

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

Amount in Rs.

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	372,495,989	360,220,162
		<b>472,495,989</b>	<b>460,220,162</b>
<b>Guarantee Funds</b>			
	4	66,517,587	66,478,764
		<b>66,517,587</b>	<b>66,478,764</b>
<b>Non Current Liabilities</b>			
Other long term liabilities	5	1,000,000	1,000,000
Long-term provisions	6	665,263	771,528
		<b>1,665,263</b>	<b>1,771,528</b>
<b>Current Liabilities</b>			
Other current liabilities	7	81,334,655	83,853,023
Short term provisions	8	9,370,713	5,702,702
		<b>90,705,368</b>	<b>89,555,725</b>
<b>Total</b>		<b>631,384,207</b>	<b>618,026,179</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	21,712,687	25,636,994
Earmarked investments of guarantee & protection fund	10	72,798,418	74,368,007
Long term loans and advances	11	1,330,086	1,330,086
Other non current assets	12	57,983,926	81,937,202
		<b>153,825,117</b>	<b>183,272,289</b>
<b>Current Assets</b>			
Current investments	13	139,944,484	78,403,055
Trade Receivable	14	-	-
Cash and bank balances	15	326,974,654	339,467,371
Short-term loans and advances	16	123,500	188,000
Other current assets	17	10,516,452	16,695,464
		<b>477,559,090</b>	<b>434,753,890</b>
<b>Total</b>		<b>631,384,207</b>	<b>618,026,179</b>
<b>Significant accounting policies and other notes.</b>			
	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  
Partner  
Membership No. 421679  
Mumbai, August 23, 2017



For and on behalf of Board of Directors

S C Bhargava  
Chairman

Munesh Kumar Goel  
Company Secretary

Ompakash Porwal  
Director

Sujata D'costa  
Chief Financial Officer

**OTC EXCHANGE OF INDIA**  
**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	44,665,980	42,730,821
<b>Total</b>		<b>44,665,980</b>	<b>42,752,772</b>
Expenses:			
Employee benefits expense	20	9,262,963	15,744,568
Depreciation	9	4,068,607	4,138,216
Other expenses	21	6,497,882	5,073,603
<b>Total</b>		<b>19,829,552</b>	<b>24,956,387</b>
<b>Surplus on account of income over expenses before Extraordinary Items &amp; tax</b>		<b>24,836,428</b>	<b>17,796,385</b>
<b>Extraordinary Income</b>		<b>-</b>	<b>250,361</b>
Provision for doubtful debt written back	22	-	129,389
Recovery of SEMI Turnover fees from brokers		-	120,972
<b>Extraordinary Expenses</b>		<b>1,132,235</b>	<b>1,575,874</b>
Provision for Diminution in Value of Investment in subsidiary Written off		1,132,235	874,643
Prior Period Items	23	-	701,231
<b>Surplus on account of income over expenses before tax</b>		<b>23,704,193</b>	<b>16,470,872</b>
Tax expenses	24	9,419,851	-
Current Year Tax		3,877,510	-
Prior Year Tax		5,542,341	-
<b>Surplus on account of income over expenses for the year</b>		<b>14,284,342</b>	<b>16,470,872</b>
Earnings per equity share [Face value Rs.10 (Previous year Rs.10) each]			
Basic	25	1.43	1.65
<b>Significant accounting policies and other notes</b>	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*  
**S C Bhargava**  
 Chairman

*Omparkash Porwal*  
**Omparkash Porwal**  
 Director

*Munesh Kumar Goel*  
**Munesh Kumar Goel**  
 Company Secretary

*Sujata D'costa*  
**Sujata D'costa**  
 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, pro rata to the period of use of assets, at the rates prescribed in Schedule XIV to the Act which represents management's estimate of the useful economic life of these assets.

