

DIRECTORS' REPORT

The Members,

Indian Clearing Corporation Limited

Your Directors have pleasure in presenting their Seventh Annual Report and Audited Accounts for the financial year ended 31st March, 2014.

i. FINANCIAL RESULTS:

The financial results for the year ended 31st March, 2014 are as follows:

(Rs. In Lakh)

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
Total Income	9110	8203
Total Expenditure	1591	1136
Profit before Tax	7519	7067
Less: Provision for Tax	1470	1368
Profit after Tax	6049	5699
Balance of Profit brought forward from previous year	7547	3863
Amount available for appropriation	13596	9562
APPROPRIATIONS		
Proposed Dividend	2564	1721
Tax on Dividend	436	279
General Reserve	0	0
Settlement Guarantee Fund	387	15
Balance of Profit carried to Balance Sheet	10209	7547

In spite of the challenging market conditions, the total income has risen to Rs.9110 lakhs. With increasing operations, the total expenses also rose by 40 % to Rs.1591 lakhs. Profit before tax rose by 6 % and profit after tax for the year rose by 6 % to Rs. 7519 lakhs and Rs. 6049 lakhs respectively.

ii. PERFORMANCE & OPERATIONS:

The Company has been providing Clearing & Settlement services for all the segments of BSE viz. Equity Cash, Equity Derivatives, Securities Lending & Borrowing, Mutual Fund, SME, Offer for Sale. During the financial year ICCL has started providing Clearing and

Settlement services to new segments such as Currency Derivatives, Interest Rate Futures and Debt Segment for BSE. BSE has migrated to a faster trading platform Bolt Plus. Bolt Plus platform is based on T7, the global trading architecture of Deutsche Bourse AG. One of the key features of the new system is a response time of approximately 200 micro seconds which is several times faster than the nearest competition, making it the fastest trading platform in the country today. The Exchange launched trading of the currency derivatives segment on its new trading platform through its BOLT Plus software. The Currency Derivatives launch was followed by the Interest Rate Futures launch on the new trading platform on 28th January, 2014. The Exchange migrated its Equity Derivatives Segment to the new platform on February 8, 2014, and the much anticipated Equity Segment on 11th April, 2014. ICCL has been able to successfully continue its services in the new environment. ICCL has been able to realign its systems to the new trading system of BSE in a seamless manner.

ICCL continues to provide Clearing & Settlement services for Currency Derivatives Segment of United Stock Exchange of India Ltd.

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.

iii. RESERVES AND SURPLUS

APPROPRIATIONS

TRANSFER TO SETTLEMENT GUARANTEE FUND (SGF)

A sum of Rs. 387 lakhs representing certain contributions and income earned on earmarked SGF investments (net of tax) is proposed to be transferred to SGF.

DIVIDEND:

Your Directors have recommended dividend on Equity shares at the rate of 7.24% per equity share of face value of Re. 1/- each fully paid-up for the financial year ended 31st March, 2014 aggregating to Rs. 2564 lakhs (previous year Rs. 1721 lakhs) subject to the approval of shareholders at the Seventh Annual General Meeting.

The dividend, if declared at the ensuing Annual General Meeting, will be paid to those members whose names appear in the Register of Members on May 26, 2014, being record date.

The total dividend amount is Rs. 2564 lakhs. The total corporate tax on dividend thereon is Rs. 436 lakhs. However, the dividend will be tax free in the hands of shareholders.

iv. 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.

Pursuant to the aforesaid Regulation and Circular, your Company has obtained in-principle approval from Securities and Exchange Board of India for further 6 months. SEBI has vide

letter dated MRD/DRMNP/9784/2014 dated April 1, 2014 extended the validity of in-principle approval to ICCL to act as a Clearing Corporation for a further period of six months in terms of Regulation 7(5) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC), subject to compliance with the following:

- a. That ICCL shall constitute a Settlement Guarantee Fund (SGF) in compliance with Regulation 39 of SECC Regulations, 2012 and any other directions by SEBI in this regard.
- b. That ICCL shall comply with the requirements regarding the Disaster Recovery Site as per SEBI Circular CIR/MRD/DMS/12/2012 dated April 13, 2012.
- c. That ICCL shall submit system audit report for the year 2013.
- d. That ICCL shall submit an adequacy report to SEBI to sufficiently satisfy the staffing arrangement for the critical functions of the clearing corporation.
- e. That ICCL shall adhere to the undertakings provided by them in the application and through subsequent submissions.
- f. That ICCL shall comply with the rules, regulations, guidelines and other instructions as may be prescribed by SEBI from time to time.

ICCL is in the process of complying with the aforesaid conditions. With regard to constitution of the SGF, a circular on the guidelines for maintaining and monitoring SGF is awaited from SEBI and ICCL shall implement the same within the timeline, as may be specified by SEBI.

v. DIRECTORS:

Shri Arun Ramanathan, Mr.M.B.N. Rao, G. Anantharaman and Mr. G. Sethu are Public Interest Directors of ICCL. Mr. Ashishkumar Chauhan and Mr. Nehal Vora are the Shareholder Directors of ICCL, representing BSE Ltd.

On receipt of approval from SEBI vide letter no. SEBI/MRD/DRMNP/22049/2013 dated August 30, 2013, Mr. K. Kumar has been appointed as Managing Director & CEO of the Company with effect from 6th September, 2013.

Mr. Tushar Ambani, Whole-time Director, ceased to be the Director of the Company with effect from 3rd October, 2013. Mr. Ambani continues to be the Chief Operating Officer of the Company.

In accordance with Article 131 of the Articles of Association of the Company read with provisions of Companies Act, 1956 and applicable provisions of Companies Act, 2013, Mr. Ashishkumar Chauhan retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Board recommends the appointment of Mr. Ashishkumar Chauhan as Director of the Company.

vi. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of 134 of the Companies Act, 2013:

- that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there was no material departure from such standards;
- that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were 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 on 31st March, 2014 and of the profit of the Company for the said financial year;

- that the Directors have 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;
- That the Annual Accounts for the year ended on 31st March, 2014 have been prepared on a going concern basis.

vii. AUDITORS:

Subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s S. Panse & Co., Chartered Accountants, is proposed to be appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting in place of the retiring auditors, M/s Deloitte Haskins and Sells, to audit the accounts of the Company for the financial year 2014-2015 at a remuneration of Rs.4 Lakhs per annum plus out of pocket expenses and taxes.

