

Board of Directors
The Calcutta Stock Exchange Limited



Dipankar Chatterji
Chairman



B. Madhav Reddy
Managing Director & CEO



Satyabrata Ganguly
Public Interest Director



Prasad Ranjan Ray
Public Interest Director



Jayanta Mitra
Public Interest Director



Mukul Somany
Shareholder Director



Madhusudan Kannan
Shareholder Director



Sanjay Budhia
Shareholder Director



Ravi Poddar
Shareholder Director



Binay Agarwal
Trading Member Director



Mr. Ajit Khandelwal
Trading Member Director



Suresh Kr. Kaushik
Trading Member Director



The Calcutta Stock Exchange Limited

NOTICE

NOTICE is hereby given that the **88th Annual General Meeting** of the members of **The Calcutta Stock Exchange Limited** (the 'Exchange / Company') will be held on **Wednesday, the 30th day of November, 2011**, at the Registered office of the Exchange at **7, Lyons Range, Kolkata-700 001** at **4 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date and the Reports of the Board of Directors' & Auditors' thereon;
2. To declare a dividend on equity shares of the Company for the year ended 31st March, 2011.
3. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956 Messrs. S.R.Batliboi & Co. (Regn. No. 324982E), Chartered Accountants, Kolkata, the retiring Auditors, be and are hereby re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company and the Board of Directors of the Company be and are hereby authorized to fix their remuneration for the said period and reimbursement of out of pocket expenses, as may be incurred in performance of their duties."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

To appoint Mr. Jagdish Prasad Chowdhary as a Shareholder Director

"RESOLVED THAT pursuant to section 255, 257 and other applicable provisions of the Companies Act, 1956 read with Article 13.3(4) of the Articles of Association of the Company, Mr. Jagdish Prasad Chowdhary be and is hereby appointed as a Shareholder Director of the Exchange whose office is liable to retirement by rotation."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

To appoint Mr. Harsha Vardhan Agarwal as a Shareholder Director

"RESOLVED THAT pursuant to section 255, 257 and other applicable provisions of the Companies Act, 1956 read with Article 13.3(4) of the Articles of Association of the Company, Mr. Harsha Vardhan Agarwal be and is hereby appointed as a Shareholder Director of the Exchange whose office is liable to retirement by rotation."

6. To appoint a Trading Member Director in place of Mr. Binay Agarwal, who retires by rotation and having completed two consecutive terms as Trading Member Director is not eligible for re-appointment.
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution** :

"RESOLVED THAT in accordance with provisions of sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act consent of the Company be and is hereby given to the appointment of Mr. B.Madhav Reddy as Managing Director & Chief Executive Officer, of the Exchange for a period of three years with effect from the date of his joining upon such terms and conditions and such remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board to alter and vary the terms and conditions of the said appointment, including remuneration, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modifications that may hereafter be made thereto from time to time and/or any amendment thereto as may be agreed to between the Board and Mr. B. Madhav Reddy."

By Order of the Board of Directors

Abha Bafna
Company Secretary

Date : November 2, 2011

Regd. Office : 7, Lyons Range, Kolkata-700 001

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, TO BE VALID, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FOR HOLDING OF THE ANNUAL GENERAL MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is enclosed herewith as **Annexure – A**.
3. Information relating to the Directors seeking appointment at this Meeting, is annexed to this Notice as **Annexure – B**.
4. **The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in Corporate Governance" by following paperless compliances through electronic mode. Pursuant to the Circular bearing no. 17/ 2011 dated April 21, 2011 and another circular bearing no. 18/2011 dated April 29, 2011 issued by MCA, Companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.,) to its shareholders through electronic mode.**

To take part in the "Green Initiative in Corporate Governance" by the shareholders of the Exchange and to contribute to the Corporate Social Responsibility initiative, Members are requested to register their e-mail address with their Depository Participant (in case shares are held in demat) / RTA (in case shares are held in physical)
5. The Register of Members and Share Transfer Books of the Company will remain closed from November 28, 2011 to November 30, 2011 (both days inclusive) for the purpose of payment of dividend for the year ended March 31, 2011, if declared at the meeting and for the purpose of Eighty-Eighth Annual General Meeting or any adjournment thereof.
6. The dividend for the year ended March 31, 2011, as recommended by the Board, if approved and declared at the Eighty- Eighth Annual General Meeting, will be paid on or before December 30, 2011 to those members and their mandates :
 - a. Whose names appear as Beneficial Owner as at the end of the business hour on November 25, 2011 (Friday) in the list of Beneficial Owner furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in electronic form; and
 - b. Whose names appear as Member in the Register of Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company or RTA on or before November 21, 2011.
7. SEBI has made it mandatory for all the companies to use Bank Account details furnished by the Depositories for depositing dividend through ECS to investors where ECS and Bank details are available. Members may therefore send the details of their bank accounts with addresses and MICR codes of banks to their Depository Participants. The Exchange will not entertain any request received from the members regarding change of bank details. Instruction, if any, already given by the members in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form and vice-versa.
8. In terms of section 109A of the Companies Act, 1956 individual members may avail the nomination facility. Shareholders holding shares in physical form and willing to avail the facility are required to submit Form No. 2B (enclosed



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with this 88th Annual Report) duly filled in at the Registered Office of the Exchange. However, in case the shares are held in dematerialized form, the nomination has to be intimated to your Depository Participants directly, as per the format prescribed by them.

9. Members holding shares in physical form are requested to immediately notify any change in their address to the Registrar and Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, whereas members holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Exchange.
10. Corporate Members intending to send their representative to attend and vote at the meeting are requested to ensure that the authorized representative carries a duly certified true copy of Board Resolution or such other valid document, pursuant to Section 187 of the Companies Act, 1956, authorizing him to attend and vote at the meeting and any one of the photo identity proof (i.e. PAN Card, Driving Licence, Passport, Election ID Card etc.).
11. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Exchange at its Registered Office at 7, Lyons Range, Kolkata – 700 001 or to its Registrar & Share Transfer Agents, M/s. C. B. Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, Phone Nos. (033) 2280-6692/93/ 94, 4011-6700.
12. Members / Proxies are requested to take note of the following:
 - a. Copies of the Annual Report will not be distributed at the venue of the meeting;
 - b. Attendance slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;
 - c. Entry to the hall will be strictly on the basis of produce of duly completed and signed Attendance Slips; and
 - d. In all correspondence with the Company and /or RTA, Folio No., / DP & Client ID No. must be quoted.
13. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. The term 'Members' has been used to denote Shareholders of **The Calcutta Stock Exchange Limited**.

Annexure - A**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4**

Mr. Dipankar Chatterji, Shareholder Director whose term of office is liable to retirement by rotation and having completed two consecutive terms, as per Article 13.6 of the Articles of Association of the Company, is not eligible for re-appointment at the forthcoming Annual General Meeting of the Exchange which will create one vacancy in the Shareholder Director Category. In this regard a notice have been received in compliance to section 257 of the Companies Act, 1956 proposing candidature of Mr. Jagdish Prasad Chowdhary for appointment as a Shareholder Director of the Exchange at the forthcoming Annual General Meeting or any adjournment thereof.

Mr. Chowdhary, a commerce graduate with diploma in Business Management, is the Executive Chairman & CEO of Titagarh Wagons Limited. He has an experience of more than five decades in railway/heavy engineering industry. Mr. Chowdhary is currently a member of Central Board of Trustees, Employees' Provident Fund Organization and Chairs the Board of Railway Equipment Division of Confederation of Indian Industry.

A brief profile of Mr. Chowdhary is given in Annexure B to the notice convening Eighty-Eighth Annual General Meeting.

Memorandum of Interest:

None of the Directors, except the appointee Director, may deemed to be concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

Item No. 5

Mr. Ravi Poddar, Shareholder Director whose term of office is liable to retirement by rotation and having completed two consecutive terms, as per Article 13.6 of the Articles of Association of the

Company, is not eligible for re-appointment at the forthcoming Annual General Meeting of the Exchange which will create one vacancy in the Shareholder Director Category. In this regard a notice have been received in compliance to section 257 of the Companies Act, 1956 proposing candidature of Mr. Harsha Vardhan Agarwal for appointment as a Shareholder Director of the Exchange at the forthcoming Annual General Meeting or any adjournment thereof.

Mr. Agarwal, a commerce graduate, is the Whole Time Director of Emami Limited and Joint Managing Director of Zandu Realty Limited. With the experience of around ten years in the field of marketing and business development, he nurtures two flagship brands of Emami Ltd – Navratna and Boroplus – which hold pole position in their respective segments

A brief profile of Mr. Agarwal is given in Annexure B to the notice convening Eighty-Eighth Annual General Meeting.

Memorandum of Interest:

None of the Directors, except the appointee Director, may deemed to be concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

Item No. 6

Mr. Binay Agarwal, Trading Member Director whose term of office is liable to retirement by rotation and having completed two consecutive terms, as per Article 13.6 of the Articles of Association of the Company, is not eligible for re-appointment at the forthcoming Annual General Meeting of the Exchange which will create one vacancy in the Trading Member Director Category.

In case application(s), if any, received by the Exchange for the office of Trading Member Director exceeds the number of vacancy, in terms of Article 13.16 (4) of the Articles of Association of the Company, the motions for appointment of the candidates shall be put to vote by poll. The candidate in respect of



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whom largest numbers of votes are cast shall be considered as appointed.

Memorandum of Interest :

None of the Directors may be deemed to be concerned or interested if the said resolution is passed.

Item No. 7

SEBI vide its letter dated May 5, 2011 has given its no objection to the appointment of Mr. B. Madhav Reddy as Managing Director & Chief Executive Officer of the Exchange. Subsequent to the approval received from SEBI and on the recommendation of the Remuneration Committee, the Board of Directors of your Exchange has appointed Mr. B. Madhav Reddy as Managing Director & Chief Executive Officer of the Exchange, w.e.f. June 6, 2011, for the period of 3 (three) years, subject to your approval.

Mr. B. Madhav Reddy, 45 years, is a qualified Project Management Professional (PMP) from the Project Management Institute, Inc. Pennsylvania USA, with more than two decades of experience in the Capital & Financial Markets.

Consolidated Salary:

Consolidated Salary of Rs.3,36,250/- per month comprising of Basic salary of Rs.2,00,000/- and allowances amounting to Rs.1,36,250/- (with the annual increment, if any, as decided by the Board, subject to the ceiling as prescribed in Schedule XIII to the Act)

Perquisites / Amenities:

- a. **Contribution to Provident Fund:** 12% (Twelve percent) of the Basic Salary. The contribution is subject to any changes effected to the rules of the Provident Fund.
- b. **Contribution to GSS LIC Fund:** 6% (six percent) of Basic Salary. The contribution is subject to any changes effected to the rules of the said fund by appropriate authority
- c. **Leave Travel Allowance:** Rs.. 1,00,000/- (Rupees One Lacs only) per annum.
- d. Entitlement of Medical Expenses, Books & Periodicals as applicable.
- e. Provision for one Company owned chauffeur driven car with fuel upto 200 liters per month for official use.

- f. Provision for mobile and residential telephone.

Other Benefits:

- a. Mr. Reddy will also be entitled to receive Ex-gratia payment (i.e., one month Basic Salary per annum), Leave Encashment, Medical Leave, Health Insurance for self & dependent family members with coverage of Rs. 20 (twenty) Lacs and Rs. 2,00,000 (Rupees Two Lacs only) as relocation cost and 15 days single accommodation w.e.f. date of joining.
- b. **Performance Linked Incentive** as decided by the Board after one year of service.
As per the rules of the Company, Mr. Reddy will also be covered under Directors' & Officers' Liability Insurance Policy.

Overall Remuneration:

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed or to be prescribed from time to time under sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Act as may be in force for the time being.

Minimum Remuneration:

In the event of loss and inadequacy of profit in any financial year during the currency of tenure of the service as Managing Director & Chief Executive Officer the above remuneration be paid as minimum remuneration subject to the limits prescribed in Schedule XIII to the Act.

Other Information as required by Schedule XIII (II-B) of Companies Act, 1956

I. GENERAL INFORMATION :

- a. **Nature of Industry:** Permanently recognised Stock Exchange.
- b. **Date or expected date of commencement of commercial production:** Not Applicable. Company is an existing Company.
- c. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

d. **Financial performance based on given indicators** (Rs. In Lacs)

Particulars	31-03-11	31-03-10	31-03-9
Total Revenue	2127.48	2325.77	2038.99
Total Expenses	1473.94	2156.93	1688.68
Profit Before Tax	614.19	112.48	273.23
Profit After Tax	518.14	152.29	178.64

e. **Export performance and net foreign exchange collaborations** : Not Applicable

f. **Foreign investments or collaborators, if any**: There is no foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE

a. **Background Details**: Mr. B.Madhav Reddy is a qualified Project Management Professional (PMP) from Project Management Institute, Inc. Pennsylvania USA, with more than two decades of experience in the capital and financial markets. In past, he had worked with Stock Holding Corporation of India Limited (SHCIL). During his stint with SHCIL he worked in the development phase of Custodial and Depository Services; later served as regional head for the state of Tamil Nadu and Andhra Pradesh. In his last assignment with Multi Commodity Exchange of India Limited, he was functioning as Vice President - South Head.

b. **Past Remuneration**: In his last engagement Mr. Reddy was drawing a package of Rs. 25 Lacs (excluding ESOP entitlement of 5000 equity shares)

c. **Recognition or Awards**: Nil

d. **Job Profile and his Suitability**: Mr. Reddy is having more than two decades of multi-functional experience in the capital and financial markets. This has enabled him to garner wide experience and acumen of the Capital Market. As Managing Director & CEO, Mr. Reddy is overall in-charge of the Exchange's administration and operational activities. His understanding and diversified experience in Capital Market commensurate with the responsibility assigned to him. The Board is confident that Mr. Reddy's management capabilities will enable the Exchange to register growth.

e. **Remuneration proposed**: Terms and Conditions of Mr. Reddy's appointment, including remuneration, are detailed in the explanatory statement referred above.

f. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**: Considering the wide experience of Mr. Reddy, remuneration paid to him is reasonable and in line with the industry standards.

g. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**: Mr. Reddy does not have any pecuniary relationship with the Company or any of its managerial personnel.

III. OTHER INFORMATION

a. **Reasons of loss or inadequate profits**: The scenario is expected to improve upon the implementation of the proposed business model.

b. **Steps taken or proposed to be taken for improvement**:

- Efforts are being taken to commence trading under section 13A arrangement with NSE.
- Efforts are being taken to improve turnover in BSE-CSE arrangement
- Constant Efforts are being made to explore and identify alternate avenues of income for the Exchange.

c. **Expected increase in productivity and profits in measurable terms**: On successful implementation of new business model the operating income of the Company is likely to increase in forthcoming period but it is not feasible to quantify the increase in monetary terms.

IV. DISCLOSURE

The remuneration package of Managing Director & Chief Executive Officer is detailed in the explanatory statement above.

Abstract and Memorandum of concern/interest under Section 302 of the Companies Act in this regard was sent to all the members vide letter dated June 25, 2011

Memorandum of Interest

None of the Director(s) are in any way concerned or interested in the above matter, except Mr. B. Madhav Reddy, to the extent of remuneration payable to him.

Your Directors recommend the resolution for your approval.



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Annexure - B

Details of Directors seeking appointment at the 88th AGM to be held on 30th November, 2011 at 4 p.m.

