (IFSC) Limited
6.	Mr. Neeraj Kulshrestha	1. Asia Index Private Limited 2. BSE Investments Limited
7.	Mr. K. Kumar	1. BSE CSR Integrated Foundation

None of the Directors is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees.

None of the Directors are inter-se related.

3. MANDATORY COMMITTES FOR CLEARING CORPORATION

1) **Membership Selection Committee**: The functions handled are Selection/admission of members to the various segments of the clearing corporation.

2) **Disciplinary Action Committee** :

   a) The Committee shall formulate the policy for regulatory actions including warning, monetary fine, suspension, deactivation of terminal, expulsion, to be taken for various violations by the members of the clearing corporation.

   b) Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc and impose appropriate regulatory measure on the members of the clearing corporation.

c) While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the "Principles of natural justice".

3) Grievance Redressal Committee :

To deal with the complaints referred to it by the Clearing Corporation, hear the parties and resolve their complaints/disputes.

4) Defaulters' Committee/SGF Utilisation Committee:

a) To realize all the assets/deposits of the defaulter/expelled member and appropriate the same amongst various dues and claims against the defaulter/expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing corporation.

b) Admission or rejection of claims of clients/trading members/clearing members over the assets of the defaulter/expelled member.

c) The defaulter's committee or any other committee set up by the Governing Board of the clearing corporation with similar composition shall manage the settlement guarantee fund/trade guarantee fund of the clearing corporation.

5) Nomination & Remuneration Committee:

a) The committee shall lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by the SEBI.

b) The committee shall determine the tenure of the key management personnel to be posted to a regulatory department.

6) Standing Committee on technology

a) To monitor whether the technology used by the clearing corporation remains up to date and meets the growing demands of the markets.

b) To monitor the adequacy of systems capacity and efficiency.

c) To look into the changes being suggested by the clearing corporation to the existing software/hardware.

d) To investigate into problems of computerised Risk Management/Clearing and Settlement system, such as hanging/slowdown/breakdown.

e) To ensure that transparency is maintained in disseminating information regarding slowdown/breakdown in Risk Management/Clearing and Settlement system.

f) The Committee shall submit a report to the Governing Board of the clearing corporation. The Board will deliberate on the report and suitable action/remedial measure will be taken.

g) Any stoppage beyond five minutes to be explained and reported to the Board. The Clearing Corporation shall issue a press release specifying the reasons for the breakdown.

7) Sub-Committee for Monitoring Compliance of suggestions given in SEBI inspection report

a) To review the actions taken to implement the suggestions of SEBI's Inspection Reports.

b) To place the same before the Governing Board of the clearing Corporation.

c) To follow up and ensure compliance/implementation of the inspection Observations.

8) Investor Services Committee: Supervising the functioning of Investors' Services cell of the Clearing Corporation which includes review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.

9) Public Interest Directors Committee : During their meetings, the Public Interest Directors shall review the following:

a) Status of compliance with SEBI letters/circulars.

b) Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.

c) The public Interest Directors shall prepare a report on the working of the other committees on which they are present in. The report shall be circulated to the other public interest directors.

d) A consolidated report shall then be submitted to the Governing Board of the clearing corporation.

e) The public interest directors shall identify important issues which may involve conflict of interest for the clearing corporation or may have significant impact on the market and report the same to SEBI.

10) Ethics Committee : The Committee shall oversee the implementation of the code of ethics

11) Independent oversight committee of the governing board for member regulation :

a) The committee shall oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.

b) The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director.

c) Any action of a recognised clearing corporation against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the governing board.

d) The committee shall oversee SEBI inspection observations on membership related issues.

e) To estimate the adequacy of resources dedicated to member regulation

f) Monitor the disclosures made by the clearing corporation in accordance with regulation 35 of SECC Regulations.

12) Risk Management Committee

a) Formulate a detailed risk management policy which shall be approved by the governing board.

b) The head of the risk management department shall report to the risk management committee and to the managing director of the recognised clearing corporation.

c) The Risk Management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.

13) **Advisory Committee**: To advise the governing board on non-regulatory and operational matters including product design, technology, charges and levies.

14) **Audit Committee**: The terms of reference of the Audit Committee are broadly as follows:

a) To review compliance with internal control systems;

b) To review the findings of the Internal Auditor relating to various functions of the company;

c) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;

d) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;

e) To make recommendations to the Board on any matter relating to the financial management of the Company, including statutory & Internal Audit Reports;

f) Recommending the appointment of statutory auditors and internal auditors and fixation of their remuneration.

g) Reviewing the Company's financial and risk management policies.

Disclosures

a) Disclosures have been received from key managerial personnel relating to Code of Ethics and Securities transactions where they and/or their relatives have personal interest. There are no related party transactions which have potential conflict with the interest of the Company at large.

b) The Company has complied with the requirements of the SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by SEBI or other statutory authorities relating to the above.

c) The Company has adopted a Procedure &Policy for employees to report concerns about unethical behaviour.

Subsidiary Companies

As on 31st March 2017, ICCL did not have any 'material non-listed subsidiary'. However, the policy for material non-listed subsidiary' is being disseminated on the website of the Company on the following link:
http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx

Internal Controls and Risk Management

The Company has robust systems for internal audit and risk assessment and mitigation.

Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans.

Board Membership Criteria

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company and its business.
- Diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of business;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Preventing Conflict of Interest

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members. The Company has adopted the Code of Conduct for the members of the Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company.

The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

Affirmation and Disclosure

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on March 31, 2016.

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors for the financial year ended March 31, 2016 that may have a potential conflict with the interests of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in this Annual Report and they are not in conflict with the interest of the Company at large.

Compliance with the Governance Framework

The Company is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 35 of the SEBI (Stock Exchanges and Clearing Corporations) Regulations, 2012.

Secretarial Standards and Secretarial Audit Report.

The Company has undertaken Secretarial Standards Audit for the year 2016-2017 for audit of secretarial records and procedures followed by the Company in compliance with relevant Secretarial Standards issued by the Institute of Company Secretaries of India. The Secretarial Standards Audit Report is attached as an Annexure to the Directors' Report.

CEO/ CFO certification

The Managing Director and CFO certification of the financial statements for the financial year 2016-17 is enclosed at the end of the report.

Dividend

- The shareholders at their meeting held on June 18, 2016 approved the payment of Final Dividend of INR 0.187 per equity share of face value of INR 1/- each, for the financial year ended 31st March, 2016.

- The Board of Directors in their meeting held on July 22, 2016 approved the payment of Interim Dividend of INR 0.017 per equity share of face value of INR 1/- each, for the quarter ended June 30, 2016.

- The Board of Directors in their meeting held on October 17, 2016 approved the payment of Interim Dividend of INR 0.029 per equity share of face value of INR 1/- each, for the quarter ended September 30, 2016.

- The Board of Directors in their meeting held on January 23, 2017 approved the payment of Interim Dividend of INR 0.017 per equity share of face value of INR 1/- each, for the quarter ended December 31, 2016.

- The Board in their meeting held on April 24, 2017, approved the payment of Final Dividend of INR 0.043566/- per equity share of face value of INR 1/- each, for the financial year ended March 31, 2017, subject to the approval of the shareholders in the ensuing annual general meeting.

Remuneration Policy for Directors:

The Directors i.e. Public interest directors and Shareholder Directors are paid sitting fees for attending the Board and Committee meetings and reimbursement of expenses incurred for attending the meetings as approved by the Board subject to the provisions of the Companies Act 2013 and SECC Regulations, 2012.

Details of remuneration to all the directors:

Provided in Form MGT 9, which is an Annexure to the Directors' Report.

Shareholders Information

The Quarterly Results, Shareholding Pattern and all other corporate communications are disseminated on the website of ICCL.

Mr. Prasad Sawant is the Company Secretary & Compliance Officer of the Company. The Company has not received any complaints from the shareholders till date. Further, there are no pending complaints from the shareholders. The Company is a wholly owned subsidiary of BSE Limited. The Company did not receive any grievance from its shareholder(s) in respect by transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. during the year.

- Disclosures regarding the appointment/re-appointment of directors: **Mr. Neeraj Kulshrestha retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The profile of Mr. Neeraj Kulshrestha, Director is being provided in the Notice convening the Annual General Meeting.**

- Stock Exchanges on which shares of the Company are listed: **N.A.**

- Stock code: **N.A.**

- Market Price of securities of the Company: **N.A.**

- Performance of the securities in comparison with other broad based indices: **N.A.**

- Securities suspended from trading: **N.A.**

- Distribution of shareholding, details of dematerialisation: **Refer point IV of Form MGT – 9, Extract of Annual Return**

- Outstanding ADRs, GDRs or any other convertible security: **N.A.**

- Plant Locations: **N.A.**

- Address for Correspondence: **25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.**

- Company Secretary: **Mr. Prasad Sawant, Tel No.: +912222728418, Email ID: prasad.sawant@icclindia.com.**

- Registrar and Transfer Agent of the Company: **M/s Karvy Computershare Private Limited.**

- Details of establishment of vigil mechanism, whistle blower policy: **The whistle blower policy is disseminated on the website of the Company under the following link:**http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx

- Web link where policy for determining 'material' subsidiaries is disclosed; http://www.icclindia.com/static/about/Compliance_with_Corporate_Governance.aspx.

- Disclosure with respect to demat suspense account/ unclaimed suspense account: **N.A.**

- Details of the materially significant related party transactions that may have potential conflict with the interests of listed entity at large: **N.A.**

- Disclosure of Accounting Treatment: **ICCL follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.**

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI or any other statutory authority on any matter related to capital markets during the last three years: **There have been no penalties, strictures imposed by SEBI or any other statutory authority during the past three years, for any non-compliance.**

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Indian Clearing Corporation Limited

We have examined the compliance of conditions of Corporate Governance by INDIAN CLEARING CORPORATION LIMITED ("the Corporation") for the year ended 31st March, 2017, for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2016 to March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Corporation has complied with the conditions of corporate governance as stipulated in the said Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.

For **N. L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800

Date: April 24, 2017
Place: Mumbai

N. L. Bhatia
Managing Partner
FCS: 1176
CP NO: 422

CODE OF CONDUCT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for the Financial Year 2016-17.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under SCR(SECC) Regulations, 2012.

Date: April 24, 2017
Place: Mumbai

K. Kumar
Managing Director & CEO
(DIN: 06632984)

Annexure - F

CORPORATE SOCIAL RESPONSIBILITY

As mentioned in Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Companies (Corporate Social Responsibility Policy) Rules, 2014 further elaborates in detail the formulation of the policy, the roles and responsibilities of the same and such other relevant matters including CSR Expenditures and CSR Reporting. ICCL has complied with the requirements of the said section.

1. The concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The provisions of CSR are applicable to the ICCL as it fulfils the criteria of having a net profit of Rs. 5 crores. While there may be no single universally accepted definition of CSR. The roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations. The Objective of the CSR to ensure a high social impact in a manner which is aligned with ICCL's tradition of creating wealth in the community using a three pronged focus on Education, Health and the Environment. The CSR policy shall be applicable to all CSR projects undertaken by the Company in India as per Schedule VII of the Companies Act. The CSR policy shall be applicable to the Company and all its employees.

The CSR Committee of the Company shall be responsible for –

a. Formulating and recommending to the Board, the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Companies Act, 2013.

b. Approving the budgetary allocation for CSR projects / activities to be undertaken by the Company within the Board approved CSR annual budget.

c. Recommending to the Board, modifications to the CSR policy as and when required.

d. Regularly monitoring the implementation of the CSR policy including compliance with provisions relating to mandatory spend towards CSR projects / activities and reporting to the Board.

2. CSR Committee Composition

The CSR committee shall be constituted by the Board of Directors and shall consist of 3 board members or more, out of which at least one board member would be an independent director.

MEMBERS

1. Ms. Maya Sinha (DIN:03056226) - Public Interest Director and Chairperson of the Committee
2. Mr. S. Sundareshan (DIN:01675195) - Public Interest Director

3. Mr. Neeraj Kulshrestha (DIN:) - Shareholder Director
4. Mr. K. Kumar (DIN:06632984) - Managing Director & CEO

As per section 135 (4)(a) of the Act, ICCL discloses the contents of the CSR Policy in company's website :
http://www.icclindia.com/downloads/Corporate_Social_Responsibility_Policy.pdf

3. Average net profit of ICCL for the last three financial years: The average net profit of ICCL calculated pursuant to Section 135 read with Section 198 for last three Financial Years is INR. 6,530 Lakhs.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): The Prescribed CSR expenditure budget at 2% of the amount as in item no. 3 above is INR. 130.59 Lakhs.

5. Details of CSR expenditure spent during the financial year:

(a) Total amount to be spent during the financial year: INR 148.09 Lakhs (including c/f from last year INR 17.50 Lakhs)

(b) Amount unspent, if any: INR 148.09 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or others (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing agency
NIL							

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Date: April 24, 2017
Place : Mumbai

K. Kumar
(DIN: 06632984)
MD & CEO

Maya Sinha
(DIN:03056226)
Chairperson of the CSR Committee

Indian Clearing Corporation Limited
ICCL
Reliability builds relationships

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. GLOBAL ECONOMY

Global economic growth has recently been subdued at 2 percent due to low global economic activity and weak global trade growth. However, projections for FY 2017-18 are optimistic despite the destabilizing after effects of "Brexit", the US presidential election and the still indefinable effects of United States ("US") monetary policy normalisation and Chinese re-balancing.

While advanced economies confronted persisting slack and low inflation, several key emerging market economies had to contend with slower economic activity and sluggish investment. In recent months, there have been positive signs of accelerating activity and rising consumer and business confidence.

The new Administration in the US had discussed far-reaching changes to the current direction and stance in policy related to macroeconomics, trade, immigration, foreign affairs and the environment, as well as the nature of its participation in multilateral organizations and institutions.

The decision by the United Kingdom ("UK") to leave the European Union ("EU") raised questions regarding international policy, at three levels: uncertainties about the future trade, financial and migration arrangements between the UK and the EU and between the UK and other countries; the likelihood that similar actions will be taken by other EU members; and the extent to which this signals a change in the trend of global economic integration at large.

