



# The Calcutta Stock Exchange Limited

rebuilding trust

2011-12

## 89th Annual Report

"Our greatest glory is not in never falling  
but in rising every time we fall".

— *Confucius*



## Corporate Information

### Chairman

Mr. Sunil Mitra, IAS (Retd.)

### Managing Director & CEO

Mr. B. Madhav Reddy

### Public Interest Directors

Mr. Jayanta Mitra

Mr. Prasad Ranjan Ray

Mr. Satyabrata Ganguly

### Shareholder Directors

Mr. Jagdish Prasad Chowdhury

Mr. Mukul Somany

Mr. Sanjay Budhia

Mr. V Balasubramaniam

Mr. Harsha Vardhan Agarwal

### Trading Member Directors

Mr. Ajit Khandelwal

Mr. Suresh Kumar Kaushik

Mr. Sharad Chandra Jhunjunwala

### Registered Office

7, Lyons Range

Kolkata – 700 001

### Registrar & Share Transfer Agents

C B Management Services (P) Limited

P-22, Bondel Road,

Kolkata – 700 019

### Bankers

Axis Bank

HDFC Bank Limited

United Bank of India

### Auditors

S R B C & Co

(formerly S. R. Batliboi & Co.)

Chartered Accountants

### Internal Auditors

Singhi & Co.

Chartered Accountants

### Solicitors

Victor Moses & Co.

Sinha & Co.

## Eighty-Ninth Annual General Meeting

|                     |   |   |
|---------------------|---|---|
| <b>Day</b>          | : | Tuesday   |
| <b>Date</b>         | : | September 18, 2012  |
| <b>Venue</b>        | : | 7, Lyons Range, Kolkata – 700 001                                 |
| <b>Time</b>         | : | 4 p.m.  |
| <b>Book-Closure</b> | : | September 15, 2012 to September 18, 2012<br>(both days inclusive) |

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Board of Directors  
**The Calcutta Stock Exchange Limited**



**Sunil Mitra**  
Chairman



**B. Madhav Reddy**  
Managing Director & CEO



**Satyabrata Ganguly**  
Public Interest Director



**Prasad Ranjan Ray**  
Public Interest Director



**Jayanta Mitra**  
Public Interest Director



**J. P. Chowdhury**  
Shareholder Director



**Mukul Somany**  
Shareholder Director



**Sanjay Budhia**  
Shareholder Director



**V Balasubramaniam**  
Shareholder Director



**Harsha Vardhan Agarwal**  
Shareholder Director



**Mr. Ajit Khandelwal**  
Trading Member Director



**Suresh Kr. Kaushik**  
Trading Member Director



**Sharad Chandra Jhunjhunwala**  
Trading Member Director



## The Calcutta Stock Exchange Limited

### NOTICE

**NOTICE** is hereby given that the **89th Annual General Meeting** of the Members of **The Calcutta Stock Exchange Limited** (the Exchange / Company) will be held on **Tuesday the 18th day of September, 2012** at the Registered office of the Exchange at **7, Lyons Range, Kolkata-700 001** at **4.00 pm** to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2012 and the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare a Dividend on Equity Shares of the Company for the year ended on 31st March, 2012.
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 an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. S R B C & Co (Earlier known as M/s S. R. Batliboi & Company) (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 an **Ordinary Resolution**:

**To appoint Mr. V. Balasubramaniam as a Shareholder Director**

**"RESOLVED THAT** Mr. V. Balasubramaniam, who was appointed as a Shareholder Director in the vacancy caused by the resignation of Mr. Madhusudan Kannan with effect from 15th June, 2012, by the Board of Directors and who holds office up to the date of forthcoming Annual General Meeting and in respect of whom, a Notice in writing, under section 257 of the Companies Act, 1956 read with Article 13.3(4) of the Articles of Association has been received from a Member proposing Mr. V. Balasubramaniam as a candidate for the Office of Director, be and is hereby appointed as a Shareholder Director of the Exchange

whose period of office shall be liable to determination by retirement of directors by rotation."

