

OTC EXCHANGE OF INDIA
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

Amount in Rs.

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	372,495,989	360,220,162
		472,495,989	460,220,162
Guarantee Funds			
	4	66,517,587	66,478,764
		66,517,587	66,478,764
Non Current Liabilities			
Other long term liabilities	5	1,000,000	1,000,000
Long-term provisions	6	665,263	771,528
		1,665,263	1,771,528
Current Liabilities			
Other current liabilities	7	81,608,261	84,438,382
Short term provisions	8	9,370,713	6,300,567
		90,978,974	90,738,949
Total		631,657,813	619,209,403
ASSETS			
Non Current Assets			
Fixed assets	9		
Tangible assets		21,701,067	25,646,211
Intangible		11,619	16,286
Earmarked investments of guarantee & protection fund	10	72,798,418	74,368,007
Long term loans and advances	11	1,830,086	1,830,086
Other non current assets	12	63,737,760	85,560,152
		160,078,951	187,420,742
Current Assets			
Current investments	13	104,631,469	41,957,805
Trade receivables	14	-	-
Cash and bank balances	15	355,593,764	372,233,624
Short-term loans and advances	16	184,776	229,506
Other current assets	17	11,168,853	17,367,726
		471,578,862	431,788,661
Total		631,657,813	619,209,403
Significant accounting policies and other notes			
	1		

Notes referred to above form an integral part of the financial statements

As per our report attached
For ADV & Associates
Chartered Accountants
Firm Registration No -128045W
Prakash Mandhaniya
Prakash Mandhaniya
Partner
Membership No. 421679
Mumbai, August 23, 2017.



For and on behalf of Board of Directors

S C Bhargava
S C Bhargava
Chairman

Munesh Kumar Goel
Munesh Kumar Goel
Company Secretary

Ompakash Porwal
Ompakash Porwal
Director

Sujata D'costa
Sujata D'costa
Chief Financial Officer

OTC EXCHANGE OF INDIA
CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2017

Amount in Rs.

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	18	-	22,751
Other income	19	47,668,990	45,840,013
Total		47,668,990	45,862,764
Expenses:			
Employee benefits expense	20	12,463,954	18,724,401
Finance cost	21	290	255
Depreciation	9	4,073,276	4,149,882
Other expenses	22	7,427,269	5,968,234
Total		23,964,797	28,842,771
Surplus on account of income over expenses before Extraordinary Items & tax		23,704,193	17,019,993
Extraordinary Income		-	250,361
Provision for doubtful debt written back	23	-	129,389
Recovery of SEBI Turnover fees from brokers		-	120,972
Extraordinary Expenses		1,132,235	1,575,674
Provision for Diminution in Value of Investment in subsidiary Written off		1,132,235	874,643
Prior Period Items		-	701,031
Surplus on account of income over expenses before tax		22,571,958	15,694,480
Tax expense:	24	9,419,851	98,250
(a) Current Tax		3877510	98,250
(b) Tax Expenses of Earlier Years		5,542,341	-
Surplus on account of income over expenses for the year		13,152,107	15,596,230
Earnings per equity share [Face value Rs.10 (Previous year Rs.10) each]			
Basic [Refer Note 30]		1.32	1.56
Significant accounting policies and other notes	2		

Notes referred to herein form an integral part of the financial statements

As per our report attached

For ADV & Associates

Chartered Accountants

Firm Registration No - 128045W

Prakash Mandhaniya

Prakash Mandhaniya

Partner

Membership No. 421679

Mumbai, August 23, 2017.



For and on behalf of Board of Directors

S C Bhargava

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Chairman

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Company Secretary

Sujata D'costa

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Chief Financial Officer

OTC EXCHANGE OF INDIA
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in Indian rupees)

1 BACKGROUND

OTC Exchange of India ('the Exchange') was incorporated in India on September 25, 1990 under Section 25 of the Companies Act, 1956 ('the Act') to promote, assist, regulate and control, in the public interest, dealings in securities of any nature issued by Indian limited liability companies. As there was no turnover on the platform of the Exchange, the Board in its meeting held on January 03, 2014, has agreed for voluntary exit. The members of OTCEI, in the Extra Ordinary General Meeting held on February 18, 2014, granted their consent for voluntary surrender of recognition granted under section 4 of the SCRA by SEBI, in terms of SEBI's Exit Policy for De-recognised/Non-operational Stock Exchanges issued vide Circular No.CIR/MRD/DSA/14/2012 dated May 30, 2012. Accordingly, the Exchange vide letter dated February 18, 2014, informed the same to SEBI.