International financial markets were moved by the outcome of Brexit referendum in Q2 FY 2016-17, with equity markets plunging worldwide, currency volatility heightening which led to investors retreating. Markets quickly stabilised, and moved up in Q3 FY 2016-17.

Global capital markets witnessed slow growth in early 2016, with decline in equity market capitalization as well as debt market volumes. Equity prices regained lost ground and currencies recovered, but uncertainty surrounding the monetary policy stances of systemic central banks continue to impart volatility to currency and equity markets. Capital flows are steadily returning to emerging market economies, however Foreign Direct Investments ("FDIs") have not sustained the pace they achieved a year ago.

Global GDP growth is projected to increase, rising from just under 3 percent in 2016 to 3.3 percent in 2017 and around 3.5 percent in 2018[1]. Growth in advanced economies is expected to edge up to 1.8 percent in 2017, according to World Bank.[2] Fiscal stimulus in major economies—particularly in the US—could generate faster domestic and global growth than projected, although rising trade protection could have adverse effects. Growth in emerging market and developing economies as a whole should pick up to 4.2 percent this year from 3.4 percent in the year just ended amid modestly rising commodity prices.

[1] Source: OECD Interim Economic Outlook, March 2017
[2] Source: the World Bank Press Release, January 10, 2017

Following the Organization of the Petroleum Exporting Countries ("OPEC") agreement in November 2016 to cut oil production, crude oil prices rose to a peak in Q2 of FY 2016-17. Prices of precious metals had been buoyed by safe haven demand, a telling insight into the state of the global economy. Food prices increased due to harvest failures in several parts of the world. Inflation remained controlled in advanced economies and has started to edge down in emerging market economies.

In 2016, average global inflation edged up slightly to an estimated rate of 2.4 per cent. Inflation in the developed economies remained below 1 per cent, reflecting the impact of persistently weak wage growth and the generally high level of economic slack. However, inflation could rise above target in more countries in 2017, which may in turn prompt a more significant rise in interest rates than currently expected.

Global activity could accelerate more strongly if policy stimulus turns out to be larger than currently projected in the US or China. Financial markets, despite the recent calm, remain vulnerable to swings in investor sentiment, driven by policy and political uncertainty. Notable negative risks to activity include a possible shift toward inward-looking policy platforms and protectionism, a sharper than expected tightening in global financial conditions that could interact with balance sheet weaknesses in parts of the Euro area and in some emerging market economies and increased geopolitical tensions.

2. INDIAN ECONOMY

The Indian economy is expected grow from 7.1 percent in FY 2015-16 to 7.9 percent for FY 2017-18 due to robust consumption brightening the outlook for real gross value added ("GVA") in FY 2017-18. This is assuming a normal monsoon, fiscal consolidation in line with the announced trajectory and no major exogenous/policy shock(s), structural model estimates and off-model adjustments.

For the first time in its history, the Indian Central Bank, the Reserve Bank of India ("RBI") has been explicitly provided the legislative mandate to operate the monetary policy framework of the country. The primary objective of monetary policy has also been defined explicitly for the first time – "to maintain price stability while keeping in mind the objective of growth."

The Monetary Policy Report highlighted several positive factors that could potentially lift growth, including the government's "start-up" and other initiatives, the boost to household consumption demand, measures to transform the rural sector, upbeat consumer confidence and the expected recovery in agriculture and allied activities.

India's inflation, averaging 4.7 percent with core inflation stable in the range of 4.5 percent to 5.0 percent. Agriculture grew by a robust 4.4 percent as a healthy monsoon helped food grain production grow by 8.1 percent to new records. Slow momentum in food inflation in Q3 2016 and the usual seasonal softening of food prices in early Q4 2016, has kept the inflation within bounds. Commodity prices are expected to remain stable over the rest of the year.

Industry growth decelerated to 5.8 percent in FY 2016-17 as mining slowed considerably and oil and natural gas production contracted. Manufacturing value added grew by 7.7 percent, reflecting robust performance by large private manufacturers, which benefitted from lower input costs. Construction slowed, growing by 3.1 percent as the cash crunch possibly affected real estate activity in the second half of the fiscal year.

Services growth also moderated, to 7.9 percent, with slowdowns in finance and real estate, as well as in trade, hotels, and transportation and communication services. Anaemic credit growth continued to weigh on financial services, though deposit growth picked up substantially immediately after demonetization.

Current expenditure grew by 12.8 percent. Subsidy spending declined to 1.7 percent as fertilizer and petroleum subsidies fell. Revenue grew by a healthy 16.7 percent in FY 2016-17, aided by strong growth in tax revenue and public enterprise dividends and profits.

Over the medium-term, the implementation of the Goods and Service Tax ("GST") is expected to boost business confidence and investment, improving the environment for an acceleration of growth. Other initiatives such as steps to attract FDI in defence, civil aviation, pharmaceuticals and broadcasting, measures to improve infrastructure, and the enactment of the Insolvency and Bankruptcy Code and the Real Estate (Regulation and Development) Act should also contribute to unlocking entrepreneurial energies and growth impulses.

The rupee was volatile in the first half of FY 2016-17, trading with a depreciating bias against the US dollar in Q1 and recovering ground swiftly in Q2. Currently, the rupee has recovered and is at its strongest since FY 2015-16. It is also the third best performing currency in Asia since the start of this year. The rupee is likely to be prone to periods of volatility, when the Fed increases rates periodically. India could become a preferred destination of capital flows, as is the case currently, in view of relatively stronger macroeconomic fundamentals. This may cause the rupee to appreciate.

A sizable shrinking of imports, which enabled a positive contribution of net exports to aggregate demand after consecutive negative contributions. This was also reflected in the current account deficit narrowing to near-balance (0.1 per cent of GDP in Q1 FY 2016-17). Conversely, exports revived in the second half of FY 2016-17, growing by an estimated 2.5 percent for the year. The revival was driven largely due to stronger demand from the advanced economies, especially the US and Germany and a pickup in refined petroleum exports.

While Foreign Portfolio Investor ("FPI") investment in corporate bonds witnessed net outflows till August 2016 mainly due to narrowing of interest rate differentials, investment by mutual funds (excluding Public Sector Undertakings ("PSU") bonds) increased by around 31 per cent over in FY 2016-17. Corporates also raised resources through issuances of masala bonds. An overall optimism in the rupee was evident in the strong resumption of FPI inflows in both the equity and debt markets.

The Brexit referendum triggered some panic FPI selling, but the S&P BSE Sensex recovered these losses. Equity markets turned up, supported by rejuvenation of FPI buying interest and recovery in global equity markets over expectations of expanded accommodation in monetary policies of systemic central banks. The Union Budget announced the scrapping of Foreign

Investment Promotion Board to ease the inflow of FDI. The move has been done to ease the path for foreign companies to invest in the country. The FDI flow has increased by 36 per cent in FY 2016-17, with 90 percent of FDI proposal coming through the automatic route over the last three years.

The near-term outlook for the Indian economy is characterised by recent initiatives and reforms by the government such as 'Make in India', measures to improve the infrastructure, the scheduled introduction of the GST, improvements in food supply management and steps to enhance domestic production. Even as the urgency of safeguarding near-term growth and stability has increased, the policy challenge is to bolster medium-term growth prospects through structural reforms that step up new investment in the economy on a sustained basis, renew skills and job creation, and broaden the swathe of the growth process to include the widest sections of society in its benefits.

3. CAPITAL MARKET DEVELOPMENTS

The number of companies listed on BSE is 5,318 with a market capitalisation of over INR 120 Lakh Crore. The S&P BSE SENSEX ended FY 2016-17 at 29,621 compared to 25,342 in FY 2015-16, an increase of 16.89 percent over the year. The average daily value of equity turnover in BSE, was INR 4,025 Crore in FY 2016-17, an annual increase of about 34 percent from INR 3,008 Crore in FY 2015-16. The Open Interest in FY 2016-17 in the Currency Derivatives segment is 15.98 Lakh contracts as compared to 12.88 Lakh contracts in the FY 2015-16, an increase of approximately 24 percent.
Encouragingly, BSE's online Mutual Fund platform "BSE StAR MF" continues to gain acceptance with turnover reaching INR 74,301 Crore in FY 2016-17, an increase of almost 68 percent over the previous year compared to INR 44,235 Crore in FY 2015-16. With new features and continuous innovations to meet customer needs, the model of investment and redemption of mutual fund units through an exchange-provided infrastructure has gained tremendous response in the market.

The BSE SME platform continues to be a front-runner with 178 companies listed till date with a market capitalisation of INR 17116.82 Crore. Out of 178 companies listed on BSE SME platform, 25 companies have migrated to BSE main board over a period.

Post the Securities and Exchange Board of India's ("SEBI") announcement detailing listing rules for exchanges, BSE is the first-ever stock exchange in India to get listed.

After the launch of India's first International Financial Services Centre ("IFSC") in Gujarat International Financial Tec-City ("GIFT City"), BSE went on to begin operations with India International Exchange IFSC Limited ("India INX") and India International Clearing Corporation IFSC Limited ("India ICC"), wholly owned subsidiaries of the BSE.

India INX is one of the world's most advanced technology platforms with a turn-around time of 4 micro seconds, operating for 22 hours a day to allow international investors and Non Residents Indians to trade from anywhere across the globe. India ICC shall provide clearing & settlement, risk management and collateral management services to the India INX.

4. CCPs IN INDIA AND REGULATORY DEVELOPMENTS

In India, there are four CCPs, three of whom clear exchange listed products while one CCP operates in the over- the- counter ("OTC") clearing space. CCPs clearing exchange listed products are regulated by SEBI and RBI (for certain products), while the OTC CCPs are solely regulated by the RBI.

During the last decade the central clearing sector has experienced a large number of changes, in terms of awareness, reach and mandate, thus broadening its role in the financial infrastructure space and its own market structure. CCPs have become increasingly critical components of the financial due in part to the introduction of mandatory central clearing for standardised OTC derivatives in some jurisdictions.

In FY 2016-17, CCPs have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines focussed on curbing wrong way risk so that Fixed Deposit Receipts ("FDRs") which were issued by the members themselves or banks who were associate of members ("Self FDR") are no longer accepted as eligible collateral by Indian CCPs. CCPs also need to disclose all regulatory orders and arbitration / appellate awards issued on their website. The enhanced measures are undertaken to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR").

CPMI and IOSCO continue to closely monitor the implementation of the PFMI. The Third Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMIs has accorded India with the highest rating of 4. CPMI-IOSCO have also published the Guidance on cyber resilience for financial market infrastructures ("Cyber Guidance") and a further guidance report on the Resilience and recovery of central counterparties (CCPs). IOSCO is also expected to lay guidelines on standardised stress testing for CCPs across the World, and the first discussion paper in this regard is expected shortly. SEBI being a member of IOSCO, these international regulatory changes would impact ICCL.

ICCL has applied to European Securities and Market Authority ("ESMA") as a Third Country Central Counterparty ("TC-CCP") under the EMIR which was, inter-alia, contingent upon India being rated "Equivalent" by the European Commission. On December 16, 2016, the European Commission determined that India has an equivalent regulatory regime for central counterparties to the EU. ICCL earlier has received a notification of completeness of application from ESMA and is currently awaiting decision on its TC-CCP recognition from ESMA.

5. FEATURES AND DEVELOPMENTS

5.1 Competitive Strengths

Sound corporate governance and regulatory framework

ICCL has been accorded Qualified Central Counterparty ("QCCP") status by SEBI and is additionally required to comply with the rules and regulations that are consistent with the PFMIs issued by CPMI- IOSCO. ICCL in its endeavour to enhance transparency, became the first CCP in India to publish its self-assessment of the PFMIs issued by CPMI-IOSCO on its website to ensure a clear understanding and assessment of the risks associated with ICCL.

As a QCCP, ICCL is subject to a high level of regulatory oversight. ICCL's Board comprises of a majority of independent directors. ICCL has a multitude of Committees chaired by Independent Directors which overlook the operations, risk, investment and other functions. ICCL has implemented a Code of Conduct for its Directors and Code of Ethics for its Directors and Key Management Personnel. ICCL has completely segregated its Business function from its Regulatory function and the information flow across departments is on a strict need-to-know basis.

Financial strength

ICCL's financial policy seeks to maintain sufficient financial resources to finance growth and ensure financial flexibility while maintaining creditworthiness and liquidity. ICCL continues to be the only CCP in the World with a Default Insurance cover of INR 402 Crore, which comes above the Default Fund of the CCP, in the Default Waterfall. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL networth making the resources of the non-defaulting members even safer. The additional capital cushion of INR 402 Crore, provided by the Insurance cover, along with the networth covers nearly 4 times the default fund requirement of ICCL and further increases the safety for domestic and international participants alike.
ICCL continues to remain the only CCP in India to be granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

Robust Risk Management Framework

ICCL's primary objective is to manage risk. Credit Risk, Liquidity Risk, Settlement Risk, Custody and Investment Risk, Collateral Risk, etc. are some of the risks that ICCL needs to deal with on an everyday basis. ICCL has a sound risk framework for the comprehensive management of all material risks, and has established documented policies, procedures and systems and controls to identify measure, monitor and manage such risks. ICCL has a dedicated risk management function and a Risk Management Committee comprising of Independent Directors and outside experts. The Chief Risk Officer has a dual reporting – to the MD&CEO as well as the Risk Management Committee.

ICCL has created a dedicated Default Fund, which is readily and unconditionally available to meet settlement obligations of ICCL in case of clearing member(s) failing to honour settlement obligation.

ICCL maintains a dedicated Default Waterfall for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. ICCL has limited the liability for non-defaulting members to a maximum of INR 10 Lakh across segments. ICCL is the only CCP in the World which has not sought contribution from members towards its Default Fund (ICCL's Default Fund is 75 percent self-funded, while 25 percent is funded by the Exchange, BSE). ICCL carries out daily stress tests for credit risk, daily liquidity stress test to assess the adequacy of liquidity arrangements, periodic reverse stress tests and daily back tests for adequacy of margins. ICCL maintains a Business Continuity Plan ("BCP") and Disaster Recovery ("DR") Plan for systems as well as manpower. ICCL has a far DR, situated in a different seismic zone and INR 100 Crore is kept separately as part of recovery and resolution for covering operational cost for 1 year, legal cost, regulatory cost, and other liabilities.

