

**OTC EXCHANGE OF INDIA  
BALANCE SHEET AS AT MARCH 31, 2018**

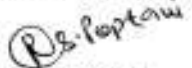
Amount in Rs.

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	378,020,264	372,495,989
		<b>478,020,264</b>	<b>472,495,989</b>
<b>Guarantee Funds</b>	4	66,549,842	66,517,587
		<b>66,549,842</b>	<b>66,517,587</b>
<b>Non Current Liabilities</b>			
Other long term liabilities	5	1,000,000	1,000,000
Long-term provisions	6	1,101,657	665,263
		<b>2,101,657</b>	<b>1,665,263</b>
<b>Current Liabilities</b>			
Other current liabilities	7	75,067,393	81,334,655
Short term provisions	8	11,059,975	9,370,713
		<b>86,127,368</b>	<b>90,705,368</b>
<b>Total</b>		<b>632,799,132</b>	<b>631,384,207</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed assets			
Tangible assets:			
Tangible assets	9	17,710,879	21,701,068
Intangible assets		11,619	11,619
Earmarked investments of guarantee & protection fund	10	70,148,735	72,798,418
Long term loans and advances	11	1,330,086	1,330,086
Other non current assets	12	68,542,004	57,983,926
		<b>157,743,323</b>	<b>153,825,117</b>
<b>Current Assets</b>			
Current investments	13	44,969,859	139,944,484
Cash and bank balances	14	422,373,542	326,974,654
Short-term loans and advances	15	54,000	123,500
Other current assets	16	7,658,408	18,516,452
		<b>475,055,809</b>	<b>477,559,090</b>
<b>Total</b>		<b>632,799,132</b>	<b>631,384,207</b>
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

  
Reshma Poptani  
Partner  
Membership No. 12183B  
Mumbai, June 19, 2018



For and on behalf of Board of Directors

  
S C Bhargava  
Chairman

  
Sujata D'costa  
Chief Financial Officer

  
Munesh Kumar Goel  
Company Secretary

**OTC EXCHANGE OF INDIA**  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2018**

Amount in Rs.

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Other income	17	42,250,963	44,665,980
<b>Total</b>		<b>42,250,963</b>	<b>44,665,980</b>
Expenses:			
Employee benefits expense	18	11,144,917	9,262,963
Depreciation	9	4,096,223	4,068,607
Other expenses	19	11,058,202	6,497,982
<b>Total</b>		<b>26,299,372</b>	<b>19,829,552</b>
<b>Surplus on account of income over expenses before Extraordinary Items &amp; tax</b>		<b>15,951,591</b>	<b>24,836,428</b>
Extraordinary Expenses		179,393	1,132,235
Provision for Diminution in Value of Investment in subsidiary Written off			1,132,235
Reversal of Provision due to increase in value of investment in subsidiary		179,393	
<b>Surplus on account of income over expenses before tax</b>		<b>16,130,984</b>	<b>23,704,193</b>
Tax expenses	20	10,006,709	9,419,851
Current Year Tax		5,512,300	3,877,510
Prior Year Tax		4,494,409	5,542,341
<b>Surplus on account of income over expenses for the year</b>		<b>6,124,275</b>	<b>14,284,342</b>
Earnings per equity share [Face value Rs.10 (Previous year Rs.10) each] Basic	21	0.61	1.43
<b>Significant accounting policies and other notes</b>	1		

As Per our report attached

For ADV & Associates

Chartered Accountants

Firm Registration No. 128045W

*D. Poptani*

Reshma Poptani

Partner

Membership No. 121838

Mumbai, June 19, 2018



For and on behalf of Board of Directors

*S C Bhargava*

S C Bhargava  
Chairman

*Sujata D'costa*

Sujata D'costa  
Chief Financial Officer

*Munesh Kumar Goel*

Munesh Kumar Goel  
Company Secretary

**OTC EXCHANGE OF INDIA**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(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 Company Act, 2013.

**(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 was charged to Profit/Loss Account. However, provision for gratuity amount has been made in the books of accounts this year on the basis of actual gratuity payable as on 31st March, 2018 keeping in mind that the Company plans to go for voluntary liquidation.