SEBI, vide letter No. MRD/DSA/OW/ 9637/2015 dated April 01, 2015, had issued an exit order dated 31st March 2015 in respect of OTCEI in terms of SEBI's Exit Policy for De-recognised/Non-operational Stock Exchanges issued vide Circular No.CIR/MRD/ DSA/14/2012 dated May 30, 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the accounting standards prescribed in the companies (accounting standards) rules, 2006 and the relevant provision of the act. The significant accounting policies are as follows:

(a) Reserves and funds

- (i) Admission fees [including admission fees for dealing in permitted securities ('permitted segment fees')] and additional-counter fees being one-time, non-refundable fees received from members (other than shareholders), sponsors and dealers of the Exchange, are credited directly to Capital Reserve when received.
- (ii) The Settlement Guarantee Fund includes interest earned from its deployment during the year.

(b) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The Exchange capitalises all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided on the straight-line method over the useful life mentioned as per Part "C" of schedule 11 of The Companies Act 2013. Remaining Balance in Written Down Value as on 31st March, 2017 in asset have been write off against opening balance of accumulated losses.

Intangible Assets & Amortization (Subsidiary - OTCEI Securities Limited)

- i) Intangible Assets are stated at cost less accumulated amortization.
- ii) Cost of Computer Software is amortized on straight-line basis over a period of five years. However, software which are related to operations have been amortized at year end due to discontinuation of operations.



(c) Investments

The Exchange classifies its investments into long-term and current investments.

Long-term investments are valued at cost. Where in the opinion of the management there is a decline, other than temporary, in the value of long-term investments, appropriate provisions are made.

Current investments are valued at the lower of cost and market/realisable value.

(d) Income recognition

Dividend income on investments in mutual fund units is accounted for in the year in which the same is declared in the Annual General Meeting and Company's right to receive / payment is established

Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

Provision for Doubtful Debts

The Audit Committee, in its meeting, held on December 30, 2016, decided that the Company should write off those trade receivables of annual listing fees, annual membership/dealership fees and technology fees which are more than three years old.

(e) Retirement benefits for employees

Retirement benefits to employees comprise gratuity, leave encashment and provident fund as per the approved schemes of the Exchange. Gratuity liability is defined benefit obligation for employees. The company has taken Group Gratuity-cum-Life Insurance policy from Life Insurance Corporation of India (LIC). Accordingly, the company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year and the contribution by way of premium paid to LIC of India is charged to Profit/Loss Account. Actuarial gain or losses are immediately recognised in the Profit and Loss Account.

Liability for leave encashable at the credit of each employee has been provided in full at the year end encashable salary rates of the respective employees.

(f) Software costs

Software costs are charged to the income and expenditure statement in the year in which the software is purchased. Software development costs are charged to the income and expenditure statement in the year in which development is completed.

(g) Taxation of subsidiary - OTCEI Securities Limited.

Tax expense for the year, comprising of current tax and tax expenses of earlier years (short provision of tax of prior period) is included in determining the net profit/ (Loss) for the year.

**NOTE 2
SHARE CAPITAL**

Share Capital	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Authorised 200,00,000 Equity Shares of Rs.10/- each (Previous year 2,00,00,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed & paid up 100,00,000 (Previous year 100,00,000) Equity Shares of Rs.10/- each	100,000,000	100,000,000
Total	100,000,000	100,000,000

**NOTE 2.1
Reconciliation of Number of Shares**

Equity Shares	(Amount in Rs)			
	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,000,000	100,000,000	10,000,000	100,000,000

NOTE 2.2
The Company is incorporated under section 25 of the Companies Act, 1956 (now section 8 of the Companies Act, 2013) and has only one class of ordinary equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of winding up of the company, the remaining asset of the company after distribution of all preferential amount, shall not be distributed among the members of the company but shall be given or transferred to such other company having object similar to the objects of this Company.