ICCL aims to provide market participants with the latest market offerings and functionalities and signed an agreement with Clearstream on collateral management whereby foreign investors can deposit "AAA" rated foreign government securities as collateral.

5.2 Key Strategies

Technology Leadership

ICCL is the CCP to the fastest exchange in the world with a speed of 6 microseconds.

ICCL provides its members with a Real Time Risk Management System ("RTRMS") terminal, free of cost, to monitor and manage their own risks and that of their constituents. ICCL also has a versatile collateral management system ("CLASS") for members to manage their segment-wise collateral. The collateral system is interlinked with RTRMS and change in collateral is reflected in the trading limits of the member. They provides front end facility to approximately 1400 clearing members to monitor and manage their collaterals and trading limits. ICCL also has some other periphery support systems like BEFS (for member filing), which enable the members to add/update their membership and other details online.

ICCL ensures that the systems are reliable and resilient even during stressed market conditions and are based on internationally recognised technical standards and industry best practices.

Product Leadership

ICCL settles trades reported on the Indian Corporate Debt Segment and the Mutual Fund ("StAR MF) Segment of BSE and clears and settles trades executed on all the other segments of BSE, including Equity Cash, BSE SME, Offer for Sale, Securities Lending & Borrowing, Equity Derivatives, BSE SME, Offer for Sale, Securities Lending & Borrowing, Debt Segment, Sovereign Gold Bonds, Interest Rate Futures and the Currency Derivatives Segment.

ICCL will soon commence providing clearing and settlement services for cross-currency derivatives, interest rate options contracts and tri-party repo on corporate bonds traded on the BSE platform. ICCL also plans to begin settlement of government bonds in the primary market.

Services Leadership

ICCL continues to work closely with market participants and exchanges so as to capitalize opportunities and continues to improve its systems and processes to provide the most efficient clearing and settlement system in India.
ICCL's dictum is Reliability builds Relationships and ICCL strives to uphold the confidence and integrity of the financial markets by aligning its systems with the industry's best- practices.

5.3 Developments in Human Resource

ICCL's focus is on matching skills and expertise to the roles to enhance employee satisfaction. Recognizing the growing importance of talent in driving the success of the organisation and the changing dynamics of business, ICCL has built a talent pool of around 54 professionals with an ideal mix of experience and youth. Knowledge updation of employees is taken care by regularly sending them for various public seminars and in-house training sessions as well. The in-house training is imparted through 100% subsidiary company BSE Institute Limited.

6. INTERNAL CONTROL, RISKS AND CONCERNS

6.1 Internal Control Systems and their Adequacy

ICCL identifies a risk based internal audit scope and assesses the inherent risk in the processes and activities of the department within the company and ensures that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The Internal Auditors, via, their internal audit reports, make observations relating to the deficiencies/non-compliance of various audit areas and give suggestions/recommendations and control directives like periodic reconciliation, proper authorizations/ approvals, processing controls, segregations of duties, maker – checker approach, etc., so as to mitigate the deficiencies and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The observations made by the internal auditors and the compliances thereof are placed before the Audit Committee.

ICCL has further implemented pre-audit of all the major payments made to vendors based on a set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirement, etc.

ICCL identifies and prioritizes key compliance issues with the help of an outsourced agency. The compliances and the monitoring thereof are regularly placed before the Audit Committee.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the Committee follows up on the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company.

6.2 Risks and Concerns

- Since ICCL is a clearing and settlement agency, its performance is dependent upon the trading activity on BSE's trading platform, the number of active traders in the market, the number of new/further listings and the amount of capital raised through such listings.
- Adverse economic conditions could negatively affect the business, financial condition and results of operations.
- The industry ICCL operates in is highly competitive and ICCL competes with a broad range of market participants for clearing and settlement volumes.
- ICCL operates in a business environment that continues to experience significant and rapid regulatory and technological changes.
- ICCL operates in a highly regulated industry and may be subject to censures, fines and other legal proceedings if it fails to comply with its legal and regulatory obligations. Changes in government policies could adversely affect trading volumes of instruments traded on the exchange and hence the settlement volumes of ICCL.
- The continuation or recurrence of systemic events such as the global economic crisis, changes in economic policies and the political situation in India or globally may adversely affect ICCL's performance.

7. FINANCIAL PERFORMANCE

During FY 2016-17, the total revenue of INR 8,797 Lakh increased by 26% from INR 6,958 Lakh in FY 2015-16. The increase in revenue was mainly due to (a) increase in Income from investment and deposits by 71% to INR 4,625 Lakh (FY 2015-16 INR 2,702 Lakh) mainly due to profit on sale of corporate bonds, offset by (b) decrease in operational income by 2% to INR 4,170 Lakh (FY 2015-16 INR 4,254 Lakh).

The total expenditure during FY 2016-17 has gone up by 26% from INR 2,055 Lakh for FY 2015-16 to INR 2,589 Lakh for FY 2016-17. This increase was mainly due to (a) increase in employee cost by 28% to INR 745 Lakh (FY 2015-16 INR 584 Lakh) on account of increase in headcount from previous year (b) increase in other operating expenses by 21% to INR 1,628 Lakh (FY 2015-16 INR 1,346 Lakh) on account of increase in Computer related expenses and Cenvat disallowed under the provision of Service Tax Act (c) increase in depreciation by 20% to INR 130 Lakh (FY 2015-16 INR 108 Lakh) and (d) increase in finance cost by 406% to INR 86 Lakh (FY 2015-16 INR 17 Lakh).

The total Profit before tax for the FY 2016-17 was INR 6,208 Lakh as against INR 4,831 Lakh for FY 2015-16.

The total Profit after tax for FY 2016-17 was INR 5,648 Lakh as against INR 4,824 Lakh for FY 2015-16, an increase of approximately 17%.

Financial Statement as on March 31, 2017

Share Capital

The total paid up capital of the Company as on March 31, 2017 is INR 35,400 Lakh (FY 2015-16 INR 35,400 Lakh) divided into 3,54,00,00,000 equity shares of INR 1 each.

Reserves & Surplus

The total Reserves & Surplus as on March 31, 2017 is INR 17,005 Lakh (FY 2015-16 INR 13,584 Lakh) comprising of Core Settlement Guarantee Fund ("Core SGF") of INR 13,598 Lakh (FY 2015-16 INR 12,263 Lakh) and statement of profit & loss of INR 3,407 Lakh (FY 2015-16 INR 1,321 Lakh).

Thus the total Net worth of the Company as on March 31, 2017 is INR 52,405 Lakh (FY 2015-16 INR 48,984 Lakh).

Liabilities

Total liabilities stood at INR 1,24,709 Lakh (FY 2015-16 INR 68,221 Lakh). The details are as under:

(a) Non-Current Liabilities: INR 6,895 Lakh (FY 2015-16 INR 5,375 Lakh). The increase in other long term liabilities is due to contribution received from BSE Ltd towards Core SGF

(b) Current Liability

i. Trade Payable: INR 203 Lakh (FY 2015-16 INR 176 Lakh). The reduction is due to settlement of holding company dues during the year

ii. Other Financial Liabilities: INR 1,17,530 Lakh (FY 2015-16 INR 62,604 Lakh). The increase is mainly due to increase in deposits of clearing banks and margin money received from members

iii. Other current liabilities: INR 21 Lakh (FY 2015-16 INR 17 Lakh).

iv. Provisions: increase to INR 60 Lakh (FY 2015-16 INR 49 Lakh)

Assets

Total assets stood at INR 1,77,114 Lakh (FY 2015-16 INR 1,17,205 Lakh. The major components are given below:

(a) Property, Plant and Equipment, Intangible assets: Total Gross Block as on March 31, 2017 is INR 655 Lakh (FY 2015-16 INR 475 Lakh) and total Accumulated depreciation up to March 31, 2017 is INR 364 Lakh (FY 2015-16 INR 234 Lakh). Thus Net Fixed Assets is INR 289 Lakh (FY 2015-16 INR 241 Lakh). In addition, intangible under development is INR 2 Lakh (FY 2015-16 INR 15 Lakh).

(b) Financial Investments: INR Nil (FY 2015-16 INR 31,533 Lakh).

(c) Loans: INR 10 Lakh (FY 2015-16 INR 13 Lakh). This is mainly on account of employee loan

(d) Trade Receivable: INR 9 Lakh (FY 2015-16 INR 199 Lakh)

(e) Cash and cash equivalents: INR 1,01,021 Lakh (FY 2015-16 INR 33,140 Lakh)

(f) Bank balances other than (e) above: INR 57,802 Lakh (FY 2015-16 INR 34,832 Lakh).

(g) Other Financial Assets: INR 15,294 Lakh (FY 2015-16 INR 15,070 Lakh).

8. FUTURE OUTLOOK

The role of CCPs in facilitating safer financial markets has been gaining wide-spread importance over the recent years. The Indian and the international CCP framework has witnessed significant developments in the past year.

Interoperability is being considered in India post the submission by the Kamath Committee on the viability of introducing interoperability amongst the Indian CCPs. It has put forth a strong case for Interoperability by citing the case of Europe where the cost of clearing has come down by 40 percent.

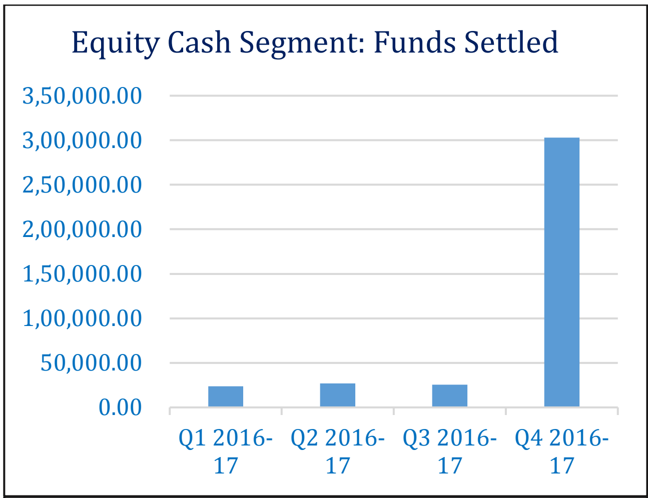
ICCL is also contemplating clearing OTC instruments, a space which currently is a monopoly. ICCL believes the next step after the same would be cross margining between exchange and OTC positions. This would be beneficial as it will enable efficient use of collateral, effective risk management depending on the client's position across exchange listed and OTC products, and would promote transparency. According to the Gandhi Committee report, clearing OTC products through CCPs will reduce systemic risk by improving counterparty risk management, reducing interconnectedness and enhancing the netting of financial exposures and reducing the probability that the default of a market participant will destabilize other participants.

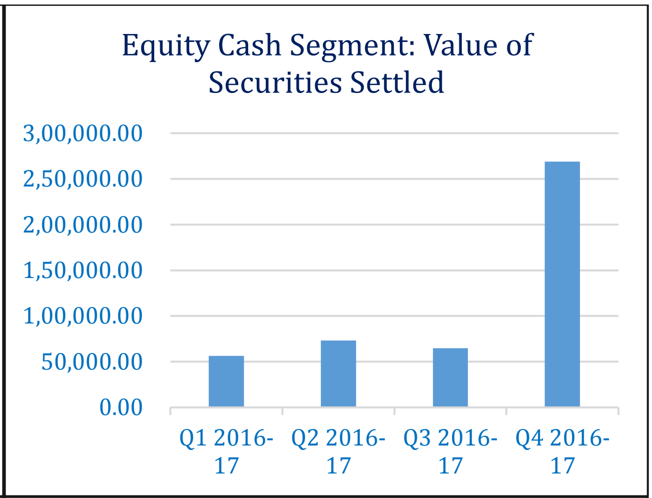
RBI has proposed to put in place a policy framework for authorization of electronic platforms with linkage to an approved central counterparty for settlement. This move would broaden participation in OTC instruments and provide a safe trading environment. RBI is also in the process of reviewing the existing guidelines on OTC instruments so as to make participation in OTC derivative markets through electronic platforms more broad-based.

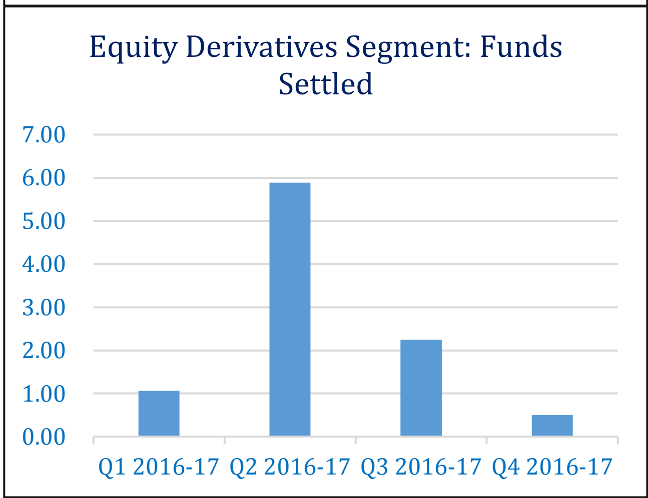
ICCL, as part of an ongoing initiative to be a market leader, shall soon provide clearing and settlement services for cross-currency derivatives in major currencies, interest rate options contracts and tri-party repo on corporate bonds traded on the BSE platform. ICCL also intends to commence settlement of government bonds in the primary market.