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

**To appoint Dr. Abhirup Sarkar as a Shareholder Director**

**"RESOLVED THAT** pursuant to section 255, 257 and other applicable provisions if any of the Companies Act, 1956, Dr. Abhirup Sarkar in respect of whom, a Notice in writing, under section 257 of the Companies Act, 1956 read with Article 13.3(4) of the Articles of Association has been received from a Member proposing Dr. Abhirup Sarkar as a candidate for the Office of Director be and is hereby appointed as a Shareholder Director of the Exchange whose period of office shall be liable to determination by retirement of directors by rotation."

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

#### Increase of Authorized Capital

**"RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions if any of the Companies Act, 1956 the Authorised Share Capital of the Company be and is hereby increased from Rs. 10,00,000/- divided into 10,00,000 Equity Shares of Re. 1/- each to Rs 10,00,00,000/- to be divided into 10,00,00,000 Equity Shares of Re. 1/- each by the creation of 9,90,00,000 additional Equity Shares of Re. 1/- each, ranking for Dividend and in all other respects, pari-passu with the existing Equity Shares in the Company and that Clause V of the Memorandum of Association be altered accordingly".

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution, as a Special Resolution:-

#### Alteration of Articles of Association

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions if any of the Companies Act, 1956, the existing Article 2.1 (a) be deleted and be substituted by the following Article:

2.1 (a) The Authorized Share Capital of the Company shall be such as mentioned in Clause V of the Memorandum of Association of the Company."

Regd. Office: 7, Lyons Range,  
Kolkata - 700001  
Date: August 16, 2012

By Order of the Board  
of Directors  
B. Madhav Reddy  
Managing Director & CEO

## 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 Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of all the Special Business are enclosed herewith as **Annexure – A.**

3. Information relating to the Directors seeking election/ 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 convening the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.,) to their 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 form) / RTA (in case shares are held in physical form).**

5. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2012 to 18th September, 2012 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March 2012, if declared at the Meeting or at any adjournment thereof.
6. The Dividend for the year ended 31st March 2012, as recommended by the Board of Directors, if approved and declared at the Eighty-Ninth Annual General Meeting, will be paid on or before 17th October, 2012 to those Members and their Mandatees as below:-

- (a) Whose names appear as Beneficial Owner as at the end of the business hours on 18th

September, 2012 in the list of Beneficial Owners to be furnished by National Securities Depository Limited (**NSDL**) and Central Depository Services (India) Limited (**CDSL**) 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 15th September, 2012.

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. Instructions, if any, already given by the Members in respect of the shares held in physical form will not be automatically applicable to Dividend paid on Shares in electronic form and *vice-versa*.

8. Members willing to claim dividend for the financial years ended 31st March, 2009, 31st March, 2010 and 31st March, 2011 which remain unclaimed are requested to contact Company's Registrar and Transfer Agent M/s C.B. Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata-700 019.

Further, members may kindly note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, as per Section 205A of the Company's Act, 1956, will be transferred to the Investor Education and Protection Fund.

9. 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 with 89th 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.
10. Members holding shares in physical form are requested to immediately notify any change in their address to



## The Calcutta Stock Exchange Limited

the Registrar and Share Transfer Agent, M/s. 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 their address to their respective Depository Participants and not to the Exchange.

11. 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.).
12. Members are requested to undertake 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.
13. 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 production 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.
14. 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.
15. The term 'Members' has been used to denote Shareholders of **The Calcutta Stock Exchange Limited**.



## ANNEXURE TO THE NOTICE

## Annexure - A

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

**Item No. 4:**

Mr. V. Balasubramaniam, Chief Business Officer of BSE was appointed as a Shareholder Director by the Board of Directors at its Meeting held on 15th June, 2012 in the vacancy caused by the resignation of Mr. Madusudan Kannan, Shareholder Director of the Exchange, as per Article 13.25 of the Articles of Association of the Exchange. His term of office as Shareholder Director in this vacancy expires at the 89th Annual General Meeting of the Exchange. The Exchange has received a Notice in compliance of Section 257 of the Companies Act, 1956 proposing the name of Mr. V. Balasubramaniam as a candidate for the Office of Director.

Save and except Mr. V. Balasubramaniam, being the Appointee no other Director is concerned or interested in the subject resolution.

Your Directors recommend the resolution for your approval.