**NOTE 2.3
Details of Shareholders holding more than 5% shares in the company**

Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ICICI Bank Limited	2,000,000	20%	2,000,000	20%
Administrator of Specified Undertaking of Unit Trust of India	2,000,000	20%	2,000,000	20%
IDBI Bank Limited	1,700,000	17%	1,700,000	17%
SBI Capital Markets Limited	1,100,000	11%	1,100,000	11%
IFCI Limited	800,000	8%	800,000	8%
Life Insurance Corporation of India	800,000	8%	800,000	8%
Canara Bank Limited	800,000	8%	800,000	8%

NOTE 3

Reserves and Surplus	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Balance as at the beginning of the year	698,406,881	698,397,951
Add: Fees received during the year	-	8,900
Less: Fees returned during the year	2,000,000	-
Balance as at the end of the year	696,406,881	698,406,851
Debit balance in the statement of profit and loss		
Balance as at the beginning of the year	(338,106,719)	(354,657,591)
Add: Surplus for the current year	14,284,342	16,470,872
Less: Transferred from fixed assets	8,515	-
Balance as at the end of the year	(323,910,892)	(338,106,719)
Total	372,495,989	360,220,162

NOTE 4

Guarantee Funds	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Settlement Guarantee Fund [Refer 4.1]		
Balance as at the beginning of the year	65,478,764	64,477,228
Add: Interest income for the year	38,823	2,001,516
Balance as at the end of the year	65,517,587	66,478,764
Total	65,517,587	66,478,764

NOTE 4.1
Settlement Guarantee Fund (SGF) was created based on SEBI Regulations. The objective of SGF is to guarantee settlement of all transactions of the members of the exchange inter-se through the stock exchange. In the event of a member failing to honour his settlement commitments, the SGF will undertake to fulfill the commitment of that member and will complete the settlement without affecting the normal settlement process. As SEBI has issued exit order to the Exchange on 31.03.2015, treatment of the balance lying in this account will be done as per Rules and Regulations of SEBI/OTCEI including the provisions mentioned in SEBI Exit Circular No: CIR/MRD/OSA/14/2012 dated May 30, 2012.

NOTE 5

Other Long term liabilities	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Security and other deposits	1,000,000	1,000,000
Total	1,000,000	1,000,000



NOTE 6

Long term provisions	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Gratuity As per Actuarial Valuation	665,263	771,528
Total	665,263	771,528

NOTE 7

Other current liabilities	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Subscription received in advance	28,790	48,172
Other payables		
Deposit From Members/Dealers/Listed Companies		
- Base Minimum Capital	6,280,031	7,009,243
- Lease Line Deposit	203,457	243,068
- Settlement Deposit	631,300	925,536
Liability towards surrendered members/dealers	480,296	580,296
Deposit of defaulters members	835,239	833,239
Advance from Members/Dealers	8,781	8,781
Advance from Listed Company	478,651	478,651
Statutory dues payable	18,678	92,778
Other Liabilities (Dividend of Reliance)	10,920	9,825
Liability towards		
- Settlement Guarantee Fund	72,338,878	72,743,434
Outstanding Expenses Payable	51,830	47,749
Base Deposit	242,610	537,610
Total	81,608,361	84,478,382

NOTE 8

Short term provisions	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Leave Encashment	5,056,387	5,056,006
Provision for Leave Travel allowance	30,000	-
Tax incidence borne by the Company	-	656,501
Others		
Provision for Expenses	406,816	566,034
TDS Payable	-	22,046
Provision for Tax	3,877,510	-
Total	9,370,713	6,300,587

Note 9 - Fixed Assets

Refer Note related to Fixed Assets

NOTE 10

Earmarked Investments of Settlement Guarantee Fund	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Non current investments - Long Term		
a) Settlement Guarantee Fund		
in saving account	25,084	81,777
in deposit account	300,153	1,180,153
Accrued interest on deposit	134,303	362,643
Settlement Guarantee Fund (Receivable)	72,338,878	72,743,434
Total	72,798,418	74,368,007

NOTE 11

Long term loans and advances	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
(Unsecured, considered Good)		
Security deposits	1,330,086	1,330,086
Deposits with NSE/NSCCL		
Unsecured		
Margin Adjustable Base Deposit (NSCCL)	500,000	500,000
Non Margin Adjustable Base Deposit	-	-
Total	1,830,086	1,830,086