Name of Director	Mr. Jagdish Prasad Chowdhary	Mr. Harsh Vardhan Agarwal	Mr. B. Madhav Reddy
Item No.	4	5	6
Date of Birth	23.09.1940	12.07.1976	01.06.1966
Qualifications	B.Com, MIMA	B.Com	B.Sc, PMP
Expertise in specific functional area	Railways / Heavy Engineering Industry	Marketing & Brand Development	Capital Market
Category Represented	Shareholder Director	Shareholder Director	Managing Director & CEO
Other Directorship in Public Limited Companies	Executive Chairman: 1) Titagarh Wagons Limited 2) Cimco Limited Other Directorships: 3) Titagarh Marine Limited 4) Titagarh Logistics Infrastructures Private Limited 5) Continental Valves Limited 6) Titagarh Capital Management Services Private Limited 7) Sourennee Leaves Private Limited 8) Titagarh FreightCar Private Limited 9) Titagarh Wagons AFR	1) Emami Limited – Whole Time Director 2) Zandu Realty Limited - Joint Managing Director Other Directorships: 3) Emami Cement Limited 4) Neelam Lefin Limited 5) TMT Viniyogan Limited 6) Emami (Meghalaya) Cement Limited 7) Bengal Emami Housing Limited 8) Emami Power Limited 9) Emami Overseas FZE 10)Pharma Derm S A E Co, Egypt	1) CSE Capital Markets Private Limited
Chairman/Member of the Committee of the Board of Directors of the other Companies in which he is a Director (Only in Audit Committee & Shareholder/Investors' Grievance Committee)	Nil	Member of Investors' Grievance Committee: I. Emami limited Member of Audit Committee: I. Emami Cement Limited	Nil
Equity shares held in the Exchange	Individual Holding – Nil 10,454 equity shares are held by Mrs. Savitri Devi Chowdhary (w/o Mr. Jagdish Prasad Chowdhary)	Individual Holding - Nil 20,607 equity shares are held by Deevie Commercials Limited (Associate Company of Emami Group)	Nil

DIRECTORS' REPORT

Dear members

The Board of Directors of **The Calcutta Stock Exchange Limited** (the 'Exchange / Company / CSE') are pleased to present the Eighty-Eighth Annual Report for the financial year 2010-11 together with the audited financial statements for the year ended 31st March, 2011.

I. Audited Results

I.1 Financial Highlights

During the year under review, the income of the exchange was Rs 2127.48 Lacs. The operating income at Rs 562.02 Lacs has shown a marginal increase of 7.93% over the previous year.

The profit after tax for the financial year 2010-11 is Rs 518.14 Lacs. This is in spite of the lower returns on investments. The Company expects better financial performance in the next year as result of few strategic tie-ups and with new initiatives.

(Rs. in Lacs)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit / Surplus before Depreciation	653.54	168.84
Depreciation	39.34	56.35
Profit / Surplus before Tax	614.19	112.49
Provision for Tax	96.05	(39.80)
Profit / Surplus after Tax	518.14	152.29
Profit brought forward from last year	649.62	258.28
Profit available for appropriation	1,167.76	410.57
Add : Investors' Service Fund expenses written back	—	36.26
Settlement Guarantee Fund expenses written back	—	45.70
Bad Debts of Pre-Demutualisation Period adjusted with General Reserve	—	231.24
Provision for Doubtful Debts of Pre-Demutualisation Period adjusted with General Reserve	—	76.53
Provision for Impairment of Assets of Pre-Demutualisation Period adjusted with General Reserve	—	13.30
Sundry Balances written off related to Pre-Demutualisation Period and adjusted with General Reserve	5.28	57.01
TOTAL	1,173.04	870.61
Appropriated to :		
Investors' Service Fund	67.09	46.40
Settlement Guarantee Fund	313.46	—
Sundry Balances / Profit on Sale of Assets of Pre-Demutualisation Period written back and transferred to General Reserve	70.79	1.57
Liability to SEBI written back related to Pre-Demutualisation Period and transferred to General Reserve	—	22.98
Proposed Dividend	42.77	42.77
Dividend Distribution Tax	6.94	7.27
Transfer to General Reserve	100.00	100.00
Surplus Carried to Balance Sheet	571.99	649.62
TOTAL	1,173.04	870.61



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1.2 Dividend

Your Directors are pleased to recommend a dividend of Rs. 7/- per equity share on the face value of Re. 1/- being 700% of face value for the financial year 2010-11, which if approved at the forthcoming Annual General Meeting shall be paid to those members whose names appear in the Register of Members as on the Book Closure Date. The Dividend will absorb a sum of Rs. 49.71 Lacs including dividend distribution tax.

1.3 Transfer to Reserve

The Exchange has transferred Rs. 100 Lacs to the General Reserve out of Rs. 1167.75 Lacs available for appropriation.

2. NEW INITIATIVES @ CSE

2.1 Operations:

- **Agreement with the National Stock Exchange of India Limited (NSE)** – Exchange has signed an agreement with NSE for sharing its trading platform with the trading member of the Exchange. This was a much awaited moment for the Exchange. With the said alliance your Exchange has become the only stock exchange in the Country to offer unique facility to trade on three trading platforms viz, BSE, NSE and CSE, with single membership.
- **Bye-Laws:** The Bye-laws of your Exchange has been approved by SEBI and the same has also been notified in the official Gazette of India in the first week of September, 2011. The new Bye-laws has also been posted on the website of the Exchange.
- **Completion of Special Audit** – Exchange has completed long pending Special Audit of TDS on interest accruing on Member's Security Deposit. The Consultant appointed for TDS audit its report identified Rs. 1,00,33,188/- as TDS payable to the Members of which Rs. 57,41,172/- has been received by the Exchange. An amount of Rs. 34,62,452/- have been identified for distribution to members after adjustment of contribution toward Settlement Guarantee Fund. The Board has initiated the process of refunding the amount received from the Income Tax Department on the account of said claim.

For the balance amount, requisite measures are being taken to accelerate the recovery process and will be distributed on receipt from the Department

after suitable adjustment with the Settlement Guarantee Fund. The Board places on record its sincere appreciation to the members for their unstinted support and valuable inputs for completion of the assignment.

- **Surveillance and Risk Management:** As a part of continuous endeavor to streamline and strengthen the risk management mechanism, exiting process and policies with respect to on-line surveillance and benchmark alerts has been re-visited and upgraded to slender the risk exposure at the Exchange's end.
- **Initiatives taken for Members' Benefit:** Due to upward revision in the Bank Term Deposits rates, your Exchange has formulated a scheme, in collaboration with its Banker, by virtue of which the members can split their exiting deposits and re-invested the same at the new rates with different maturity period. Initiative was taken to enable the members, enjoy higher interest benefit on their Security Deposit.

2.2 Technology:

During the year, several modifications have been done to the existing software to streamline the operational activities and to facilitate better connectivity. The following enhancements supported the said developments:

- New Central Router (CISCO) have been procured and implemented successfully for facilitating better leased line connectivity to WAN member brokers.
- Hardware used in BSE-CSE set-up for running Fastrade & ODIN Solution have been upgraded to accommodate up-coming business model.
- Initiatives have taken to upgrade bandwidth of VPN Internet Connectivity for accommodating more users.
- Trade verification facility has been launched on the website to enable the investors, participating in C-Star, to check their trades.
- Re-vamp of www.cse-india.com – The website of the Exchange has been revamped to include real time information, historical data and other important communications of the Exchange. The Exchange also proposes to launch the web-site in the regional language in near future.

Apart from the above initiatives, it is a constant endeavour to strengthen the risk management

mechanism in the Exchange to ensure a safe and risk minimized trading environment for members as well as the retail investors.

2.3 Business Development & Marketing:

Your Directors are engaged in identifying alternate avenues of generating income in addition to its trading activities. In line to the said objective, new business development team has been formed to give impetus to the marketing initiatives and to create personalized service oriented image. The team is responsible for expanding the Exchange revenue lines and promoting its product and services. Beside marketing activities, the business development team also looks after managing relationships with the exiting trading members for providing hassle-free services.

Notable initiatives in Business Development are listed below:

- Trading of shares in the permitted category – Your Exchange is the only regional exchange having its own trading terminal, C-Star. An offer has been made to few regional stock exchanges to allow their listed companies to access the trading platform of the Exchange through permitted category. Guwahati Stock Exchange has given in-principle approval to the offer. Discussions are being held with few other regional exchanges for similar tie-up.
- Empanelment for institutional trades – In order to establish recognition amongst the institutional investors, the Exchange has approached few Banks / Financial Institutions for recognition of the Exchange for institutional trades executed by them. The proposals are in the advance stage for consideration and internal approval.
- Internet Based Trading (IBT) – To facilitate the investors' buying and selling securities using internet through the Exchange Trading Members, a joint collaborative action has been initiated with a Bank. Through IBT, CSE proposes to offer single window facility to investors to trade BSE-CSE and/ or NSE-CSE (proposed) arrangement through Exchange members empanelled for the purpose.

3. Listing & Membership

The performance of the Exchange is dependent on the number of new listing/further listings and the value and the volume of trade executed on its trading platform. During the period under review, there were three fresh listings on the Exchange platform.

During the year 2010-11, two members have joined as Deposit Based Members of the Exchange. The said brokers have also commenced business. However, during the financial year, thirty-three trading members have cancelled their SEBI Registration.

Further, Exchange is taking initiative to recover long pending listing and subscription dues from the Companies and its Brokers.

4. Depository Services

Your Exchange has become a SEBI registered Depository Participant of both the depositories in the country. Subsequent to the CDSL operation CSE has also commenced NSDL operations with effect from May, 2011. As a measure of economy and operational convenience, the Exchange has shifted its clearing account to its own DP.

The Exchange has registered a reasonable growth in its depository operations during the year, which is reflected in the increase in the number of demat accounts and securities admitted. During the year, 531 demat accounts have been opened with the Exchange's DP as against 222 last year. In order to sustain the growth in depository business CSE continues to focus on enhancement of operational efficiency, up-gradation of technology and user friendly processes.

5. Land & Building

The supplementary agreement with KMC for segregating three acres of land at EM Bye-Pass has been signed and registered. The Exchange has also applied for power connection at EM-Bye pass land.

The Exchange has registered the Deed of Convenience and taken peaceful and vacant possession of five acres land owned at Rajarhat. Work order for construction of boundary wall has been placed to prevent unauthorized encroachments.

In addition to the above, the Exchange is in the process of regularization of various tenancy related matters; corrective measures have been taken wherever necessary. Efforts have been made to standardize the rental policy for tenants. In this respect, Exchange has taken the initiative for revising rent in terms of amended WB Premises Tenancy Act, 1997.

6. Report on Subsidiary

At the end of the financial year ending March 31, 2011, the Exchange has one wholly-owned subsidiary company viz, CSE Capital Markets Private Limited. CSE has signed an agreement with the National Stock



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Exchange of India Limited under section 13A of the Securities Contract (Regulations) Act, 1956 for sharing its trading platform. Hence, in accordance with the terms of approval prescribed by SEBI, the subsidiary company has surrendered its NSE membership of Cash and Derivative Segment.

A statement pursuant to section 212 of the Companies Act, 1956 relating to the Subsidiary Company, is attached to the accounts. Annual Accounts for the financial year ending March 31, 2011 along with the Directors' Report and Auditors' Report thereon of the Subsidiary Company are available with this Annual Report.

7. Human Resource Restructuring

During the year 2010-11, the organization structure of the Exchange has undergone significant restructuring across various levels.

8. Investors' Service

The Exchange, being an extended arm of the regulator endeavours to promote and protect the interest of investors at large. The Exchange has an Investor Service Cell for timely and speedy resolution of complaints of investors against the listed corporate entities and/or against trading members, to enhance and maintain investors' confidence in capital market. CSE accorded high priority for resolution of investor complaints and therefore the activities of Investors Services Cell are supervised by a Board Committee, namely Investor Service Committee, exclusively constituted for the purpose.

9. Investor Awareness and Education

The Exchange lays stress on the importance of Investor Awareness & Education. During the year, it was our endeavour to take this initiative forward by involving investors across West Bengal through means of seminars, workshops and investor meets. Investor Awareness & Education has been adopted as the Corporate Social Responsibility by your Exchange.

10. Code of Conduct for Directors'/ Functionaries ('the Code')

To outline the Exchange's value and principles and to set out the standards for the professional and ethical behavior, Code of Conduct for Directors'/ Functionaries, as recommended by the SEBI, has been adopted by your Exchange, which is applicable to all Directors and its Functionaries. All the Directors and Functionaries of the

Exchange have affirmed compliance to the Code for the financial year ending March 31, 2011

A copy of the Code has been put on the Company's website www.cse-india.com.

11. Code of Conduct for Prevention of Insider Trading pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992

Your Directors and the Functionaries of Exchange owe a fiduciary duty to its members and all the corporate whose securities are listed on its trading platform. To conduct their personal securities transactions in a manner that does not create any conflict of interest, the Code of Conduct for Prevention of Insider Trading has been adopted, to serve as a guiding charter for all concerned persons associated with the functioning of the Exchange. All the Directors and Functionaries of the Exchange have made requisite disclosures under the said Code of Conduct for the financial year ending March 31, 2011.

12. Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the rules framed thereunder

As required under Section 217(2A) of the Companies Act, 1956 and the Rules framed there under, no such employees were in receipt of remuneration of more than Rs. 60,00,000 per annum for the year ended March 31, 2011 or of more than Rs. 5,00,000 per month during part thereof.

13. Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. in the preparation of the annual accounts for the year ended March 31, 2011, the applicable accounting standards have been followed along with the proper explanations relating to material departures.
2. they have adopted such accounting policies and have applied them consistently and have made judgements and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2011 and of the profit of the Company for that period.

3. proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. annual accounts for the financial year ended March 31, 2011 have been prepared on a 'going concern' basis.

12. Fixed Deposits

Your Exchange has not accepted any fixed deposits from the public during the financial year under review and, as such, no amount of principal or interest was outstanding as on the balance sheet date

13. Conservation of Energy and Technology Absorption and Foreign Exchange Earnings & Outgo

[A] Conservation of Energy and Technology Absorption:

Your Directors have nothing to report with regard to Conservation of Energy and Technology Absorption in terms of Section-217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

[B] Foreign Exchange Earnings & Outgo:

During the year, there were no Foreign Exchange earnings or Outgo.

14. Board of Directors as on June 30, 2011

During the year, Mr. Prasad Ranjan Ray has been appointed by the Board as Public Interest Director w.e.f. March 17, 2011. SEBI has empanelled Mr. Ray as Public Interest Director on the Board of the Exchange.

Mr. B. Madhav Reddy was appointed by the Board as Managing Director & Chief Executive Officer of the Exchange, w.e.f. June 6, 2011. SEBI has given its no-objection to the appointment of Mr. Reddy as Managing Director & CEO for the period of 3 (three) years. The terms of appointment of Mr. B. Madhav Reddy will be places for your approval in the forthcoming Annual General Meeting of the Exchange.

Mrs. Molly Thambi resigned as Managing Director and CEO w.e.f. September 30, 2010.