**Item No. 5**

Mr. Sanjay Budhia, 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, is not eligible for re-appointment at the forthcoming Annual General Meeting resulting in one vacancy in the Shareholder Director Category. In this regard a Notice has been received in compliance with Section 257 of the Companies Act, 1956 proposing the candidature of Dr. Abhirup Sarkar for appointment as a Shareholder Director of the Exchange at the forthcoming Annual General Meeting or at any adjournment thereof.

Dr. Abhirup Sarkar is the Chairman of West Bengal Infrastructure Development Finance Corporation Limited. He has an experience over 28 years in academics in the field of Economics. Dr. Sarkar is currently a Professor of Indian Statistical Institute, Kolkata.

A brief profile of Dr. Abhirup Sarkar is given in Annexure-B to the Notice convening the Eighty-Ninth Annual General Meeting.

Save and except Dr. Sarkar, being the Appointee no other Director is concerned or interested in the subject resolution.

Your Directors recommend the resolution for your approval.

**Item No. 6**

The Exchange proposes to expand its activities and hence it is required to augment further capital. The present Authorized Share Capital is considered insufficient and to enable the Board / Company to raise further Share Capital as and when the need arises. Hence your Directors propose to increase the Authorized Share Capital from Rs 1,000,000/- to Rs 100,000,000/- by the creation of 99,000,000 further equity shares of Re 1/- each which will rank *pari passu* in all respects (including dividend) with the existing equity shares of the Company. The proposed increase of Authorized Share Capital requires the approval of Members in a General Meeting by way of an Ordinary Resolution.

Consequent upon the increase of Authorized Share Capital, the capital clause of the Company's Memorandum of Association will be altered accordingly to reflect the same. None of the Directors of the Company is in any way concerned or interested in the proposed increase of authorized capital and consequent alterations in the Memorandum of Association of the Company.

The Board recommends that the Resolution for your adoption.

**Item No. 7**

Consequential upon change in the Authorized Share Capital as mentioned in Item No. 6 above, Clause 2.1 (a) of the Articles of Association would also be needed to be amended to reflect the increase in the Equity Share Capital. The Board has decided to alter existing provisions of the Articles of Association by a suitable clause so that at times of alteration of capital clause in the Memorandum of Association, the Articles of Association would not be required to be altered again. Hence the subject resolution is proposed.

Pursuant to the provisions of Section 31 of the Companies Act, 1956; the proposed alteration in the Articles of Association requires the approval of Members in a General Meeting by way of a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

The Board recommends that the Resolution for your adoption.

Regd. Office: 7, Lyons Range,  
Kolkata - 700001  
Date: August 16, 2012

By Order of the Board  
of Directors  
B. Madhav Reddy  
Managing Director & CEO



## The Calcutta Stock Exchange Limited

### Annexure - B

Details of Directors seeking appointment at the 89th AGM to be held on 18th September, 2012 at 4 p.m.

| Name of Director  |  | Balasubramaniam Venkataramani   |  | Dr. Abhirup Sarkar   |  |
|---|--|---|--|--|--|
| Item No.  |  | 4   |  | 5  |  |
| Date of Birth   |  | July 30, 1971   |  | 13.06.1955   |  |
| Qualifications  |  | M.Com, Cost Accountant, CFA, CISA   |  | M.A. (Economics), Ph. D  |  |
| Expertise in specific functional area   |  | Financial Markets   |  | Professor of Economics, Indian Statistical Institute, Kolkata.   |  |
| Category Represented  |  | Shareholder Director  |  | Shareholder Director   |  |
| Other Directorship in Public Limited Companies  |  | 1. BSE Institute Limited<br>2. Bank of India Shareholding Limited<br>3. Central Depository Services Limited,          |  | 1. The Chairman of West Bengal Infrastructure Development Finance Corporation Ltd.<br><br>2. The Vice-Chairman of West Bengal Industrial Development Corporation Ltd.      |  |
| Chairman/Member of the Committee of the Board of Directors of the other Companies in which he is a Director |  | Audit Committee of BSE Institute Limited and CSE  |  | Nil  |  |
| (Only in Audit Committee & Shareholder/Investors' Grievance Committee)                                      |  |   |  |  |  |
| Equity shares held in the Exchange  |  | Individual – Nil<br>30,875 equity shares are held by BSE Ltd., where Mr. Balasubramaniam is a Chief Business Officer. |  | Individual - Nil<br>20,907 equity shares are held by West Bengal Infrastructure Development Finance Corporation Limited where Dr. Abhirup Sarkar is an Executive Chairman. |  |



**DIRECTORS' REPORT**


The Board of Directors of **The Calcutta Stock Exchange Limited** (the 'Exchange/Company/CSE') are pleased to present the Eighty-Ninth Annual Report for the financial year 2011-12 together with the audited financial statements for the year ended 31st March, 2012.