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, 2018**

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

Share Capital	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
<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	(Amount in Rs)			
	As at March 31, 2018		As at March 31, 2017	
	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 Erro-while 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, 2018		As at March 31, 2017	
	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%
SBBI 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**  
**(Amount in Rs)**

Reserves and Surplus	As at	
	March 31, 2018	March 31, 2017
<b>Capital Reserve</b>		
Balance as at the beginning of the year	696,406,881	696,406,881
Add: Fees received during the year	-	-
Less: Fees returned during the year (provision)	600,000	-
Less: Fees returned during the year	-	2,000,000
Balance as at the end of the year	<b>695,806,881</b>	<b>696,406,881</b>
<b>Debit balance in the statement of profit and loss</b>		
Balance as at the beginning of the year	(323,910,892)	(338,106,719)
Add: Surplus for the current year	6,124,275	14,284,342
Less: Transferred from fixed assets Balance as at the end of the year (Net)	-	0,515
	<b>(317,786,617)</b>	<b>(323,910,892)</b>
<b>Total</b>	<b>378,020,264</b>	<b>372,495,989</b>

**NOTE 4**  
**(Amount in Rs)**

Guarantee Funds	As at	
	March 31, 2018	March 31, 2017
<b>Settlement Guarantee Fund (Refer 4.1)</b>		
Balance as at the beginning of the year	66,517,587	66,478,764
Add: Interest income for the year	12,255	80,822
Balance as at the end of the year	<b>66,549,842</b>	<b>66,517,587</b>
<b>Total</b>	<b>66,549,842</b>	<b>66,517,587</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 fulfil 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 (Exit Order) 2015 and the provisions mentioned in SEBI Exit Circular No. (28/MDD/DSA/14/2012 dated May 30, 2012.



OTC EXCHANGE OF INDIA  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2018

NOTE 5

Other long term liabilities	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
Security deposit from LIC towards lease	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

NOTE 6

Long term provisions	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Gratuity As per Actual/Actuarial Valuation	1,101,657	665,263
<b>Total</b>	<b>1,101,657</b>	<b>665,263</b>

NOTE 7

Other current liabilities	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
Subscription received in advance	12,285	28,790
<b>Other payables</b>		
(i) Deposit of Members/Dealers/Listed Companies		
- Base Minimum Capital	2,668,331	6,288,831
- Lease Line Deposit	114,494	203,457
- Settlement Deposit	319,466	631,300
(ii) Deposit of Strike off Members/Dealers/Listed Companies		
- Base Minimum Capital	930,562	-
- Lease Line Deposit	20,000	-
- Settlement Deposit	10,511	-
Liability towards surrendered members/dealers	180,296	480,296
Liability towards members/dealers *	800,000	-
Deposit of defaulters members	-	833,239
Advance from Members/Dealers	7,832	8,781
Advance from Listed Company	330,505	478,651
Statutory dues payable	506	18,678
Other Liabilities (Dividend of Reliance)	12,069	10,920
Liability towards Settlement Guarantee Fund	69,660,576	72,338,878
Sundry Creditors for Assets Purchased from subsidiary	-	20,834
<b>Total</b>	<b>75,067,393</b>	<b>81,334,655</b>

\* In case of S P Virman & Son Pvt Ltd, the dealer, the High Court of Delhi had passed an Order for refund of Rs.15,90,272/- including admission fees, annual fees annual fees and interest thereon. However, an out of court settlement was done with the party as per the approval of the Board, in its meeting, held on April 16, 2018 and accordingly, an amount of Rs.8,00,000/- was paid to the broker on May 21, 2018.