AUDITORS REPORT:

The Auditors' Report on the financial statements of the company for financial year ended 31st March, 2014 does not contain any reservation, qualification or adverse remark.

viii. ICCL has taken Counterparty Default Insurance for INR 375 Crore

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 375 Crore. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL network 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 defence 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 network of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL, with its network of over INR 450 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 INR 375 Crore, provided by the Insurance cover, along with the network covers over 5 times the default fund requirement of ICCL and further increases the safety for domestic and international participants alike.

ix. INDIA Ratings & Research assigned rating of 'IND AAA'; Outlook Stable to ICCL

India Ratings & Research (Ind-Ra) has assigned Indian Clearing Corporation Limited (ICCL) a Long-Term Issuer Rating of 'IND AAA' with Stable Outlook.

CARE assigned 'CARE AAA(IS)' rating to ICCL

CARE has assigned 'CARE AAA (IS)' rating to ICCL.

x. SEBI GRANTED QCCP STATUS TO ICCL

ICCL has been granted Qualified Central Counterparty ("QCCP") status by SEBI on January 3, 2014.

The QCCP status implies that ICCL complies with the Principles for Financial Market Infrastructure (PFMI) laid down by CPSS-IOSCO, the international standard for Central Counterparties in the world.

ICCL is thus also subject to, on an on-going basis, rules and regulations that are consistent with the PFMI issued by the Committee on Payment and Settlement Systems ("CPSS") and International Organisation of Securities Commissions ("IOSCO").

The international standards were issued in April 2012 and all G-20 nations were required to adhere to these strict standards to check derivative-related risks in the financial system.

These rules were issued to enhance safety and efficiency in payment, clearing, settlement, and recording arrangements, and more broadly, to limit systemic risk and foster transparency and financial stability.

QCCP is an entity that is licensed to operate as a central counterparty (including a license granted by way of confirming an exemption) and is permitted by the appropriate regulator to operate as such with respect to the products offered.

xi. ICCL HAS APPLIED FOR ESMA RECOGNITION UNDER THE EUROPEAN MARKET INFRASTRUCTURE REGULATIONS

ICCL has applied to the European Securities and Market Authority (ESMA) for recognition as a TC-CCP under the European Market Infrastructure Regulations (EMIR).

xii. DEPOSITS:

During the year under review, the Company has not accepted/renewed any Deposits from the public.

xiii. PARTICULARS OF EMPLOYEES:

During the year under review, the compensation given to the employees covered under section 134 of the Companies Act, 2013 and the compensation given to the key management personnel of the Company pursuant to Regulation 27(5) of Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, are given in Annexure A to the Report.

xiv. 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 (Previous Year NIL)

Foreign Exchange Outgo: Rs. 23 lakhs (Previous Year Rs. 44 lakhs)

xv. 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

Sd/-

CHAIRMAN

PLACE: MUMBAI

DATE: May 6, 2014

**INDEPENDENT AUDITORS' 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** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 27 to the Statement which refers to the requirement laid out in the notification issued by The Securities and Exchange Board of India (“SEBI”) dated June 20, 2012 that requires every stock exchange to credit twenty five percent of its profits every year to the Fund of a recognised clearing corporation(s), which clears and settles trades executed on that stock exchange. An expert committee has been formed by SEBI in terms of Press Release dated June 21, 2012 to frame norms for sourcing, including transfer of profits by stock exchanges to the fund. Pending clarification from SEBI on the matter, BSE Limited has not made any transfer of profits to the credit of the Settlement Guarantee Fund of the Company in the books of account as at March 31, 2014.

Our conclusion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 (“CARO” / “the Order”) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, May 6, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clause (i) (c), (ii), (viii), (x), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and the nature of its business for the sale of services. The activities of the Company do not involve purchases of inventory and goods. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no contracts or

arrangements, the particulars of which need to be entered into register maintained in section 301 of the Companies Act, 1956.

- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal in this regard in the case of the Company.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed dues, including Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) According to information and explanation given to us, there are no dues of Income-tax, Wealth Tax, Service Tax, Cess which have not been deposited on account of any dispute.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (x) In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that funds raised by the Company on short term basis have not been used during the year for long term investments.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

KALPESH J. MEHTA
Partner
(Membership No.: 48791)

Mumbai, May 6, 2014

Indian Clearing Corporation Limited
Reg off: Floor 25, P J Towers, Dalal Street, Mumbai 400001
PART I : Statement of audited Financial Results for the Quarter and year Ended March 31, 2014

(₹ in Lakh)

Particulars	For The Quarter Ended March 31, 2014 (Unaudited)	For The Quarter Ended December 31, 2013 (Unaudited)	For The Quarter Ended March 31, 2013 (Unaudited)	For The Year Ended March 31, 2014 (Audited)	For The Year Ended March 31, 2013 (Audited)
I. INCOME					
a) Income From Operations	222	185	243	814	1,056
b) Income From Investments And Deposits	2,301	2,195	1,916	8,296	7,147
Total Income	2,523	2,380	2,159	9,110	8,203
II. EXPENDITURE					
a) Employee Costs	92	89	73	315	196
b) Computer Technology Related Expenses	155	137	122	674	360
c) Administration and Other Expenses	168	103	110	559	416
d) Depreciation and Amortisation	16	9	1	27	2
Total Expenditure	431	338	306	1,575	974
III. Profit from Ordinary Activities before Interest, Exceptional items & Tax	2,092	2,042	1,853	7,535	7,229
a) Interest	6	-	2	16	162
IV. Profit from ordinary activities before Exceptional items & Tax	2,086	2,042	1,851	7,519	7,067
a) Exceptional Items	-	-	-	-	-
V. Profit from Ordinary Activities before Tax	2,086	2,042	1,851	7,519	7,067
a) Extraordinary Item	-	-	-	-	-
VI. Profit before tax	2,086	2,042	1,851	7,519	7,067
a) Tax Expenses	405	379	205	1,470	1,368
VII. Net Profit For The Period/Year	1,681	1,663	1,646	6,049	5,699
Paid up Equity Capital (Face Value Per Share ₹ 1 Each)	35,400	35,400	35,400	35,400	35,400
Reserves & Surplus				13,772	7,628
Basic and Diluted EPS (Refer Note Below)	0.05	0.05	0.05	0.17	0.17

Note: Basic and Diluted EPS is not annualised for the quarter ended results.