### **(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.



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

**NOTE 2**  
**SHARE CAPITAL**

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

**NOTE 2.1**  
**Reconciliation of Number of Shares**

Equity Shares	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 erstwhile 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%
ICBI 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
<b>Capital Reserve</b>		
Balance as at the beginning of the year	698,406,891	698,397,981
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	<b>696,406,891</b>	<b>698,406,881</b>
<b>Debit balance in the statement of profit and loss</b>		
Balance as at the beginning of the year	(338,186,719)	(354,657,591)
Add: Surplus for the current year	14,284,342	16,470,872
Less: Transferred from fixed assets Balance as at the end of the year (Net)	8,515	-
	<b>(323,910,892)</b>	<b>(338,186,719)</b>
<b>Total</b>	<b>372,495,989</b>	<b>360,220,162</b>

**NOTE 4**

Guarantee Funds	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Settlement Guarantee Fund [Refer 4.1]</b>		
Balance as at the beginning of the year	66,478,764	64,477,220
Add: Interest income for the year	38,823	2,001,536
Balance as at the end of the year	<b>66,517,587</b>	<b>66,478,764</b>
<b>Total</b>	<b>66,517,587</b>	<b>66,478,764</b>

**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 Order No: CIR/MRD/DSA/14/2012 dated May 30, 2012.



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

**NOTE 5**

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

**NOTE 6**

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

**NOTE 7**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Other current liabilities</b>		
Subscription received in advance	28,790	48,172
<b>Other payables</b>		
Deposit From Members/Dealers/Listed Companies		
- Base Minimum Capital	6,280,831	7,689,243
- 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	833,239	833,239
Advance from Members/Dealers	8,781	8,781
Advance from Listed Company	478,651	479,651
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
Sundry Creditors for Assets Purchased from subsidiary	20,034	-
<b>Total</b>	<b>81,334,655</b>	<b>83,853,023</b>

**NOTE 8**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Short term provisions</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	5,056,387	4,671,877
Provision for Leave Travel allowance	30,000	-
Tax incidence borne by the Company	-	464,811
<b>Others</b>		
Provision for Expenses	406,816	566,014
Provision for Tax	3,877,510	-
<b>Total</b>	<b>9,370,713</b>	<b>5,702,702</b>

**NOTE 9**

Refer Note 9 - Fixed Assets

**NOTE 10**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Earmarked Investments of Settlement Guarantee Fund</b>		
<b>Non current investments -Long Term</b>		
a) Settlement Guarantee Fund [Refer 10.1]		
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
<b>Total</b>	<b>72,798,418</b>	<b>74,368,007</b>

**Note 10.1:**

Earmarked investment of settlement guarantee fund includes investment of cash component of base minimum capital of Rs.52,80,831/- (Previous year Rs.78,89,243/-) as per the bye-laws of the erstwhile exchange.

**NOTE 11**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Long term loans and advances</b>		
(Unsecured, considered Good)		
Security deposits	1,330,086	1,330,086
<b>Total</b>	<b>1,330,086</b>	<b>1,330,086</b>



Note 09 FIXED ASSETS

(Amt in Rs.)

Sr. No	Particulars	Useful Life	Gross Block			Depreciation				Net Block		
			As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 31.03.2018	For the year	Deduction	As at 31.03.2017	As at 31.03.2017	As at 31.03.2018
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Buildings	30	51,404,649	-	-	51,404,649	25,404,874	3,901,086	-	30,305,960	21,178,689	25,079,775
2	Electrical Equipments	10	5,062,249	-	8,763	5,055,486	5,039,493	6,971.00	6,351	5,039,113	16,373	23,756
3	Computer & related equipments	3	2,604,094	35,825	160,624	2,563,295	2,645,279	14,365.00	152,593	2,507,051	56,244	35,815
4	Furnitures & Fixtures	10	3,247,062	-	80,472	3,166,590	3,240,745	1,435.00	80,472	3,161,709	4,881	6,317
5	Vehicles	8	612,036	-	-	612,036	344,323	63,075.00	-	407,300	204,618	267,693
6	Office Equipment	5	2,227,096	132,736	136,525	2,223,309	2,056,458	61,674.00	105,036	1,903,046	240,263	220,638
7	Intangible Assets	6	-	11,619	-	11,619	-	-	-	-	11,619	-
	<b>TOTAL</b>		<b>65,317,166</b>	<b>184,182</b>	<b>384,384</b>	<b>65,116,964</b>	<b>39,680,172</b>	<b>4,068,607</b>	<b>344,502</b>	<b>43,404,277</b>	<b>21,717,687</b>	<b>25,616,994</b>
	Previous Year		83,200,808	43,333	17,926,975	65,317,166	53,445,153	4,138,216	17,903,199	39,680,172	25,636,994	29,755,653