NOTE 8

Short term provisions	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Leave Encashment	4,916,909	5,056,387
Provision for Leave Travel allowance	-	30,000
Provision for interest subsidy	-	10,279
<b>Others</b>		
Creditors for Expenses	630,766	396,537
Provision for Tax	5,512,300	3,877,510
<b>Total</b>	<b>11,059,975</b>	<b>9,370,713</b>

NOTE 9

Refer Note 9 - Fixed Assets



NOTE ON FIXED ASSETS

1.007.18.04.1

Sl. No.	Particulars	Overall Life	Gross Book			Depreciation			Net Book		
			As at 01.04.2017 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	For the year Rs.	Deduction Rs.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
1	Buildings	30	5,294,419	-	-	5,294,419	30,307,960	1,013,024	34,210,943	17,722,498	21,712,689
2	Electrical Equipments	12	5,975,466	-	-	5,975,466	5,036,112	5,802	5,975,466	1,013,024	26,179
3	Computer & related equipments	3	2,242,295	108,153	-	2,350,448	1,137,213	31,514	2,318,934	128,980	86,244
4	Furniture & Fixtures	10	3,085,500	-	-	3,085,500	2,893,079	1,436	3,085,500	3,442	4,882
5	Vehicles	5	612,016	-	-	612,016	407,398	41,328	470,688	113,497	256,618
6	Office equipment	5	2,221,329	1,084	-	2,222,413	2,059,973	82,214	2,140,759	178,731	240,267
7	Intangible Assets	6	11,819	-	-	11,819	1,983,846	-	20,000	11,819	11,819
	<b>TOTAL</b>		<b>68,116,964</b>	<b>1,09,167</b>	<b>1,03,026</b>	<b>69,216,104</b>	<b>43,404,272</b>	<b>4,076,223</b>	<b>45,673,517</b>	<b>17,722,498</b>	<b>21,712,689</b>
	Previous Year		<b>65,217,166</b>	<b>1,89,182</b>	<b>284,384</b>	<b>65,316,964</b>	<b>39,686,172</b>	<b>4,008,607</b>	<b>43,401,277</b>	<b>17,722,498</b>	<b>23,626,994</b>



## NOTE 10

Earmarked Investments of Settlement Guarantee Fund	As at March 31, 2018	As at March 31, 2017
<b>Non current investments - Long Term</b>		
a) Settlement Guarantee Fund [Refer 10.1]		
in saving account	26,282	25,084
in deposit account	450,000	300,153
Accrued interest on deposit	11,877	134,303
Settlement Guarantee Fund (Receivable)	69,660,576	72,338,878
<b>Total</b>	<b>70,148,735</b>	<b>72,798,418</b>

## Note 10.1:

Earmarked investment of settlement guarantee fund includes investment of cash component of base minimum capital of Rs.35,98,893/- (Previous year: Rs.62,80,831/-) as per the bye-laws of the erstwhile exchange.

## NOTE 11

Long term loans and advances	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered Good)		
Security deposits	1,330,086	1,330,086
<b>Total</b>	<b>1,330,086</b>	<b>1,330,086</b>

**OTC EXCHANGE OF INDIA**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2018**

## NOTE 12

Other non current assets-	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
Others		
(Unsecured, considered Good)		
Interest Accrued on Fixed Deposits having Maturity of more than 12 Month	41,590,349	32,557,037
Advance Tax and Tax Deducted at source (net)	12,313,165	10,826,089
Income Tax advance	14,630,490	14,600,000
<b>Total</b>	<b>68,534,004</b>	<b>57,983,926</b>

## NOTE 13

Current investments (valued at lower of cost and fair value)	(Amount in Rs)	
	As at March 31, 2018	As at March 31, 2017
<b>Other Non trade investments - Equity shares (unquoted)*</b>		
Investment in OTCEI Securities Limited	35,313,015	36,445,250
42,50,070 (Previous Year 42,50,070) of Rs. 10 each fully paid-up		
Add: Increase/Diminution in the value	179,393	(1,132,235)
(Less: amount received from subsidiary on account of liquidation)	32,500,000	-
	<b>2,992,408</b>	<b>35,313,015</b>
Investment in Mutual Funds	41,977,451	104,631,469
	<b>41,977,451</b>	<b>104,631,469</b>
Aggregate value of unquoted investments - at book value	41,977,451	104,631,469
Aggregate value of unquoted investments - at repurchase price	42,210,072	105,429,404
<b>Grand Total</b>	<b>44,969,859</b>	<b>139,944,484</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. 70,03,172 (2016-17 Rs.71,87,685/-), however during the year it has generated profit before tax of Rs.1,84,513/- (2016-17 Loss of Rs.11,32,235 /-).