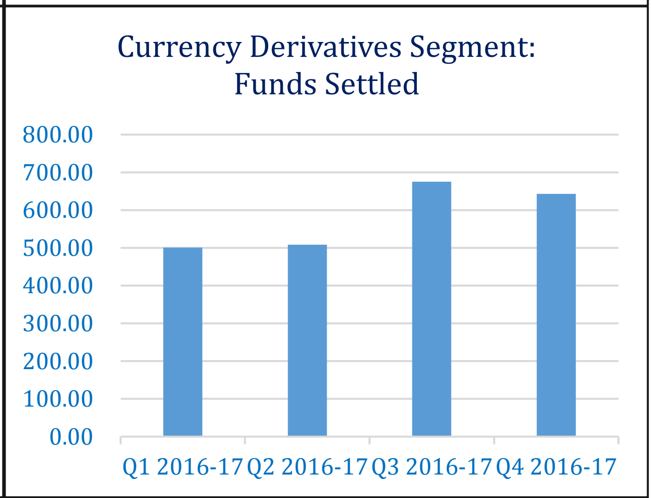
9. KEY BUSINESS STATISTICS

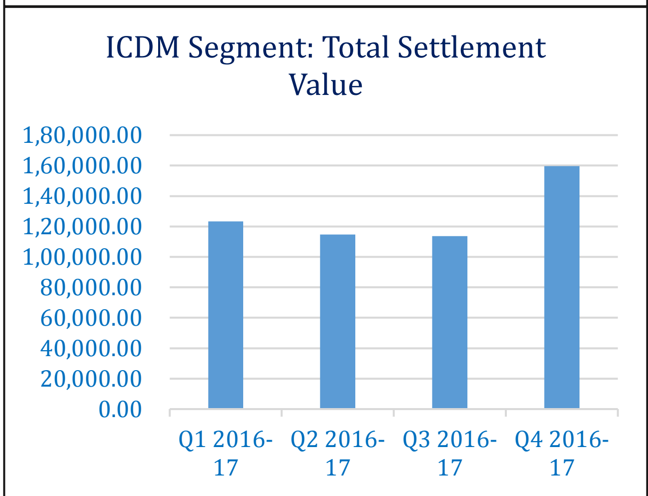
INR in Crore

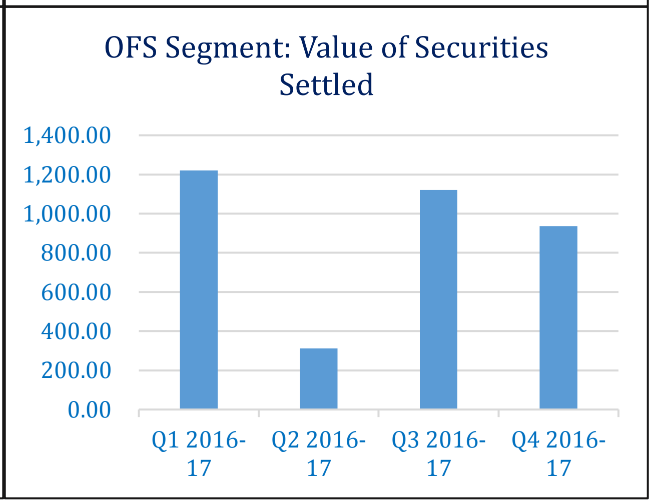












CEO/CFO Certification

We, K. Kumar, Managing Director & Chief Executive Officer and Myna Venkatraman, Chief Financial Officer do hereby certify the following:-

a. I have reviewed the financial statement for the year ended March 31, 2017 and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements, together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

d. I have indicated to the auditor and the Audit Committee,
   (i) significant changes in internal control over financial reporting during the year;
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

Place: Mumbai	**K. Kumar**	**Myna Venkatraman**
Date: 24/04/2017	**Managing Director & CEO**	**Chief Financial Officer**

Independent Auditor's Report

To the Members of Indian Clearing Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Clearing Corporation Limited (herein after referred to as 'the Company'), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'the financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the Financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

(e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

(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, to the best of our information and according to the explanations given to us we state that:

(i) the Company has disclosed the details of pending litigation in respect of Income Tax demand of Rs. 87 lakh in Note 26 on Contingent Liabilities and Commitments (to the extend not provided for) to the financial statements. The management of the Company including its tax advisors believe that its position will likely be upheld in the appellate process and thus the amount is not provided in the books.

(ii) the Company has disclosed the details of amount receivable from a defaulter member of Rs. 130 lakh in Note 32 to the financial statements . Based on the negotiation with the said member, the Company is of the opinion that the amount of Rs. 130 lakh is fully receivable and hence no provision for impairment is made in the books of account.

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) the Company has provided requisite disclosures in Note 11 to its financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 24, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified once every year. The fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.

(ii) The Company is a service company, primarily rendering clearing and settlement services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) According to the information and explanations given to us the Company is not required to maintain cost records as prescribed by the Central Government under section 148(1) of the Act for the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. In case of any delay in payment the amounts are paid along with the interest to the appropriate authorities. As explained to us the Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of customs and excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs) of demand	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	**Income Tax, Interest**	**29 Lakh**	**Assessment Year 2013-14**	CIT (A)
Income Tax Act, 1961	**Income Tax, Interest**	**58 Lakh**	**Assessment Year 2014-15**	CIT (A)

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 24, 2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Indian Clearing Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 on Audit of Internal Financial Controls over Financial Reporting (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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For S. Panse & Co.
Chartered Accountants
(Firm Registration No: 113470W)

Supriya Panse
Partner
Membership No.: 46607
April 24, 2017

INDIAN CLEARING CORPORATION LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

₹ In Lakh

	Particulars	Note No	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
I.	**ASSETS**				
1	**Non-current assets**				
	(a) Property, Plant and Equipment	3	40	30	21
	(b) Other Intangible assets	4	249	211	182
	(c) Intangible assets under development	4	2	15	6
	(d) Financial Assets				
	(i) Investments	5			
	a. Investments in Equity Instruments		-	-	-
	b. Other Investments		-	26,227	31,172
	(ii) Loans	6	8	12	10
	(iii) Others	7	15,241	13,254	160
	(e) Non Current Tax Assets (Net)	42	1,479	1,186	841
	(f) Deferred tax assets (net)	8	618	312	-
	(g) Other non-current assets	9	1	1	2
	Sub-total - A		**17,638**	**41,248**	**32,394**
2	**Current Assets**				
	(a) Inventories		-	-	-
	(b) Financial Assets				
	(i) Investments	5	-	5,306	24,180
	(ii) Trade receivables	10	9	199	30
	(iii) Cash and cash equivalents	11	1,01,021	33,140	33,307
	(iv) Bank balances other than (iii) above	12	57,802	34,832	33,356
	(v) Loans	6	2	1	2
	(vi) Others	7	53	1,816	2,737
	(c) Other current assets	9	589	663	195
	Sub-total - B		**1,59,476**	**75,957**	**93,807**
	Total Assets (A+B)		**1,77,114**	**1,17,205**	**1,26,201**
II.	**EQUITY AND LIABILITIES**				
3	**Equity**				
	(a) Equity Share capital	13	35,400	35,400	35,400
	(b) Other Equity	14	17,005	13,584	16,941
	Sub-total - A		**52,405**	**48,984**	**52,341**
4	**Liabilities**				
	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Other financial liabilities	16	42	33	30
	(b) Deferred tax liabilities (Net)	17	-	-	35
	(c) Other non-current liabilities	18	6,853	5,342	2,824
	Sub-total - B		**6,895**	**5,375**	**2,889**
5	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Trade payables	15	203	176	2,287
	(ii) Other financial liabilities	16	1,17,530	62,604	68,632
	(b) Other current liabilities	18	21	17	20
	(c) Provisions	19	60	49	32
	Sub-total - C		**1,17,814**	**62,846**	**70,971**
	Total Equity and Liabilities (A+B+C)		**1,77,114**	**1,17,205**	**1,26,201**

See accompanying notes forming part of financial statements

For and on behalf of the Board of Directors

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

S. Sundareshan
Chairman

K. Kumar
Managing Director & CEO

Supriya Panse
Partner
Membership No.: 46607
Place: Mumbai
Date: April 24, 2017

Myna Venkatraman
Chief Financial Officer

Prasad Sawant
Company Secretary

INDIAN CLEARING CORPORATION LIMITED

'ATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ In Lakh

	Particulars	Note No	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
I	**REVENUES**			
	(a) Revenue From Operations	20	4,170	4,254
	(b) Revenue From Investments And Deposits	21	4,625	2,702
	(c) Other Income	22	2	2
	Total Revenue		**8,797**	**6,958**
II	**EXPENSES**			
	(a) Employee Benefits Expenses	23	745	584
	(b) Other Operating Expenses	24	1,628	1,346
	(c) Depreciation And Amortisation		130	108
	(d) Finance Cost - Interest		86	17
	Total Expenses		**2,589**	**2,055**
III	Profit Before Exceptional, Extraordinary Items And Tax	I - II	6,208	4,903
IV	Exceptional Items		-	72
V	Profit Before Extraordinary Items And Tax	III - IV	6,208	4,831
VI	Extraordinary Items		-	-
VII	Profit Before Tax	V - VI	**6,208**	**4,831**
VIII	Tax Expense: (refer note 42)			
	Current Tax		866	349
	Deferred Tax		(306)	(347)
	Tax Adjustment For Earlier Years		-	5
IX	Profit From Continuing Operations	VII - VIII	**5,648**	**4,824**
X	Profit From Discontinuing Operations		-	-
XI	Profit For The Year	IX + X	**5,648**	**4,824**
XII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans;		(4)	3
	Total other comprehensive income for the year		**(4)**	**3**
XIII	**Total Comprehensive Income for the year**		**5,644**	**4,827**
XIV	Earning Per Equity Share:			
	Basic And Diluted		0.16	0.14
	Par Value Of Share (Re.)		1	1
	Weighted Average Number Of Shares (Nos.)		3,54,00,00,000	3,54,00,00,000

See accompanying notes forming part of financial statements

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

K. Kumar
Managing Director & CEO

Supriya Panse
Partner
Membership No.: 46607

Myna Venkatraman
Chief Financial Officer

Prasad Sawant
Company Secretary

Place: Mumbai
Date: April 24, 2017

Statement of change in Equity

₹ in Lakh

Particulars	A. Equity Share Capital	B. Other Equity			Total (A+ B)
		Core Settlement Guarantee Fund (Core SGF)	Retained Earnings	Other Comprehensive Income	
Changes in equity					
Balance as at April 01, 2015	35,400	7,930	3,244	-	46,574
Ind AS Adjustments					
Reversal of proposed dividend and dividend distribution tax thereon in the absence of obligating event			5,725	-	5,725
Effect of measuring investments in mutual fund units at fair value through profit or loss			64	-	64
Deferred tax on Ind AS adjustments			-22	-	-22
Balance as at April 01, 2015	**35,400**	**7,930**	**9,011**	**-**	**52,341**
Profit for the year			4,824	-	4,824
Other comprehensive income for the year			-	3	3
Transferred to Core SGF		3,456	-3,456	-	-
Income Transferred to Core SGF		877		-	877
Payment of Dividend			-7,528	-	-7,528
Payment of Tax on Dividend			-1,533	-	-1,533
Balance as at March 31, 2016	**35,400**	**12,263**	**1,318**	**3**	**48,984**
Profit for the year			5,648	-	5,648
Other comprehensive income for the year			-	-4	-4
Transferred to Core SGF		-	-	-	-
Income Transferred to Core SGF		1,335	-	-	1,335
Payment of Dividend			-2,956	-	-2,956
Payment of Tax on Dividend			-602	-	-602
Balance as at March 31, 2017	**35,400**	**13,598**	**3,408**	**-1**	**52,405**

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

Supriya Panse
Partner
Membership No.: 46607

Place: Mumbai
Date: April 24, 2017

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

K. Kumar
Managing Director & CEO

Myna Venkatraman
Chief Financial Officer

Prasad Sawant
Company Secretary

Indian Clearing Corporation Limited

Reliability builds relationships

INDIAN CLEARING CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ In Lakh

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit After Tax	5,648	4,824
	Adjustments For:		
	Adjustments for Income tax expense	560	7
	Amortisation Of Bonds Premium / Discount On Bonds	4	(47)
	Finance Cost	86	17
	Depreciation On Fixed Assets	130	108
	Income earned on Core Settlement Guarantee Fund	1,335	877
	Provision for Compensated absence	37	33
	Fair Valuation of financial assets	-	2
	Provision for Gratuity	6	2
	Profit on Sale / Redemption of Bonds	(2,302)	-
	(Profit) / Loss On Sale / Redemption Of Mutual Funds	(2)	-
	Interest Income	(2,151)	(2,399)
	Dividend Income	(166)	(260)
		(2,463)	(1,660)
	Operating Profit Before Working Capital Changes	3,185	3,164
	Change in assets and liabilities		
	Trade Receivables	190	(169)
	Loans and other financial assets	18	(8,860)
	Other Assets	70	(467)
	Trade Payable	27	(2,111)
	Other financial liabilities	54,935	(6,025)
	Other liabilities & Provisions	1,483	2,499
		56,723	**(15,133)**
	Taxes Paid	(1,159)	(698)
	Net Cash From / (Used In) Operating Activities	**58,749**	**(12,667)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment towards Property, Plant, Equipment and Intangible assets	(165)	(155)
	Proceed (Purchase) towards Investments	33,833	23,864
	Proceed (Purchase) towards Fixed Deposits With Banks	(23,869)	(4,255)
	Interest Income	2,811	1,864
	Dividend From Mutual Funds	166	260
	Net Cash From / (Used In) Investment Activities	**12,776**	**21,578**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend Paid	(2,956)	(7,528)
	Tax on Dividend Paid	(602)	(1,533)
	Finance Cost	(86)	(17)
	Net Cash From / (Used In) Financing Activities	**(3,644)**	**(9,078)**

D.	**Net (Decrease) / Increase In Cash And Cash Equivalents**	**67,881**	**(167)**
	Cash And Cash Equivalents At The End Of The Year		
	In Current Account	32,121	15,350
	In Deposit Account	68,900	17,790
		1,01,021	**33,140**
	Cash And Cash Equivalents At The Beginning Of The Year	**33,140**	**33,307**
	Changes In Cash & Cash Equivalents	**67,881**	**(167)**
	Cash And Cash Equivalents At The End Of The Year	**1,01,021**	**33,140**
	Add: Earmarked Bank balance	-	-
	Add: Fixed Deposits original maturity more than 3 Months	-	-
	Add: Earmarked Fixed Deposits	-	-
	Cash and Cash Equivalents as per note no. "11"	**1,01,021**	**33,140**

See accompanying notes forming part of financial statements

In terms of our report attached
For **S. Panse & Co.**
Chartered Accountants
Firm Reg. No.: 113470W

Supriya Panse
Partner
Membership No.: 46607
Place: Mumbai
Date: April 24, 2017

For and on behalf of the Board of Directors

S. Sundareshan
Chairman

K. Kumar
Managing Director & CEO

Myna Venkatraman
Chief Financial Officer

Prasad Sawant
Company Secretary

Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2017.