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

**NOTE 12**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Other non current assets</b>		
<b>Others</b>		
(Unsecured, considered Good)		
Interest Accrued on Fixed Deposits having Maturity of more than 12 Month	32,557,837	60,626,721
Advance Tax and Tax Deducted at source (net)	10,626,089	10,910,481
Income Tax Deposit [A.Y. 2010-2011, 2011-2012, 2012-13, 2013-14 & 2014-15]	14,600,000	10,408,000
<b>Total</b>	<b>57,983,926</b>	<b>81,937,202</b>

**NOTE 13**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Current investments (valued at lower of cost and fair value)</b>		
<b>Other Non trade investments - Equity shares (unquoted)*</b>		
Investment in OTCEI Securities Limited	36,445,250	37,319,893
42,50,070 (Previous Year 42,50,070) of Rs.10 each fully paid-up		
Add: Diminution in the value	(1,132,235)	(674,643)
	<b>35,313,015</b>	<b>36,445,250</b>
Investment in Mutual Funds (Unquoted, fully paid up)		
47,033,269 units (Previous Year 20508,449 units) of UTI Treasury Advantage Fund- Institutional Growth	104,631,469	41,957,805
	<b>104,631,469</b>	<b>41,957,805</b>
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
<b>Grand Total</b>	<b>139,944,484</b>	<b>78,403,055</b>

\*OTCEI Securities Limited (OSL), the wholly owned subsidiary of the company was registered as a trading member of The National Stock Exchange and has surrendered its membership with NSE. As at the end of current balance sheet date, OSL had accumulated losses of Rs.71,87,685 (2015-16 Rs.60,55,450/-), however during the year it has generated net loss before tax of Rs.11,32,235/- (2015-16 Loss of Rs.8,74,643/-).

Due to continuous losses, the Board of OTCEI, in its meeting, held on June 05, 2017, has decided to close operations of subsidiary OTCEI Securities Ltd (OSL) and go for voluntary liquidation of the company.

In the Current year, the Subsidiary (OSL) has made loss and hence the Company has made provision towards diminution in the value of its investments in its subsidiary (OSL) based on the book value of the Subsidiary Company as on March 31, 2017

**NOTE 14**

	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Trade receivables</b>		
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)
<b>Total</b>	<b>-</b>	<b>-</b>

Refer Provision for Doubtful Debts under Income Recognition in Accounting Policies (Note 1)





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

**NOTE 15**

Cash & bank balances	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Cash &amp; Cash Equivalents</b>		
Balance with bank in Current Accounts	181,239	431,223
Cash On Hand	11,889	3,545
Fixed Deposits	325,781,525	339,032,603
<b>Total</b>	<b>326,974,654</b>	<b>339,467,371</b>

Fixed Deposits of Rs. 32,67,81,525/- includes amount of Rs. 16,52,28,343/- which have maturity period of within 12 months from balance sheet date and Rs. 16,05,53,183/- have maturity period of more than 12 months from balance sheet date.

**Note No. 15A**

Particular	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	19000	424	19424
(+) Permitted receipts	500	126036	126536
(-) Permitted payments	0	104858	104858
(-) Amount deposited in Banks	19500	0	19500
Closing cash in hand as on 30.12.2016	0	21178	21178

**NOTE 16**

Short term loans and advances	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
<b>Others</b> (Unsecured, considered good)		
Loans and Advances to Employees	123,500	185,000
<b>Total</b>	<b>123,500</b>	<b>185,000</b>