Due to continuous losses, the Board of OTCEI, in its meeting, held on September 25, 2017 approved the voluntary liquidation of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016.

In the Current year, the Subsidiary (OSL) has made profit and hence the Company has decreased the 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, 2018.





OTC EXCHANGE OF INDIA  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2018

NOTE 14

	(Amount in Rs.)	
	As at March 31, 2018	As at March 31, 2017
<b>Cash &amp; bank balances</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balance with bank in Current Accounts	150,401	101,239
Cash On Hand	8,872	11,089
Fixed Deposits	422,214,189	326,701,526
<b>Total</b>	<b>422,373,462</b>	<b>326,813,854</b>

Fixed Deposits of Rs. 42,22,14,189/- includes amount of Rs. 23,04,76,277/- which have maturity period of within 12 months from balance sheet date and Rs. 21,17,37,912/- have maturity period of more than 12 months from balance sheet date.

NOTE 15

	(Amount in Rs.)	
	As at March 31, 2018	As at March 31, 2017
<b>Short term loans and advances</b>		
Others (Unsecured, considered good)		
Loans and Advances to Employees	54,900	123,500
<b>Total</b>	<b>54,900</b>	<b>123,500</b>

NOTE 16

	(Amount in Rs.)	
	As at March 31, 2018	As at March 31, 2017
<b>Other current assets</b>		
Interest Accrued on Fixed Deposits having maturity within 12 months	7,172,100	9,703,537
Trade receivables		
Prepaid expenses	496,300	732,935
<b>Total of Other current assets</b>	<b>7,668,400</b>	<b>10,516,452</b>

OTC EXCHANGE OF INDIA  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2018

NOTE 17

	(Amount in Rs.)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Other income</b>		
Interest on bank deposits	32,965,329	40,729,842
Profit on sale of investments	6,296,889	1,673,668
Dividend from Mutual Fund/ETF	199,094	
<b>Other non operating income</b>		
Lease Rent	2,015,638	2,177,200
Miscellaneous Income	5,361	13,291
Interest on security deposit with BEST	45,372	51,581
Profit On sale of Fixed Asset	12,882	26,322
Written off of liabilities	80,403	
<b>Total</b>	<b>42,250,963</b>	<b>44,665,980</b>

NOTE 18

	(Amount in Rs.)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Employee benefit expense</b>		
Salaries, wages and bonus	16,616,323	8,610,395
Contributions to provident fund and other funds	528,626	652,160
<b>Total</b>	<b>17,144,947</b>	<b>9,262,555</b>

NOTE 19

	(Amount in Rs.)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Other expenses</b>		
CGST, SGST & IGST Written off	429,331	
Directors Sitting Fees	200,000	740,000
Electricity Charges	544,909	874,471
Filing Fees	4,330	44,152
General Office Expenses	278,517	267,114
Insurance	42,491	40,798
Maintenance Charges	80,796	158,695
Miscellaneous Expenses	119,528	165,003
Office Maintenance Expenses	2,005,529	1,899,599
Postage & Courier Expenses	11,967	9,325
Printing & Stationery	61,041	80,750
Professional and Legal Charges	1,223,731	421,500
Audit Fees	80,500	80,500
Rate and Taxes	2,500	2,500
Repairs & Maintenance	4,431,749	88,216
Security Expenses		155,406
Service Tax/IGST/STC Written off	114,534	1,039,644
Software Expenses	22,315	6,873
Telephone Expenses	227,659	134,428
Travel & Conveyance	32,481	24,219
Vehicle Expenses	336,476	207,532
Refund of annual fee	25,000	
Interest on admission fees	177,000	
<b>Total</b>	<b>11,058,202</b>	<b>6,497,982</b>



## NOTE 20

(Amount in Rs)