1. Corporate information

Indian Clearing Corporation Limited ("ICCL" or "Company") was incorporated in 2007 as a wholly owned subsidiary of BSE Ltd. ICCL carries out the functions of clearing, settlement, collateral management and risk management for various segments of different stock exchanges. The registered office of the Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India.

2. Significant Accounting Policies

2.1. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of IGAAP as the previous GAAP, which include Standards notified under the Companies (Accounting Standards) Rules, 2006.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP and the date of transition is April 1, 2015 and reconciliations and descriptions of the effect of the transition has been summarized in note 41. Further company has availed exemption under Ind AS first time adoption as stated in note 40.

2.2. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would

take those characteristics into account when pricing the asset or liability at the measurement date.
Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that' are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.
In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

2.2.1 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Service is recognized as and when the service is performed as per the relevant agreements and when there is a reasonable certainty of ultimate realization.

2.2.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

2.2.3 Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.2.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.2.5 Foreign currency transactions and balances

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign Exchange rate differences arising on settlement(s) / conversion(s) are recognised in the Statement of Profit and Loss.

2.2.6 Employee benefits

a. Retirement benefit costs and termination benefits – Gratuity

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in Other Comprehensive Income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

b. Short-term employee benefits - Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss

2.2.7 Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their primary nature.

2.2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset-to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Minimum Alternate Tax (MAT):

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of MAT under the Income-tax Act, 1961, the Company recognizes MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

d. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity.

2.2.9 Property, plant and equipment

Depreciation on tangible assets is provided on the 'Written Down Value' basis, except depreciation on Motor Vehicle, as per useful life of the assets as prescribed under Schedule II of the Companies Act, 2013 for the number of days the assets have been ready to put to use for their intended purposes.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on Motor Vehicle assets is depreciated over a useful life of 3 years which represent the lease period of the asset purchased on finance lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit of loss.

Estimated useful lives of the tangible assets are as follows:

Computer Equipment	3-6 years
Motor Vehicles-	3 years
Furniture, Fixtures	10 years
Office & Electronics Equipments-	5-10 years

Derecognition of assets
The carrying amount of Property, plant and equipment shall be derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.

2.2.10 Intangible assets

a. Intangible assets acquired separately

Intangible assets consisting of computer software are being depreciated at 40% on the 'Written Down Value' basis for the number of days the assets have been ready to put to use for their intended purposes.

b. Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.2.12 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. 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.

a. 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 market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

b. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note 2.2.12.e

Equity instruments are subsequently measured at Fair Value through Other Comprehensive Income (FVTOCI) and all other financial assets are subsequently measured at fair value.

c. Effective interest method

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 and points 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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Revenue from Investments and Deposits" line item.

d. Financial assets at fair value through profit or loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for, investments in equity instruments which are not held for trading Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

e. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the

Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the balance sheet.

f. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company' allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those pasts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.2.13 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVP.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

d. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading or contingent consideration, recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, m. be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistent that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, whit is managed and its performance is evaluated on a fair value basis, in accordance with the Company documented risk management or investment strategy, and information about the company : provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permit the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income’ line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in Other Comprehensive Income, unless the recognition of the effects of changes in the liability's credit risk in Other Comprehensive Income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in Other Comprehensive Income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

e. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points 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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.2.14 Settlement Obligation:

Pay-in/Pay-out obligation (Settlement Obligation) of the Company are accounted based on settlement dates.

2.2.15 Current / Non-current classification

The company present assets and liabilities to be classified as either Current or Non-current.

Assets

- An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the entity’s normal operating cycle;

b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the balance sheet date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date

- All other assets are classified as non-current.

Liabilities

- A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in, the entity's normal operating cycle;
b) it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
c) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

- All other liabilities are classified as non-current.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2.16 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.2.18 Earmarked Funds:

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. The income earned on the investments from those earmarked funds are shown as liabilities and are not routed through the Statement of Profit and Loss.

2.2.19 Core Settlement Guarantee Fund (Core SGF):

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27,2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange (SE) to guarantee the settlement of trades executed in the respective segment of the SE. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (ICCL), Stock exchange (BSE) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor’s funds. Penalties and fines levied by the Company are directly transferred to Core SGF as Other Contributions.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Carrying amount of:			
Computer Equipment	28	28	16
Motor Vehicles (refer note below)	1	2	5
Furniture, Fixtures	6	-	-
Office & Electronics Equipments (*)	5	-	-
Total	**40**	**30**	**21**

* represents values less than ₹ 1 lakh.

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Cost or deemed cost					
Balance as at April 1, 2015	16	5	-	-	21
Additions during the year	32	-	-	-	32
Balance as at March 31, 2016	**48**	**5**	**-**	**-**	**53**
Balance as at April 1, 2016	48	5	-	-	53
Additions during the year	15	-	7	6	28
Balance as at March 31, 2017	**63**	**5**	**7**	**6**	**81**

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Accumulated depreciation and impairment					
Balance as at April 1, 2015	-	-	-	-	-
Depreciation for the year	20	3	-	-	23
Balance as at March 31, 2016	**20**	**3**	**-**	**-**	**23**
Balance as at April 1, 2016	20	3	-	-	23
Depreciation for the year	15	1	1	1	18
Balance as at March 31, 2017	**35**	**4**	**1**	**1**	**41**

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Net Book Value					
As at April 1, 2015	16	5	-	-	21
As at March 31, 2016	28	2	-	-	30
As at Mar 31, 2017	28	1	6	5	40

₹ in Lakh

Particulars	Computer Equipment	Motor Vehicles	Furniture, Fixtures	Office & Electronics Equipments	Total
Carrying amount					
Balance as at April 1, 2015	16	5	-	-	21
Additions during the year	32	-	-	-	32
Depreciation for the year	20	3	-	-	23
Balance as at March 31, 2016	**28**	**2**	**-**	**-**	**30**
Balance as at April 1, 2016	28	2	-	-	30
Additions during the year	15	-	7	6	28
Depreciation for the year	15	1	1	1	18
Balance as at March 31, 2017	**28**	**1**	**6**	**5**	**40**

Note:
1. Company has acquired the Motor Vehicle on expire of Lease agreement during the year as per term of agreement.

4. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Carrying amount of:			
Software	249	211	182
Intangible assets under development	2	15	6
Total	**251**	**226**	**188**

₹ in Lakh

Particulars	Software
Cost or deemed cost	
Balance as at April 1, 2015	182
Additions during the year	114
Balance as at March 31, 2016	**296**
Balance as at April 1, 2016	296
Additions during the year	150
Balance as at March 31, 2017	**446**

₹ in Lakh

Particulars	Software
Accumulated depreciation and impairment	
Balance as at April 1, 2015	-
Amortisation for the year	85
Balance as at March 31, 2016	**85**
Balance as at April 1, 2016	85
Depreciation for the year	112
Balance as at March 31, 2017	**197**

Particulars	Software
Net Book Value	
As at April 1, 2015	182
As at March 31, 2016	211
As at Mar 31, 2017	249

Particulars	Software
Carrying amount	
Balance as at April 1, 2015	182
Additions during the year	114
Depreciation for the year	85
Deductions / Adjustments	-
Balance as at March 31, 2016	**211**
Balance as at April 1, 2016	211
Additions during the year	150
Depreciation for the year	112
Balance as at March 31, 2017	**249**

5. INVESTMENTS

₹ In Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A. Non Current Investment			
Non Trade Investments (At cost, unless otherwise specified):			
(Fully Paid-up, unless otherwise stated)			
Unquoted - Investments in Equity Instruments			
25,000 Shares of BSE CSR Integrated Foundation of ₹ 1/- each (upto March 09, 2017)	-	-	-
Quoted - Investment in Bonds at Amortised cost			
Own Fund	-	20,292	25,228
Clearing and Settlement Fund	-	4,550	4,559
Earmarked - Core SGF	-	1,385	1,385
Sub-Total - A	**-**	**26,227**	**31,172**
B. Current Investment			
Quoted - Investment in Certificates of Deposit at Amortised cost			
Own Fund	-	-	12,983
Clearing and Settlement Fund	-	-	4,993
Sub-total (i)	**-**	**-**	**17,976**
Quoted - Investment in Units of Mutual Funds - at Fair Value through profit & loss			
Clearing and Settlement Fund			
Units of Dividend Oriented Liquid Schemes of Mutual Funds	-	-	1
Units of Growth Oriented Liquid Schemes of Mutual Funds	-	314	489
Earmarked - Core SGF			
Units of Dividend Oriented Liquid Schemes of Mutual Funds	-	-	5,714
Sub-total (ii)	**-**	**314**	**6,204**
CURRENT PORTION OF LONG TERM INVESTMENTS (At Cost)			
Quoted Investment in Bonds at Amortised cost			
Own Fund	-	4,992	-
Sub-total (iii)	**-**	**4,992**	**-**
Sub-Total - B (i+ii+iii)	**-**	**5,306**	**24,180**
Total (A+B)	**-**	**31,533**	**55,352**

Scrip-wise Details of Investment

₹ In lakh

Particulars	No. of Units	As at March 31, 2017	No. of Units	As at March 31, 2016
Investment in Bonds at at Amortised cost				
Own Fund				
8.20% - Power Finance Corporation - 01 February 2022		-	1,19,000	1,232
8.23% - Indian Railway Financial Corporation - 18 February 2024		-	10,00,000	10,000
8.35% Power Finance Corporation Ltd - 15 May 2016		-	500	4,992
8.00% - Indian Railway Finance Corporation Ltd - 23 February		-	61,000	601
8.27% - National Highway Authority of India - 05 February 2024		-	8,12,098	8,121
8.20% - National Highway Authority of India - 25 January 2022		-	34,000	338
Sub Total - A		**-**		**25,284**
Clearing and Settlement Fund				
8.27% - National Highway Authority of India - 05 February 2024		-	49,400	494
8.23% - Indian Railway Financial Corporation - 18 February 2024		-	2,50,000	2,517
7.93% - Rural Electrification Corporation - 27 March 2022		-	1,50,000	1,539
Sub Total - B		**-**		**4,550**
Earmarked - Core SGF				
8.27% - National Highway Authority of India - 05 February 2024		-	1,38,502	1,385
Sub Total - C		**-**		**1,385**
Aggregate value of quoted Bonds (A+B+C)		**-**		**31,219**
Market value of quoted Bonds		**-**		**33,096**
Investment in Mutual Funds carried at fair vaule through profit & loss				
Clearing and Settlement Fund				
HDFC Liquid Fund - Dir - Growth		-	10,517	314
Aggregate value of quoted Mutual Fund		**-**		**314**
Market value of quoted Mutual Fund		**-**		**314**

6. LOANS

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current			
Unsecured, considered good			
Other Loans			
Loans to Employee	8	12	10
Current			
Unsecured, considered good			
Other Loans			
Loans to Employee	2	1	2
Total	**10**	**13**	**12**

7. OTHERS FINANCIAL ASSETS

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current			
Deposit with Others	19	5	5
In Deposit with Bank			
Own	4,513	2,993	22
Clearing and Settlement	1,208	999	-
Core SGF	9,396	9,257	-
Defaulter	-	-	133
Others Receivable from defaulter member (Refer to Note 32)	104	-	-
Unamortised Cost	1	-	-
Sub-Total - A	**15,241**	**13,254**	**160**
Current			
Others Receivable from defaulter member (Refer to Note 32)	26	137	785
Accrued interest :			
Deposits			
Own Fund	1	11	1
Clearing and Settlement Fund	26	90	383
Earmarked - Core SGF	-	13	-
Earmarked - Defaulter	-	-	4
Bonds			
Own Fund	-	1,271	938
Clearing and Settlement Fund	-	289	518
Earmarked - Core SGF	-	5	108
Sub-Total - B	**53**	**1,816**	**2,737**
Total (A+B)	**15,294**	**15,070**	**2,897**

8. DEFERRED TAX ASSETS (NET)

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred Tax Assets:			
Provision for Compensated Absences	18	16	-
MAT Credit Entitlement	645	349	-
Less : Deferred Tax Liabilities			
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets	45	31	-
Fair Value of Investment	-	22	-
Net Deferred Tax Assets	**618**	**312**	**-**
Note: The carry-forward of unused tax losses of ₹ 4,100 Lakh is not considered			

9. OTHER CURRENT ASSETS

₹ In lakh

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current Assets				
Prepaid Expenses		1	1	2
	Sub-Total - A	**1**	**1**	**2**
Current Assets				
Prepaid Expenses		193	204	195
Cenvat Credit Receivable		396	459	-
	Sub-Total - B	**589**	**663**	**195**
Total (A+B)		**590**	**664**	**197**

10. TRADE RECEIVABLES

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured and Considered Good	8	196	1
Unsecured, considered good	1	3	29
Total	**9**	**199**	**30**

11. CASH AND CASH EQUIVALENTS

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash on hand	-	-	-
Balances with banks			
In Current accounts			
Own Fund	881	530	84
Clearing and Settlement Fund	30,883	14,731	5,619
Earmarked - Core SGF	357	89	612
Earmarked - Defaulter	-	-	2
In Deposit accounts			
Own Fund	7,500	1,000	3,100
Clearing and Settlement Fund	61,400	16,790	23,890
Total	**1,01,021**	**33,140**	**33,307**

Disclosure On Specified Bank Notes (SBNs):

Disclosure on specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

The company has no cash balance as on November 08, 2016 and December 30, 2016. Further during the period no transaction has been made in cash by the company.