Sr. No	Particulars	Useful Life	Gross Block			Depreciation				Transfer to Retained Earnings	Net Block		
			As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 31.03.2016	For the year	Deduction		As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
1	Tangible Buildings	30	51,484,649	-	-	51,484,649	26,404,874	3,501,036	-	30,105,960	-	21,178,602	25,073,775
2	Electrical Equipments	10	5,062,749	-	6,763	5,055,986	5,038,493	6,971	6,751	5,039,113	-	15,373	23,756
3	Computer & related equipments	6	3,193,775	39,825	870,305	2,963,295	3,308,389	14,265	835,703	2,507,051	-	56,244	48,032
4	Furnitures & Fixtures	10	3,247,062	-	80,472	3,166,590	3,240,745	1,435.00	80,472	3,161,709	-	4,801	6,317
5	Vehicles	0	512,016	-	-	612,016	344,323	63,075.00	-	407,358	-	204,618	267,693
6	Office Equipment	5	2,227,096	132,738	136,535	2,223,299	2,007,160	81,674.00	105,768	1,983,046	-	242,263	220,638
			66,026,647	172,563	1,094,055	65,105,345	40,343,954	4,068,007	1,000,314	43,404,277	-	21,701,068	25,546,211
7	Intangible Intangible Assets		868,612	11,619	868,612	11,619	852,326	4,662	856,955	-	-	11,619	16,705
	TOTAL		66,895,459	184,182	1,962,677	65,116,964	41,196,310	4,073,276	1,865,309	43,404,277	-	21,712,687	25,662,697
	Previous Year		84,779,100	43,333	17,926,975	66,895,458	54,949,625	4,149,882	179,031,499	41,195,308	228,160	25,662,697	29,792,823



NOTE 12

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Other non current assets		
Others		
(Unsecured, considered Good)		
Interest Accrued on Fixed Deposits having Maturity of more than 12 Months	38,311,671	64,249,671
Advance Tax and Tax Deducted at source (net)	10,826,089	10,910,481
Income Tax Deposit (A.Y. 2010-2011, 2011-2012, 2012-2013, 2013-14 & 2014-15)	14,600,000	10,400,000
Total	63,737,760	85,560,152

NOTE 13

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Current investments (valued at lower of cost and fair value)		
Investment in Mutual Funds (Unquoted, fully paid up)		
47,033,269 units (Previous Year: 23508,449 units) of UTI Treasury Advantage Fund- Institutional Growth	104,631,469	41,957,805
Total	104,631,469	41,957,805
Aggregate value of unquoted investments - at book value	104,631,469	41,957,805
Aggregate value of unquoted investments - at repurchase price	105,429,404	42,333,348

NOTE 14

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Trade receivables		
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	32,595,672
Less: Provision for doubtful debts	-	(32,595,672)
Others	-	-
Total	-	-

NOTE 15

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Cash & bank balances		
Cash and cash equivalents		
Cash on hand	14,223	8,509
Other bank balances*		
(i) In Current Account	5,560,074	7,694,451
(ii) In Deposit Account	350,019,467	364,530,664
Total	355,593,764	372,233,624

NOTE 16

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Short term loans and advances		
Others		
(Unsecured, considered good)		
Loans and Advances to Employees	123,500	188,000
Prepaid Expenses		
Maintenance Charges of Office Premises	52,312	31,719
Annual Maintenance Charges	8,964	5,787
Total	184,776	229,506

NOTE 17

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Other current assets		
Interest Accrued on Fixed Deposits have maturity within 12 months	9,703,537	15,365,801
Sundry receivables	-	124
Service Tax Receivable	-	614,646
Prepaid expenses	732,915	714,833
Advance Income Tax	652,401	672,262
Total of Other current assets	11,168,853	17,367,726

NOTE 18

	(Amount in Rs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations		
Annual Fees		
Dealers	-	501
Recovery of Technical Fees	-	22,250
Total	-	22,751



NOTE 19

(Amount in Rs)

Other Income	Year ended March 31,2017	Year ended March 31,2016
Interest on bank deposits	43,136,828	41,740,682
Profit on sale of current investments (net)	1,673,554	1,302,692
Other non operating income		
Lease Rent	2,177,280	2,177,280
Interest on Employee Loan	-	262
Miscellaneous Income	13,291	11,367
Interest on security deposit with BEST	51,581	37,014
Profit on Sale of Fixed Assets	20,322	55,107
Dividend on Investment	789,103	354,732
Interest on Income Tax refund	11722	133517
Excess Provision Written off	-	6,060
Base Deposit Written off	295,000	-
Total	47,668,990	45,840,813

NOTE 20

(Amount in Rs)