PART II : Selected Information for the Quarter and Year Ended March 31, 2014

(A) PARTICULARS OF SHAREHOLDING

Particulars	For The Quarter Ended March 31, 2014 (Unaudited)	For The Quarter Ended December 31, 2013 (Unaudited)	For The Quarter Ended March 31, 2013 (Unaudited)	For The Year Ended March 31, 2014 (Audited)	For The Year Ended March 31, 2013 (Audited)
I. Public Shareholding					
- Number of Shares	NIL	NIL	NIL	NIL	NIL
- Percentage of Shareholding	NIL	NIL	NIL	NIL	NIL
II. Promoters and Promoters Group Shareholding					
(a) Pledged / Encumbered					
- Number of Shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total equity shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total equity share capital of the company)	NIL	NIL	NIL	NIL	NIL
(b) Non - Encumbered					
- Number of Shares	3,54,00,00,000	3,54,00,00,000	3,54,00,00,000	3,54,00,00,000	3,54,00,00,000
- Percentage of shares (as a % of the total equity shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total equity share capital of the company)	100%	100%	100%	100%	100%

(B) Information on Investor Complaints for the Quarter ended March 31, 2014

Pending at the beginning of the quarter	NIL
Received during the quarter	NIL
Disposed of during the quarter	NIL
Remaining unresolved at the end of the quarter	NIL

- 1 The above financial results for the Quarter and Year ended March 31, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors on May 06, 2014.
- 2 The Securities Contracts (Regulation) (SECC) Regulations, 2012 dated June 20, 2012 requires every recognised stock exchange to credit twenty five percent of its annual profits every year to a fund to guarantee settlement of trades of the recognised clearing corporation(s) which clears and settles trades executed on that stock exchange. BSE has sought certain clarifications/guiding principles from SEBI regarding the norms for sourcing including transfer of profits by stock exchanges to the above mentioned fund and the methodology to be adopted. Pending receipt of clarifications/guiding principles from SEBI in the matter, no transfer of profits has been recorded in the books of account as at March 31, 2014.
- 3 The Company has commenced clearing and settlement operations for Currency Derivative and contributed ₹ 250 lakhs for constitution of Settlement Guarantee Fund of Currency Derivative segment, from the opening balance in the statement of profit and loss. During the quarter of March 2014, Company has commenced clearing and settlement operations for for Dedicated Debt Segment and contributed ₹ 100 lakhs for constitution of Settlement Guarantee Fund of Debt Segment, from the opening balance in the statement of profit and loss.
- 4 As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard – 17 (AS-17) "Segment Reporting", the Management is of the opinion that as the Company's operations comprise only facilitating clearing and settlement activities and the activities incidental thereto, there is neither more than one business segment nor more than one reportable geographical segment and therefore following disclosure is made.

(₹ In Lakh)

Sr. No	Particulars	For The Quarter Ended March 31, 2014 (Unaudited)	For The Quarter Ended December 31, 2013 (Unaudited)	For The Quarter Ended March 31, 2013 (Unaudited)	For The Year Ended March 31, 2014 (Audited)	For The Year Ended March 31, 2013 (Audited)
I	Segment Revenue					
	Clearing and Settlement Activity					
	- Operations	1,506	1,417	1,192	5,206	4,449
	- Related Activities (Treasury)	1,017	978	967	3,892	3,754
	Total	2,523	2,395	2,159	9,098	8,203
	Less : Inter Segment Revenue	-	-	-	-	-
	Total Income	2,523	2,395	2,159	9,098	8,203
II	Segment Results					
	Clearing and Settlement Activity					
	- Operations	1,110	1,121	917	3,821	3,435
	- Related Activities (Treasury)	1,014	971	964	3,875	3,739
	Total	2,124	2,092	1,881	7,696	7,174
	Add : Unallocated Corporate Income	-	-	-	-	-
	Less : Unallocated Corporate Expenses	38	50	30	177	107
III	Profit before taxation	2,086	2,042	1,851	7,519	7,067
	Less : Provision for taxation	405	379	205	1,470	1,368
IV	Profit after taxation	1,681	1,663	1,646	6,049	5,699
					As at	As at
					March 31, 2014	March 31, 2013
					(Audited)	(Audited)
V	Capital Employed					
	Clearing and Settlement Activity					
	- Operation				745	1,751
	- Related Activities (Treasury)				48,066	43,028
	Unallocated				361	(1,751)
	Total				49,172	43,028

- 5 The Statutory Auditors have carried out a audit of the financial results for the year ended March 31, 2014.
- 6 Previous period/year figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year classification / disclosure.

For and on behalf of Board of Directors of
Indian Clearing Corporation Limited

K. Kumar
Managing Director & CEO

Particulars		Note No	As at March 31, 2014	As at March 31, 2013
I.	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	(a) Share Capital	2	35,400	35,400
	(b) Reserves And Surplus	3	10,772	7,628
2	Non-Current Liabilities			
	(a) Other Long term Liabilities	4	18	-
	(b) Deferred Tax Liability	5	12	-
3	Current Liabilities			
	(a) Trade Payables	6	266	190
	(b) Other Current Liabilities	7	92,400	74,766
	(c) Short-term Provisions	8	3,015	2,009
	Total		1,41,883	1,19,993
II.	ASSETS			
1	Non-current Assets			
	(a) Fixed Assets	9		
	(i) Tangible Assets		26	-
	(ii) Intangible Assets		167	5
	(iii) Capital Work in Progress		5	-
	(b) Non-current Investments	10	27,050	1,095
	(c) Long-term Loans And Advances	11	217	255
	(d) Other non-current assets	12	3	3
2	Current Assets			
	(a) Investments	13	43,287	25,194
	(b) Trade Receivables	14	88	176
	(c) Cash And Bank Balances	15	69,908	72,339
	(d) Short-term Loans And Advances	16	291	9
	(e) Other Current Assets	17	841	20,917
	Total		1,41,883	1,19,993