Tax Expenses	Year ended March 31,2018	Year ended March 31,2017
Tax Paid for Financial Year 2016-17	4,494,409	5,542,341
Provision for Tax	5,512,300	3,877,510
<b>Total</b>	<b>10,006,709</b>	<b>9,419,851</b>

## NOTE 21

## 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.

EARNINGS PER SHARE	Year ended March 31,2018	Year ended March 31,2017
Net Profit attributable to Shareholders	6,124,275	14,204,342
Weighted average number of equity shares	10,000,000	10,000,000
Basic earnings per share [face value of Rs. 10 each]	0.61	1.43

## NOTE 22

## EMPLOYEE BENEFITS AS REQUIRED BY AS-15:

## i. Defined Contribution Plan:

Company's contribution to Provident Fund Rs 3,80,241/- (Previous Year Rs 3,99,768 )

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

The Company has a

(Amount in Rupees)

Description	Year ended March 31,2018	Year ended March 31,2017
<b>1.Membership Data</b>		
Number of Members	9.00	11.00
Average Age	50.00	46.73
Average Monthly Salary	38,329.22	34,419.54
Average Past Service	17.67	15.00
<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	7.5% p.a.	8% p.a.
Salary Escalation	4%	4%

## NOTE 23

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

## i. List of Related Parties:

## Subsidiary

DTCEI Securities Ltd.

## Key Management Personnel

Mr. Muneshi Kumar Goel-Managing Director &amp; Company Secretary

Mrs. Sujata Deusta-Chief Financial Officer

	Year ended March 31,2018	Year ended March 31,2017
<b>ii. Transactions with Related Parties</b>		
Recovery of expenses from Subsidiary receipts from investment in subsidiary on account of liquidation of subsidiary	32,500,000	1,148,646
<b>iii. Transactions with Key Management Personnel</b>		
Remuneration to Key Management Personnel	4,342,085	4,164,640
<b>iv. Closing Balances of Related Parties</b>		
Payable to Subsidiary	-	20,834

## NOTE 24

## OPERATING LEASE

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

	Year ended March 31,2018	Year ended March 31,2017
Gross carrying amount of assets	10,680,000	9,345,000
Accumulated Depreciation	6,438,670	4,989,993
Depreciation for the year	735,821	643,843



**NOTE 23**

	Year ended March 31,2018	Year ended March 31,2017
<b>REMUNERATION TO AUDITORS</b>		
- for Statutory Audit	80,500	80,500
- GST/Service tax	14,490	12,075
	94,990	92,575

**NOTE 26**

**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 27**

**CONTINGENT LIABILITY**

	Year ended March 31,2018	Year ended March 31,2017
Liability towards employee dues on closure of operations	21,394,729	18,199,904
Liability towards BSNL	67,694,000	66,685,250
Liability towards Legal cases filed for Refund of membership fees	13,766,900	16,856,000
Disputed income tax demand (A.Y. 2010-11)	8,294,438	8,294,438
Disputed income tax demand (A.Y. 2011-12)	10,289,384	10,289,384
Disputed income tax demand (A.Y. 2012-13)	16,029,930	16,029,930
Disputed income tax demand (A.Y. 2013-14)	13,503,000	13,503,000
Disputed income tax demand (A.Y. 2014-15)	10,397,430	10,397,430
Disputed income tax demand (A.Y. 2015-16)	11,408,490	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 AY 2012-13 on 22.04.2015, for the AY 2013-14 on 18.04.2016, for AY 2014-15 on 30.1.2017 & for AY 2015-16 on 29.01.2018. Income tax appellate tribunal has passed order on 27/05/2017 for A.Y. 2010-11 & 2011-12 allowing Company to take exemption under section 11 & 12. Following this order, Hon'ble ITAT passed order for A.Y. 2012-13 Dated 26.04.2018 allowing exemption under section 11 & 12.

The liability against the disputed income tax demand has been reduced to the extent of the tax paid to the income tax authorities for various years.