Employee benefit expense	Year ended March 31,2017	Year ended March 31,2016
Salaries, wages and bonus	11,811,386	17,392,555
Contributions to provident fund and other funds	652,568	1,331,846
Total	12,463,954	18,724,401

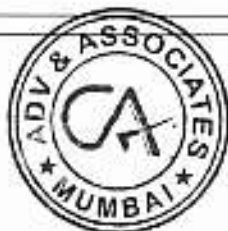
Note: 21

Finance Cost	For the year ended 31.03.2017	For the year ended 31.03.2016
Bank Charges	298	255
Total	298	255

NOTE 22

(Amount in Rs)

Other expenses	Year ended March 31,2017	Year ended March 31,2016
Repairs & Maintenance	38,216	5,087
Insurance	48,798	47,990
Rate and Taxes	10,497	9,874
Professional and Legal Charges	520,000	842,129
Office Maintenance Expenses	1,899,599	1,347,054
Security Expenses	155,406	290,520
Filing Fees	64,152	6,672
Vehicle Expenses	339,967	317,018
Telephone Expenses	163,607	150,900
Electricity Charges	981,583	1,172,132
Maintenance Charges	355,872	341,244
General Office Expenses	319,883	405,877
Postage & Courier Expenses	9,125	7,742
Directors Sitting Fees	500,000	510,000
Software Expenses	6,873	2,100
Miscellaneous Expenses	215,125	171,285
Printing & Stationery Expenses	81,089	78,966
Staff Welfare	-	31,235
Auditors Remuneration	50,000	50,000
Conveyance Expenses (Actual)	28,974	47,236
Depository Charges paid	-	1,551
Books & periodicals	2,150	6,395
Service Tax credit write off	1,206,038	70,869
Loss on sale on investment	11,175	45,182
Swachh Bharat Cess	19,149	5,065
Total	7,427,269	5,968,234



NOTE 23

The provision for doubtful debts have been written back due to recovery of prior period fees i.e. as follows

	Year ended March 31,2017	Year ended March 31,2016
Provision for Doubtful debts written back		
Provision for Doubtful Debts of Annual fees and Listing fees		129,389
TOTAL	-	129,389

NOTE 24

(Amount in Rs)

	Year ended March 31,2017	Year ended March 31,2016
Prior Years Tax		
Tax Paid for Financial Year 2015-16	5,542,341	-
Provision for tax for Financial Year 2016-17	3,877,510	
Total	9,419,851	-

The Company has been registered u/s 12A of the Income Tax Act, 1961. Therefore, while filing income tax return for AY 2016-17, the Company had taken benefit under Section 11 of the Income Tax Act, 1961. As the Company surrendered its registration as a Stock Exchange and stopped pursuing this business and related activities, it was advised that the Company should file the return without taking advantage of the registration under Section 12A with effect from F.Y. 2015-16 (A.Y. 2016-17). Accordingly, the Company, vide approval note dated March 23, 2017, recognized its tax liability for the FY 2015-16 of Rs. 55,42,341/- and filed revised return.

NOTE 25**EMPLOYEE BENEFITS AS REQUIRED BY AS-15:****i. Defined Contribution Plan:**

Company's contribution to Provident Fund Rs. 3,99,768 (Previous Year Rs. 4,33,459)

ii. Defined Benefit Plan: Gratuity (Non-Funded):

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Provision for gratuity is made on actuarial valuation basis as summarized below:

Description	(Amount in Rupees)	
	Year ended March 31,2017	Year ended March 31,2016
1.Membership Data		
Number of Members	11.00	13.00
Average Age	46.73	45.46
Average Monthly Salary	34,419.54	32,452.00
Average Past Service	15.00	13.54
2.Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method
3.Actuarial Assumptions		
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount Rate	8% p.a.	8% p.a.

The details of experience adjustments arising on account of plan liabilities as required by paragraph 120(n)(ii) of AS-15 (revised) on "Employee Benefits are not readily available and hence are not furnished.

NOTE 26**RELATED PARTY DISCLOSURES, AS REQUIRED BY ACCOUNTING STANDARD - 18****i. List of Related Parties:****Subsidiary**

OTCEL Securities Ltd.