See accompanying notes forming part of financial statements 1-30

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Arun Ramanathan
Chairman

Ashishkumar Chauhan
Director

M.B.N. Rao
Director

Kalpesh J. Mehta
Partner

K. Kumar
Managing
Director & CEO

Manisha Thakur
Company Secretary

Place: Mumbai

Date: May 06, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

₹ In Lakh

Particulars		Note No	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
I	REVENUES			
	(a) Revenue From Operations	18	814	1,056
	(b) Revenue From Investments And Deposits	19	8,296	7,147
	Total Revenue		9,110	8,203
II	EXPENSES			
	(a) Employee Benefits Expenses	20	315	196
	(b) Other Operating Expenses	21	1,233	776
	(c) Depreciation And Amortisation	9	27	2
	(d) Finance Cost		16	162
	Total Expenses		1,591	1,136
III	Profit Before Exceptional, Extraordinary Items And Tax	(I - II)	7,519	7,067
IV	Exceptional Items		-	-
V	Profit Before Extraordinary Items And Tax	(III - IV)	7,519	7,067
VI	Extraordinary Items		-	-
VII	Profit Before Tax	(V - VI)	7,519	7,067
VIII	Tax Expense:			
	Current Tax		1,450	1,368
	Deferred tax		12	-
	Current Tax for earlier years		8	-
IX	Profit From Continuing Operations	(VII - VIII)	6,049	5,699
X	Profit From Discontinuing Operations		-	-
XI	Profit For The Year	(IX + X)	6,049	5,699
XII	Earning Per Equity Share:			
	Basic And Diluted		0.17	0.17
	Par Value Of Share (Re.)		1	1
	Weighted Average Number Of Shares (Nos.)		3,54,00,00,000	3,40,67,39,726

See accompanying notes forming part of financial statements 1-30

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants**Arun Ramanathan**
Chairman**Ashishkumar Chauhan**
Director**M.B.N. Rao**
Director**Kalpesh J. Mehta**
Partner**K. Kumar**
Managing Director
& CEO**Manisha Thakur**
Company Secretary

Place: Mumbai

Date: May 06, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

₹ In Lakh

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	7,519	7,067
<u>Adjustments For:</u>		
Amortisation Of Share Issue Expenses	9	9
Amortisation Of Bonds Premium / Discount On Bonds	(47)	12
Finance Cost	16	162
Depreciation On Fixed Assets	27	2
Penalties/ Contribution received towards Settlement Guarantee Fund	50	44
Proceeds from Defaulter assets realisation	45	-
Provision for Compensated absence	3	3
Profit on Sale / Redemption of Bonds	(109)	-
(Profit) / Loss On Sale / Redemption Of Mutual Funds	12	(443)
Provision in Diminution of Current Investment	47	7
Interest Income	(6,420)	(5,325)
Dividend Income	(1,720)	(1,391)
	(8,087)	(6,920)
Operating Profit Before Working Capital Changes	(568)	147
<u>Adjustments For (Increase)/Decrease In :</u>		
Trade Receivables	88	472
Short-term Loans And Advances	(282)	(7)
Long-term Loans And Advances	5	-
Other Current Assets	9	(17,788)
<u>Adjustments For Increase/(Decrease) In Operating Liability :</u>		
Trade Payable	76	108
Other Current Liabilities	16,956	25,201
Other Long term Current Liabilities	18	-
Short-term Provisions	-	(1)
Long-term Provisions	-	(51)
	16,870	7,934
Taxes Paid	(1,460)	(1,629)
Net Cash From / (Used In) Operating Activities	14,842	6,452
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(220)	(7)
Purchase of Long Term Investments	(25,918)	(1,097)
Proceeds from Long Term Investments	22,000	-
Net (Increase) / Decrease In Current Investments	(21,200)	(2,750)
Net (Increase) / Decrease In Fixed Deposits With Banks	(6,513)	(28,489)
Interest Income	8,497	3,436
Dividend From Mutual Funds	1,720	1,391
Net Cash From / (Used In) Investment Activities	(21,634)	(27,516)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Preferential Allotment of Equity Share	-	30,400
Short-term Borrowings	-	(30,374)
Dividend Paid	(1,721)	-
Tax On Dividend Paid	(279)	-
Finance Cost	(16)	(162)
Net Cash From / (Used In) Financing Activities	(2,016)	(136)

D. Net (Decrease) / Increase In Cash And Cash Equivalents	(8,808)	(21,200)
Cash And Cash Equivalents At The End Of The Year		
In Current Account	11,061	2,439
In Deposit Account	5,070	22,500
	16,131	24,939
Cash And Cash Equivalents At The Beginning Of The Year	24,939	46,139
Changes In Cash & Cash Equivalents	(8,808)	(21,200)
Cash And Cash Equivalents At The End Of The Year	16,131	24,939
Add: Earmarked Bank balance	231	31
Add: Fixed Deposits original maturity more than 3 Months	49,440	43,295
Add: Earmarked Fixed Deposits	4,106	4,074
Cash And Bank Balance as per note no. "15"	69,908	72,339

Note 1: Cash and Cash Equivalents comprise balances in current account with banks (owned funds and SGF).

Note 2: Cash flow does not include Cash and Cash Equivalents held by the Company on behalf of United Stock Exchange for use in its operation as manager of the clearing and settlement system. These Cash and Cash Equivalents of earmarked funds are held in segregated accounts.

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Arun Ramanathan
Chairman

Ashishkumar Chauhan
Director

M.B.N. Rao
Director

Kalpesh J. Mehta
Partner
Place: Mumbai
Date: May 06, 2014

K. Kumar
Managing Director
& CEO

Manisha Thakur
Company Secretary

Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of the Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the Year ended March 31, 2014.

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements:

The financial statements are prepared on the historical cost convention, on the accrual basis of accounting and conform to accounting principles generally accepted in India and the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006, in terms of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

1.2 Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to liabilities as at the date of the financial statements and reported amounts of income and expenses during the year.

1.3 Revenue Recognition:

- 1.3.1 Revenue from Services is recognized as and when the service is performed as per the relevant agreements and when there is a reasonable certainty of ultimate realization.
- 1.3.2 Dividend Income is recognized when the unconditional right to receive is established.
- 1.3.3 In case of investment in fixed deposits, interest is accrued over the period of fixed deposit.

1.4 Fixed Assets:

1.4.1 Tangible Assets:

Fixed Assets are stated at cost, less accumulated depreciation. Cost includes cost of acquisition and other incidental expenses incurred until the asset is ready to put to use for its intended purpose.

1.4.2 Intangible Assets:

- (i) Cost of development and production of internally developed or purchased software, used for the purpose of operations, is capitalised.
- (ii) Any expense on software for support, maintenance, upgrades etc., payable periodically is charged to the Statement of Profit and Loss.

1.5 Depreciation:

1.5.1 Tangible Assets:

Depreciation on fixed assets is provided on the 'Written Down Value' basis at the rates prescribed under Schedule XIV of the Companies Act, 1956 for the number of days the assets have been ready to put to use for their intended purposes

1.5.2 Intangible Assets:

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

1.6 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when its carrying cost exceeds the recoverable amount. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the assets no longer exist or have decreased.