**1. Audited Results****1.1 Financial Highlights**

During the year under review, the income of the Exchange was Rs 1967.02 Lakh. The operating income at Rs 635.62 Lakh has shown a marginal increase of 3.5% over the previous year.

The profit after tax for the financial year 2011-12 is Rs 4.14 Crore. The net profit after tax and statutory transfers for SGF and ISF of the Exchange has increased to Rs 1.95 crore from Rs 1.37 crore. The Earning per Share (EPS) has increased from Rs 22.52 in the last year to Rs 32.03 in the year under report.

**FINANCIAL RESULTS****Rupees in Lacs**

|  | <b>2011-12</b>  | <b>2010-11</b>  |
|--|-----------------|-----------------|
| Total Income from Operation  | 635.62          | 614.28          |
| Other Income   | 1,331.40        | 1,513.20        |
| <b>Total Income</b>  | <b>1,967.02</b> | <b>2,127.48</b> |
| <b>Total Expenses</b>  | <b>1,363.62</b> | <b>1,473.95</b> |
| <b>Profit / Surplus before Depreciation</b>  | <b>603.40</b>   | <b>653.53</b>   |
| Depreciation   | 35.41           | 39.34           |
| <b>Profit / Surplus before Tax</b>   | <b>567.99</b>   | <b>614.19</b>   |
| Provision for Tax  | 153.11          | 96.05           |
| <b>Profit / Surplus after Tax</b>  | <b>414.88</b>   | <b>518.14</b>   |
| <b>Less : Transferred to:</b>  |                 |                 |
| Investors' Service Fund  | 65.61           | 67.09           |
| Settlement Guarantee Fund  | 153.55          | 313.46          |
| <b>Profit attributable to Equity Shareholders</b>  | <b>195.72</b>   | <b>137.59</b>   |
| <b>Add : Sundry Balances written off related to Pre-Demutualization Period and adjusted with General Reserve</b>         | <b>—</b>        | <b>5.28</b>     |
|  | <b>195.72</b>   | <b>142.87</b>   |
| <b>Profit brought forward from last year</b>   | <b>571.99</b>   | <b>649.62</b>   |
| <b>Surplus before appropriation</b>  | <b>767.71</b>   | <b>792.49</b>   |
| <b>Appropriated to :</b>   |                 |                 |
| Sundry Balances / Profit on Sale of Assets of Pre-Demutualization Period written back and transferred to General Reserve | 5.84            | 70.79           |
| General Reserve  | 100.00          | 100.00          |
| Proposed Dividend  | 61.10           | 42.77           |
| Tax on proposed Dividend   | 9.91            | 6.94            |
| Surplus Carried to Balance Sheet   | 590.86          | 571.99          |
| <b>Total on Appropriation</b>  | <b>767.71</b>   | <b>792.49</b>   |



## The Calcutta Stock Exchange Limited

### 1.2 Dividend

Your Directors are pleased to recommend a dividend of Rs 10/- per equity share on the face value of Re 1/- for the financial year 2011-12, 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 71.01 Lakh including dividend distribution tax.

### 1.3 Transfer to Reserve

The Exchange has transferred Rs 100.00 Lakh to the General Reserve out of Rs 189.88 lakhs available for appropriation..

## 2. New Initiatives at CSE

The Chairman and such of the Directors who are available in the City, meet the trading members on the 15th day of each even month to keep them apprised of developments in the exchange as they arise and to ascertain issues of their concern. This practice has been initiated in the present Calendar Year.

In the last report your Directors had reported the tie-up with United bank of India (UBI) for launching an Internet Based Trading (IBT) product. This is a unique business proposition as a Nationalized Bank is going to tie-up with a Regional Stock Exchange for providing the Internet Based Trading (IBT) facility to its clients. The Bank and the Exchange's Board have given approval to the tie-up and the software for the same is under testing. We will soon launch the product which will definitely help in increasing our turnover on NSE and BSE platforms. Our members who will empanel themselves for this product will get an opportunity to increase their client base and provide a new generation product to their clients.