Key Management Personnel

Mr. Munech Kumar Goel-Managing Director & Company Secretary

Mrs. Sujata Dosta-Chief Financial Officer

	Year ended March 31,2017	Year ended March 31,2016
ii. Transactions with Related Parties		
Recovery of expenses from Subsidiary	1,148,646	243,778
iii. Transactions with Key Management Personnel		
Remuneration to Key Management Personnel	4,164,640	4,198,632
iv. Closing Balances of Related Parties		
Payable to Subsidiary	20,824	-

NOTE 27**OPERATING LEASE**

Disclosure of assets given on lease during the year are as follows

	Year ended March 31,2017	Year ended March 31,2016
Gross carrying amount of assets	9,345,000	9,345,000
Accumulated Depreciation	4,989,993	4,346,150
Depreciation for the year	643,843	644,898

NOTE 28**EARNINGS PER SHARE**

Basic earnings are calculated by dividing the net surplus for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Particular	Year ended March 31,2017	Year ended March 31,2016
Net Profit attributable to Shareholders	13,152,107	13,596,230
Weighted average number of equity shares	10,000,000	10,000,000
Basic earnings per share (face value of Rs.10 each)	1.32	1.56



OTC EXCHANGE OF INDIA
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 29

REMNERATION TO AUDITORS - for Statutory Audit - Service tax	Year ended March 31,2017	Year ended March 31,2016
		130,500
	19,575	19,575
	150,075	150,075

NOTE 30

TAXATION
The exchange is registered as a charitable institution under section 12A of the Income Tax Act, 1961. There are no timing difference as defined by the Accounting Standard-22 on 'Accounting for taxes on income'

NOTE 31

CONTINGENT LIABILITY

	Year ended March 31,2017	Year ended March 31,2016
Liability towards employee dues on closure of operations	18,199,904	51,200,000
Liability towards BSNL	66,685,250	66,685,250
Liability towards Legal cases filed for Refund of membership fees	16,856,000	16,856,000
Disputed income tax demand (A.Y 2010-11)	11,794,458	11,794,458
Disputed income tax demand (A.Y 2011-12)	14,489,384	14,489,384
Disputed income tax demand (A.Y 2012-13)	17,658,240	17,658,240
Disputed income tax demand (A.Y 2013-14)	15,903,000	0
Disputed income tax demand (A.Y 2014-15)	12,197,430	0

As per the order dated 25.3.2013, the AO has denied assessee trust exemption on the grounds that all activities are limited to a particular class of brokers and investors and not investors at large as a result these activities of assessee trust cannot be termed as charitable and thus it should not be eligible for claiming its income as exempt under section 11 & 12. The assessee has filed appeal u/s 246A of the Act on 30.04.2013 for the AY 2010-11, for the AY 2011-12 on 29.04.2014, for the A.Y. 2012-13 on 22.04.2015 and for the A.Y. 2013-14 on 18.04.2016 & For A.Y. 2014-15 on 30.1.2017.

Due to the above scrutiny proceedings, liabilities may arise on similar grounds in respect of prior or future years.

NOTE 32

SETTLEMENT GUARANTEE FUND

In accordance with the requirements of the Securities and Exchange Board of India, the Exchange is required to maintain a Settlement Guarantee Fund of at least Rs. 30 million, to guarantee the settlement of trades in listed, permitted and national market segments of the Exchange subject to certain terms and conditions. The Exchange accordingly maintains a Settlement Guarantee Fund which is represented by cash and non cash components of the 'Base Minimum Capital' contributed by its members/dealers and interest earned and accrued on the earmarked investments thereof.

	Year ended March 31,2017	Year ended March 31,2016
As at 31st March 2017 the corpus of the fund has been deployed as follows:		
Balances with scheduled banks		
In current accounts	25,084	81,777
In deposit accounts	300,153	1,180,153
Accrued Interest on SGF	134,303	362,643
Settlement Guarantee Fund (Receivable)	72,338,878	72,743,434
Total Earmarked investments towards SGF	72,798,418	74,368,007
Fixed deposits pledged by members/dealers with banks *	205,000	1,700,000
Matured Fixed deposits pledged by members/dealers with bank	1,094,187	2,569,187
	1,299,187	4,269,187
Total	74,097,605	78,637,194

* Out of the above fixed deposits, Rs.75,000/- are marked as bad fixed deposits by the bank due to incomplete documents and maturity of fixed deposits.

NOTE 33

As per the definitions of 'business segment' and 'geographical segment', contained in (A5-17) "Segment Reporting", the Management is of the opinion that as the Company's operations comprise of only facilitating trading in securities and the activities incidental thereto, there is neither more than one reportable business segment nor more than one reportable geographical segment, and, therefore, segment information as per A5-17 is not required to be disclosed.