The details of Board of Directors are given below:

Chairman:

Mr. Dipankar Chatterji - Shareholder Director

Public Interest Directors:

Mr. Jayanta Mitra

Mr. Satyabrata Ganguly

Mr. Prasad Ranjan Ray (appointed w.e.f. March 17, 2011)

Shareholder Directors:

Mr. Mukul Somany

Mr. Madhusudan Kannan

Mr. Ravi Poddar

Mr. Sanjay Budhia

Trading Member Directors:

Mr. Ajit Khandelwal

Mr. Binay Agarwal

Mr. Suresh Kaushik (w.e.f. July 7, 2010)

Managing Director & CEO:

Mr. B. Madhav Reddy (appointed w.e.f. June 6, 2011)

15. Board Meetings held during the year:

During the year 2010-11, 9 (nine) Board Meetings were held. The details of the meetings are as follows:-

Sl. No.	Date of Meeting	During the Quarter	Duration between the Board Meetings
1.	18-May-10	April 2010 – June 2010	104 days*
2.	28-Jun-10	April 2010 – June 2010	41 days
3.	7-Jul-10	July 2010 – September 2010	9 days
4.	27-Jul-10	July 2010 – September 2010	20 days
5.	8-Sep-10	July 2010 – September 2010	43 days
6.	22-Sep-10	July 2010 – September 2010	14 days
7.	6-Dec-10	October 2010 – December 2010	75 days
8.	8-Jan-11	January 2011 – March, 2011	33 days
9.	7-Mar-11	January 2011 – March, 2011	58 days

* Length has been calculated based on the last meeting which was held on February 3, 2010



The Calcutta Stock Exchange Limited

16. Board Committee as on June 30, 2011

Currently, there are 17 (seventeen) Committees of the Board. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Minutes of Committee meetings are placed for the information of the Board.

(A) STATUTORY COMMITTEES

- 1) Arbitration Committee (Member -Vs- Member)
- 2) Arbitration Committee
(Member -Vs- Non-Member)
- 3) Disciplinary Action Committee
- 4) Defaulters' Committee
- 5) Investor Service Committee

(B) SEBI MANDATED COMMITTEES

- 1) Audit & Finance Committee
- 2) Ethics Committee
- 3) Membership Selection Committee
- 4) SEBI Inspection Review Committee

(C) COMMITTEE AS PER COMPANIES ACT

- 1) Remuneration Committee

(D) OTHER COMMITTEES

- 1) Technology Committee
- 2) Business Development Committee
- 3) DP Operations Committee
- 4) HR Committee
- 5) Legal Committee
- 6) Premises Committee
- 7) Surveillance Committee

17. Director's Retiring by Rotation

Governance Structure prescribed by Securities & Exchange Board of India provides for various categories of Directors viz, Public Interest Directors, Shareholder

Directors and Trading Member Directors together with the extent of their representation of the Board of the Stock Exchanges.

Hence it is implied that one-third of the Directors from each category would retire by rotation and if eligible, may offer themselves for re-appointment.

a. Public Interest Director:

Mr. Satyabrata Ganguly, Public Interest Director will be retiring by rotation after the date of the forthcoming Annual General Meeting. The Board will consider his re-appointment in the Board Meeting to be held on/after the date of the forthcoming Annual General Meeting,

b. Shareholder Directors:

Mr. Dipankar Chatterji, Shareholder Director would be liable to retire by rotation at the forthcoming Annual General Meeting and will be completing two consecutive terms as a Shareholder Director. In terms of Article 13.6 of the Articles of Association of the Exchange, Mr. Chatterji will not be eligible for re-appointment. The Board places on record its sincere appreciation for the valuable role played by Mr. Chatterji for growth of the Exchange during his Chairmanship.

Mr. Ravi Poddar, Shareholder Director would be liable to retire by rotation at the forthcoming Annual General Meeting and will be completing two consecutive terms as a Shareholder Director. In terms of Article 13.6 of the Articles of Association of the Exchange, Mr. Poddar will not be eligible for re-appointment. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Poddar during his tenure as Shareholder Director.

c. Trading Member Director:

Mr. Binay Agarwal, Trading Member Director would be liable to retire by rotation at the forthcoming Annual General Meeting and will be completing two consecutive terms as a Trading Member Director. In terms of Article 13.6 of the Articles of Association of the Exchange, Mr. Agarwal will not be eligible for re-appointment. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Agarwal during his tenure as Trading Member Director.

18. Management's Explanation to the qualification made by the Statutory Auditors on the Annual Accounts of the Exchange for year ended March 31, 2011

AUDITOR'S QUALIFICATIONS

Point No 4(a) Note No B(4)(i) regarding recoverability of Rs.964,796,301 due from members on account of settlement in earlier years, the impact whereof on the Company's profit is not ascertainable.

Point 4(b) Note No. B(6) regarding pending reconciliation of records maintained by the Market Operations & Securities Department and the Accounts. The impact of the above non-reconciliation on the Company's profit if any, is not currently ascertainable.

Point 4(c) Note No. B(6) regarding pending the consequent related identification of delisted companies for which revenue is being recognized which is not in compliance with Accounting Standard 9 on Revenue Recognition. The impact of the above non-identification on the Company's profit if any, is not currently ascertainable.

Point 4(d) Note No. B(5)(b) regarding contribution of Rs.1,03,77,194 (including Rs.660,427 for the year) payable by the Company to the Settlement Guarantee Fund, not debited to profit and loss account for the reasons mentioned therein.

MANAGEMENT'S REPLY

As on 31.3.2011 amount recoverable from members on account of settlement crisis during the year 2000-01 amounts to Rs 96,47,96,301. Out of the above, Legal suits has been filed against ten defaulting members, for recovery of Rs 91,17,73,941. The Company has also filed recovery suits amounting to Rs.3,71,46,476 from other defaulting members. As the matter is Sub-Judice, the extent of recovery is not ascertainable. However, under current liabilities entire amount is shown as contribution from SGF and no significant impact on profitability is foreseen. Moreover, the Company carries a Contingency Reserve of Rs. 2,00,00,000.

The reconciliation of the records maintained by the Market Operations and Securities Departments with those of the Accounts Department is in process with time bound target. The management does not expect any material impact on the Company's financial on this account.

An exhaustive list of companies which are delisted, merged, dissolved or liquidated have been prepared. More to it, the Company has increased the provision on listing Debtors for the current financial year and does not expect major impact on profitability.

An additional contribution of Rs.19,93,55,380 was made by the Company to Settlement Guarantee Fund during the financial year 2000-01 and was charged off to the Income & Expenditure Account of the said year. Being in the nature of prepaid charges payable to the Settlement Guarantee Fund, a sum of Rs.1,03,77,194 has been adjusted upto 31.03.2011 against annual contribution (including Rs.6,60,427 for the year) in accordance with the decision of erstwhile Board of Directors. Balance of Rs.18,89,78,186 would be adjusted in future years. However, since the aforesaid amount has already been charged off to Income & Expenditure Account of 2000-01, the annual contribution of Rs.6,60,427 for the current year as well as the amount for earlier years has not been charged to Profit and Loss Account and no provision on above account is considered necessary.



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Point 4(e) Note No. (10)(c) regarding interest and dividend on member's security deposits being accumulated in the Settlement Guarantee Fund under the head "Reserves & Surplus" and being not passed on to the members for the reasons mentioned therein (amount not ascertained) and Note No. B(4)(iii) regarding the sum of Rs.3,10,92,390 received from certain members at the time of payment crisis in earlier years, having included in the Settlement Guarantee Fund under the head "Reserves & Surplus", though this amount might be refundable to the respective members on fulfillment of certain conditions mentioned therein.

Interest and Dividend on Member Security Deposit was discontinued w.e.f. November 1, 2007 in accordance with the decision taken by the SEBI appointed Administrator.

Few members made payment amounting to Rs. 3,10,92,390 during settlement crisis in the nature of contribution towards SGF. The contribution was subject to the condition that the said amount should be considered for refund in the event of recovery from the defaulting members. Hence, the Exchange liability shall arise only after recovery from the defaulting members.

19. Statutory Auditors

M/s. S. R Batliboi & Co. Chartered Accountants, the Statutory Auditors of the Exchange, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Exchange has received a letter from the auditor to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of section 226 of the said Act.

20. Acknowledgement

Your Directors place on record their sincere appreciation for the continued assistance, co-operation and guidance provided by Government, Regulators and other statutory Bodies during the year under review. Your Directors wish to put on record their thanks to all members of the Exchange for their unstinted support and confidence.

Your Directors further wish to place on record their appreciation for the devoted and dedicated services rendered by the employees of the Exchange and look forward to their continued services with zeal in the years ahead.

For and on behalf of the Board

Date : November 2, 2011

Place : Kolkata

Dipankar Chatterji
Chairman

Auditors' Report

To,

The Members of The Calcutta Stock Exchange Limited

1. We have audited the attached Balance Sheet of The Calcutta Stock Exchange Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Attention is drawn to the following notes on Schedule L to the accounts :
 - (a) Note No B(4)(i) regarding recoverability of Rs.964,796,301 due from members on account of settlement in earlier years, the impact whereof on the Company's profit is not ascertainable.
 - (b) Note No. B (6) regarding pending reconciliation of records maintained by the Market Operations & Securities Department and the Accounts. The impact of the above non-reconciliation on the Company's profit if any, is not currently ascertainable.

- (c) Note No. B (6) regarding pending the consequent related identification of delisted companies for which revenue is being recognized which is not in compliance with Accounting Standard 9 on Revenue Recognition. The impact of the above non-identification on the Company's profit if any, is not currently ascertainable.
- (d) Note No. B(5) (b) regarding contribution of Rs.1,03,77,194 (including Rs.660,427 for the year) payable by the Company to the Settlement Guarantee Fund, not debited to profit and loss account for the reasons mentioned therein.
- (e) Note No. B(10)(C) regarding interest and dividend on member's security deposits being accumulated in the Settlement Guarantee Fund under the head "Reserves & Surplus" and being not passed on to the members for the reasons mentioned therein (amount not ascertained) and Note No.B(4)(iii) regarding the sum of Rs.3,10,92,390 received from certain members at the time of payment crisis in earlier years, having included in the Settlement Guarantee Fund under the head "Reserves & Surplus", though this amount might be refundable to the respective members on fulfillment of certain conditions mentioned therein.

The auditors' report on the financial statements for the year ended March 31, 2010 was also modified in respect of the above matters except as stated in 4(c) above, by the predecessor auditor of the Company.

Without considering item 4(a), (b), (c) and (e) above, whose impact, if any, is presently not ascertainable, had the impact of 4(d) above been considered, net profit after tax would have been Rs.41,437,029 for the year as against the reported profit of Rs.51,814,223 and the Reserves & Surplus would have been Rs.1,806,411,100 as against the reported Reserves & Surplus of Rs.1,816,788,294.

5. Without qualifying our opinion, we draw attention to Note No. B(17)(ii) regarding non consideration of ex-gratia payment of Rs.36,00,000 to the erst-



The Calcutta Stock Exchange Limited

while Managing Director as a part of managerial remuneration based on the legal opinion obtained by the Company. This being a legal matter, we have relied upon the legal opinion as stated above.

6. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

- i. *Subject to para 4 (b) and (c) above*, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet and profit and loss account dealt with by this report *subject to para 4 (c) above*, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. *Subject to the matters stated in para 4 above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of balance sheet, of the state of affairs of the Company as at March 31, 2011; and
 - b) in the case of profit and loss account, of the profit for the year ended on that date.

For **S. R. BATLIBOI & CO.**
Chartered Accountants
FRN : 324982E

Place : Kolkata
Date : 29th August, 2011

Per Kamal Agarwal
Partner
Membership No.: 58652

ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE CALCUTTA STOCK EXCHANGE LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company does not have any inventory and hence clauses (ii) (a) to (c) of the Order are not applicable.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such, clauses iii(b) to (d) of the Order, are not applicable.
- (b) The Company has taken loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.20,000,000 and the year-end balance of loan taken from such company was Rs. Nil.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loan taken, the repayment of principal amount was as per stipulation and the payment of interest had been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. The Company has not made any purchase of inventory or sale of goods during the year and hence, this clause is not applicable with respect to the above areas.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public within the purview of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Since the Company is not engaged in any manufacturing, processing or mining activities, the clause relating to maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 is not applicable.
- (ix) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, custom duty, sales tax, excise duty, cess and other material statutory dues with the appropriate authorities *though there has been slight delays in few cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, sales tax, excise duty, cess and other statutory material dues were outstanding, as on the Balance Sheet date, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute are as follows :



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Name of the statute	Nature of dues	Amount(Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	a) Disallowance of certain expenses	26,921,819	A.Y.2001-02	Hon'ble High Court of Kolkata
	b) Certain receipts considered by the Company as capital receipt but treated as revenue receipt by Income Tax Department	51,692,067	A.Y.1991-92 to 1993-94, 1995-96	Hon'ble High Court of Kolkata – Rs.36,674,684 and With Assessing Officer for reassessment – Rs.15,017,383
Employees' State Insurance Act, 1948	ESI demands	4,459,799	1994-95-30th April 2010	Hon'ble High Court of Kolkata

(x) Without considering the consequential effects, if any, of the matters stated in paragraph 4 of our auditors' report, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, the company has not taken any loans from banks or financial institutions. Further, the Company did not have any outstanding debentures during the year.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order, are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us, the Company has not given any guar-

antee for loans taken by others from bank or financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. R. BATLIBOI & CO.**
Chartered Accountants
FRN : 324982E

Place : Kolkata
Date : 29th August, 2011

Per Kamal Agarwal
Partner
Membership No.: 58652

BALANCE SHEET AS AT 31st MARCH, 2011

		As at 31st March 2011		As at 31st March 2010	
	<u>SCHEDULES</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUND					
Share Capital	A		6,18,750		6,18,750
Reserves and Surplus	B		181,67,88,294		203,05,24,569
			<u>181,74,07,044</u>		<u>203,11,43,319</u>
II. APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	C		60,68,80,980		34,14,80,129
Less : Accumulated Depreciation / Amortisation			<u>28,45,33,296</u>		<u>28,33,82,383</u>
Net Block			32,23,47,684		5,80,97,746
Capital Work in Progress (including Capital Advances)		<u>18,01,126</u>	32,41,48,810	<u>25,00,00,000</u>	30,80,97,746
INVESTMENTS	D		6,54,98,782		17,38,11,380
DEFERRED TAX ASSETS			1,79,08,870		1,19,17,088
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	E		3,29,89,497		4,95,09,703
Cash and Bank Balances			158,85,66,629		136,96,84,698
Other Current Assets			1,46,07,377		2,52,26,500
Loans & Advances			<u>119,18,34,897</u>		<u>142,55,49,060</u>
			282,79,98,400		286,99,69,961
LESS : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	F		139,37,23,805		132,05,07,605
Provisions			<u>2,44,24,013</u>		<u>1,25,65,951</u>
			141,81,47,818		133,30,73,556
NET CURRENT ASSETS			140,98,50,582		153,68,96,405
MISCELLANEOUS EXPENDITURE					
(To the extent of not written off or adjusted)			-		4,20,700
			<u>181,74,07,044</u>		<u>203,11,43,319</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS					
	L				