1.7 Investments:

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline other than temporary, in the value of such investments. The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount/incentive earned in respect of direct subscription is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis.

Premium paid/discount received at the time of acquisition of government / Debt securities is amortised over the residual period of its maturity

1.8 Employee Benefits:

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) "Employee Benefits"

1.8.1 Provident Fund – Defined Contribution Plan

Contribution as required by the Statute made to the government Provident Fund is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

1.8.2 Gratuity – Defined Benefit Plan

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The gratuity obligation is wholly funded. The net present value of the company's obligation towards the same is actuarially based on the projected unit credit method as at the Balance Sheet date.

1.8.3 Compensated Absences

The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

1.9 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

1.10 Provision for Current and Deferred Tax:

Provision for Current Tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax, resulting from “timing differences” between the book and the taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty, except for carried forwards losses and unabsorbed depreciation which is recognised based on virtual certainty that the difference will reverse in future.

1.11 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in Notes to Accounts, while Contingent assets are neither recognised nor disclosed in the financial statements.

1.12 Foreign Currency Transaction:

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.

1.13 Earnings per Share:

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

1.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.16 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.

1.17 Miscellaneous Expenditure:

Pre incorporation expense, expenditure incurred on issue of shares etc is amortized over period of 5 years.

1.18 Earmarked Funds:

Company provides clearing and settlement services for United Stock Exchange's Currency Derivative segment. Current Liabilities – Earmarked Funds represents deposits received towards margin, net worth and settlement guarantee fund on behalf of USE. These amounts are invested in mutual funds and Fixed Deposits shown under Current Assets- Earmarked and Investments- Earmarked in Balance Sheet. Income earned on investment from Earmarked funds is shown under current liabilities and not routed through Statement of Profit and Loss.

1.19 Settlement Guarantee Fund (SGF) :

Every member contributes a fixed sum at the time of commencement of business and thereafter a percentage of the gross turnover as prescribed from time to time to SGF. This fund is represented by earmarked SGF investments. The contributions and the income earned on such investments is credited to the Statement of Profit and Loss and then appropriated to the Fund (net of taxes). Penalties and fines levied by the Company are directly transferred to SGF.

2. SHARE CAPITAL

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised		
5,00,00,00,000 Equity Shares of ₹ 1/- each with voting rights (As at March 31, 2013: 5,00,00,00,000 Equity Shares of ₹ 1/- each)	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, 2013: 3,54,00,00,000 Equity Shares of ₹ 1/- each)	35,400	35,400
Total	35,400	35,400

2(a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2014	As at March 31, 2013
	No. of Shares	No. of Shares
Opening Share Capital		
Equity Face Value ₹ 1/- fully paid up	3,54,00,00,000	50,00,00,000
Additions during the year	-	3,04,00,00,000
Closing Share Capital	3,54,00,00,000	3,54,00,00,000
Equity Face Value ₹ 1/- fully paid up		

2(b) Investment by BSE Limited (Holding Company) and its Nominees

Particulars of issue	No. of Shares	₹ In lakh
Opening Balance as on April 01, 2013	3,54,00,00,000	35,400
a) Right Issue	-	-
b) Bonus	-	-
c) Preferential Allotment	-	-
d) Others	-	-
Closing Balance as on March 31, 2014	3,54,00,00,000	35,400

Particulars of issue	No. of Shares	₹ In lakh
Opening Balance as on April 01, 2012	50,00,00,000	5,000
a) Right Issue	-	-
b) Bonus	-	-
c) Preferential Allotment	3,04,00,00,000	30,400
d) Others	-	-
Closing Balance as on March 31, 2013	3,54,00,00,000	35,400

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

Name of Shareholders	As at March 31, 2014	As at March 31, 2013
BSE Limited and its nominees		
No. of Shares held	3,54,00,00,000	3,54,00,00,000
% of holding	100	100

2(d) 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(d) 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.

3. RESERVES AND SURPLUS

Particulars	₹ In lakh	
	As at March 31, 2014	As at March 31, 2013
Settlement Guarantee Fund (Cash & Derivatives Segment)		
Opening Balance	81	22
Add : Transferred from Statement of Profit & Loss	19	15
Add : Proceeds from Defaulter assets realisation	45	-
Add : Penalties/contribution received from members	50	44
Sub Total (A)	195	81
Settlement Guarantee Fund (Debts Segment)		
Opening Balance	-	-
Add : Corpus transferred from Statement of Profit & Loss	100	-
Add : Transferred from Statement of Profit & Loss	5	-
Sub Total (B)	105	-
Settlement Guarantee Fund (Currency Derivatives Segment)		
Opening Balance	-	-
Add : Corpus transferred from Statement of Profit & Loss	250	-
Add : Transferred from Statement of Profit & Loss	13	-
Sub Total (C)	263	-
Statement of Profit and Loss		
Opening Balance	7,547	3,863
Less: Corpus transferred to Settlement Guarantee Fund (Debts Segment)	100	-
Less: Corpus transferred to Settlement Guarantee Fund (Currency Derivatives Segment)	250	-
Add : Profit during the year	6,049	5,699
Less: Transferred to Settlement Guarantee Funds (Refer to Note 28)	37	15
Less: Proposed Dividend	2,564	1,721
Less: Tax on Proposed Dividend	436	279
Sub Total (D)	10,209	7,547
Total (A+B+C+D)	10,772	7,628

4. OTHER LONG - TERM LIABILITIES

Particulars	₹ In lakh	
	As at March 31, 2014	As at March 31, 2013
Trade Payable		
- Payable to service providers	8	-
- Accrued employee benefits expense	10	-
Total	18	-

5. DEFERRED TAX LIABILITY (NET)

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liabilities:		
Depreciation	15	-
Deferred Tax Asset		
Provision for Leave Encashment	3	-
Net Deferred Tax Liability	12	-

6. TRADE PAYABLES

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
- Payable to service providers	184	139
- Accrued employee benefits expense	82	51
Total	266	190