NOTE 34

The previous year figures have also been reclassified/regrouped to conform to current year's classification.

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENT

Name of the Entity in the	Net Assets i.e. total assets-total liabilities		Share in Loss	
	As % of consolidated net assets	Amount Rs.	As % of consolidated loss	Amount Rs.
Parent				
Subsidiaries				
1. OTCI SECURITIES LIMITED	100	35,313,015	100	1,132,235
TOTAL	100	35,313,015	100	1,132,235

As Per our report attached
For ADV & Associates
Chartered Accountants
Firm Registration No - 128045W

Prakash Mandhariya
Partner
Membership No. 421679
Mumbai, August 23, 2017.



For and on behalf of Board of Directors

S C Bhargava
Chairman

Munesh Kumar Goul
Company Secretary

Omprakash Purwal
Director

Sujata D'costa
Chief Financial Officer

OTC EXCHANGE OF INDIA
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Amount in Rs.

	Particulars	Year Ended	
		31.03.2017	31.03.2016
A	Cash Flow From Operating Activities		
	Net (Loss)/Profit before tax	22,571,958	15,694,480
	Adjustments for:		
	Depreciation and Amortisation	4,073,276	4,149,882
	profit on sale of fixed assets	(30,322)	(66,107)
	Finance Cost	258	255
	Dividend Income	(289,302)	(364,732)
	Provision for Diminution in Value of Investment Written Back (subsidiary)	1,132,235	374,643
	Interest earned on deposits/advances	(43,700,131)	(41,911,575)
	Operating Profit before Working Capital changes	(15,731,988)	(21,623,154)
	Changes in working capital		
	Adjustment for (increase)/decrease in Operating Assets		
	Trade Receivables	-	2,781
	Other Current Assets		
	Short Term Loans & Advances	44,730	104,631
	Other Current Assets	6,198,873	-14394970
	current investment	(62,673,664)	(36,602,893)
	Other Non Current Assets	21,822,392	287996581
	Adjustments for Increase/(Decrease) in Operating Liabilities		
	Trade Payables, Other Current Liabilities and Provisions		
	Long term provisions	(106,265)	(158,942)
	Trade payables	-	(105,944)
	Other current liabilities	(2,030,121)	25,965,491
	Short term provisions	3,070,146	2662179.00
	Cash generated/(used in) from Operations	(50,205,897)	243,845,713
	Income Taxes paid/provision (including taxes deducted at source)	(9,419,851)	(98,250)
	Net Cash generated/(used in) from Operating Activities	(59,625,748)	243,747,513
B	Cash flow from Investing Activities		
	Purchase/sale of fixed assets(Net)	-11659	46,550
	Decrease in longterm loan & advances	-	902,317
	Increase in Interest accrued on Bank Deposit	-	(2,047,376)
	Decrease in Earmarked investments of guarantee & protection fund	1,569,589	5,339,491
	Dividend received	289,302	364,732
	Interest income on Settlement Guarantee Fund	38,823	2,001,535
	Interest earned on deposits/advances	43,200,131	41,921,575
	Net Cash (used in) Investing Activities	44,986,186	48,518,826
C	Cash Flow from Financing Activities		
	Finance charges	(298)	(255)
	Fees received during the year	(2,000,000)	8,900
	Net Cash generated from Financing Activities	(2,000,298)	8,645
	Net Increase in Cash and Cash Equivalents (A+B+C)	(16,639,860)	292,274,984
	Cash and Cash Equivalents at the beginning of the year [See note 1]	372,233,624	79,958,640
	Cash and Cash Equivalents at the end of the year [See note 1]	355,593,764	372,233,624

Significant accounting policies

2

Notes referred to above form an integral part of the financial statements

As per our report attached

For ADV & Associates

Chartered Accountants

Firm Registration No -128045W

Prakash Mandhaniya

Prakash Mandhaniya

Partner

Membership No. 421679

Mumbai, August 23, 2017.



For and on behalf of Board of Directors

S C Bhargava
S C Bhargava
Chairman

Ompurush Porwal
Ompurush Porwal
Director

Munesh Kumar Goel
Munesh Kumar Goel
Company Secretary

Sujata D'Costa
Sujata D'Costa
Chief Financial Officer