**NOTE 28**

**SETTLEMENT GUARANTEE FUND**

	Year ended March 31,2018	Year ended March 31,2017
As at 31st March 2018 the corpus of the fund has been deployed as follows:		
Balances with scheduled banks		
in current accounts	26,282	25,084
in deposit accounts	450,000	380,183
Accrued interest on SGF	11,877	134,303
Settlement Guarantee Fund (Receivable)	69,660,576	72,338,878
<b>Total Earmarked investments towards SGF</b>	<b>70,148,735</b>	<b>72,798,418</b>
Fixed deposits pledged by members/dealers with banks	1,200,000	1,300,000
Matured Fixed deposits pledged by members/dealers with bank *	569,187	1,169,187
	1,769,187	2,469,187
<b>Total</b>	<b>71,917,922</b>	<b>75,267,605</b>

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

**NOTE 29**

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.

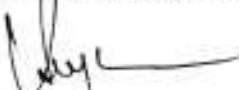
**NOTE 30**

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 - 328045W  
  
Reshima Poptani  
Partner  
Membership No. 121838  
Mumbai, June 19, 2018



For and on behalf of Board of Directors



S.C. Bhargava  
Chairman



Munesh Kumar Goel  
Company Secretary

  
Sujata D'costa  
Chief Financial Officer

OTC EXCHANGE OF INDIA  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rs.

	Particulars	Note No.	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>A</b>	<b>Cash Flow From Operating Activities</b>			
	Net (Loss)/Profit before tax		16,130,984	23,704,193
	<b>Adjustments for:</b>			
	Depreciation and Amortisation		4,096,223	4,068,607
	Profit on sale of fixed assets		(12,882)	(20,322)
	Provision for Diminution in Value of Investment Written Back (subsidiary)		(179,393)	1,132,235
	Interest earned on deposits/advances		(32,919,956)	(40,781,423)
	<b>Operating Profit before Working Capital changes</b>		<b>(12,885,024)</b>	<b>(11,896,710)</b>
	<b>Changes in working capital</b>			
	<b>Adjustment for (Increase)/Decrease in Operating Assets</b>			
	Trade Receivables		0	0
	<b>Other Current Assets</b>			
	Short Term Loans & Advances		69,500	64,500
	Other Current Assets		2,058,044	6,179,012
	current investment		95,154,019	(62,673,664)
	Other Non Current Assets		(10,558,070)	23,953,276
	<b>Adjustments for Increase/(Decrease) in Operating Liabilities</b>			
	<b>Trade Payables, Other Current Liabilities and Provisions</b>			
	Long term provisions		436,396	(106,265)
	Other current Liabilities		(6,267,262)	(2,518,368)
	Short term provisions		1,689,262	3,668,011
	<b>Cash generated/(used in) from Operations</b>		<b>70,496,055</b>	<b>(41,330,208)</b>
	Income Taxes paid/Provision (including taxes deducted at source)		(10,006,709)	(9,419,853)
	<b>Net Cash generated/(used in) from Operating Activities</b>		<b>60,490,146</b>	<b>(52,750,059)</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>			
	Net Purchase/sale of fixed assets		(93,152)	(132,493)
	Decrease in Earmarked investments of guarantee & protection fund		2,649,603	1,569,589
	Interest income on Settlement Guarantee Fund		12,255	30,823
	Interest earned on deposits/advances		32,919,956	40,781,423
	<b>Net Cash (used in) Investing Activities</b>		<b>35,508,742</b>	<b>42,257,342</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>			
	Premiums made for fees return		(600,000)	
	Fees received during the year		-	(2,000,000)
	<b>Net Cash generated from Financing Activities</b>		<b>(600,000)</b>	<b>(2,000,000)</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>95,398,888</b>	<b>(12,492,717)</b>
	Cash and Cash Equivalents at the beginning of the year (See note 3)		326,974,654	339,467,371
	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>422,373,542</b>	<b>326,974,654</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

*R. Poptani*

Reshama Poptani  
Partner

Membership No. 12183B

Mumbai, June 19, 2018



For and on behalf of Board of Directors

*S. C. Bhargava*

S. C. Bhargava  
Chairman

*Sujata D'Costa*

Sujata D'Costa  
Chief Financial Officer

*Munesh Kumar Goel*

Munesh Kumar Goel  
Company Secretary