12. BANK BALANCES OTHER THAN (III) ABOVE

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
In Deposit accounts			
Own Fund	17,353	1,309	-
Clearing and Settlement Fund	25,255	25,015	30,219
Earmarked - Core SGF	15,194	8,508	2,933
Earmarked - Defaulter	-	-	204
Total	**57,802**	**34,832**	**33,356**

Notes:

- Balances in Deposits with Banks of ₹ 23,063 Lakh (As at March 31, 2016 ₹ 20,687 Lakh), are pledged against bank over draft.

13. EQUITY SHARE CAPITAL

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised			
5,00,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2016: 5,00,00,00,000 Equity Shares of ₹ 1/- each)	50,000	50,000	50,000
Issued, Subscribed and Fully Paid - up			
3,54,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2016: 3,54,00,00,000 Equity Shares of ₹ 1/- each)	35,400	35,400	35,400
Total	**35,400**	**35,400**	**35,400**

2(a). Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars of issue	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ In lakh	No. of Shares	₹ In lakh
Opening Balance	3,54,00,00,000	35,400	3,54,00,00,000	35,400
a) Right Issue	-	-	-	-
b) Bonus	-	-	-	-
c) Preferential Allotment	-	-	-	-
d) Others	-	-	-	-
Closing Balance	**3,54,00,00,000**	**35,400**	**3,54,00,00,000**	**35,400**

2(b). List of shareholders holding more than 5% shares

Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% of total shares	No. of Shares	% of total shares
BSE Limited and its nominees	3,54,00,00,000	100	3,54,00,00,000	100

2(c) I. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.

2(c) II. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

14. OTHER EQUITY

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Core Settlement Guarantee Fund - Core SGF (Refer to Note 2.2.19 & 31)			
Opening Balance	12,263	7,930	7,930
Add : Corpus transferred from Statement of Profit & Loss	-	3,456	-
Add : Income Earned during the year	1,335	877	-
Sub-Total - A	**13,598**	**12,263**	**7,930**
Retained earnings			
Opening Balance	1,321	9,011	3,244
Add : Profit for the year	5,644	4,827	-
Ind AS transition adjustment	-	-	5,767
Less : Appropriations			
Corpus transferred to Core SGF	-	3,456	-
Dividend	2,956	7,528	-
Tax on Dividend	602	1,533	-
Sub-Total - B	**3,407**	**1,321**	**9,011**
Total (A+B)	**17,005**	**13,584**	**16,941**

Notes:

Core Settlement Guarantee Fund:

ICCL has created a dedicated Core Settlement Guarantee Fund (Core SGF), which is readily and unconditionally available to meet settlement obligations of ICCL in case of clearing member(s) failing to honour settlement obligation.

ICCL maintains a dedicated Core SGF for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. Core SGF contributed 75% self-funded, while 25% is funded by the Exchange i.e. BSE Limited). ICCL carries out daily stress tests for credit risk, daily liquidity stress test to assess the adequacy of liquidity arrangements, periodic reverse stress tests and daily back tests for adequacy of margins.

Retained earnings:

The same reflects surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

15. TRADE PAYABLES

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
i) total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
a) Payable to Service Providers	140	120	179
b) Payable to Holding Company	63	56	2,108
Total	**203**	**176**	**2,287**

Note - The Company has received information from some "Suppliers" regarding their status under the Micro, Small, and Medium Enterprises Development Act, 2006. Based on the information received, there are no amounts unpaid as at the year end.

16. OTHER FINANCIAL LIABILITIES

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current			
Lease Rental Payable (refer note 38)	-	-	5
Accrued Employee Benefits Expense	42	33	25
Sub-Total - A	**42**	**33**	**30**
Current			
Deposit from Clearing Banks	13,551	13,801	14,801
Deposit and Margins from Members	51,562	18,157	22,314
Settlement Obligation Payable	50,248	29,698	30,362
Clearing and Settlement - Others	1,907	809	717
Accrued Employee Benefits Expense	262	134	92
Lease Rental Payable (refer note 38)	-	5	3
Earmarked - Defaulters Liabilities	-	-	343
Sub-Total - B	**1,17,530**	**62,604**	**68,632**
Total (A+B)	**1,17,572**	**62,637**	**68,662**

17. DEFERRED TAX LIABILITIES (NET)

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred Tax Liabilities:			
On difference between book balance and tax balance of Property, Plant and Equipment and Intangible assets	-	-	24
Fair Value of Investment	-	-	22
Less : Deferred Tax Asset			
Provision for Compensated Absences	-	-	11
Net Deferred Tax Liability	**-**	**-**	**35**

18. OTHER CURRENT LIABILITIES

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current			
Core Settlement Guarantee Fund (Refer to Note 2.2.19 & 31) (Exchange Contribution and Others Contributions)	6,853	5,342	2,824
Sub-Total - A	**6,853**	**5,342**	**2,824**
Current			
Statutory Remittances	21	17	20
Sub-Total - B	**21**	**17**	**20**
Total (A+B)	**6,874**	**5,359**	**2,844**

19. PROVISIONS

₹ In lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
Provision for Employee Benefits			
Provision for Compensated Absences	53	47	32
Provision for Gratuity	7	2	-
Total	**60**	**49**	**32**

20. REVENUE FROM OPERATIONS

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
Sale of services		
Auction Fees	90	83
Other Operating Revenue		
Treasury Income from Clearing and Settlement Funds		
A. Interest income earned on financial assets that are measured at amortised cost:		
Bonds	328	357
Certificates of Deposit	-	7
Deposits	2,911	2,794
Net gain on sale of financial assets mandatorily measured at amortised cost	403	-
B. Income earned on financial assets that are mandatorily measured as at fair value through profit or loss:		
Net gain on sale of financial assets mandatorily measured at FVTPL	7	35
Dividend From Mutual Funds measured at FVTPL	398	935
Others	33	43
Total	**4,170**	**4,254**

21. REVENUE FROM INVESTMENTS AND DEPOSITS

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
A. Interest income earned on financial assets that are measured at amortised cost:		
Bonds	1,343	2,143
Certificates of Deposit	-	17
Deposits	812	282
Net gain on sale of financial assets mandatorily measured at amortised cost	2,302	-
B. Income earned on financial assets that are mandatorily measured as at fair value through profit or loss:		
Net gain on sale of financial assets mandatorily measured at FVTPL	2	-
Dividend From Mutual Funds measured at FVTPL	166	260
Total	**4,625**	**2,702**

22. OTHER INCOME

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
Miscellaneous Income	2	2
Total	**2**	**2**

23. EMPLOYEE BENEFITS EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
Salaries, Allowances and Bonus	669	523
Contribution to Provident and Other Funds	21	17
Provision for Compensated Absence	37	33
Staff Welfare Expenses	18	11
Total	**745**	**584**

24. OTHER OPERATING EXPENSES

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
Auditors' Remuneration (Refer note 24.1)	6	5
Contribution to Corporate Social Responsibility (Refer note 24.2)	-	128
Electricity Charges	8	7
Rent	75	40
Computer Technology Related Expenses	784	646
Insurance	206	197
Service Tax Expense	235	18
Property Tax Expenses	4	4
Clearing House Charges	9	37
Directors' Sitting Fees	11	10
Legal Fees	2	30
Membership & Subscription Fees	39	14
Maintenance Expenses	6	-
Professional Fees	92	86
Stamp Duty, Registration Charges & Regulatory Fees	11	6
Travelling Expenses	53	43
Committee Meeting Sitting Fees	49	47
Miscellaneous Expenses	38	28
Total	**1,628**	**1,346**

24.1 Auditors' Remuneration

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
Auditors' Remuneration Includes:		
Statutory Audit Fees	4	4
Tax Audit Fees	1	1
Other services	1	-
Total	**6**	**5**

24.2 Contribution to Corporate Social Responsibility

₹ In Lakh

Particulars	For the Year Ended March 31, 2017	For the Year Ended Mar 31, 2016
The gross amount required to be spent by company during the year	131	145

Amount debited to statement of profit and loss account were paid in cash during the respective year and were incurred for the purpose other than construction / acquisition of any asset.

25. Commitments (to the extent not provided for)

₹ in lakh

Sr. No.	Particulars	As at March 31, 2017	As at Mar 31,2016
(a)	Estimated amount of unexecuted capital contracts	33	14

26. Contingent Liabilities (to the extent not provided for)

₹ in lakh

Sr. No.	Particulars	As at March 31, 2017	As at Mar 31,2016
(a)	Claims against the company not acknowledged as debts in respect of :		
	- Income tax matters (The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process.)	87	59

27. The Managing Director & CEO of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on only one class of operations i.e. facilitating clearing and settlement activities and the activities incidental thereto, hence there are no reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

28. Related party Transactions:

1. <u>List of Related Party and Relationships</u>

Sr.	Name of Related Party & Relationship
1.	BSE Limited - Holding Company
2.	Marketplace Technologies Private Ltd - Fellow Subsidiary
3.	Central Depository Services (India) Ltd - Fellow Subsidiary
4.	BSE CSR Integrated Foundation - Fellow Subsidiary (Being a Section 8 company under companies Act, 2013) (w.e.f March 07, 2016)
5.	BSE Institute Limited – Fellow Subsidiary
6.	BSE Investments Limited – Fellow subsidiary
7.	BSE Sammaan CSR Limited – Fellow subsidiary (w.e.f. September 10, 2015)
8.	BSE International Exchange (IFSC) Limited - Fellow subsidiary (w.e.f. September 12, 2016)
9.	India International Clearing Corporation (IFSC) Limited – Follow subsidiary (w.e.f. September 12, 2016)
10.	BOI Shareholding Ltd - Joint Venture of Holding Company (Till January 8, 2016)
11.	Asia Index Private Ltd - Joint Venture of Holding Company
12.	Shri K. Kumar - Managing Director & CEO
13.	Shri S. Sundareshan – Chairman (w.e.f. August 28, 2015)

Sr.	Name of Related Party & Relationship
14.	Ms. Maya Swaminathan Sinha – Public Interest Director
15.	Mr. Ramabhadran S Thirumalai – Public Interest Director (w.e.f. August 28, 2015)
16.	Mr. Prasad Dahapute – Public Interest Director (w.e.f April 29, 2016)
17.	Mr. Nehal Vora – Shareholder Director
18.	Mr. Neeraj Kulshreshtha – Shareholder Director (w.e.f April 27, 2016)

2. **Transactions with Related Parties**

(a) BSE Ltd (Holding Company):

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Expenditure		
Computer Technology Related Expenses	201	242
Rent	62	38
Electricity Charges	8	7
Property Tax	4	4
Membership & Subscription Fees	-	13
Others Expenses	6	15

Particulars	As at March 31, 2017	As at March 31, 2016
Assets		
Prepaid Expenses	5	2
Liability		
Contribution towards Core SGF (excluding income earned thereon)	5,258	4,305
Payable (net)	63	56

(b) Marketplace Technologies Private Ltd (Fellow Subsidiary):

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Expenditure		
Computer Technology Expenses	480	361
Purchase of Intangible Assets	28	114

Particulars	As at March 31, 2017	As at Mar 31, 2016
Liability		
Payable	91	45

(c) Central Depository Services (India) Ltd (Fellow Subsidiary):

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Expenditure		
Administrative & Other Expenses	4	5

Particulars	As at March 31, 2017	As at Mar 31, 2016
Assets		
Deposits (Asset)	5	5
Prepaid Expenses	1	1

(d) BSE CSR Integrated Foundation (Fellow Subsidiary – w.e.f. March 09, 2016)

₹ in Lakh

Particulars	As at March 31, 2017	As at Mar 31, 2016
Investment (25,000 Equity shares of ₹ 1/- each) (upto March, 09 2017)	-	-

(e) India International Clearing Corporation (IFSC) Limited - Follow subsidiary (w.e.f. September 12, 2016)

₹ in Lakh

Particulars	As at March 31, 2017	As at Mar 31, 2016
Assets		
Administrative and Other Expenses (Recoveries)	7	-

(f) Key Management Personnel (KMP):

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Mr. K. Kumar (Managing Director & CEO) Gross remuneration and other benefits paid *	89	82

* Excludes the variable pay of the prior years which has been paid in the current quarter based on Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012

29. Earnings per Share:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit after tax (₹ in lakh)	5,648	4,824
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	3,54,00,00,000	3,54,00,00,000
Face Value of equity shares (₹)	1	1
Basic and Diluted earnings per share (₹)	**0.16**	**0.14**

30. Expenditure in Foreign Currency: (on accrual basis)

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Software Expenses	24	7
Travel Expenses	14	11
Membership Fees	37	2
Others	3	1

31. (a) As per SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, ICCL has established a fund called Core SGF for each segment (Equity, Equity Derivative, Debt & Currency Derivative) of each Recognised SE to guarantee the settlement of trades executed in respective segment of the SE. Accordingly, an amount ₹ 18,094 lakh as at March 31, 2017 (₹ 13,915 lakh as at March 31, 2016) has been earmarked from investments and bank balances towards the Core SGF maintained for various segment by ICCL including income earned thereon. The contribution made by BSE Ltd to the said Core SGF amounts to ₹ 5,993 lakh as at March 31, 2017 (₹ 4,599 lakh as at March 31, 2016) including income earned thereon. Further, Other Contribution represent an amount (i) ₹ 437 lakh as at March 31, 2017 (₹ 405 as at March 31, 2016) have been received under the Scheme of amalgamation between United Stock Exchange of India Limited and BSE Ltd, including income earned thereon (ii) ₹ 423 lakh as at March 31, 2017 (₹ 338 lakh as at March 31, 2016), being fines & penalties collected from members by ICCL have been included in Core SGF, including income earned thereon.

₹ in lakh

Particulars	BSE Contribution	ICCL Contribution	Other Contributions	Total
Equity Segment	3,668	10,992	406	15,066
Equity Derivative Segment	419	1,258	7	1,684
Currency Derivative Segment	1,906	5,715	447	8,068
Debt	-	129	-	129
Grand Total	**5,993**	**18,094**	**860**	**24,947**

(b) Earlier, the income earned on Core SGF investments (ICCL and others contribution) was credited to the Statement of Profit and Loss and then appropriated to the Fund (net of taxes). Effective April 01, 2015 the said Income is directly credited to the Core SGF of respective contributors.