7. OTHER CURRENT LIABILITIES

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
- Own		
(i) Deposit from Clearing banks	13,801	15,550
(ii) Deposit and Margins from Members	36,900	39,666
(iii) Settlement Obligation payable	36,458	14,977
(iv) Income Received in Advance	-	-
(v) Others Liabilities		
- Statutory remittances	14	12
- Others	208	218
- Earmarked		
(i) Deposit from Clearing banks of USE	2,500	2,500
(ii) Deposit from Members of USE	1,885	1,165
(iii) Deposit from USE	250	250
(iv) Others liabilities of USE	261	428
(v) Defaluters liabilities	123	-
Total	92,400	74,766

8. SHORT TERM PROVISIONS

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
- Provision for Compensated Absences	10	9
- Provision for Income Tax (net of advance ₹ 1,445 lakh)	5	-
- Proposed Dividend	2,564	1,721
- Tax on Proposed Dividend	436	279
Total	3,015	2,009

9. FIXED ASSETS

(₹ in Lakh)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value	
	Opening Balance as at	Additions	Deletions	Closing balance as at March	Opening balance as at April 1,	Depreciation/ Amortisation for the year	Deletions	Closing balance as at March	As at March 31, 2014	As at March 31, 2013
TANGIBLE FIXED ASSETS										
Computer Equipment *	-	14	-	14	-	-	-	-	14	-
(Previous Year)	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	-	12	-	12	-	-	-	-	12	-
(Previous Year)	-	-	-	-	-	-	-	-	-	-
INTANGIBLE FIXED ASSETS										
Software	7	189	-	196	2	27	-	29	167	5
(Previous Year)	-	(7)	-	(7)	-	(2)	-	(2)	(5)	-
Total	7	215	-	222	2	27	-	29	193	5
Previous financial year	-	(7)	-	(7)	-	(2)	-	(2)	(5)	-

* Notes: Opening Balance and depreciation includes amounts less than Rs. 50,000/-.

10. NON-CURRENT INVESTMENTS

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Investment in Bonds (At cost) :		
Quoted (Non - trade)	27,050	1,095
Total	27,050	1,095
Book value of Quoted investment	27,050	1,095
Market value of Quoted investment	27,150	1,097

Script-wise details of Non - Current Investments

₹ In lakh

Particulars	No. of Units	As at March 31, 2014
Investment in Bonds		
Power Finance Corporation 8.20% 01 February 2022	1,19,000	1,247
Indian Railway Financial Corporation 8.23 % 18 February 2024	10,00,000	10,000
Power Finance Corporation Ltd. 8.35 % 15 May 2016	500	4,868
Indian Railway Finance Corporation Ltd. 8.00% 23 February 2022	61,000	598
National Highway Authority of India 8.27% 05 February 2024	10,00,000	10,000
National Highway Authority of India 8.20% 25 January 2022	34,000	337
Total		27,050
		₹ In lakh
Particulars	No. of Units	As at March 31, 2013
Investment in Bonds		
Power Finance Corporation 8.20% 01 February 2022	1,03,000	1,095
Total		1,095

11. LONG TERM LOANS AND ADVANCES

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured - (considered good)		
Income Tax Paid In Advance (net of provisions ₹ 1,368 lakh) (As at March 31, 2013 ₹1,774 lakhs)	211	244
Advance to Staff	2	11
Prepaid Expenses	4	-
Total	217	255

12. OTHER NON CURRENT ASSETS

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Others		
Gratuity asset (net)	3	3
Total	3	3

13. INVESTMENTS

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
CURRENT INVESTMENTS (At lower of cost or fair value)		
Non Trade Investments		
Investment in Certificates of Deposit (Quoted)	14,995	-
Subtotal (A)	14,995	-
Investment in Units of Mutual Funds		
(a) Own		
- Units of Dividend Oriented Liquid Schemes of Mutual Funds (Quoted)	27,051	3,108
Subtotal (B)	27,051	3,108
(b) Earmarked		
- United Stock Exchange of India Limited:		
- Units of Dividend Oriented Liquid Schemes of Mutual Funds (Quoted)	600	-
- Units of Growth Oriented Liquid Schemes of Mutual Funds (Quoted)	450	-
- Settlement Guarantee Fund:		
- Units of Dividend Oriented Liquid Schemes of Mutual Funds (Quoted)	191	78
Subtotal (C)	1,241	78
CURRENT PORTION OF LONG TERM INVESTMENTS (At Cost)		
Investment in Bonds (Quoted)	-	22,008
Sub total (D)	-	22,008
Total (A+B+C+D)	43,287	25,194
Aggregate Cost of Mutual Funds	28,292	3,186
NAV of Mutual Funds	28,317	3,189
Book value of Quoted investment	14,995	22,008
Market value of Quoted investment	14,996	21,767

Script-wise details of Current Investments

₹ In lakh

Particulars	No. of Units	As at March 31, 2014
Certificates of Deposit (At cost) :		
- Own		
Canara Bank CD 02-April-2014	5,000	4,998
Punjab National Bank CD 02-April-2014	10,000	9,997
Subtotal (A)		14,995
Mutual Funds		
- Own		
1 Axis Liquid Fund - Direct DDR	4,00,274	4,003
2 Religare Invesco Liquid Fund - Dir - Daily Dividend	5,95,337	5,958
3 Reliance Liquid Fund - TP - Dir - Dly Dividend	5,23,845	8,008
4 Kotak Liquid Scheme - Plan A - Dir - Dly Dividend	3,27,468	4,005
5 Birla Sun Life Dynamic Bond Fund - Ret - Qtly Dividend	99,26,997	1,126
6 ICICI Prudential Liquid -Dir- Dly Dividend	40,01,770	4,004
Subtotal (B)		27,104
Less: Provision for Diminution of Investments		53
		27,051
- Earmarked		
1 Templeton India TMA - Dir - Dly Div	59,969	600
2 Baroda Pioneer Growth Fund	2,50,000	25
3 HDFC Liquid Fund - Dir - Growth	17,71,700	425
4 ICICI Prudential Money Market Fund - Dir- Dly Dividend (SGF)	327	-
5 ICICI Prudential Liquid - Dir - Dly Dividend (SGF)	1,90,990	191
Subtotal (C)		1,241
Grand Total (A + B + C)		43,287
		₹ In lakh
Particulars	No. of Units	As at March 31, 2013
Mutual Funds		
- Own		
1 Birla Sun Life Dynamic Bond Fund-Qtly-Dividend Reinvestment	90,64,515	1,032
2 HDFC HIF Short Term Plan	1,97,07,040	2,083
Subtotal (A)		3,115
Less: Provision for Diminution of Investments		7
		3,108
- Earmarked		
ICICI Prudential Money Market Fund - Daily Dividend Reinvestment	78,425	78
Subtotal (B)		78
Grand Total (A + B)		3,186