### 2.1 Operations:

- **Agreement with National Stock Exchange of India Limited :** (NSE) for their Cash & F&O Segments – Exchange has operationalised the agreement signed with NSE for sharing its trading platform with its trading members for Cash & F & O segment under Section 13 of SCRA 1956. So far 56 numbers of trading members have been activated for trading in NSE Cash Segment and 05 trading members have received SEBI Registration Number for trading in NSE F&O Segment.
- CSE has obtained the Professional Clearing Membership of NSE for enabling its trading members to trade in F&O segment of NSE.
- An addendum to the Original Agreement with BSE has been executed between BSE and CSE keeping in view the proposed tie-up for F&O segment of BSE and also to ease some restrictive clauses.

- The application for tying-up with BSE for their F&O segment has been approved by the BSE Board and is currently with SEBI for its approval.
- The Exchange application for sharing the Currency Derivatives Segment of NSE is with NSE for their approval.
- The transaction charges have been revised for both Cash and F&O segments to make it competitive and attractive for existing and prospective members. This has been done with an intention to facilitate larger trading volumes.
- Axis Bank has been included as a Settlement Bank for the clearing and settlement operations of the Exchange for BSE & NSE operations.
- Both HDFC Bank and Axis Bank have offered specialized schemes for the members of the Exchange for availing intra-day funding facility, funding against the pay-out etc.

### 2.2 Technology:

During the year, several initiatives were taken to upgrade the technology and to provide additional facilities to our trading members. Some of the key initiatives in this regard are: -

- Incorporation of trade verification module, company database module and member database module with search engine facility in CSE website.
- Revamping of CSE website with introduction of Bengali Page for investors of the region.
- Installation and implementation of NSE LED ticker for display of NSE rates.
- Development and implementation of e-mail and SMS software to inform daily trading related information directly to the investors.
- Completion of LAN restoring jobs at various LAN buildings.
- Upgradation of hardware and connectivity to accommodate trading in NSE platform.
- Upgradation and migration of FASTRADE™ to a better and faster FASTRADE™ Plus.
- Enabling of NSE F&O segment in FASTRADE™ and ODIN™ and integration of the F&O segment with CLASS™ Back-office.
- Negotiation with M/s Shilpi Computers Ltd., to provide members' back-office solution at very competitive and special rate.
- Integrated Exchange Back-office software is being revamped to take care of the current needs and statutory changes

### 2.3 Business Development & Marketing:

Keeping in view the changed business dynamics and the new products offered by the Exchange to its

members, several business development initiatives have been taken during the year to increase business volumes and number of new members. Some of these new initiatives are: -

- Applications from 27 entities have been received for new deposit based membership of the Exchange.
- Because of the business development efforts taken by the Exchange, applications from various parts of the country have been received for the membership of the Exchange. This will enable the Exchange to broad-base its member network and become a nationwide Exchange.
- Talks are on with various regional stock exchanges to offer their members trading membership of this exchange and for listing the companies exclusively listed on their Exchanges.
- The total number of active members has increased during the year due to the initiatives taken to reactivate some of the inactive members.
- In a first of its kind, CSE IPF has tied-up with the Calcutta University, as one of the oldest and prestigious universities of the Country, for setting up the CSE Centre of Excellence in Financial Markets. Through this tie-up CSE will sponsor two research scholars in a year to prepare quality research papers in the field of capital markets, conduct seminars and create informed investors who would be aware of the vast avenues that are available in the Capital Markets and increase awareness among the youth.
- CSE through its subsidiary company CSE Capital Markets Pvt. Ltd., has tied-up with IndiaFirst Life Insurance Company Ltd., which is promoted by the Bank of Baroda, Andhra Bank and Legal & General, U.K.

### 3. Listing & Membership:

Listing and Membership are two key revenue generating departments of the Exchange and during the year, initiatives have been taken to streamline the operational procedures and revenue generating mechanism of both the departments. Some of the key initiatives are: -

- Five new companies have been listed with the Exchange during the period.
- Direct Listing norms have been amended and simplified to attract companies listed with other regional stock exchanges. With this initiative the Exchange hopes to increase its number of listed companies and consequently increase the revenue generated from Listing Fees.