32. A sum of ₹ 130 lakh (P. Y. ₹ 137 Lakh) has been shown as receivable from a defaulter member. Based on the negotiation with the said member, the company does not expect any credit loss and hence no provision is made in the books of account.

33. Disclosure as required on “Employee Benefits” is as under:

33.1. Gratuity - Defined Benefit Plan

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee’s compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

Such plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan’s debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

a. The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements As at March 31, 2017 and March 31, 2016.

₹ in lakh

Particulars	**As at March 31, 2017**	**As at Mar 31, 2016**
Change in benefit obligations		
Benefit obligations at the beginning	80	72
Current Service Cost	6	5
Interest on defined benefit obligation	6	6
Re-measurements - Actuarial Loss / (Gain)	3	(3)
Benefits Paid	(1)	-
Liability assumed on acquisition/(Settled on Divestiture)	(8)	-
Closing Defined Benefit Obligation	86	80
Change in plan assets		
Opening Fair Value of Plan Assets	78	72
Contributions by Employer	5	1
Interest on Plan Assets	6	6
Re-measurements - Actuarial Loss / (Gain)	(1)	(1)
Benefits Paid	(1)	-
Closing Fair Value of Plan Assets	87	78
Funded status	86	80

b. Amount For the year ended March 31, 2017 and year ended March 31, 2016.

₹ in lakh

Particulars	**March 31, 2017**	**March 31, 2016**
Current Service Cost	6	5
Interest on net defined benefit obligations / (asset)	-	-
Total Included in "Employee Benefit Expense"	6	5

c. Amount for the year ended March 31, 2017 and year ended March 31, 2016 recognised in the statement of other comprehensive income:

₹ in lakh

Particulars	**March 31, 2017**	**March 31, 2016**
Re-measurement for the year – Obligation (gains) / losses	-4	3
Re-measurement for the year – Plan asset (gains) / losses	-	-
Total amount recognised in "Other Comprehensive Income"	-4	3

d. Principle actuarial assumption

Assumptions	**As at March 31, 2017**	**As at March 31, 2016**
Discount Rate	7.20%	7.80%
Salary escalation	7.00%	7.00%

- **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

e. Sensitivity Analysis: The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

Particulars	**Year ended March 31, 2017**	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-4.59%	4.93%
Impact of decrease in 50 bps on defined benefit obligation	4.95%	-4.62%

f. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flow: Expected benefit payment

₹ in lakh

Maturity Profit	**As at March 31, 2017**
Expected benefits for year 1	1
Expected benefits for year 2	2
Expected benefits for year 3	2
Expected benefits for year 4	2
Expected benefits for year 5	2
Expected benefits for year 6	14
Expected benefits for year 7	45
Expected benefits for year 8	2
Expected benefits for year 9	26
Expected benefits for year 10 and above	107

The weighted average duration to the payment of these cash flows is 9.53 years.

g. Composition of Plan Assets

₹ in lakh

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Insurer Managed Funds	86	77
Others	1	1

Actual return on the assets for the year ended March 31, 2017 and year ended March 31, 2016 were ₹ 3 lakh and ₹ 5 lakh respectively.

33.2. Provident Fund – Defined Contribution Plan

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid on cessation of services. Both the employee and the company make monthly contributions to the "BSE Employees' Provident Fund", a trust set up and administered by the BSE Ltd. The company is liable for any shortfall in the fund assets based on the minimum rate of return specified by the Government, which is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

The Company recognised charge for the year ended March 31, 2017 and for the year ended March 31, 2016 of ₹ 13 lakh and ₹ 11 lakh respectively for provident fund in the statement of profit & loss.

33.3. Other long-term employee benefit obligations

The leave obligation covers the company liability for sick and earned leave. Under these Compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days. Refer Note 23 and Note 19 with respect to item of profit and loss and Balance Sheet where such charge/provision has been presented.

34. During the year the Board of Directors has declared interim dividend in its meeting held during the year, for an amounting ₹ 2,294 lakh excluding tax thereon and same has been paid to shareholder.

35. Critical accounting judgments and estimates

In the course of applying the policies outlined in all notes stated above, management makes estimations and assumptions that impact the amounts recognised in the financial statements. The Company believes that critical judgment and estimation have been made in the following areas:

35.1. Intended use, useful lives and residual value of property, plant and equipment and intangible assets

Based on technical evaluations, management makes its judgement when property, plant and equipment and intangible assets are capable to operate in the manner intended by them.

Management reviews the useful lives and residual values of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

35.2. Provisions and liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

35.3. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

35.4. Income taxes

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

35.5. Defined employee benefit assets/liabilities

Determined based on the present value of future pension obligations using assumptions determined by the Company with advice from an independent qualified actuary.

35.6. Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

36. Financial instruments

Risk Management:

The Company has an elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with the Risk Management Committee. The Risk Management / Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise.

ICCL's primary objective as a recognised Clearing Corporation providing full novation, is to manage the risk arising out of Clearing and Settlement activities i.e. Regulatory, Credit Liquidity Settlement , Collateral, to name a few. The primary focus is to implement measures that minimise potential adverse effects on the performance of the company. ICCL has a sound risk framework, and has established documented policies, procedures and systems and controls to identify measure, monitor and manage such risks. ICCL has a dedicated risk management function and a Risk Management Committee comprising of Independent Directors and outside experts. The Chief Risk Officer has a dual reporting – to the Managing Director & CEO as well as the Risk Management Committee.

ICCL aims to provide market participants with the latest market offerings and functionalities and has signed an agreement with Clearstream on collateral management whereby foreign investors can deposit "AAA" rated foreign government securities as collateral.

Regulatory risk:

The Company operates in areas that are highly regulated

Clearing Corporations (CCPs) have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("Core SGF") and Default Waterfall, to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR"). IOSCO has issued discussion papers on Recovery and Resolution and Cyber Risk, areas which are expected to witness regulatory guidance in the next few years. IOSCO is also expected to lay guidelines on standardised stress testing for CCPs across the World, and the first discussion paper in this regard is expected shortly. The CPMI and the IOSCO continue to closely monitor the implementation of the PFMI. The Third Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMIs has accorded India with the highest rating of 4. CPMI-IOSCO have also published the Guidance on cyber resilience for financial market infrastructures ("Cyber Guidance") and a further guidance report on the Resilience and recovery of central counterparties (CCPs). SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. ICCL has applied for Third Country Central Counterparty ("TC-CCP") recognition to the European Securities and Markets Authority ("ESMA") under EMIR which is contingent upon India being rated "Equivalent" by the European Commission. On December 16, 2016, the European Commission determined that India has an equivalent regulatory regime for central counterparties to the European Union. ICCL earlier has received a notification of completeness of application from ESMA and is currently awaiting decision on its TC-CCP recognition from ESMA.

The Company continues to focus on remaining well positioned to respond to regulatory developments and further opportunities exist for the Company to deliver solutions to help the market address the changing regulatory environment.

There have been several changes to the form and manner in which recognized stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Company may have to contribute more of profit to the Settlement Guarantee Fund which could materially and adversely affect the Company's financial ability. The regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Liquidity risk:

The Company holds a significant amount of cash and securities deposited by clearing members as margin or default funds.

Potential liquidity risks faced by the Company includes:

- Margin payments: Margins are settled at least daily. The Company has to ensure that sufficient funds are available to fulfil their obligations
- Collateral switches and excess cash margin cover: Members have some flexibility to choose whether to post margin in cash or securities, and may choose to over-collateralise.

- ❖ Market disruptions: Such as unusual market volatility driving large margin movements; liquidity squeezes in the cash or securities markets and central bank action.
- ❖ Failed settlements: Arise when a member fails to deliver securities, leaving the Company short of these securities which may have been designated to meet the obligations of another member.

The Company monitors its liquidity needs daily using stressed assumptions and reports to the various committee each month.

ICCL has created a dedicated Core Settlement Guarantee Fund (Core SGF), which is readily and unconditionally available to meet settlement obligations of ICCL in case of clearing member(s) failing to honour settlement obligation.

ICCL maintains a dedicated Core SGF for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. Core SGF contributed 75% self-funded, while 25% is funded by the Exchange i.e. BSE Limited). ICCL carries out daily stress tests for credit risk, daily liquidity stress test to assess the adequacy of liquidity arrangements, periodic reverse stress tests and daily back tests for adequacy of margins. ICCL maintains a Business Continuity Plan ("BCP") and Disaster Recovery ("DR") Plan for systems as well as manpower. ICCL has a far DR, situated in a different seismic zone.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy for INR 402 Crore across all segments. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL net-worth making the resources of the non- defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

Further, as a second line of defence to the margining and risk management systems, ICCL has subscribed to the Insurance policy. As per the default waterfall, in the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk. The magnitude of potential loss due to default that a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL, with its net-worth of over INR 500 Crore, which is more than 2 times its Core SGF requirements, is well capitalized and instils a high level of confidence in its members and investors in the ability of ICCL to handle extreme loss situations. The additional capital cushion of INR 402 Crore, provided by the Insurance cover, along with the net-worth covers nearly 4 times the Core SGF requirement of ICCL and further increases the safety for domestic and international participants alike.

ICCL conducts daily liquidity stress tests on a hypothetical stress scenario basis to ensure that it maintains sufficient liquid resources to manage liquidity risk from its clearing members. ICCL carries out the stress tests on the liquidity position by assuming the default of the two clearing participants to which it has the largest exposures in equity derivatives and currency derivatives segment. In addition, ICCL has lines of credit with various commercial banks in excess of its entire average daily funds pay-out, to build redundancy in case of one or more banks being unable to provide the liquidity support. The investments made in liquid resources are based on ICCL's investment policy, which is periodically reviewed by its investment committee and duly approved by its audit committee and the board of directors. The investment policy specifies the quality as well as exposure limits for each type of the qualified liquid resources.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017 and March 31, 2016

As at March 31, 2017:

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	42	-	42
Total Non-Current Liabilities	**-**	**42**	**-**	**42**
Current Liabilities				
Deposits and Margin Received	65,113	-	-	65,113
Settlement Obligation Payable	50,248	-	-	50,248
Accrued Employee benefit expenses	262	-	-	262
Others Clearing Settlement Liability	1,907	-	-	1,907
Trade Payable	203	-	-	203
Total Current Liabilities	**117,733**	**-**	**-**	**117,733**

As at March 31, 2016:

Particulars	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Non-current liabilities				
Accrued Employee benefit expenses	-	33	-	33
Total Non-Current Liabilities	**-**	**33**	**-**	**33**
Current Liabilities				
Deposits Received	31,958	-	-	31,958
Settlement Obligation Payable	29,698	-	-	29,698
Accrued Employee benefit expenses	134	-	-	134
Others Clearing Settlement Liability	809	-	-	809
Current maturities of finance lease obligations	5	-	-	5
Trade Payable	176	-	-	176
Total Current Liabilities	**62,780**	**-**	**-**	**62,780**

Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above.

The Company provides a counterparty guarantee to its clearing members to guarantee performance and completion of the settlement of trades. By acting as guarantor in this manner, ICCL is exposed to potential losses should a clearing member defaults. The Company protects against the risk of defaults by a clearing member before it has settled its outstanding transactions, we require the clearing member to deposit margins and collateral, at least 50% of which must be in the form of cash and cash equivalents. The Company is also required to maintain a Core Settlement Guarantee Fund as mentioned above.

Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars and euros). Company's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lessor quantum of revenue and expenses from foreign currencies company is not much exposed to foreign currency risk.

Clearing and settlement risk:

Our clearing services guarantee final settlement of trades and manage counterparty risk for a range of assets and instruments including cash equities, derivatives, interbank collateralised money loans and Government bonds. The financial risks associated with clearing operations are further mitigated by strict membership rules including supervisory capital, technical and organisational criteria. The maintenance of prudent levels of margin and default funds to cover exposures to participants. Each member deposits margins, computed at least daily, to cover the theoretical costs which the clearing service would incur in order to close out open positions in the event of the member's default.

Investment (Market and Custody) risk:

The Company limits its exposure to credit risk by making investment as per the Investment Policy. Further Investment Committee of the company reviews the investment portfolio on every two months and recommend or provide suggestion to the management. The company does not expect any losses from non- performance by these Investments, and does not have any significant concentration of exposures to any specific industry sector.

The company is mainly exposed to market the investment price risk due to its investment in mutual funds and other quoted investments. The market risk arises due to uncertainties about the future market values of these investments. However, ICCL has divested its entire holding in Corporate Bonds this year, and the market risk of the current Investment portfolio is quite low.

The Investments are also exposed to Custody Risk on its Investment portfolio, due to the remote probability of an issuer or Bank or Custodian of assets defaulting and / or going bankrupt / insolvent.

In order to manage its market and custody risk arising from above, the company diversifies its portfolio in accordance with the limits set by the risk management policies. Further, the treasury department reviews the investments made in order to ensure compliance with its investment policy for the exposure and credit category of its mutual fund portfolios.

<u>Other risks:</u>
Since ICCL is a clearing and settlement agency, its performance is dependent upon the trading activity on BSE's trading platform, the number of active traders in the market, the number of new/further listings and the amount of capital raised through such listings.
• Adverse economic conditions could negatively affect the business, financial condition and results of operations.
• The industry ICCL operates in is highly competitive and ICCL competes with a broad range of market participants for clearing and settlement volumes.
• ICCL operates in a business environment that continues to experience significant and rapid regulatory and technological changes.
• ICCL operates in a highly regulated industry and may be subject to censures, fines and other legal proceedings if it fails to comply with its legal and regulatory obligations. Changes in government policies could adversely affect trading volumes of instruments traded on the exchange and hence the settlement volumes of ICCL.
• The continuation or recurrence of systemic events such as the global economic crisis, changes in economic policies and the political situation in India or globally may adversely affect ICCL's performance.

Capital Management
The Company manages its capital to ensure that entity will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and internal accrual funds.

The capital structure of the Company consists of only equity (comprising issued capital, reserves, and retained earnings), there are no external borrowings.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return by it to shareholders by continuing to distribute dividends in future periods.