Script-wise details of Current Portion of Long Term Investments

₹ In lakh

Particulars	No. of Units	As at March 31, 2013
Investment in Bonds		
Indian Infrastructure Finance Company Limited (IIFCL) 6.85% 20 March 2014	4,000	4,002
Indian Infrastructure Finance Company Limited (IIFCL) 6.85% 22 January 2014	18,000	18,006
Total		22,008

14. TRADE RECEIVABLES

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Secured and Considered Good		
- Outstanding for a period exceeding six months (from the date due for payment)	1	-
- Other Debts	3	-
(b) Unsecured, considered good		
- Others Debts	22	158
- Holding Company	62	18
Total	88	176

15. CASH AND BANK BALANCES

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Cash	-	-
Balances with banks		
In Current accounts		
Own	11,061	2,439
Earmarked		
- USE	231	31
In Deposit accounts		
Own	54,510	65,795
Earmarked		
- USE	3,615	4,074
- Defaulters	123	-
- SGF	368	-
Total	69,908	72,339

Notes:

Balances in Deposits with Banks includes ₹ 1,746 Lakh (As at March 31, 2013 ₹ 13,872 Lakh), which have an remaining maturity of more than 12 months.

16. SHORT-TERM LOANS AND ADVANCES

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured - (considered good)		
- Balances with government authorities:		
Cenvat Credit Receivable	56	4
- Prepaid Expenses	224	4
- Advance to Staff	11	1
Total	291	9

17. OTHER CURRENT ASSETS

₹ In lakh

Particulars	As at March 31, 2014	As at March 31, 2013
- Accrued interest		
(i) Fixed deposits :		
Own	256	2,637
Earmarked		
- USE	-	138
- SGF	3	-
(ii) Investments	582	281
(iii) Others	-	-
- Deferred Revenue Expenditure (to the extent not written off or adjusted)	-	9
- Receivable from Mutual funds (Refer note below)		
Own	-	17,788
Earmarked		
- USE	-	64
Total	841	20,917

Note:

Receivable from Mutual funds on account of redemption made as on March 28, 2013.

18. REVENUE FROM OPERATIONS

₹ In lakh

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<u>A. Own Fund</u>		
Clearing and Settlement Services	708	734
Auction Fees	60	272
Other Operating Revenue	33	35
<u>B. Earmarked Fund</u>		
Other Operating Revenue	13	15
Total	814	1,056

19. REVENUE FROM INVESTMENTS AND DEPOSITS

₹ In lakh

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<u>A. Own Fund</u>		
Income From Bonds (Long term investments)	2,220	1,507
Income From Certificates of Deposit (Current investments)	163	6
Profit on Sale / Redemption of Mutual Funds (Current investments)	-	443
Profit on Sale / Redemption of Bonds (Current investments)	109	-
Dividend From Mutual Funds (Current investments)	1,711	1,388
Others Interest income	131	
Interest income from deposits	3,931	3,800
<u>B. Earmarked Fund</u>		
Dividend From Mutual Funds (Current investments)	9	3
Interest income from deposits	22	-
Total	8,296	7,147

20. EMPLOYEE BENEFITS EXPENSES

₹ In lakh

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Salaries, Allowances and Bonus	304	186
Contribution to Provident and Other Funds	8	7
Provision for Compensated Absence	3	3
Total	315	196

21. OTHER OPERATING EXPENSES

₹ In lakh

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Amortisation of Preliminary Expenses	9	9
Auditors' Remuneration	8	5
Clearing House Charges	120	122
Computer Technology Related Expenses	674	360
Directors' Sitting Fees	3	4
Electricity Charges	5	3
Insurance	16	-
Legal Fees	41	-
Loss on Sale / Redemption of Mutual Funds (current investments)	12	-
Personnel Deputation Cost	100	100
Professional Fees	35	54
Property Tax Expenses	7	-
Provision in Diminution of Current Investment	47	7
Provision in Trade receivable	-	-
Rent	38	27
Service Tax Expense	58	26
Stamp Duty & Registration Charges	5	31
Travelling Expenses	18	16
Miscellaneous Expenses	37	12
Total	1,233	776

Notes:

₹ In lakh

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Auditors' Remuneration Includes:		
Audit Fees	7	4
Tax Audit Fees	1	1
Total	8	5

22. There are no contingent liabilities and capital commitments as at March 31, 2014 (As at March 31, 2013 – Nil)

23. As per the definitions of ‘business segment’ and ‘geographical segment’, contained in Accounting Standard – 17 (AS-17) “Segment Reporting”, the Management is of the opinion that as the Company’s operations comprise only facilitating clearing and settlement activities and the activities incidental thereto, there is neither more than one business segment nor more than one reportable geographical segment and therefore following disclosure is made.

Particulars		For the year ended March 31, 2014	For the year ended March 31, 2013
Segment Revenue			
Clearing and Settlement Activity			
(a)	Operations	5,206	4,449
(b)	Related Activities (Treasury)	3,892	3,754
Total		9,098	8,203
Less : Inter Segment Revenue			-
Total Segment Revenue		9,098	8,203
Segment Results			
(a)	Operations	3,821	3,435
(b)	Related Activities (Treasury)	3,875	3,739
Total Segment Results		7,696	7,174
Add : Unallocated Income		-	-
Less : Unallocated Expenses		177	107
Less : Extraordinary Item		-	-
Profit before taxation		7,519	7,067
Less : Provision for taxation		1,470	1,368
Profit for the year		6,049	5,699

(₹ in Lakh)

Particulars		As at March 31, 2014	As at March 31, 2013
Segment Assets			
Clearing and Settlement Activity			
(a)	Segment Activity – Operation	93,439	76,716
(b)	Segment Activity - Related Activity (Treasury)	48,066	43,028
Total Segment Assets		1,41,505	1,19,744
Unallocated Assets		378	249
Total Assets		1,41,883	1,19,993

Segment Liabilities		
Segment Activity – Operation	92,694	74,965
Total Segment Liabilities	92,694	74,965
Unallocated Liabilities	3,017	2,000
Total Liabilities	95,711	76,965

24. As per the Accounting Standard-18 “Related Party Disclosures” the related parties of the entity are as follows:

(a) BSE Ltd (Holding Company):