- The entry level deposits for activation of BSE segment and NSE segments have been reduced to a great extent to facilitate activation by the existing trading members and also to attract new deposit based trading members.
- Minimum Guaranteed Turnover Scheme has been introduced to help the trading members accrue benefits out of higher volumes of trade generated by them.

### 4. Depository Services:

Your Exchange is a SEBI registered Depository Participant of both the depositories (NSDL & CDSL) in the country. During the year 762 new accounts have been opened taking the total number of accounts to 1250.

The department took initiative to offer specialized schemes to trading members/Corporates interested in opening bulk accounts with CSE DP.

Keeping in view changing requirements, the Exchange has changed the DP Back-office software.

The Exchange has become a KRA intermediary and has registered with both CVL and NDML

### 5. Land & Building:

**Land at EM Bye-pass:** The construction of boundary walls with MS Iron gates has been completed, excepting the low lying area under water and the adjoining area with KMC. The power connection has been obtained.

**Land at Rajarhat:** Mutation formalities for the Rajarhat land have been completed. The construction of boundary walls with MS Iron gates also has been completed and around 2000 sq ft of secured storage space has been constructed for maintaining the Exchange documents and records.

Office space measuring around 5500 sq ft has been renovated at the 4th Floor of the Exchange Premises at 7, Lyons Range and also an area of around 2,000 sq ft has been created over and above the renovated area for storing Exchange records etc., at an approximate cost of Rs 90 lakh. All the departments of the Exchange excepting ITD have been shifted to the newly renovated office space.

The office at the Mezzanine Floor of the Exchange Premises is also being renovated for creating an office for the Chairman and Board Room.

All wires and cables covering electricity, data, telecommunication which were hanging around the common passage on the 1st, 2nd and 3rd Floors of Exchange Premises have been removed and replaced with new cables rested on Cable Trays. Old electric sub-electric meters, distribution boxes, MCBs have also



## The Calcutta Stock Exchange Limited

been replaced with new fixtures. This has been done keeping fire hazards in view.

The Exchange has also renovated the wash rooms in all the Floors of the Exchange premises to facilitate use by member tenants.

In addition to the above, the Exchange has revised rents in case of 70% of member tenants occupying the Exchange Premises as per amended WB Premises Tenancy Act, 1997 and the process is on in respect of remaining member tenants.

### 6. Report on Subsidiary:

During the financial year ending March 31, 2012, many of the ancillary activities like, Mutual Fund Distribution, Fixed Deposits/Bonds Distribution, IPO distribution, procurement and release of advertisements for Times Group were done through the Exchange Subsidiary Company namely CSE Capital Markets Pvt. Ltd. This has resulted in increase of revenue from Rs 26.28 lakh to Rs 43.99 lakh in this year.

A statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiary, is attached to the accounts. Annual Accounts for the financial year ending March 31, 2012 along with the Directors' Report and Auditors' Report thereon of the subsidiary are available with this Annual Report.

### 7. Human Resource Restructuring :

During the year 2011-12, the Exchange took several initiatives to train the staff and sub-staff to take up new assignments and additional responsibilities. Fire fighting training was imparted to several employees of the Exchange. The Durwans of the Exchange have been trained to take-up the duties of Security Guards.

### 8. Investors' Services:

8.1 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.

8.2 SEBI has taken an initiative at its end to resolve Investor Grievance and have implemented an online solution called "SCORES". The Exchange updates the action taken at its end to resolve Investor Grievance in the said module on regular basis.

### 8.3 Investor Awareness and Education:

The Exchange lays stress on the importance of Investor Education. The Exchange conducted 21 Investor Awareness Programmes during the year

in different parts of the State. The Exchange also put up advertisements in print media and on FM Radio to increase investor awareness on a wide variety of issues. Investor Education messages were placed in bus shelters and in hoardings across various cities of the Eastern Region. Investor Awareness & Education has been adopted as a Corporate Social Responsibility function by your Exchange

### 9. Code of Conduct for Directors'/ Functionaries ('the Code'):

9.1 To outline the Exchange's value and principles and to set out the standards for professional and ethical behavior, Code of Conduct for Directors'/ Functionaries, as recommended by SEBI, has been adopted by your Exchange. This 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, 2012 A copy of the Code has been put on the Company's website [www.cse-india.com](http://www.cse-india.com).