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date
For S. R. Batliboi & Co.
 Firm Registration No. 324982E
 Chartered Accountants

per **Kamal Agarwal**
 Partner
 Membership No. 58652

Place: Kolkata
 Date: 29th August 2011

For and on behalf of the Board of Directors

B Madhav Reddy
 Managing Director & CEO

Dipankar Chatterji
 Chairman

Binay Agarwal
 Director

Prosenjit Dutta
 Chief Financial Officer

Abha Bafna
 Company Secretary



The Calcutta Stock Exchange Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	SCHEDULES	2010-2011		2009-2010	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Income from Operations	G		5,62,01,568		5,20,69,480
Income from Investments and Deposits	H		13,16,94,503		17,08,94,067
Other Income	I		2,48,52,018		96,13,428
			21,27,48,089		23,25,76,975
EXPENDITURE					
Computer Maintenance and Service Charges		1,64,34,481			
Less : Expenses for Investors' Service Fund		3,600			
Less : Expenses for Settlement Guarantee Fund		3,600	1,64,27,281		1,61,99,080
Personnel Expenses	J		6,45,97,200		6,26,03,081
Operating and Other Expenses	K		5,96,40,305		6,96,43,870
Contribution to SEBI			48,34,949		41,43,320
Contribution to Customers Protection Fund			18,94,742		9,26,086
Contribution to Settlement Guarantee Fund (refer Note No.B(5)(a) on Schedule - L)			-		6,21,77,737
			14,73,94,477		21,56,93,174
Profit before Depreciation			6,53,53,612		1,68,83,801
Depreciation			39,34,305		56,35,493
Profit before Tax			6,14,19,307		1,12,48,308
Provision for Taxes:					
- Current Tax			1,98,96,000		68,82,000
- Deferred Tax Asset (including Rs.22,15,425 (Rs.Nil) for earlier years)			-59,91,782		-1,08,62,348
- Excess Provision made in earlier years written back			-42,99,134		-
			96,05,084		-39,80,348
Profit after Tax			5,18,14,223		1,52,28,656
Profit brought forward from last year			6,49,61,487		2,58,27,932
Profit Available for Appropriation			11,67,75,710		4,10,56,588
ADD : Impairment of Assets of Pre-Demutualisation					
Period adjusted with General Reserve			-		13,29,421
Bad Debts of Pre-Demutualisation Period adjusted with General Reserve			-		2,31,23,865
Provision for Doubtful Debts of Pre-Demutualisation Period adjusted with General Reserve			-		76,52,760
Sundry Balance Written Off Related to Pre-Demutualisation Period adjusted with General Reserve			5,28,355		57,01,416
Investor Service Fund Expenses (Refer note No.B(11) on Schedule - L)			-		36,26,332
Settlement Guarantee Fund Expenses (Refer note No.B(11) on Schedule - L)			-		45,70,115
			5,28,355		4,60,03,909
LESS : Transferred to General Reserve			1,00,00,000		1,00,00,000
Transferred to Investors' Service Fund (including Rs.34,16,165 (Rs. Nil) for earlier years)			67,08,849		46,39,654
Transferred to Settlement Guarantee Fund (refer Note No.B(5)(a) on Schedule - L)			3,13,46,056		-
Sundry Balances Written Back of Pre-Demutualisation Period adjusted with General Reserve			69,02,038		74,579
Liability to SEBI Written Back of Pre-Demutualisation Period adjusted with General Reserve			-		22,98,407
Profit on sale of Fixed Assets of Pre-Demutualisation Period transferred to General Reserve			1,76,804		82,494
Proposed Dividend			42,77,000		42,77,000
Tax on Dividend			6,93,858		7,26,876
			6,01,04,605		2,20,99,010
Surplus Carried to Balance Sheet			5,71,99,460		6,49,61,487
Earnings per share (Refer note no.B(26) on Schedule - L)					
Basic & Dilluted (Rs.)			22.52		30.75
Nominal Value of Share (Re.)			1		1
Significant Accounting Policies and Notes to Accounts	L				

The Schedules referred to above form an intergral part of the Profit & Loss Account

As per our Report of even date

For S. R. Batliboi & Co.

Firm Registration No. 324982E

Chartered Accountants

per **Kamal Agarwal**

Partner

Membership No. 58652

Place: Kolkata

Date: 29th August 2011

For and on behalf of the Board of Directors

B Madhav Reddy

Managing Director & CEO

Dipankar Chatterji

Chairman

Binay Agarwal

Director

Prosenjit Dutta

Chief Financial Officer

Abha Bafna

Company Secretary

Schedule to the Balance Sheet

SCHEDULE - A : SHARE CAPITAL

<u>PARTICULARS</u>	As at 31st March, 2011	As at 31st March, 2010
	<u>Rupees</u>	<u>Rupees</u>
AUTHORISED :		
10,00,000 Equity Shares of Re.1 each	10,00,000	10,00,000
ISSUED :		
6,18,750 Equity Shares of Re.1 each	6,18,750	6,18,750
SUBSCRIBED & PAID UP :		
6,11,000 Equity Shares of Re.1 each fully paid up		
(Out of the above, 2,08,250 Equity Shares were issued for consideration other than cash)	6,11,000	6,11,000
Add: Forfeited Shares:	7,750	7,750
7,750 Equity Shares paid up of Re.1 each		
(Out of the above 4,750 Equity Shares were issued for consideration other than cash)		
	<u>6,18,750</u>	<u>6,18,750</u>



The Calcutta Stock Exchange Limited

Schedule to the Balance Sheet

SCHEDULE - B : RESERVES AND SURPLUS

PARTICULARS	Balance of Pre-Demutalisation Period as at 31st March 2010	Pre-Demutalisation Period			Post-Demutalisation Period			Balance of Pre-Demutalisation Period as at 31st March 2011	Balance of Post-Demutalisation Period as at 31st March 2011	Total Balance of Reserves & Surplus as at 31st March 2011	Total Balance of Reserves & Surplus as at 31st March 2010
	Rupees	Additions during the year	Deductions during the year	Transferred from Profit and Loss Account during the year	Additions during the year	Deductions/ adjustments during the year	Rupees	Rupees	Rupees	Rupees	Rupees
B - I											
Capital Reserve	6,18,860	-	-	-	-	-	-	6,18,860	-	6,18,860	6,18,860
Securities Premium	30,14,597	63,17,78,051	-	-	-	-	-	30,14,597	63,17,78,051	63,47,92,648	63,47,92,648
Reserve for Establishment of Centre for Training and Statistical Information & Setting up a Library	5,65,91,570	-	1,77,50,023	-	-	-	-	3,88,41,547	-	3,88,41,547	5,65,91,570
Contingency Reserve	2,00,00,000	-	-	-	-	-	-	2,00,00,000	-	2,00,00,000	2,00,00,000
Development Fees Fund	13,40,50,000	-	-	-	-	-	-	13,40,50,000	-	13,40,50,000	13,40,50,000
General Reserve	6,97,36,395	24,38,86,865**	5,28,355	-	1,00,00,000	21,90,58,000**	-	31,30,94,905	3,00,00,000	34,30,94,905	30,87,94,395
Surplus as per Profit and Loss Account	-	6,49,61,487	-	-	-	77,62,027	-	-	5,71,99,460	5,71,99,460	6,49,61,487
B - II											
Investors' Service Fund	28,40,11,422	93,57,97,538	1,82,78,378	-	1,00,00,000	22,68,20,027	-	50,96,19,909	71,89,77,511	122,85,97,420	121,98,08,960
	-	3,00,96,542	-	-	67,08,849	9,34,774	-	-	3,58,70,617	3,58,70,617	3,00,96,542
B - III											
Settlement Guarantee Fund *	-	3,00,96,542	-	-	67,08,849	9,34,774	-	-	3,58,70,617	3,58,70,617	3,00,96,542
	-	78,06,19,067	-	-	-	29,28,47,042***	-	-	55,23,20,257	55,23,20,257	78,06,19,067
	-	78,06,19,067	-	-	6,45,48,232	29,28,47,042	-	-	55,23,20,257	55,23,20,257	78,06,19,067
TOTAL OF B-I + B-II + B-III	28,40,11,422	174,65,13,147	1,82,78,378	-	24,38,86,865	52,06,01,843	-	50,96,19,909	130,71,68,385	181,67,88,294	203,05,24,569

* Governed by the Bye-Laws of the Settlement Guarantee Fund of the Exchange.

** Refer Note No.B(3)(a) on Schedule - L

*** Refer Note No.B(7) on Schedule - L

Schedule to the Balance Sheet

SCHEDULE - C : FIXED ASSETS

PARTICULARS	Gross Block (At Cost)			Depreciation / Ammortisation			Net Block	
	As at 1st April 2010	Additions / Adjustments	Sales / Adjustments	As at 31st March 2011	As at 1st April 2010	For the year	Less : On Sales / Adjustments	As at 31st March 2011
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
ASSETS OF PRE-DEMUTUALISATION PERIOD :								
TANGIBLE ASSETS								
Freehold Land	4,15,300	-	-	4,15,300	45,14,552	5,13,100	-	4,15,300
Leasehold Land	4,96,67,291	-	-	4,96,67,291	13,25,096	41,616	-	4,96,67,291
Building	21,57,399	-	-	21,57,399	1,19,01,039	2,78,810	1,358	21,57,399
Electric Installation	1,39,00,032	-	1,413	1,39,01,445	15,057	620	-	1,39,01,445
Pump	19,517	-	-	19,517	1,28,58,147	2,77,951	22,96,123	19,517
Furniture & Fixtures	1,41,21,629	-	24,75,018	1,66,46,647	35,13,873	82,436	-	1,66,46,647
Office Equipments	40,88,536	-	-	40,88,536	51,78,224	1,53,484	-	40,88,536
Air Conditioners	61,91,292	-	-	61,91,292	6,90,966	2,614	-	61,91,292
Lift	7,09,767	-	-	7,09,767	3,56,402	8,06,120	3,56,402	7,09,767
Vehicles	3,81,642	-	3,81,642	-	20,84,68,278	-	-	3,81,642
Computers	21,04,83,588	-	-	21,04,83,588	24,88,21,634	21,56,751	26,53,883	21,04,83,588
	30,21,35,993	-	28,58,073	29,92,77,920	24,88,21,634	21,56,751	26,53,883	29,92,77,920
INTANGIBLE ASSETS								
Software	3,00,36,144	-	-	3,00,36,144	3,00,36,108	-	-	3,00,36,144
	3,00,36,144	-	-	3,00,36,144	3,00,36,108	-	-	3,00,36,144
	33,21,72,137	-	28,58,073	32,93,14,064	27,88,57,742	21,56,751	26,53,883	32,93,14,064
ASSETS OF POST-DEMUTUALISATION PERIOD :								
TANGIBLE ASSETS								
Freehold Land	-	26,77,50,023	-	26,77,50,023	5,969	52,799	-	26,77,50,023
Building	58,768	-	58,768	-	3,613	1,185	58,768	58,768
Electric Installation	12,131	-	-	12,131	2,08,603	2,23,980	-	12,131
Office Equipments	8,47,015	1,72,113	11,250	10,07,878	81,892	59,720	2,916	10,07,878
Air Conditioners	5,11,227	-	-	5,11,227	38,09,524	11,36,262	67,825	5,11,227
Computers	65,01,159	4,56,041	1,17,728	66,39,472	362,958	2,26,741	-	66,39,472
Vehicles	12,38,747	-	-	12,38,747	52,082	76,867	-	12,38,747
Furniture & Fixtures	1,38,945	68,493	-	2,07,438	-	-	-	2,07,438
	93,07,992	26,84,46,670	1,87,746	27,75,66,916	45,24,641	17,77,554	129,509	27,75,66,916
	34,14,80,129	26,84,46,670	30,45,819	60,68,80,980	28,33,82,383	39,34,305	27,83,392	32,23,47,684
Previous year's total	34,49,16,880	18,91,511	53,28,262	34,14,80,129	28,17,10,048	56,35,493	39,63,158	58,97,746



The Calcutta Stock Exchange Limited

Schedule to the Balance Sheet

SCHEDULE - D : INVESTMENTS

PARTICULARS	No. of Shares / Units / Debentures	Face Value per Share / Debenture / Unit	As at 31st March 2011	As at 31st March 2010
	Rupees	Rupees	Rupees	
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD (AT COST)				
LONG TERM :				
Other than trade (fully paid-up)				
Quoted Debentures				
15% Bengal Paper Mills Co Ltd *	117	100	1	1
Unquoted Equity Shares				
Central Depository Services (India) Ltd (by way of Equity participation as a co-sponsor)	10,00,000	10	1,00,00,000	1,00,00,000
			1,00,00,001	1,00,00,001
INVESTMENTS OF POST-DEMUTUALISATION PERIOD (AT COST)				
LONG TERM :				
Unquoted Equity Shares				
(Companies under the same management) (Trade) - Subsidiary Company				
CSE Capital Markets Pvt Ltd	35,00,000	10	3,50,00,000	3,50,00,000
Quoted Equity Shares (Other than Trade)				
Beeyu Overseas Ltd	400	10	6,674	6,674
			3,50,06,674	3,50,06,674
CURRENT (Unquoted - Other than Trade)				
(at lower of cost and net realisable value)				
UTI Mutual Fund - Daily Cash Management	- (10,692)	10	-	1,08,98,644
HDFC Cash Management Fund - Savings Plan - Daily Dividend Re-investments	19,26,602 (61,02,258)	10	2,04,92,107	6,49,06,061
HDFC Cash Management Fund - Savings Plan - Daily Dividend Re-investments - Settlement Guarantee Fund	- (49,82,889)	10	-	5,30,00,000
			**2,04,92,107	12,88,04,705
** Net asset value of Mutual Funds Rs.2,04,92,107 (Rs.12,88,04,705)			5,54,98,781	16,38,11,379
			6,54,98,782	17,38,11,380
Aggregate cost of Investment:				
Quoted			6,675	6,675
Unquoted			6,54,92,107	17,38,04,705
Market value of quoted investments			936	1,332

* Since the market value is not available, the same has been valued at Re.1

Schedule to Balance Sheet

SCHEDULE - E : CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	As at 31st March 2011		As at 31st March 2010	
	Rupees	Rupees	Rupees	Rupees
A. SUNDRY DEBTORS				
Debts outstanding for a period exceeding six months:				
Secured, Considered good	25,49,108		27,84,160	
Unsecured				
- Considered good	2,98,83,430		4,47,33,164	
- Considered doubtful	3,07,07,477	6,31,40,015	1,92,06,856	6,67,24,180
Other Debts:				
Secured, Considered good	51,661		10,401	
Unsecured, Considered good	5,05,298	5,56,959	19,81,978	19,92,379
		6,36,96,974		6,87,16,559
		3,07,07,477		1,92,06,856
Less: Provision for Doubtful Debts		3,29,89,497		4,95,09,703
B. CASH & BANK BALANCES				
Cash on hand	83,656		1,12,459	
Balance with Scheduled Banks on:				
- Current Account				
- Own Fund (Refer note no.B(9) on Schedule - L)	24,66,04,643		70,14,343	
- Settlement Guarantee Fund	73,942		8,82,162	
- Unpaid Dividend Account	8,50,290		5,04,000	
- Savings Account	29,85,270	25,05,14,145	29,08,987	1,13,09,492
- Fixed Deposits Account				
- Own Fund	95,31,30,446		82,28,68,427	
- Earmarked Funds :				
- Settlement Guarantee Fund *	31,01,26,218		44,87,06,208	
- Investors' Service Fund	3,58,70,617		3,00,96,542	
- Fund for Establishment of Centre for Training and				
- Statistical Information & Setting up a Library	3,88,41,547	133,79,68,828	5,65,91,570	135,82,62,747
* (includes Fixed Deposits of Rs.17,25,25,000 (Rs.17,25,25,000) marked as lien towards BSE Ltd)		158,85,66,629		136,96,84,698
C. OTHER CURRENT ASSETS				
Interest accrued but not due on Fixed Deposits:				
- Own Fund	1,11,83,133		1,75,93,058	
- Settlement Guarantee Fund	34,24,244	1,46,07,377	76,33,442	2,52,26,500
D. LOANS & ADVANCES (Unsecured, considered good) :				
Loan to Employees (interest bearing)		66,01,633		20,52,634
Advance Income Tax and Tax Deducted at Source				
(Net of Provisions of Rs.3,48,42,661 (Rs.2,54,46,661))		7,90,88,302		10,17,66,305
Advance to a subsidiary company		6,29,158		3,80,426
Advances recoverable in cash or in kind or on value to be received:				
- Service Tax receivable	3,41,352		299	
- Prepaid Expenses	25,88,189		31,04,139	
- Advance to Staff	8,20,607	37,50,148	16,37,064	47,41,502
Members' deposit in shares for additional base capital requirement (Refer note no. B(7) on Schedule - L)		-		14,53,94,618
Members' deposit in fixed deposit and shares for base capital requirement - Settlement Guarantee Fund (Refer note no. B(7) on Schedule - L)		-		6,81,45,855
Security Deposits (Refer Note no. B(20) on Schedule - L)		2,38,08,323		2,28,36,773
Advance to Others (Refer Notes no. B(4)(i) on Schedule L)	97,67,70,617		97,82,30,947	
Less : Provision for Doubtful Advances	8,13,284	97,59,57,333	-	97,82,30,947
(Including Rs.32,53,134 (Rs.33,64,048) relating to Settlement Guarantee Fund)				
Deposit with Financial Institution (Bearing interest)		99,00,000		99,00,000
Deposit with Others (Bearing interest) - Settlement Guarantee Fund		3,21,00,000		3,21,00,000
Deposit with BSE Ltd - Settlement Guarantee Fund		6,00,00,000		6,00,00,000
		119,18,34,897		142,55,49,060
		282,79,98,400		286,99,69,961