**NOTE 17**

Other current assets	(Amount in Rs)	
	As at March 31, 2017	As at March 31, 2016
Interest Accrued on Fixed Deposits having maturity within 12 months	5,783,537	15,365,861
Sundry receivables	-	124
Service Tax Receivable	-	614,646
Prepaid expenses	732,915	714,833
<b>Total of Other current assets</b>	<b>10,516,452</b>	<b>16,695,464</b>

**NOTE 18**

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

**NOTE 19**

Other Income	(Amount in Rs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest on bank deposits	40,729,842	39,135,098
Profit on sale of Units of Mutual Fund	1,071,664	1,302,893
<b>Other non operating income</b>		
Lease Rent	2,177,280	2,177,280
Miscellaneous Income	13,291	13,629
Interest on security deposit with BEST	51,581	37,014
Profit On sale of Fixed Asset	20,322	65,107
<b>Total</b>	<b>44,665,980</b>	<b>42,730,021</b>

**NOTE 20**

Employee benefit expense	(Amount in Rs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	5,610,395	14,412,722
Contributions to provident fund and other funds	652,565	1,331,865
<b>Total</b>	<b>6,262,963</b>	<b>15,744,587</b>

**NOTE 21**

Other expenses	(Amount in Rs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Repairs & Maintenance	35,216	3,235
Insurance	45,795	47,990
Rate and Taxes	2,500	2,500
Professional and Legal Charges	802,000	822,129
Office Maintenance Expenses	1,899,599	1,347,054
Security Expenses	155,405	290,520
Filing Fees	64,152	5,672
Vehicle Expenses	287,532	268,671
Telephone Expenses	134,420	130,230
Electricity Charges	874,471	1,063,770
Maintenance Charges	156,090	175,899
General Office Expenses	267,114	156,065
Postage & Courier Expenses	9,125	2,074
Directors Sitting Fees	740,000	380,000
Software Expenses	5,873	2,160
Miscellaneous Expenses	165,003	76,881
Printing & Stationery	80,720	50,285
Travel & Conveyance	24,319	42,423
Swachh Bharat Cess	19,140	5,005
Service Tax Written off	3,020,504	-
<b>Total</b>	<b>6,497,982</b>	<b>5,073,603</b>



**NOTE 22**

	(Amount in Rs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Provision for doubtful debt written back		
Provision for Doubtful Debts of Annual Fees and Listing Fees	-	129,389
<b>Total</b>	-	<b>129,389</b>

**NOTE 23**

**Prior Period Item**

Leave encashment (short provided in Financial Year 2014-15)

**NOTE 24**

	(Amount in Rs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Tax Expenses		
Tax Paid for Financial Year 2015-16	5,542,341	-
Provision for Tax for Financial Year 2016-17	3,877,510	-
<b>Total</b>	<b>9,419,851</b>	-

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**

**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.

Net Profit attributable to Shareholders	14,284,342	16,470,872
Weighted average number of equity shares	10,000,000	10,000,000
Basic earnings per share (face value of Rs. 10 each)	1.43	1.65

**NOTE 26**

**EMPLOYEE BENEFITS AS REQUIRED BY AS-15:**

**I. Defined Contribution Plan:**

Company's contribution to Provident Fund Rs 3,89,768/- (Previous Year Rs 4,33,459)

**II. Defined Benefit Plan: Gratuity (Non-Funded):**

	(Amount in Rupees)	
Description	Year ended March 31, 2017	Year ended March 31, 2016
<b>1. Membership Data</b>		
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
<b>2. Valuation Method</b>	Projected Unit Credit Method	Projected Unit Credit Method
<b>3. Actuarial Assumptions</b>		
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.
Salary Escalation	4%	4%

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 27**

**RELATED PARTY DISCLOSURES, AS REQUIRED BY ACCOUNTING STANDARD - 18**

**I. List of Related Parties:**

**Subsidiary**  
OTCEI Securities Ltd.

**Key Management Personnel**

Mr. Munesh Kumar Goel- Managing Director & Company Secretary  
Mrs. Sulata Costa- Chief Financial Officer

	Year ended March 31, 2017	Year ended March 31, 2016
<b>II. Transactions with Related Parties</b>		
Recovery of expenses from Subsidiary	1,148,646	243,778
<b>III. Transactions with Key Management Personnel</b>		
Remuneration to Key Management Personnel	4,164,640	4,198,632
<b>IV. Closing Balances of Related Parties</b>		
Payable to Subsidiary	20,834	-

**NOTE 28**

**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	644,848



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

**NOTE 29**

REMUNERATION TO AUDITORS	Year ended March	Year ended
	31,2017	March 31,2016
- for Statutory Audit	80,500	80,500
- Service tax	12,075	12,075
	92,575	92,575

**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	Year ended
	31,2017	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.