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

9.2 Your Directors and the Functionaries of your Exchange owe a fiduciary duty to its members and all the Corporates 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 relevant 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, 2012.

### 10. Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the rules framed there under:

As required under Section 217(2A) of the Companies Act, 1956 and the Rules framed there under, no employees were in receipt of remuneration of more than Rs 60,00,000 per annum for the year ended March 31, 2012 or of more than Rs 5,00,000 per month during part thereof.

### 11. Directors' Responsibility Statement:

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



11.1 In the preparation of the Annual Accounts for the year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures.

11.2 Sound accounting policies have been utilized and applied consistently and judgments and estimates have been provided 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, 2012 and of the profit of the Company for that year.

11.3 Proper and sufficient care has been taken 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.

11.4 Annual accounts for the financial year ended March 31, 2012 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:

### 13.1 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.

### 13.2 Foreign Exchange Earnings & Outgo:

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

## 14. Board of Directors :

During the year, Mr. Sunil Mitra, IAS (Retd.) joined the Board as an Additional Director in Shareholder Director Category on 7th December, 2011 and the Board elected him as Chairman of the Board.

Mr. Madhusudan Kannan who was a Director nominated by BSE Limited under the Shareholder Director category resigned from the Board of your exchange and his resignation was taken into effect in the Board Meeting held on 15th June, 2012.

Mr. V. Balasubramaniam joined the Board of your exchange as a Nominee of BSE Limited under the Shareholder Director category with effect from 15th June, 2012

## 15. Board Meetings held during the year:

| Sl No. | Date of Meeting    | During the Quarter           | Duration between Board Meetings |
|--------|--------------------|------------------------------|---------------------------------|
| 1      | 7th December 2011  | October 2011 – December 2011 | –                               |
| 2      | 16th December 2011 | October 2011 – December 2011 | 9 days                          |
| 3      | 4th February 2012  | January 2012 – March 2012    | 50 days                         |
| 4      | 21st April 2012    | April 2012 – June 2012       | 77 days                         |
| 5      | 15th June 2012     | April 2012 – June 2012       | 55 days                         |
| 6      | 23rd July 2012     | June 2012 – September 2012   | 38 days                         |

## 16. Changes in constitution / name of Board Committees

The name of the Membership Selection Committee has been amended to Membership Committee.

The Business Development Committee and the Technology Committee have been merged into one Committee, namely the Business Development and Technology Committee.

The HR Committee and the Remuneration Committee have been merged into one Committee, namely the HR & Remuneration Committee.

## 17. Retirement of Directors :

Shri Ajit Khandelwal, 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 Articles of Association of the Company, is not eligible for re-appointment and shall cease to be a director from the date of the ensuing Annual General Meeting.

Shri Suresh Kumar Kaushik and Shri Sharad Chandra Jhunjhunwala, both the Trading Member Directors retire and do not offer themselves for re-appointment in compliance with SEBI gazette notification dated 20th June 2012 and shall cease to be directors from the date of the ensuing Annual General Meeting.

Shri Sanjay Budhia, Shareholder Director whose term of office is liable to retirement by rotation, has completed two consecutive terms and does not offer himself for re-appointment. This will result in one vacancy in the shareholder director category. It is proposed to appoint a shareholder director in his place.

The Board places on record its sincere appreciation for the valuable contributions made by the outgoing directors during their tenure as Directors of the Exchange.



## The Calcutta Stock Exchange Limited

### 18. Management's Explanation to the qualifications made by the Statutory Auditors on the Annual Accounts of the Exchange for the year 2011-12

**Point no 4(a)** Note 29 (i) regarding recoverability of Rs 954,782,019 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Company's profit for the year and year end loans and advances is not ascertainable.

As on 31.3.2012 amount recoverable from Members on account of settlement crisis during the year 2000-01 amounted to Rs 954,782,019. Legal suits have been filed in this context, against ten defaulting members, for recovering Rs 90,20,30,137. 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 not ascertainable at present. However, current liabilities include the whole amount outstanding as contribution received from Settlement Guarantee Fund and no impact on profitability is foreseen.