The Calcutta Stock Exchange Limited

Schedule to Balance Sheet

SCHEDULE - F : CURRENT LIABILITIES & PROVISIONS

PARTICULARS	As at 31st March 2011			As at 31st March 2010		
	Pre-Demutalisation Period	Post-Demutalisation Period	TOTAL	Pre-Demutalisation Period	Post-Demutalisation Period	TOTAL
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
A. CURRENT LIABILITIES :						
Creditors for Service, Expenses etc. (Due to Micro and Small Enterprises: Nil (Rs.Nil))	3,47,51,682	2,18,88,588	5,66,40,270	2,75,04,540	1,49,91,488	4,24,96,028
Sundry Deposits (Refer note no. B(4)(ii) on Schedule - L)	99,49,11,388	133,71,294	100,82,82,682	102,25,88,443	31,66,113	102,57,54,556
Other Liabilities	-	1,74,04,394	1,74,04,394	-	1,37,30,296	1,37,30,296
Unclaimed Dividend	-	8,50,290	8,50,290	-	5,04,000	5,04,000
Members' deposit for additional base capital requirement and margin in						
- Cash		31,05,46,169			9,26,28,107	
- Shares (Refer Note No.B(7) on Schedule - L)		-	31,05,46,169		14,53,94,618	23,80,22,725
			139,37,23,805			132,05,07,605
B. PROVISIONS :						
Leave			1,32,00,648			75,62,075
Gratuity			55,25,631			-
Proposed Dividend		42,77,000			42,77,000	
Tax on Dividend		14,20,734	56,97,734		7,26,876	50,03,876
			244,24,013			1,25,65,951
			141,81,47,818			133,30,73,556

Schedule to the Profit and Loss Account

SCHEDULE - G : INCOME FROM OPERATIONS

PARTICULARS	2010-2011	2009-2010
	Rupees	Rupees
Turnover Charges from CSE Trading Platform	26,00,295	16,75,183
Turnover Charges from BSE Trading Platform	16,55,145	13,82,174
Listing Fees	3,95,20,820	3,96,69,500
Subscriptions	24,18,000	24,54,000
Processing Charges	93,57,150	67,83,000
Income from DP Operation	4,85,026	1,05,623
Commission on PAN Services	1,65,132	-
	5,62,01,568	5,20,69,480

Schedule to the Profit and Loss Account

SCHEDULE - H : INCOME FROM INVESTMENTS AND DEPOSITS

<u>PARTICULARS</u>	<u>2010-2011</u> <u>Rupees</u>	<u>2009-2010</u> <u>Rupees</u>
Interest on:		
Fixed Deposits Account (Gross) (including Rs.76,84,515 (Rs. Nil) for earlier years) (Tax Deducted at Source Rs.38,50,615 (Rs.1,37,45,771))	8,12,60,149	9,47,01,823
Savings Bank Account	77,386	99,626
Security Deposit with CESC Ltd (Gross) (Tax Deducted at Source Rs.10,759 (Rs.11,862))	1,07,586	1,18,622
Income Tax Refunds	13,79,182	-
Others	3,27,230	1,38,365
Income from non-trade Investments (Unquoted) - Own Fund:		
Dividend from Long Term Investments	12,00,000	10,00,000
Dividend from Current Investments	17,24,212	23,04,706
Profit on Sale of Current Investments	-	1,22,29,965
	<u>8,60,75,745</u>	<u>11,05,93,107</u>
Interest on investments of Investors' Service Fund (Gross) (Tax Deducted at Source Rs.2,23,170 (Rs.2,69,334))	22,31,700	26,93,338
Income from Investments of Settlement Guarantee Fund:		
Interest on Fixed Deposits (Gross) (Tax Deducted at Source Rs.18,83,356 (Rs.51,21,400))	3,62,48,972	4,97,88,438
Dividend from Current Investments - non trade (unquoted)	1,86,879	-
Dividend from equity shares pledged by members	69,51,207	78,19,184
	<u>4,33,87,058</u>	<u>5,76,07,622</u>
	<u>13,16,94,503</u>	<u>17,08,94,067</u>

Schedule to the Profit and Loss Account

SCHEDULE - I : OTHER INCOME

<u>PARTICULARS</u>	<u>2010-2011</u> <u>Rupees</u>	<u>2009-2010</u> <u>Rupees</u>
Rent (Gross)(Tax Deducted at Source Rs.1,64,389 (Rs.2,24,738))	6,76,215	10,88,278
Bad Debt Recovered	32,82,982	7,63,700
Miscellaneous Receipts	34,97,121	52,93,245
Profit on sale of Fixed Assets	1,76,804	82,494
Unspent liabilities no longer required, written back	1,72,18,896	23,85,711
	<u>2,48,52,018</u>	<u>96,13,428</u>



The Calcutta Stock Exchange Limited

Schedule to Profit & Loss Account

SCHEDULE - J : PERSONNEL EXPENSES

PARTICULARS	2010-2011		2009-2010	
	Rupees	Rupees	Rupees	Rupees
Payments to and Provisions for Employees:				
Salaries, Wages and Bonus etc (including Rs.25,76,094 (Rs. Nil) for earlier years)		5,06,01,429		3,49,59,564
Contribution to Provident & Other Funds		28,08,757		35,77,071
Contribution to Employees State Insurance		1,83,309		-
Contribution to Superannuation Fund		12,85,369		10,61,746
Gratuity (including Rs.19,34,485 (Rs. Nil) for earlier years)		76,63,590		16,27,808
Staff Welfare (including Rs.12,33,509 (Rs. Nil) for earlier years)		49,19,725		25,84,231
VRS Compensation Expenses		-		1,87,92,661
		6,74,62,179		6,26,03,081
Less : Expenses for Investors' Service Fund (Refer note No.B(11) on Schedule - L)	1,64,543			
Less : Expenses for Settlement Guarantee Fund (Refer note No.B(11) on Schedule - L)	27,00,436	28,64,979		-
		6,45,97,200		6,26,03,081

Schedule to Profit & Loss Account

SCHEDULE - K : OPERATING AND OTHER EXPENSES

PARTICULARS	2010-2011		2009-2010	
	Rupees	Rupees	Rupees	Rupees
Advertisement		9,43,544		3,66,689
Rent		19,74,027		22,11,600
Electricity Charges	68,17,053		66,58,197	
Less : Recovered from tenants	21,12,796	47,04,257	24,34,879	42,23,318
Rates & Taxes		5,70,863		10,88,092
Insurance		3,06,212		3,15,186
Printing & Stationary		6,09,730		6,09,378
Telephone Charges		5,96,460		6,38,832
Travelling & Conveyance		13,72,527		15,58,244
Motor Car Expenses		2,64,090		4,60,765
Repairs & Maintenance:				
Building	2,29,272		5,85,980	
Others	13,23,682	15,52,954	11,96,211	17,82,191
BSE Running Expenses		4,75,014		12,06,305
Miscellaneous Expenses		38,58,224		31,18,032
Expenses for Depository Services		13,06,671		8,06,217
Legal & Professional Fees		47,10,799		23,60,015
Auditor's Remuneration				
As Audit Fees	6,00,000		1,50,000	
Tax Audit	-	6,00,000	15,000	1,65,000
Investors' Service Expenses		6,44,318		36,26,332
Directors Sitting Fee		13,82,500		8,25,000
Bad Debts	2,20,60,757		2,31,23,865	
Less : Adjusted against Provision for Doubtful Debts	57,10,189	1,63,50,568	51,63,024	1,79,60,841
Provision for Doubtful Debts and Advances		1,80,24,094		1,92,06,856
Loss on sale/discard of Assets		-		13,29,421
Miscellaneous Expenditure Written Off		4,20,700		84,140
Sundry Balances Written Off		5,40,258		57,01,416
		6,12,07,810		6,96,43,870
Less : Expenses for Investors' Service Fund (Refer note No.B(11) on Schedule - L)	7,66,631			
Less : Expenses for Settlement Guarantee Fund (Refer note No.B(11) on Schedule - L)	8,00,874	15,67,505		-
		5,96,40,305		6,96,43,870

SCHEDULE - L**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

Schedule annexed to and forming part of the accounts as at and for the Year Ended 31st March 2011

A. SIGNIFICANT ACCOUNTING POLICIES:**i) Basis of preparation of Financial Statements**

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. Except otherwise stated, the accounting policies applied by the Company are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue in respect of services rendered is recognized when the service is rendered and there is certainty of realization.

Interest

Interest from fixed deposit is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend income is recognized when the right to receive payment is established by the balance sheet date.

iv) Fixed Assets

Fixes assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

v) Impairment of Fixed Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset.

vi) Depreciation

- (a) Depreciation on fixed assets is provided using written down value method as per the useful life of the assets estimated by the management or at the rates specified in Schedule – XIV of the Companies Act, 1956, whichever is higher. Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- (b) Software costs related to computers are amortised at the rates applicable to computers as per Schedule XIV of the Companies Act, 1956.
- (c) Leasehold Land is amortised over the period of lease.

vii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current



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investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. All other investments are classified as long term and are considered at “cost”, unless there is a decline in the value other than temporary, in which case adequate provision is made against the diminution in the value of such investments.

viii) Taxes on Income

Tax expenses comprises of current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carried forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date, the company recognises the unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

ix) Retirement Benefits

a) Retirement benefit in the form of Provident and Superannuation Funds are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.

b) Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each year.

c) Long term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each year. Short term compensated absences are provided for based on estimates.

d) Actuarial gain/losses are immediately taken to profit and loss account and are not deferred.

x) Earning per Share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average numbers of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

xi) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect to current best estimates.

xii) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

B. NOTES ON ACCOUNTS:

1. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for Rs.1,01,991 (Rs. Nil).

2. Contingent Liabilities not provided for:

Claim against the Company not acknowledged as debts.

Income Tax matters:

- a) In respect of Assessment Years 1991-92 and 1992-93, total demands of Rs. 3,66,74,684 raised by the Assessing Officer had been vacated by the Income Tax Appellate Tribunal vide its Order dated 28.02.2006. However, the Income Tax Department filed an application before the Hon'ble High Court of Calcutta for condonation of delay in filing an appeal against the order of the Income Tax Appellate Tribunal which is pending disposal.
- b) In respect of Assessment Years 1993-94 and 1995-1996, total demands of Rs. 1,50,17,383 raised by the Assessing Officer had been vacated by the CIT (Appeals). On a petition moved by the Income Tax Department against the above Vacation Order of the CIT (Appeals), the Income Tax Appellate Tribunal directed the Assessing Officer to re-assess the same. However, in view of the Order dated 31.07.2003 of the Income Tax Appellate Tribunal, the Company does not expect any liability in this respect.
- c) In respect of Assessment Year 2001-02, the Assessing Officer raised a demand for Rs. 2,69,21,819 on the Company. The Assessing Officer, while giving effect of the Order of the Income Tax Appellate Tribunal dated 16.06.2006, reversed the demand and confirmed that Rs. 3,57,70,449 including interest of Rs. 88,48,630 is refundable vide Order dated 29.08.2006. However, the Income Tax Department has filed an application for condonation of delay for filing an appeal before the Hon'ble High Court of Kolkata against the above Order of the Income Tax Appellate Tribunal.

Other matters:

- d) The Company has received three Show Cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount of Rs. 44,59,799 as contribution payable by the Company. The Company has filed a Writ Petition before the Hon'ble High Court of Kolkata for quashing the notices. As the matter is Sub- Judice, the claim has not been acknowledged and no provision has been made for the same.
 - e) A listed company obtained an ex-parte decree from a Court in Patna against the Company for an amount of Rs. 9,67,22,780 (including interest of Rs. 4,04,67,200) towards alleged loss suffered by the party for non-listing of its shares in the Calcutta Stock Exchange. The Company is contesting the case for setting aside the decree. Hence, the aforesaid claim against the Company has not been acknowledged as debt. The Company has also filed a criminal case under Section 156(3) of Cr. P. C. before the Court of the Ld. C.M.M. at Kolkata against the said party for forgery relating to listing matters.
3. a) During the year, a sum of Rs. 2,48,28,865 * (Rs. 24,55,480) has been transferred to General Reserve of Pre-Demutualization period as detailed below:

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Unspent Liabilities no longer required Written Back	69,02,038	74,579
Liability to SEBI Written Back	-	22,98,407
Profit on sale of Fixed Assets	1,76,804	82,494
Stamp duty and Registration charges for purchase of Land capitalized during the year	1,77,50,023	-



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* excluding Rs. 21,90,58,000 (Rs. Nil) on account of utilization of “Reserve for Establishment of Centre for Training & Statistical Information and Setting up a Library” in earlier years transferred to “General Reserve-Post Demutualization Period”, which should have been transferred to “General Reserve-Pre Demutualization Period”, which has been rectified in the current year.

- b) During the year a sum of Rs. 5,28,355 (Rs. 3,78,07,462) has been adjusted with General Reserve of Pre-Demutualization period as detailed below:

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Impairment of Assets	-	13,29,421
Refund of Listing Fees	-	2,06,250
Bad Debts	-	2,31,23,865
Provision for Doubtful Debts	-	76,52,760
Sundry Balances Written Off	5,28,355	3,661
Unclaimed Tax Deducted at Source Written Off	-	54,61,505
Receivable from Miscellaneous Parties	-	30,000

4. i) Advances to others in Schedule E under the head “Loans & Advances” includes Rs. 96,47,96,301 (Rs. 96,56,72,464) due from Members on account of Settlements comprising of Rs. 95,74,05,512 towards Hand Delivery Settlement, Rs. 26,36,540 for Cash Settlement and Rs. 47,54,249 on account of Demat Settlement as on 31.03.2011. Out of the above, Rs. 91,17,73,941 (Rs. 91,17,73,941) is due from ten defaulting members, against whom the Company has filed legal cases. The Company has also filed recovery suits amounting to Rs.3,71,46,476 from other defaulting members. As the matter is Sub-Judice, the extent of recoverability of the amount from defaulting members is presently not ascertainable. However, the Company carries a Contingency Reserve of Rs.2,00,00,000 to cover the risk which may arise out of its relationship with member-brokers in course of its dealing with them.
- ii) Sundry Deposits under the head “Current Liabilities & Provisions” include Rs.96,92,94,037 (Rs.96,92,94,037) as on 31.03.2011 towards contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years.
- iii) Certain members had made an ad-hoc contribution totaling to Rs.28,06,89,708 in the financial year 2000-01 and Rs.65,00,000 in the financial year 2001-02 by virtue of decree of the Hon'ble High Court of Kolkata and Rs.2,45,92,390 in the financial year 2002-03 to the Settlement Guarantee Fund subject to the condition that the said sum can be considered for refund in the event of recovery from defaulting members.