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME		
Clearing and Settlement Charges	588	634
EXPENDITURE		
Personnel Deputation Cost	100	100
Rent	38	27
Computer Technology Related Expenses	554	231
Electricity Charges	5	3
Property Tax	7	-
Others Expenses	4	2
FIXED ASSETS / CWIP		
Software	147	-
Capital Work in Progress	2	-
OTHER ASSETS		
Prepaid Expenses	4	2
Particulars		
	As at March 31, 2014	As at March 31, 2013
Receivable (net)	62	18

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

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
EXPENDITURE		
Computer Technology Expenses	62	-
FIXED ASSETS / CWIP		
Software	42	-
Capital Work in Progress	2	-
Particulars		
Payable	As at March 31, 2014 66	As at March 31, 2013 -

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

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
EXPENDITURE		
Administrative & Other Expenses	1	1

(d) BOI Shareholding Limited (Fellow Joint Venture):

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
EXPENDITURE		
Clearing House Service Charges	120	120
Registration Charges	2	30
Administrative & Other Expenses	1	-

(e) Key Management Personnel (KMP) :

Name	Relation
Shri Tushar Ambani	Whole time Director and Chief Operating Officer (From November 2012 up to October 2013)
Shri K. Kumar	Managing Director & CEO (From September 2013)

Transactions with Key Management Personnel

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
EXPENDITURE		
Shri Tushar Ambani		
Salaries, Allowances and Bonus	24	11
Shri K. Kumar		
Salaries, Allowances and Bonus	28	N.A.

25. Earnings per Share:

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit after tax (₹ in lakh)	6,049	5,699
Less :Appropriations (net of tax) (₹ in lakh)	37	15
Profit attributable to Equity Share holders (₹ in lakh)	6,012	5,684
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	3,54,00,00,000	34,06,739,726
Face value of equity shares (₹)	1	1
Basic and Diluted earnings per share	0.17	0.17

26. Expenditure in Foreign Currency:

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Software Expenses	22	42
Travel Expenses	1	2

27. The Securities Contracts (Regulation) (SECC) Regulations, 2012 dated June 20, 2012 requires every recognised stock exchange to credit twenty five percent of its annual profits every year to a fund to guarantee settlement of trades of the recognised clearing corporation(s) which clears and settles trades executed on that stock exchange. BSE has sought certain clarifications/guiding principles from SEBI regarding the norms for sourcing including transfer of profits by stock exchanges to the above mentioned fund and the methodology to be adopted. Pending receipt of clarifications/guiding principles from SEBI in the matter, no transfer of profits has been recorded in the books of account as at March 31, 2014.

28. During the year the following amounts have been appropriated to the Settlement Guarantee funds (SGF) out of contribution received from members considered under other operating revenue and Income on Investments as mentioned under the note no. 1.14.1;

₹ in Lakh

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Contribution by Members	13	15
Income from Investments	31	3
Less: Tax	7	3
Amount Appropriated	37	15

29. Disclosure as required under Accounting Standard – 15 on “Employee Benefits” is as under:

Defined Benefit Plan – Gratuity:

	Period of accounting	As at March 31, 2014	As at March 31, 2013
I	Summary of Membership Data		
	Number of Employees (Nos.)	23	17
	Total Monthly Salary (₹ In Lakhs)	7	5
	Average Age (Nos.)	39	38
	Average Past Service (Nos.)	9	10

₹ in Lakh

II	Assumptions as at	As at March 31, 2014	As at March 31, 2013
	Mortality	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table	
	Discount Rate	9.20%	8.10%
	Rate of increase in compensation	7.00%	7.00%
	Rate of return (expected) on plan assets	8.50%	8.50%
	Withdrawal rate		
	-21 to 44 years	2.50%	2.50%
	-45 to 59 years	1.00%	1.00%

Amount to be recognised in the Balance Sheet and Movement in net (liability)/assets:

₹ in Lakh

III	Particulars	As at March 31, 2014	As at March 31, 2013
	Present Value of Funded Obligations	60	56
	Fair Value of Plan Assets	63	59
	Net Assets/(Liability)	3	3

Expenses Recognized in Statement of Profit and Loss

₹ in Lakh

IV	Particulars	For the year Ended March 31, 2014	For the year Ended March 31, 2013
	Current Service Cost	3	3
	Interest on Defined Benefit Obligations	5	5
	Expected Return on Plan Assets	(5)	-
	Net Actuarial Losses / (Gains) Recognised during the year	(3)	(7)
	Total Included in "Employee Benefit Expense"	-	1
	Actual Return on Plan Assets	4	3

Reconciliation of Benefit Obligation

₹ in Lakh

V	Particulars	As at March 31, 2014	As at March 31, 2013
	Opening Defined Benefit Obligation	56	52
	Current Service Cost	3	3
	Interest Cost	5	5
	Actuarial Loss / (Gain)	(4)	(4)
	Benefits Paid	-	-
	Closing Defined Benefit Obligation	60	56

Reconciliation of Fair Value of Plan Assets

₹ in Lakh

VI	Particulars	As at March 31, 2014	As at March 31, 2013
	Opening Fair Value of Plan Assets	59	-
	Expected Return on Plan Assets	5	-
	Actuarial Gain / (Loss)	(1)	3
	Contributions by Employer	-	56
	Benefits Paid	-	-
	Closing Fair Value of Plan Assets	63	59

Composition of Plan Assets

₹ in Lakh

VII	Particulars	As at March 31, 2014	As at March 31, 2013
	Government of India Securities	0%	0%
	Corporate Bonds	0%	0%
	Special Deposit Schemes	0%	0%
	Equity Shares of Listed Companies	0%	0%
	Property	0%	0%
	Insurer Merger Funds	98%	0%
	Others	2%	100%

Experience Adjustment

₹ in Lakh

VIII	Particulars	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
	Defined Benefit Obligations	60	56	52	54	-
	Plan Assets	63	59	-	-	-
	Surplus / (Deficit)	3	3	(52)	(54)	-
	Experience Adjustments on Plan Liabilities	3	(4)	-	-	-
	Experience Adjustments on Plan Assets	(1)	3	-	-	-

Other Details:

The estimates of future salary increase considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

Defined Contribution Plan:

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss ₹ 8 Lakh (For the year ended March 31, 2013 ₹ 7 Lakh).

30. Previous year's have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Arun Ramanathan
Chairman

Ashishkumar Chauhan
Director

M.B.N. Rao
Director

K. Kumar
Managing Director & CEO

Manisha Thakur
Company Secretary

Mumbai, May 06, 2014