As at 31st March 2017 the corpus of the fund has been deployed as follows:	Year ended March	Year ended
	31,2017	March 31,2016
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)	72,338,876	72,743,434
<b>Total Earmarked investments towards SGF</b>	<b>72,798,416</b>	<b>74,368,007</b>
Fixed deposits pledged by members/dealers with banks	130,000	1,700,000
Matured Fixed deposits pledged by members/dealers with bank *	1,169,187	2,569,187
	1,299,187	4,269,187
<b>Total</b>	<b>74,097,605</b>	<b>78,637,194</b>

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

**NOTE 33**

As per the definitions of 'business segment' and 'geographical segment', contained in (AS-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 AS-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.

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

*Omkar Prakash*  
Omkar Prakash  
Director

*Sujata D'costa*  
Sujata D'costa  
Chief Financial Officer

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

Amount in Rs.

	Particulars	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>A</b>	<b>Cash Flow From Operating Activities</b>			
	Net (Loss)/Profit before tax		23704193	16470872
	Adjustments for:			
	Depreciation and Amortisation		4068607	4138216
	profit on sale of fixed assets		-20322	-65107
	Provision for Diminution in Value of Investment Written Back (subsidiary)		1132235	874643
	Interest earned on deposits/advances		-40781423	-39172112
	<b>Operating Profit before Working Capital changes</b>		<b>-11896710</b>	<b>-17754488</b>
	Changes in working capital			
	Adjustment for [(Increase)/Decrease in Operating Assets			
	Trade Receivables		0	2781
	Other Current Assets			
	Short Term Loans & Advances		64500	82353
	Other Current Assets		6179012	-14456135.52
	Current Investment		-62673664	-36602893
	Other Non Current Assets		23953276	-14066159
	Adjustments for Increase/[(Decrease)] in Operating Liabilities			
	Trade Payables, Other Current Liabilities and Provisions			
	Long term provisions		-106265	-158941.55
	Trade payables		0	-108941
	Other current Liabilities		-2518368	27009139
	Short term provisions		3588011	2263577
	<b>Cash generated/(used in) from Operations</b>		<b>-43330208</b>	<b>-53816708</b>
	Income Taxes paid/Provision (including taxes deducted at source)		-9419851	0
	<b>Net Cash generated/(used in) from Operating Activities</b>		<b>-52750059</b>	<b>-53816708</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>			
	Net Purchase/sale of fixed assets		-132493	46550
	Decrease in Earmarked investments of guarantee & protection fund		1569589	5339492.21
	Interest income on Settlement Guarantee Fund		38823	2001536
	Interest earned on deposits/advances		40781423	39172112
	<b>Net Cash (used in) Investing Activities</b>		<b>42257342</b>	<b>46559690</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>			
	Fees received during the year		-2000000	8900
	<b>Net Cash generated from Financing Activities</b>		<b>-2000000</b>	<b>8900</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>-12492717</b>	<b>-7248118</b>
	Cash and Cash Equivalents at the beginning of the year (See note 1)		339467370.8	346715489
	Add : Cash and bank balance incorporated on Acquisition of subsidiary		0	0
	<b>Cash and Cash Equivalents at the end of the year</b>		<b>326974654</b>	<b>339467371</b>
	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

*Omprakash Parwal*  
Omprakash Parwal  
Director

*Munesh Kumar Goel*  
Munesh Kumar Goel  
Company Secretary

*Sujata D'costa*  
Sujata D'costa  
Chief Financial Officer