5. Settlement Guarantee Fund (SGF):

- (a) In 1998, the Company had set up Settlement Guarantee Fund to guarantee the settlement of bonafide transactions of members of the Company, which form part of the Company settlement system so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the Company. The constitution of the Fund and its rules and bye-laws were approved by the Securities and Exchange Board of India (SEBI). Every member contributes a fixed sum at the time of commencement of business and the Company contributes there after a percentage of the gross turnover as prescribed in the bye-laws of the SGF. The income earned on the investments of SGF in the current year is credited to the Profit and Loss Account and then transferred to the Settlement Guarantee Fund (net of applicable taxes) as an appropriation.
- (b) Additional contribution of Rs.19,93,55,380 made by the Company to Settlement Guarantee Fund during 2000-01 was charged off to the Profit & Loss Account in the said year. However, the amount being in the nature

of prepaid charges payable to the Settlement Guarantee Fund, a sum of Rs.1,03,77,194 has been adjusted up to 31.03.2011 towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs.6,60,427 for the year) in accordance with the decision of the erstwhile Board of Directors taken at its meeting dated 03.10.2001 and the balance of Rs.18,89,78,186 would be adjusted in future years. However, since the aforesaid amount has already been charged off to Profit & Loss Account, the annual contribution of Rs.6,60,427 for the year as well as the amount for earlier years has not been charged to Profit and Loss Account and no provision on above account is considered necessary.

6. The records maintained by the Market Operations and Securities Departments with those of the Accounts Department are under reconciliation, the impact of which on the Company's accounts will be known on completion of the reconciliation. Further, the Company is in the process of identifying companies which are at present not listed with The Calcutta Stock Exchange, but in the absence of availability of requisite details, revenue from listing fee is being recorded in the books of accounts for the aforesaid companies. However, the management does not expect any material impact on this account.
7. Till 2009-10, the fixed deposits and shares being received by the Company from the members as security deposit were included in Settlement Guarantee Fund under the head "Loans & Advances" with a corresponding credit in "Settlement Guarantee Fund – Reserves & Surplus" and "Current Liabilities". Since the rights on aforesaid shares and fixed deposits remained with the members and the same was kept with the company only as security deposits, the value of such shares Rs.16,85,57,223 and fixed deposits Rs.17,98,50,269 as at 31st March,2011, have not been included in "Loans & Advances", "Reserves & Surplus" and "Current Liabilities" and instead have been disclosed by way of Notes to Accounts. Further there are certain shares received from members in the form of securities which are currently not being traded in the Company and therefore their market price are readily not available and thus not included in the aforesaid amount, which in the opinion of the management is not material.
8. Fixed Deposits of Rs.17,25,25,000 (Rs.17,25,25,000) pertaining to the Settlement Guarantee Fund have been pledged with BSE Ltd., as margin for utilization of their Trading Platform by the members of the Company.
9. Balance of Rs.17,28,065 (Rs. 17,28,065) on Savings Account with Standard Chartered Bank Ltd remains under Injunction Order of the Hon'ble High Court of Kolkata.
10. A) Settlement Guarantee Fund at the year end comprises of the following:

Sl. No.	PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
I	Settlement Guarantee Fund of the Exchange	17,81,51,027	15,26,24,518
II	Members BMC/SGF in Cash	21,99,39,306	37,37,85,458
III	Members' Ad-hoc contribution to SGF	3,11,27,700	3,11,27,700
IV	TDS under Section 194A	2,92,783	4,78,509
V	Dividend on Members' Security Deposit	2,13,23,368	3,67,10,776
VI	Interest on Members' Security Deposits	8,68,35,436	9,68,68,624
VII	Interest Adjustable with BMC/ABMC	1,46,50,637	2,08,77,627
VIII	Members' deposit in Fixed Deposits and Shares for Base Capital Requirement	-	6,81,45,855
	TOTAL	55,23,20,257	78,06,19,067



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B) The aforesaid fund is represented by the followings, which has been included in the respective schedules.

Sl. No.	PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
I	Investments in Mutual Funds	-	5,30,00,000
II	Investments in Fixed Deposits	31,01,26,218	44,87,06,208
III	Balances in Current Account	73,942	8,82,162
IV	Interest accrued on Fixed Deposits	34,24,244	76,33,442
V	Deposit with BSE Ltd	6,00,00,000	6,00,00,000
VI	Deposit with Others	3,21,00,000	3,21,00,000
VII	BMC Receivable from Members	32,53,134	33,64,048
VIII	Receivable from Exchange (Refer Note No. B(24) on Schedule - L	14,33,42,719	10,67,87,352
IX	Members' deposit in Fixed Deposits and Shares for Base Capital Requirement	-	6,81,45,855
	TOTAL	55,23,20,257	78,06,19,067

C) Dividend and Interest on Members' security Deposits as stated in A(V) and A(VI) above includes the income earned, with effect from 1st November, 2007 (being the prospective date) which in terms of the decision taken by the erstwhile administrator, is not to be passed on to the members.

D) Tax deducted at source from interest on members security deposits of Rs.1,15,55,099 (Rs.2,15,88,287), which remains accumulated under Settlement Guarantee Fund and the balance amount of Rs.1,00,33,188, based on the independent report obtained from the third party is payable to the members and therefore has been transferred to "Current Liabilities" in the current year. The aforesaid amount had been accounted for and claimed for refund in earlier years on the basis of tax deduction certificates available with the Company.

11. During the current year, the Company has transferred expenses related to Settlement Guarantee Fund and Investors' Service Fund from the respective schedules to the respective funds as against the past practice of transferring the aforesaid expenses as an appropriation.

12. Loans and Advances include the following amount due from a Company under the same management.

PARTICULARS	Amount Due		Maximum amount outstanding during the year	
	As on 31.03.2011	As on 31.03.2010	2010-11	2009-10
CSE Capital Markets Private Limited	Rs.6,29,158	Rs.3,80,426	Rs.6,29,158	Rs.3,80,426

13. Employee Benefits:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services is entitled to gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The following tables summarize the components of net benefit/expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the plan.

i) The principle actuarial assumptions are as follows:

PARTICULARS	2010-11	2009-10
Discount rate	8%	8%
Salary escalation rate (Inflation rate)	7%	10%
Withdrawal rates	1% to 3%	1% to 3%

- ii) Amount incurred as expenses for defined contribution plans:

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Contribution to Provident/Pension Fund	28,08,757	35,77,071
Contribution to Superannuation Fund	12,85,369	10,61,746

- iii) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

14. a) Bad Debts written off Rs.2,20,60,757 (Rs.2,31,23,865) in the current year including Rs.2,18,10,507 pertaining to financial year 2008-2009 comprises of the following:

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Listing Fees	2,20,60,757	2,26,83,785
Other Debtors	-	4,40,080

- b) Sundry balances written off Rs.5,40,258 (Rs.57,01,416) comprises of the following:

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Unclaimed tax deducted at source	4,06,777	54,61,505
Others	1,33,481	2,39,911

- c) The Calcutta Stock Exchange Limited (CSE) has already entered into an agreement with BSE Ltd. u/s. 13 of Securities Contracts (Regulation) Act, 1956 wherein the members of CSE can have access to the trading platform of BSE and the companies listed in CSE can be allowed to trade in the permitted category in BSE (subject to terms and conditions as prescribed by BSE). CSE is also in the process of signing a similar MOU with the National Stock Exchange Ltd (NSE), which will give an opportunity to the companies listed in CSE to trade in NSE after fulfilling the base minimum criteria. Many of the companies are now completing various compliance requirements along with the payment of pending listing fees to make themselves eligible for availing such schemes available in NSE and BSE. CSE has also initiated steps with active follow up for recovery of pending listing fees and is confident of recovery of the pending dues. However, on a conservative basis, CSE, as at 31st March 2011, has made provision towards membership subscription of Rs.83,29,092 (Rs.76,52,760) and doubtful debts of Rs.2,23,78,385 (Rs.1,15,54,096) calculated at 50% of the total outstanding Sundry Debtors on account of Listing Fees as against the past practice of providing @ 25%.

15. The break-up of net deferred tax asset as at 31st March 2011 is as under:

PARTICULARS	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
Deferred Tax Liability: Timing difference in depreciable assets	(2,59,359)	(76,347)
Deferred Tax Assets: Expenses allowable against taxable income in future years	1,81,68,229	1,19,93,435
Net Deferred Tax Assets	1,79,08,870	1,19,17,088

16. Related Party Transactions:

Aggregated Related Party disclosure as at and for the year ended March 31, 2011:

- a) Entities under common control:

Name: Stock Exchange Customers' Protection Fund

Transactions with the entity under common control:



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Name	PARTICULARS	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
Stock Exchange Customers' Protection Fund	Contribution to Customers Protection Fund	18,94,742	9,26,086
	Expenses Recoverable	49,212	11,85,085
	Amount Payable outstanding	18,45,530	-
	Amount Receivable outstanding	-	2,58,999

Transactions with the wholly owned Subsidiary:

Name	PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
CSE Capital Markets Private Limited	Investment in Shares	-	3,50,00,000
	Expenses incurred on behalf of Subsidiary	6,29,158	3,80,426
	Loans taken	2,00,00,000	-
	Loans repaid	2,00,00,000	-
	Interest Paid	1,57,278	-
	Amount receivable outstanding	6,29,158	3,80,426

b) Key Management Personnel : Managing Director & Chief Executive Officer

Name	PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Ms. Molly Thambi (Up to September 30, 2010)	Remuneration and other allowances	28,70,486 *	46,73,585

*excluding Rs.36,00,000 towards exgratia as mentioned in Note B(17)(ii) below.

17. Details of remuneration to Managing Director & Chief Executive Officer:

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Salary & Allowances	26,47,685	40,16,673
Perquisites and Reimbursement of allowable expenditure	80,235	1,85,912
Contribution towards Provident Fund and Superannuation Fund	1,42,566	4,71,000
Total	28,70,486	46,73,585

Notes:

- As the future liability for gratuity has been provided for the Company as a whole, the amount pertaining to the Managing Director is separately not ascertainable and therefore not included above.
 - Based on the legal opinion obtained by the Company, Exgratia of Rs.36,00,000 paid to the Managing Director after her resignation has not been considered as a part of managerial remuneration and thus not included above.
18. The expenses under Schedule - J and K have been shown net of the following amounts debited to other heads of expenses viz. Settlement Guarantee Fund - Rs.35,04,910 (Rs.45,70,115) and Investors' Service Fund - Rs.9,34,774 (Rs.36,26,332).

PARTICULARS	2010-11 (Rs.)	2009-10 (Rs.)
Salaries, Wages and Bonus etc	26,94,837	54,94,288
Staff Welfare	1,70,142	3,70,687
Rent	1,67,582	2,40,000
Telephone Charges	45,206	49,967
Computer Maintenance and Service Charges	7,200	28,338
Electricity Charges	31,838	40,816
Miscellaneous Expenses	38,988	80,000
Legal & Professional Fees	6,39,573	6,74,656
Investors' Service Expenses	6,44,318	12,17,695

19. Based on the information/documents available, no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no disclosure thereof is made in this account.
20. Turner Morrison Limited has raised a claim of Rs.4,91,09,636 (including interest of Rs.2,17,00,398) towards rent, furniture and fixtures etc. against which the Company has made a provision of Rs.2,52,52,148 in the books of account. Further, the party has also raised a demand of Rs.5,02,99,119 (including interest of Rs.2,70,43,511) towards payment of municipal tax against which Rs.84,68,860 has been provided in the books. As Turner Morrison Limited has not refunded security deposits of Rs.2,00,00,000 as stated below, the Company has stopped payment of dues to the aforesaid company for rent, service charges etc. and electricity bills pertaining to office space situated at 4th floor of 6, Lyons Range, Kolkata - 700001, with effect from May, 2001. Consequently, Turner Morrison Limited has filed a suit against the Company for eviction from the said office.

Consequent upon the vacation of the premises at 1st floor of Turner Morrison Building at 6, Lyons Range, Kolkata, the Company has asked for refund of security deposit as per Tenancy Agreement with Turner Morrison Ltd. for Rs.2,00,00,000 together with 15% interest amounting to Rs.6,76,93,642 with effect from 1st February, 2002 and expenses towards repairs and maintenance of Rs.5,19,000 incurred by the Company on Turner Morrison building. The Company has filed a suit for recovery of the said amount.

Till the disposal of the legal suits as stated above, the nature and quantum of accounting adjustments, if any, is not presently ascertainable.

21. A sum of Rs.3,88,41,547 (Rs.5,65,91,570) has been specifically set aside in the form of fixed deposits with Scheduled Banks upto 31.03.2011 in relation to Reserve for Establishment of Centre for Training & Statistical Information and setting up a Library.
22. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized company. In particular, Accounting Standard-3, "Cash Flow Statement", Accounting Standard-17, "Segment Reporting" and disclosure requirements of Para-119 to 123 of Accounting Standard 15(Revised), "Employee Benefits", in respect of accounting for defined benefit plans, are not applicable to the Company.
23. A Fixed Deposit of Rs 3,21,00,000 (Rs.3,21,00,000) with Sardar Sarovar Narmada Nigam Limited (for which fixed deposit receipt in original is available) is subject to confirmation and thus have been considered in the accounts as per the book balance.
24. Till 2009-10, the amount receivable by the Settlement Guarantee Fund from the Company was included under the head "Loans and Advances" with a corresponding credit in "Adjustable credit balance with Settlement Guarantee Fund- Reserves & Surplus". Since the aforesaid transaction is contra in nature, the same has been excluded from the aforesaid schedules and have been disclosed by way of Notes to Accounts. For comparative purpose, the previous year's figures have also been excluded from aforesaid schedules. The amount receivable by the Settlement Guarantee Fund from the company is Rs 14,33,42,719 (Rs 10,67,87,352) as at 31st March, 2011.
25. Investment Activity - Purchases & Sales:

PARTICULARS	Purchased during the year (Nos.)	Sold during the year (Nos.)
HDFC Cash Management - Savings Plan - Daily Dividend Re-investments*	41,85,28,974	41,85,28,974

* Purchased units includes dividend re-investment in units of 1,54,335 made during the financial year 2010-11.



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26. Earnings per Share:

Particulars	31st March 2011	31st March 2010
Net Profit after tax as per Profit & Loss Account (Rs.)	5,18,14,223	1,52,28,656
Add : Expenses appropriated to Earmarked Funds (Refer note No.B(II) on Schedule - L)	-	81,96,447
Less : Income appropriated to Earmarked Funds	(3,80,54,905)	(46,39,654)
Profit attributable to Equity Share Holders	1,37,59,318	1,87,85,449
Weighted average number of shares	611000	611000
Earnings per Share - Basic & Diluted (Rs.)	22.52	30.75
Nominal value of share (Re.)	1	1

27. The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. Figures in brackets are for previous year ended 31st March 2010 and the same have been regrouped and /or rearranged wherever necessary.