Compliance with externally imposed capital requirements:

Capital requirement of the Company is regulated by Securities and Exchange Board of India (SEBI). As per SEBI notification dated June 20, 2012 Clearing corporation shall be mandated to build up to the prescribed net worth of ₹ 300 Crore over a period of three years from the date of notification. Minimum requirement of net worth is maintained throughout the period from effective date of notification. ICCL has been compliant with the capital requirement since the date of notification.

Categories of Financial Instruments **₹ in lakh**

Particulars	**Carrying Value**			**Fair Value**		
	As at					
	Mar 31, 2017	**Mar 31, 2016**	**Apr 01, 2015**	**Mar 31, 2017**	**Mar 31, 2016**	**Apr 01, 2015**
i) Financial assets						
(a) Measured at Amortised Cost						
Investment in Bonds	-	31,219	31,172	-	33,096	33,033
Investment in Certificate Deposit	-	-	17,976	-	-	17,978
Trade receivable	17	199	30	17	199	30
Cash and cash equivalents	1,01,021	33,140	33,307	1,01,021	33,140	33,307
Bank Balances other than Cash and cash Equivalents	57,802	34,832	33,356	57,802	34,832	33,356
Loans	10	13	12	10	13	12
Other financial assets	15,294	15,070	2,897	15,294	15,070	2,897
(b) Measured at Fair Value through profit or loss (FVTPL)						
Investment in Mutual Funds	-	314	6,204	-	314	6,204
ii) Financial Liabilities						
(a) Measured at Amortised Cost						
Trade payables	203	176	2,287	203	176	2,287
Other financial liabilities	1,17,572	62,637	68,662	1,17,572	62,637	68,662

Level wise disclosure of fair value measurement of financial instruments

₹ in lakh

Particulars	Fair values As at			Fair Value Hierarchy
	Mar 31, 2017	**Mar 31, 2016**	**Apr 01, 2015**	
Financial assets				
Investment in Bonds	-	33,096	33,033	Level 1
Investments in the units of mutual fund	-	314	6,204	Level 1
Investment in Certificate Deposit	-	-	17,978	Level 1
Trade receivable	17	199	30	Level 3
Cash and cash equivalents	1,01,021	33,140	33,307	Level 1
Bank Balances other than Cash and cash Equivalents	57,802	34,832	33,356	Level 2
Loans	10	13	12	Level 3
Other financial assets	15,294	15,070	2,897	Level 3
Financial Liabilities				
Trade payables	203	176	2,287	Level 3
Other financial liabilities	1,17,572	62,637	68,662	Level 3

There were no transfers between Level 1 and 2 in the period.

37. New standards and interpretations not yet adopted

Ind AS 115 Revenue from Contracts with Customers:

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

38. Finance Lease

a. Assets acquired on finance lease comprise of motor vehicles

b. The Minimum lease rentals and the present value of minimum lease payments in respect of such assets are as follows:

₹ in lakh

Sr.	Particulars	Minimum Lease Payments			Present value of Minimum Lease Payments		
		As on March 31, 2017	As on March 31, 2016	As on April 1, 2015	As on March 31, 2017	As on March 31, 2016	As on April 1, 2015
1	Payable not later than 1 Year	-	6	5	-	5	3
2	Payable later than 1 Year and not later than 5 Years	-	-	5	-	-	5
	Total	**-**	**6**	**10**	**-**	**5**	**8**
	Less : Future Finance Charges	-	1	2			
	Present Value of Minimum Lease Payments	**-**	**5**	**8**			

No contingent rent recognised / (adjusted) in the statement of profit and loss in respect of finance lease.

39. Trade receivables:

The average credit period provided to customers is 0 to 60 days. Interest may be charged on overdue trade receivables. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company assess the potential customer's credit quality and defines credit limits of customer.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts (which include interest accrued after the receivable is more than 180 days outstanding) are still considered recoverable. The Company generally hold collateral over these balances and having legal right of offset against any amounts owed by the Company to the counterparty.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

40. First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain key optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The company has not to apply Ind AS 103 Business Combinations retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind-ASs).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existing as of transition date.

41. First time Ind AS adoption reconciliations:

a. Reconciliations of Balance sheet as at April 01, 2015 as previously reported under previous GAAP (IGAAP) to Ind AS

₹ in lakh

Particulars				Note No	As at April 01, 2015		
					IGAAP	Effect of transition to Ind AS	As per Ind-AS
I.	**ASSETS**						
1	**Non-current assets**						
	(a)	Property, Plant and Equipment			21	-	21
	(b)	Intangible assets			182	-	182
	(c)	Intangible assets under development			6	-	6
	(d)	Financial Assets					
		(i)	Investments		31,172	-	31,172
		(ii)	Loans		10	-	10
		(iii)	Others		5	155	160
	(e)	Non-Current Tax Assets (Net)			841	-	841
	(f)	Other non-current assets			2	-	2
	Total non-current assets				**32,239**	**155**	**32,394**
2	**Current assets**						

Particulars				Note No	As at April 01, 2015		
					IGAAP	Effect of transition to Ind AS	As per Ind-AS
	(a)	Financial Assets					
		(i)	Investments	(b)	24,116	64	24,180
		(ii)	Trade receivables		30	-	30
		(iii)	Cash and cash equivalents		6,317	26,990	33,307
		(iv)	Bank balances other than Cash and Cash Equivalents		59,383	-26,027	33,356
		(v)	Loans		2	-	2
		(vi)	Others		3,855	-1,118	2,737
	(b)	Other current assets			195	-	195
	Total current assets				**93,898**	**-91**	**93,807**
	Total Assets				**1,26,137**	**64**	**1,26,201**
II	**EQUITY AND LIABILITIES**						
	Equity						
	(a)	Equity Share capital			35,400	-	35,400
	(b)	Other Equity			11,174	5,767	16,941
	Total Equity				**46,574**	**5,767**	**52,341**
	Liabilities						
1	**Non-current liabilities**						
	(a)	Financial Liabilities					
		(i)	Other financial liabilities		30	-	30
	(b)	Deferred tax liabilities (Net)		(c)	13	22	35
	(c)	Other non-current liabilities			2,824	-	2,824
	Total non-current liabilities				**2,867**	**22**	**2,889**
2	**Current liabilities**						
	(a)	Financial Liabilities					
		(i)	Trade payables		2,287	-	2,287
		(ii)	Other financial liabilities		68,632	-	68,632
	(b)	Other current liabilities			20	-	20
	(c)	Provisions		(a)	5,757	-5,725	32
	Total current liabilities				**76,696**	**-5,725**	**70,971**
	Total Equity And Liabilities				**1,26,137**	**64**	**1,26,201**

b. Reconciliations of Balance sheet as at March 31, 2016 as previously reported under previous GAAP to Ind AS

₹ in lakh

Particulars				Note No.	As at Mar 31, 2016		
					IGAAP	**Effect of transition to Ind AS**	**As per Ind- AS**
I.	**ASSETS**						
1	**Non-current assets**						
	(a)	Property, Plant and Equipment			30	-	30
	(b)	Intangible assets			211	-	211
	(c)	Intangible assets under development			15	-	15
	(d)	Financial Assets					
		(i)	Investments		26,227	-	26,227
		(ii)	Loans		12		12
		(iii)	Others		5	13,249	13,254
	(e)	Current Tax Assets (net)			1,186	-	1,186
	(f)	Deferred tax assets (net)		(c)	334	-22	312
	(f)	Other non-current assets			1	-	1
	Total non-current assets				**28,021**	**13,227**	**41,248**
2	**Current assets**						
	(a)	Financial Assets					
		(i)	Investments	(b)	5,244	62	5,306
		(ii)	Trade receivables		199	-	199
		(ii)	Cash and cash equivalents		15,350	17,790	33,140
		(iv)	Bank balances other than Cash and Cash Equivalents		64,431	-29,599	34,832
		(v)	Loans		1	-	1
		(vi)	Others		3,256	-1,440	1,816
	(b)	Other current assets			663	-	663
	Total current assets				**89,144**	**-13,187**	**75,957**
	Total Assets				**1,17,165**	**40**	**1,17,205**
II.	**EQUITY AND LIABILITIES**						
	Equity						
	(a)	Equity Share capital			35,400	-	35,400
	(b)	Other Equity			12,747	837	13,584
	Total Equity				**48,147**	**837**	**48,984**
	Liabilities						
1	**Non-current liabilities**						
	(a)	Financial Liabilities					
		(i)	Trade payables		33	-	33

Particulars				Note No.	As at Mar 31, 2016		
					IGAAP	Effect of transition to Ind AS	As per Ind- AS
	(b)	Other non-current liabilities			5,342	-	5,342
	Total non-current liabilities				**5,375**	**-**	**5,375**
2	**Current liabilities**						
	(a)	Financial Liabilities					
		(i)	Trade payables		176	-	176
		(ii)	Other financial liabilities		62,604	-	62,604
	(b)	Other current liabilities			17	-	17
	(c)	Provisions		(a)	846	-797	49
	Total current liabilities				**63,643**	**-797**	**62,846**
	Total Equity And Liabilities				**1,17,165**	**40**	**1,17,205**

c. Reconciliations of Statement of profit & loss for the year ended March 31, 2016 as previously reported under previous GAAP (IGAAP) to Ind AS.

₹ in lakh

Particulars		Note No	Year ended March 31, 2016		
			IGAAP	Effect of transition to Ind AS	Ind AS
Revenues					
a	Revenue From Operations	(b)	4,256	-2	4,254
b	Revenue From Investments And Deposits		2,702		2,702
c	Other Income		2	-	2
Total Revenue			**6,960**	**-2**	**6,958**
Expenses					
a	Employee Benefits Expenses	(d)	581	3	584
b	Other Operating Expenses		1,346	-	1,346
c	Depreciation And Amortisation		108	-	108
d	Finance Cost - Interest		17	-	17
Total Expenses			**2,052**	**3**	**2,055**
Profit Before Exceptional, Extraordinary Items And Tax			4,908	-5	4,903
Exceptional Items			72	-	72
Profit Before Tax			4,836	-5	4,831
Tax Expense:					
Current Tax			349	0	349
Deferred Tax		(c)	-347	0	-347
Tax on Earlier Years			5	0	5
Profit From Continuing Operations			**4,829**	**-5**	**4,824**

Particulars	Note No	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
Other Comprehensive Income				
Remeasurement of the defined benefit plans		-	3	3
Total Other Comprehensive Income for the year		**-**	**3**	**3**
Total Comprehensive Income for the year		**4,829**	**-2**	**4,827**

d. Reconciliation of Total Equity as at March 31, 2016 and April 01, 2015

₹ in lakh

Particulars	Note	As at Mar 31, 2016	As at Apr 01, 2015
Total Equity (Shareholder's funds) under previous GAAP		48,147	46,574
Carry Forward Adjustments (From April 2015)		5,767	-
Fair valuation of Investment under Ind AS	(b)	(2)	64
Deferred Tax Impact on Ind AS adjustments	(d)	-	(22)
Dividends not recognised as liability until declared under Ind AS	(a)	(4,095)	4,757
Tax on Dividends not recognised as liability until declared under Ind AS		(833)	968
Total Adjustment to equity		837	5,767
Total Equity under Ind AS		**48,984**	**52,341**

Notes to reconciliations:

Note	Particulars
(a)	**Recognition of equity dividend:** Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognized in the financial statement as a liability. Under Ind AS, dividends to shareholders declared after the end of the reporting period but before the financial statements are authorised for issue are not recognised as a liability at the end of the reporting period, but are disclosed separately in the notes. Accordingly, the dividend declared during the year ended March 31, 2016 is to be recognised in the year ended March 31, 2016.
(b)	**Investments:** Under the previous GAAP, the Company accounted for long term investments in non-quoted and quoted investments at cost less provision other than temporary diminution in the value of investments. Current investments are stated at the lower of cost and fair value. As per the requirements of Ind AS 109, the investments in mutual fund units are to be fair valued and investment in bonds are to be valued at amortised cost.

Note	Particulars
(c)	**Deferred tax:** Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting income and taxable income for the year i.e., income statement approach. However, under Ind AS 12, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach.
(d)	**Actuarial gains/losses:** Actuarial gains/losses are to be presented in Other Comprehensive Income in Ind AS.

42. Income Tax Expense:

The following are the details of income tax assets as of March 31, 2017, March 31, 2016 and April 1, 2015.

₹ in lakh

Particulars	As at March 31, 2017	As at March 31, 2016
Net Current tax at the beginning (Assets)	1,186	841
Current Income Tax provision including earlier tax adjustment	(866)	(354)
Income tax paid (Including TDS)	1,159	699
Balance at the end	1,479	1,186

A reconciliation of Income tax provision to the amount computed by applying the income tax rate to the profit before tax for year ended March 31, 2017 and year ended March 31, 2016.

₹ in lakh

Particular	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax from continuing operations	6,208	4,831
Income tax expense calculated at 34.608% (A)	2,148	1,672
Adjustment:		
Effect of income that is exempt from taxation	775	1,113
Effect of expenses that are not deductible in determining taxable profit	(10)	(53)
Effect of expenses that are deductible in determining taxable profit	-	1,196
Effect of Carried forward losses under tax	454	(586)
Tax saving due to reduced rate on capital gain	369	-
Total (B)	**1,588**	**1,670**
Adjustments recognised in the current year in relation to the current tax of prior years (C)	-	5
Income tax expense recognised in profit or loss (relating to continuing operations) (A-B+C)	560	7

43. The Board of Directors of the Company in its meeting held on April 24, 2017 have proposed a final dividend of ₹ 1,542 lakh (₹ 0.043566/- per equity share of face value of ₹ 1/- each fully paid-up) excluding dividend distribution tax. The proposed dividend is subject to the approval of shareholder at the Annual General Meeting.

44. The financial statements were approved for issue by the board of directors in their meeting held on April 24, 2017.

45. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached For **S. Panse & Co.** **Chartered Accountants** **Firm Reg. No.: 113470W**	**For and on behalf of the Board of Directors**	
	S. Sundareshan Chairman	**K. Kumar** Managing Director & CEO
Supriya Panse Partner Membership No.: 46607 Place: Mumbai Date: April 24, 2017	**Myna Venkatraman** Chief Financial Officer	**Prasad Sawant** Company Secretary