As per our Report of even date
For S. R. Batliboi & Co.
 Firm Registration No. 324982E
 Chartered Accountants

per **Kamal Agarwal**
 Partner
 Membership No. 58652

Place: Kolkata
 Date: 29th August 2011

For and on behalf of the Board of Directors

B Madhav Reddy
 Managing Director & CEO

Dipankar Chatterji
 Chairman

Binay Agarwal
 Director

Prosenjit Dutta
 Chief Financial Officer

Abha Bafna
 Company Secretary

ANNEXURE - 'B'

Information pursuant to part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

		(Rs. in Thousand)
(a) REGISTRATION DETAILS		
Registration number	4707/25 for 1923-24	
State code	21	
Balance sheet date	31/Mar/11	
(b) CAPITAL RAISED DURING THE YEAR		
Public issue	NIL	
Rights issue	NIL	
Bonus issue	NIL	
Private Placement	NIL	
(c) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
Total liabilities and share-holders funds	18,17,407	
Total assets	18,17,407	
SOURCES OF FUNDS (Excluding Current Liabilities)		
Paid up capital	619	
Reserves and Surplus	18,16,788	
Secured loans	NIL	
Unsecured loans	NIL	
Deferred Tax Liability	NIL	
APPLICATION OF FUNDS		
Net fixed assets	3,24,149	
Investments	65,499	
Net current assets	14,09,850	
Deferred Tax Assets	17,909	
Miscellaneous expenditure	NIL	
Accumulated losses	NIL	
(d) PERFORMANCE OF THE COMPANY		
Income	2,12,748	
Total Expenditure	1,51,329	
Surplus/(Shortage) before Tax	61,419	
Tax	9,605	
Surplus/(Shortage) after tax	51,814	
Earnings per share in Rs. (basic & diluted)	22.52	
Dividend rate %	700%	
(e) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY		
Item Code No. (ITC Code)	N A	
Product Description	FACILITATING TRADING IN SECURITIES	



The Calcutta Stock Exchange Limited

Statement regarding Subsidiary Company pursuant to Section 212 of Companies Act, 1956

1.	Name of the Subsidiary Company	CSE Capital Markets Private Limited
2.	Financial Year of the Subsidiary Company	March 31, 2011
3.	Holding Company's interest	
	a) Number of Shares fully paid	35,00,002 equity shares of Rs. 10/- each amounting to Rs. 3,50,00,020/-
	b) Extent of holding	100%
4.	The Net Aggregate amount of the subsidiary profits/ (losses) so far as it concerns the members of the holding company and is not dealt with the Holding Company's account :	
	a) for the Financial year of the subsidiary	Rs. 13,28,302
	b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary	Rs. 3,75,382
5.	The Net Aggregate amount of profits/(losses) of subsidiary dealt with the Holding Company's accounts:	
	a) for the Financial year of the subsidiary	Nil
	b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary	N.A.

Note: CSE Capital Market Private Limited is the subsidiary of the Exchange since the date of incorporation.

Pursuant to the requirement of section 212 of the Companies Act, 1956, Directors' Report, Auditors' Report and the Annual Accounts for the financial year ended March 31, 2011 of the subsidiary has attached herewith.

For and on behalf of the Board of Directors

B Madhav Reddy
Managing Director & CEO

Dipankar Chatterji
Chairman

Binay Agarwal
Director

Prosenjit Dutta
Chief Financial Officer

Abha Bafna
Company Secretary

Place : Kolkata
Date: August 29, 2011

DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present the Second Annual Report on the operations of the Company together with the audited Statement of Accounts for the financial year ended 31st March, 2011

Financial Overview

Particulars	(Amt in Rs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
Total Income	26,28,443	13,97,145
Total Expenditure	5,04,303	9,90,112
Profit/(Loss) Before Tax	21,24,140	4,07,033
Less: Provision for Tax	(7,95,838)	(31,651)
Profit After Tax	13,28,302	3,75,382

During the year under review, income of the Company increased from Rs. 13,97,146 to Rs. 26,28,443. The increase is due to the improved interest rate and fund management. Your Company strives to perform better in the years to come.

Operations

Your Company continues to be a wholly-owned subsidiary of The Calcutta Stock Exchange Limited. During the year, parent Exchange of the Company received approval from SEBI for entering agreement with the National Stock Exchange of India Limited under section 13A of the Securities Contracts (Regulation) Act, 1956. Consequently, in accordance to the terms of approval prescribed by SEBI, the Company has surrendered its NSE membership of Cash and Derivative Segment.

However, during the period under review the Company has commenced operation by getting empaneled with ten Asset Management Companies for facilitating distribution of Mutual Funds Schemes. The Company's endeavors are now toward developing a channel for providing direct or indirect services to the investors and market participants.

Dividend

With a view to conserve the financial resources for future operations of the Company, your Directors have consid-

ered it prudent to re-invest the profits into the business. No dividend is therefore recommended for the financial year ended March 31, 2011.

Deposits

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 and the Rules made thereunder.

Directors

Mr. Satyabrata Sahoo, Director of the Company retires by rotation in accordance with the requirement of section 255 of the Companies Act, 1956 and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. B. Madhav Reddy, was appointed as an Additional Director of the Company with effect from June 20, 2011 and vacates office at the ensuing Annual General Meeting. Your Company has received a notice under Section 257 of the Companies Act, 1956 in writing signifying his candidature for the office of Director.

Mr. Binay Agarwal has been appointed by the Board w.e.f. September 30, 2010, in the casual vacancy caused due to resignation of Ms. Molly Thambi, in terms of section 262 of the Companies Act, 1956 read with Article 15 of the Articles of Association of the Company and vacates office at the ensuing Annual General Meeting.

Mr. Binay Agarwal is also on the Board of the parent Exchange in the proposition of Trading Member Director. His tenure as Trading Member Director of the Calcutta Stock Exchange Limited would expire at the forthcoming Annual General Meeting of the Exchange. Mr. Agarwal would be completing two consecutive terms on the Board of the Exchange and would not be eligible to offer himself for re-appointment. Hence as per the SEBI Circular on subsidiary management, Mr. Binay Agarwal is not eligible for appointment.

Your Directors placed on record their appreciation for the services rendered by Mr. Binay Agarwal during his tenure as Director of the Company.

Statutory Auditors

M/s Suchismita & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are



recommended by the Board of re-appointment to hold the office from conclusion from the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of section 226 of the said Act.

Auditor's Report

The Auditor's Report dated August 25, 2011 on the financial statements of the Company for the year ended March 31, 2011 does not have any reservation, qualification or adverse comment.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings & Outgo

[A] Conservation of Energy and Technology Absorption:

Your Directors have nothing to report with regard to Conservation of Energy and Technology Absorption in terms of Section-217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

[B] Foreign Exchange Earnings & Outgo:

During the year, there were no Foreign Exchange earnings or Outgo.

Particulars of Employees

As required under Section 217(2A) of the Companies Act, 1956 and the Rules framed there under, no employee was in receipt of remuneration of more than Rs. 60,00,000 per annum for the year ended March 31, 2011 or of more than Rs. 5,00,000 per month during part thereof.

Director's Responsibility Statement

As required u/s. 217(2AA) of the Companies Act, 1956 your Directors hereby confirm that:

- (i) In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to the material departure;
- (ii) The Directors have selected the accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and the profit of the year ended on that date
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing fraud and other irregularities;
- (iv) The Directors have prepared the Annual Accounts on a 'going concern' basis.

Compliance Certificate

The Company has obtained a Compliance Certificate from M/s. D. Dutt & Co., Company Secretaries pursuant to the provision of the Section 383A of the Companies Act, 1956 read with Companies (Issue of Compliance Certificate) Rules, 2001. The Compliance Certificate for the financial year ended March 31, 2011, is provided in this Annual Report.

Acknowledgement

Your Directors would like to express its gratitude to the Bankers, Statutory Authorities etc. for their continued co-operation/ support and unstinted co-operation for smooth functioning of your Company.

For and on behalf of the Board of Directors

Date : August 25, 2011
Place : Kolkata

B. Madhav Reddy
Director

SECRETARIAL COMPLIANCE CERTIFICATE

To
The Members of
CSE Capital Markets Private Limited.
7, Lyons Range,
Kolkata – 700 001

CIN : U74900WB2009PTC134753
Nominal Capital : Rs. 500 Lakh

We have examined the Registers, Records, Books and Papers of CSE Capital Markets Private Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. The company was incorporated as a private limited company on 24.04.2009 and the entire shares were subscribed by The Calcutta Stock Exchange Limited alongwith its Nominees (a public limited company); making it a wholly-owned subsidiary of the The Calcutta Stock Exchange Limited since incorporation. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and as required by the Companies (Compliance Certificate) Rules, 2001; we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the Rules made thereunder and necessary entries therein have been duly recorded, wherever required.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder.
3. The Company, though a Private Limited Company, has become a wholly-owned subsidiary of a Public Company since incorporation and be treated as a Public Company for all purposes under the Act. It has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 3 (three) excluding its present and past employees and the company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposit from any persons including from its members, directors or their relatives.
4. The Board of Directors duly met 9 (Nine) times on 16.04.2010, 09.06.2010, 06.07.2010, 06.08.2010, 25.08.2010, 30.09.2010, 08.10.2010, 06.12.2010 and 28.03.2011 in respect of which meetings notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose. No resolution was passed by circulation.
5. The Company was not required to close its Register of Members during the financial year. There was no Debenture holder.
6. The Annual General Meeting for the first financial period ended on 31st March, 2010 was held on 29.09.2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to in section 295 of the Act. It had, however, advanced loan to its holding company, being a Public Company with one common director, for which provisions of section 295 were not attracted.
9. As evident from the Minutes Book of Meetings of the Board of Directors and as explained by the Management, the Company has not entered into any contract or arrangement falling within the purview of section 297 of the Act.
10. The Company was not required to make any entry in the Register maintained under section 301 of the Act except for noting of general notice of disclosure.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment and no securities were lodged for transmission / any other purpose during the financial year.
- (ii) The Company has not deposited any amount in a separate bank account for payment of dividend as no dividend was declared by the Company during the financial year.



CSE CAPITAL MARKETS PRIVATE LIMITED

- (iii) The Company was not required to post any dividend warrant to any member of the Company as no dividend was declared by the Company during the financial year.
 - (iv) The Company did not have any amount lying in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon for a period of 7 years and hence the question of transferring any amount to Investor Education and Protection Fund did not arise.
 - (v) The Company has generally complied with the requirements of section 217 of the Act in respect of the Directors' Report for the first financial period ended on 31st March 2010.
- 14. The Board of Directors of the Company is duly constituted and the appointments of Director, Additional Directors or Director to fill casual vacancy have been duly made. There was no appointment of any Alternate Director. Resignation of Director was properly accepted and intimated to Registrar of Companies.
 - 15. The Company has not appointed any Managing Director / Whole-Time Director / Manager during the financial year.
 - 16. The Company has not appointed any sole selling agent during the financial year.
 - 17. As explained by the Management, the Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under various provisions of the Act during the financial year.
 - 18. As recorded in the Directors' Minutes Book, the Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder in prescribed form no. 24AA.
 - 19. The Company has not issued any share / debenture / other security during the financial year.
 - 20. The Company has not bought back any share during the financial year.
 - 21. There was no redemption of preference shares / debentures during the financial year.
 - 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 - 23. The Company has not invited / accepted any deposit including any unsecured loan falling within the purview of section 58A of the Act during the financial year.
 - 24. The Company has not made any borrowing during the financial year falling under the provisions of Section 293(1)(d) of the Act.
 - 25. The Company had made loans to its holding company in compliance with the provisions of the Act and has made necessary entries in the Register kept for the purpose. It has, however, not made any investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made for any such transactions in the Register kept for the purpose.
 - 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
 - 27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the company during the year under scrutiny.
 - 28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
 - 29. The Company has not altered the provisions of the Memorandum with respect to Authorised Share Capital of the Company during the year under scrutiny.
 - 30. The Company has not altered its Articles of Association during the year under scrutiny.
 - 31. As informed by the Management, no prosecution was initiated against or Show Cause notice was received by the Company and no fine, penalty or any other punishment was imposed on the Company during the financial year, for offences under the Act.
 - 32. The Company has not received any money as security from its employees during the year under certification.
 - 33. The Company has not deducted any contribution towards Provident Fund during the financial year.

For D. DUTT & CO.
Company Secretaries
(DEBABRATA DUTT)
Proprietor
FCS-5401
C.P. No.-3824

Date: 18.07.2011
Place: Kolkata

Annexure “A”**Registers as maintained by the Company**Statutory Registers

1. Register of Members	U/s.	150
2. Index of Members	U/s.	151
3. Register of Directors	U/s.	303
4. Register of Directors' Shareholding	U/s.	307
5. Register of Charges	U/s.	143
6. Register of Contracts	U/s.	301
7. Register of Disclosure	U/s.	299/301
8. Register of Loans & Investments	U/s.	372A
9. Directors' Minutes Book	U/s.	193
10. Share holders' Minutes Book	U/s.	193

Other Registers

1. Register of Transfer
2. Register of Application and Allotment.

Annexure “B”

Forms, Documents and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities during the financial year ending on 31st March, 2011

Sl. No.	Form No/ Return	Filed under Section	For	Date of Filing	Whether filed within prescribed time Yes / No	If delay in filing, whether requisite additional fees paid Yes / No
1.	Form 32	303(2)	Resignation of Mr. D. Chatterji as Additional Director and appointment of Mr. S. Sahoo as an Additional Director w.e.f 16.04.2010	13.05.2010	Yes	N.A.
2.	Form 22B	187C	Declaration of compliance for holding of shares by Nominees of the Calcutta Stock Exchange Limited dated 10.08.2009	17.08.2010	No	Yes
3.	Form 32	303(2)	Resignation of Ms. Molly Thambi as Director, Appointment of Mr. Binay Agarwal as Director in casual vacancy and Appointment of Mr. Sudev Ch. Das as an Additional Director w.e.f. 30.09.2010	06.10.2010	Yes	N.A.
4.	Form 66	383A	Secretarial Compliance Certificate for the year ended 31st March 2010	20.10.2010	Yes	N.A.
5.	Form 23AC & 23ACA	220	Balance Sheet as at 31.03.2010	20.10.2010	Yes	N.A.
6.	Form 20B	159	Annual Return prepared upto 29.09.2010	27.11.2010	Yes	N.A.
7.	Form 32	303(2)	Resignation of Mr. Sudev Ch. Das and appointment of Mr. Saubir Bhattacharya as an Additional Directors	03.02.2011	No	Yes

Note: All the aforesaid forms / documents / returns were filed with proper filing fees paid in cash for which receipts have been generated through MCA Portal.



AUDITORS' REPORT

To the members of CSE Capital Markets Private Limited

1. We have audited the attached Balance Sheet of CSE CAPITAL MARKETS PRIVATE LIMITED as at 31st March 2011 and the related Profit & Loss Account for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express our opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - [a] We have obtained all the information and expla-

nations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- [b] In our opinion, proper books of account, as required by law, have been kept by the company so far as it appears from our examination of these books;
- [c] The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- [d] In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- [e] in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto given, in the prescribed manner the information required by the Act, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
 - ii. in the case of the Profit & Loss Account, of the profit for the year ended on that date.
5. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Address :
N- 193 B Mudialy 1st Lane
Kolkata - 700024

Dated: 25th August, 2011

For Suchismita & Associates
Chartered Accountants

(Suchismita Ghosh Pal)
Partner
Membership No.061003
FRN: 326238E

Annexure to the Auditor's report

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, on the matters specified in paragraphs 4 and 5 of the said Order and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that:

1. The company does not own any fixed assets, hence, clause (i) (a) to (c) of paragraph 4 of the Order is not applicable.
2. The nature of activities of the company does not require it to hold inventories and as such clauses (ii) (a) to (ii)(c) of paragraph 4 of the Order are not applicable.
3. (a) The company has granted an unsecured loan of Rs.2 crores to The Calcutta Stock Exchange Ltd., the parent company, during the year. According to the information and explanations given to us, the rate of interest and other terms and conditions were prima facie not prejudicial to the interest of the company. The principal along-with the interest thereon had been refunded within 31st March, 2011.
(b) The company has not taken any loan, secured or unsecured, from any company, firm or other party. Accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. According to the information and explanations given to us, the company has not yet commenced commercial activities. There are very minimal transactions during the year. Hence, in our opinion, the existing internal controls are only applicable towards payments and receipts which are not relating to services. Such internal control is adequate. The nature of activities of the company does not require any purchase of inventory and sale of goods.
5. In our opinion and according to the information and explanations given to us, there is no transaction made in pursuance of contracts/ arrangements that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause (v)(b) of paragraph 4 of the Order is not applicable.
6. The company has not accepted any deposit from the public under the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. The company has not yet started commercial activities and the transactions entered during the year are minimal. Hence, in our opinion, no internal audit system was required.
8. The Central Government has not prescribed maintenance of cost records under clause (d) of Section 209(1) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in complying with the statutory requirements.
(b) According to the information and explanations given to us and as per the records of the company, there are no disputed statutory dues of the company.
10. The company does not have accumulated losses as at 31st March, 2011 and has not incurred cash losses in the financial year.
11. The company has not taken any loan from bank or financial institution and has not issued any debenture.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society; therefore clause (xiii) of paragraph 4 of the Order is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company has not dealt in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not obtained any term loan.
17. According to the information and explanations given to us and on the basis of our overall examination of the Balance Sheet of the company, no funds raised on short-term basis have been used for long-term investments.
18. The company has not made any preferential allotment of shares during the year.
19. The company has not issued any debentures.
20. The company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.



CSE CAPITAL MARKETS PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	SCHEDULE	As at 31st March 2011		As at 31st March 2010	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUND :					
Capital	A		35,000,020		35,000,020
Profit and Loss Account			1,703,684		375,382
			36,703,704		35,375,402
II. APPLICATION OF FUNDS					
CURRENT ASSETS AND RECEIVABLES :	B				
Cash and bank balances		37,317,554		34,471,532	
Other Current Assets		552,861		1,202,899	
Tax Deducted at Source		236,223		133,482	
		<u>38,106,638</u>		<u>35,807,913</u>	
LESS : CURRENT LIABILITIES & PROVISIONS	C				
Current Liabilities		701,218		400,860	
Provisions		701,716		125,773	
		<u>1,402,934</u>		<u>526,633</u>	
NET CURRENT ASSETS			36,703,704		35,281,280
DEFERRED TAX ASSETS			-		94,122
			36,703,704		35,375,402
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	G				

Schedules referred to above form an integral part of Balance Sheet

For and on behalf of CSE Capital Markets Pvt. Ltd.

Binay Agarwal
Director

B. Madhav Reddy
Director

As per our Report of even date
For Suchismita & Associates
Chartered Accountants

Suchismita Ghosh Pal
Partner
Membership No. 061003
FRN : 326238E

Kolkata, the 25th August 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AT 31st MARCH, 2011

<u>PARTICULARS</u>	<u>SCHEDULE</u>	For the year ended as at 31st March, 2011 <u>Rupees</u>	For the year ended as at 31st March, 2010 <u>Rupees</u>
INCOME			
Income from others		157,278	-
Income from Investment and Deposits	D	2,470,710	1,397,145
Liabilities no longer required, written back		454	-
		2,628,443	1,397,145
EXPENDITURE			
Administration and Other Expenses	E	504,303	609,360
Preliminary Expenses Written Off		-	380,752
		504,303	990,112
Profit before Tax		2,124,140	407,033
-	-		
Deferred Tax Assets		94,122	(94,122)
Provision for Current Tax		701,716	125,773
		795,838	31,651
Profit after Tax		1,328,302	375,382
Profit Brought Forward		375,382	-
Profit Carried to Balance Sheet		1,703,684	375,382

Schedules referred to above form an integral part of Profit & Loss Account

For and on behalf of CSE Capital Markets Pvt. Ltd.

Binay Agarwal
Director

B. Madhav Reddy
Director

As per our Report of even date
For Suchismita & Associates
Chartered Accountants

Suchismita Ghosh Pal
Partner
Membership No. 061003
FRN : 326238E

Kolkata, the 25th August 2011



Annexed to and forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE - A

SHARE CAPITAL

<u>PARTICULARS</u>	<u>As at 31st March 2011</u>	<u>As at 31st March 2010</u>
	<u>Rupees</u>	<u>Rupees</u>
AUTHORISED:		
5000000 SHARES OF Rs.10 each	50,000,000	50,000,00
ISSUED:		
3500002 Shares of Rs.10 each	35,000,020	35,000,020
SUBSCRIBED & PAID UP :		
Issued as fully paid up for cash :		
3500002 shares of Rs.10 each	35,000,020	35,000,020
	35,000,020	35,000,020

SCHEDULE - B

CURRENT ASSETS AND RECEIVABLES

<u>PARTICULARS</u>	<u>As at 31st March 2011</u>			<u>As at 31st March 2010</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
I. CURRENT ASSETS :				
BALANCES WITH SCHEDULES BANKS :				
In fixed Deposits Account :				
In fixed Deposits with Andhra Bank	20,000,000			-
In fixed Deposits with U.B.I.	16,300,000			29,100,000
In fixed Deposits with Allahabad Bank	-			5,200,000
		36,300,000		34,300,000
In Current Account with United Bank of India		1,015,381		169,079
			37,315,381	34,469,079
CASH IN HAND			2,173	2,453
CASH AND BANK BALANCE			37,317,554	34,471,532
Receivable from Income Tax		7,710		
ACCRUED INTEREST:-				
From Andhra Bank		364,950		-
From Allahabad Bank		90,053		1,140,570
From U.B.I.		90,148		62,329
		545,151	552,861	1,202,899
			37,870,415	35,674,431
II. RECEIVABLES				
TAX DEDUCTED AT SOURCES			236,223	133,482
			38,106,638	35,807,913

Annexed to and forming part of the Balance Sheet as at 31st March, 2011**SCHEDULE - C****CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	As at 31st March 2011	As at 31st March 2010
	Rupees	Rupees
CURRENT LIABILITIES:		
Outstanding Liabilities	72,060	20,000
Other Liabilities	-	454
The Calcutta Stock Exchange Ltd.	629,158	380,406
	701,218	400,860
PROVISIONS :		
Provision for Tax	701,716	125,773
	1,402,934	526,633

Annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2011**SCHEDULE - 'D'****INCOME FROM INVESTMENTS AND DEPOSITS**

PARTICULARS	As at 31st March 2011	As at 31st March 2010
	Rupees	Rupees
Interest from Allahabad Bank(F.D.)	898,208	1,267,300
Interest from U.B.I.(F.D.)	805,104	129,845
Interest from Andhra Bank(F.D.)	767,398	
	2,470,710	1,397,145

SCHEDULE - 'E'**ADMINISTRATION AND OTHER EXPENSES**

PARTICULARS	As at 31st March 2011	As at 31st March 2010
	Rupees	Rupees
Legal & Professional fees	15,188	6,322
Advertisement	173,917	17,196
General Expenses	2,695	2,312
Processing Fees and Admission Fees to NSE	50,000	563,530
Auditor's Remuneration	22,060	20,000
Professional Tax	5,000	-
Computer Services	3,600	-
Filing Fees	5,250	-
Telephone Charges	21,261	-
Rent	174,000	-
Electricity Charges	31,332	-
	504,303	609,360



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(Annexed to and forming part of the Balance Sheet as on 31st March 2011 and the Profit and Loss Account for the year ended on that date)

A. SIGNIFICANT ACCOUNTING POLICIES :

1. Accounting Convention:

The Company prepares its accounts under the Historical Cost Convention. The financial statements have been prepared to comply in all material respects with the various Accounting Standards and the relevant provisions of the Companies Act, 1956. For recognition of income & expenses, Mercantile System of Accounting is followed. The accounting policies have been consistently applied by the company.

2. Revenue Recognition:

Revenue in respect of services rendered is recognised when the services rendered is recognized when the service is rendered and there is certainty of ultimate realization.

3. Fixed Assets and Depreciation:

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, inward freight, incidental expenses, erection and commissioning expenses up to the date when the asset is ready for its intended use.

Depreciation:

Depreciation is provided in accordance with Schedule XIV of the Companies Act, 1956 on written-down value method at the rates specified for the purpose.

4. Investments:

Investments that are readily realizable are classified as current investments. All other investments are classified as long term investments. Current investments are stated at lower of cost and market value. Long term investments are stated at cost and wherever applicable provision is made where there is permanent fall in the valuation of long term investment.

Investment Income:

Interest: Income from Investment is recognised on accrual basis inclusive of related tax deducted at source

5. Taxes on Income:

Tax expense comprises of current, deferred taxation. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, applying the tax rates that have been substantively enacted by the Balance Sheet date.

B. NOTES ON ACCOUNTS:

1. The Tax deducted at source up to 31.03.2011 Rs.236,223/- (Previous year Rs. 1,33,482/-) has been accumulated by the company on the basis of tax deduction certificates available with the company.

2. The company had no operation during the period ended 31.03.2011.

3. Related Party Disclosure:

During the financial year the company had related party disclosure as detailed below on terms agreed between them:

Party Name: The Calcutta Stock Exchange Ltd. (Parent Co.)

Particulars	2010-11 (Rs)	2009-10 (Rs.)
Loan Given	200,00,000	-
Amount Refunded	200,00,000	-
Interest Received	1,57,278	-
Amount Payable	6,29,158	3,80,426

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4. Auditors' Remuneration:	<u>As on 31.03.2011</u>	<u>As on 31.03.2010</u>
Statutory Audit Fees	Rs.22,060	Rs.20,000
5. Earnings per Share:	<u>Year Ended 31.03.2011</u>	<u>Period Ended 31.03.2010</u>
	<u>Basic & Diluted EPS</u>	<u>Basic & Diluted EPS</u>
Earnings:		
Net Profit (Profit after Tax)	Rs.13,28,302	Rs.3,75,382
Shares:		
Weighted average number of Equity		
Shares outstanding during the year	3500002	3500002
Earnings per share of face value of Rs.10	Re.0.38	Re.0.11
6. Information pursuant to part IV of Schedule VI to The Companies Act, 1956, Balance Sheet Abstract and Company's General Business Profile is enclosed as per Annexure - "B".		

Signatories to Schedule A to F

For and on behalf of CSE Capital Markets Pvt. Ltd.

Binay Agarwal
Director

B. Madhav Reddy
Director

As per our Report of even date
For Suchismita & Associates
Chartered Accountants

Suchismita Ghosh Pal
Partner
Membership No. 061003
FRN : 326238E

Kolkata, the 25th August 2011

**ANNEXURE - 'B'**

Information pursuant to part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**(Rs. in Thousand)****(a) REGISTRATION DETAILS**

Registration number	U74900WB2009PTC134753
State code	21
Balance sheet date	31/Mar/11

(b) CAPITAL RAISED DURING THE YEAR

Public issue	NIL
Rights issue	NIL
Bonus issue	NIL
Private Placement	NIL

(c) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total liabilities and share-holders funds	36,704
Total assets	36,704

SOURCES OF FUNDS (Excluding Current Liabilities)

Paid up capital	35,000
Reserves and surplus	1,704
Secured loans	NIL
Unsecured loans	NIL
Deferred Tax Liability	NIL

APPLICATION OF FUNDS

Net fixed assets	NIL
Investments	NIL
Net current assets	36,704
Deferred Tax Assets	NIL
Miscellaneous expenditure	NIL
Accumulated losses	NIL

(d) PERFORMANCE OF THE COMPANY

Income	2,628
Total expenditure	504
Surplus/(Shortage) before Tax	2,124
Tax	796
Surplus/(Shortage) after tax	1,328
Earnings per share in Rs. (basic & diluted)	0.38
Dividend rate %	NIL

(e) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. (ITC Code)	N A
Product Description	FACILITATING TRADING IN SECURITIES

FORM 2B

(See Rules 4CCC and 5D)

NOMINATION FORM

(To be filled in by individual applying singly or jointly)

I / We _____ and _____ and _____

the holder(s) of Shares bearing number(s) _____ of The Calcutta Stock Exchange Limited, wish to make a Nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of shares shall vest in the event of my / our death.

Name and Address of Nominee

Name : _____

Address : _____

Date of Birth* : _____

(*To be furnished in case of Nominee is a minor)

** The Nominee is a minor whose guardian is _____

Name & Address _____

(** To be deleted if not applicable)

Folio No. : _____

Signature of the First Shareholder : _____

Name & Address _____

Mobile No. : _____ Telephone : _____ E-mail ID : _____

Signature of the Joint Shareholder : _____

Name & Address : _____

Signature of the Joint Shareholder : _____

Name & Address : _____

1. Signature of two Witnesses :

2. Signature of two Witnesses :

Name _____

Name _____

Address _____

Address _____

Date : _____

Date : _____

PARTICULARS OF NOMINEE

Occupation : _____

Residential Status : _____

Father / Husband Name : _____

Relationship to the Shareholder(s): _____

Please enclose any one of the following documents for identification (Tick the appropriate box)

☐ Passport ☐ Driving Licence ☐ Voter ID Card ☐ PAN Card ☐ Photo Credit Card

Instructions :

1. The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly. Non-individual including society, trust, body corporate, partnership firm. Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders shares and witness.
2. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stand rescinded upon transfer of share.
5. Transfer of share in favour of a nominee and repayment of amount of deposit to nominee shall be a valid discharge by a company against the legal heir.
6. The intimation regarding Nomination/Nomination Form shall be filed in duplicate with Company/Registrar and Share Transfer Agents of the Company who will return one copy thereof to the shareholder.

NOTES

[illegible]

NOTES

[illegible]



The Calcutta Stock Exchange Limited

Registered Office : 7, Lyons Range, Kolkata – 700 001

ATTENDANCE SLIP

Folio No. _____ / DP ID.* _____ & Client ID* _____

(*Applicable for members holding shares in electronic form)

Name : _____

(BLOCK LETTERS)

Address : _____

I hereby record my presence at the 88th Annual General Meeting of The Calcutta Stock Exchange Limited held on Wednesday, the 30th day of November, 2011 at Registered Office of the Company at 7, Lyons Range, Kolkata-700 001 at 4 p.m.

Signature of Shareholder / Proxy

Note :

1. Only Shareholders of the Company or their proxies will be allowed to attend the Meeting.
2. Please complete this attendance slip and hand it over at the entrance of the Trading Hall.



The Calcutta Stock Exchange Limited

Registered Office : 7, Lyons Range, Kolkata – 700 001

FORM OF PROXY

Folio No. _____ / DP ID.* _____ & Client ID* _____

(*Applicable for members holding shares in electronic form)

I/We _____ of _____ being a Member

Members of the The Calcutta Stock Exchange Limited, hereby appoint Mr./Ms _____

of _____ or failing him Mr./Ms _____ of

of _____ as my/our proxy to vote for me/us on my/our behalf at the 88th Annual General Meeting of the Company to be held on Wednesday, the 30th day of November, 2011 at Registered Office of the Company at 7, Lyons Range, Kolkata-700 001 at 4 p.m. and any adjournment thereof.

As witness my/our hand(s) this _____ day of _____, 2011.

Affix Re.1/-
Revenue
Stamp here

Signature _____

Note : This form in order to be effective should be duly stamped completed and must be deposited at the Registered Office of the Company, not less than 48 hours before commencement of the meeting.