**Point no 4(b)** Note No.13 regarding provision of Rs 26,161,884 recognized in the financial statements against unsecured subscription fees and listing fees receivable by the Company. Such provision is based on the Company's policy of recognizing 50% provision on listing fees and 100% on unsecured subscription fees outstanding at the year end. However, this is not in accordance with the requirements of Accounting Standard 9 on "Revenue Recognition" prescribed by the Companies (Accounting Standards) Rules, whereby revenue from listing fees and subscription fees should have been recognized by the Company only when there are no significant uncertainties regarding their ultimate collectability. Based on the information and explanations provided by the Company, the impact of the above on the revenue from listing fees and subscription fees recognized by the Company during the year, profit for the year and year end receivables towards aforesaid fees is not currently ascertainable..

An exhaustive list of companies which are delisted or merged, or dissolved or liquidated has been prepared and according to this list, we are sending bills for the current year (2012-13). As the company has made adequate provisions on Listing Debtors and subscription dues, the management does not expect any material impact on profitability.

**Point 4 (c)** Note No. 26(b) regarding the Company's annual contribution aggregating Rs 1,18,74,655 (including Rs 14,97,461 for the year) to the Settlement Guarantee Fund for years subsequent to 2000-01, are required to be made in accordance with the bye-laws of the Settlement Guarantee Fund not being recognized in these financial statements for the reason mentioned therein, the appropriateness of which we are unable to comment on.

An additional contribution of Rs 19,93,55,380 made by the Company to the Settlement Guarantee Fund during 2000-01 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 1,18,74,655 has been adjusted up to 31/03/2012 towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs 14,97,461 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 18,74,80,725 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 14,97,461 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.   |
| <p><b>Point 4(d)</b> Note No. 26(f) regarding dividend on members' security deposits being accumulated in the Settlement Guarantee Fund under the head "Reserves and Surplus" and not being passed on to the members for the reasons mentioned therein (amount not ascertained) and Note No. 29(iii) regarding the sum of Rs 3,10,92,390 received from certain members at the time of payment crisis in earlier years, which is included in the Settlement Guarantee Fund under the head "Reserves and Surplus", based on information and explanations made available to us, we are unable to form an opinion as to whether the aforesaid amount is to be refunded to the concerned members on fulfillment of certain conditions in which case such amount should be disclosed as "Sundry Deposits".</p> | <p>Distribution of Interest and Dividend on Members Base Minimum Security Deposit was discontinued with effect from 1st November 2007 in accordance with the decision taken by the erstwhile Administrator and intimated to members vide Exchange Notice dated 24th December, 2007 informing about the cut-off date as 31st October 2007 and no interest and dividend would be distributed after 1st November 2007. Few members made payments during the payment crisis amounting to Rs 3,10,92,390 in the nature of contributions to the Settlement Guarantee Fund. The contributions were subject to the condition that the said amount should be considered for refund in the event of recovery from defaulting members and liability will arise only on receipt from defaulting members.</p> |

#### 19. Statutory Auditors:

M/s. S R B C & Co (earlier known as 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. Subsidiary Company:

As required under Section 212 of the Companies Act, 1956 a statement regarding the only subsidiary company namely, CSE Capital Markets Pvt. Ltd., along with its Reports and Accounts are attached with the Annual Report of the Exchange.

#### 21. 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: August 16, 2012  
Place: Kolkata

Sunil Mitra  
Chairman



## The Calcutta Stock Exchange Limited

### 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, 2012 and also the Statement of Profit and Loss 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 in the financial statements:
  - (a) Note 29(i) regarding recoverability of Rs. 95,47,82,019 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Company's profit for the year and year end loans and advances is not ascertainable.
  - (b) Note No.13 regarding provision of Rs. 2,61,61,884 recognized in the financial statements against unsecured subscription fees and listing fees receivable by the Company. Such provision is based on the Company's policy of recognizing 50% provision on listing fees and 100% on unsecured subscription fees outstanding at the year end. However, this is not in accordance with the requirements of

Accounting Standard 9 on "Revenue Recognition" prescribed by the Companies (Accounting Standards) Rules, whereby revenue from listing fees and subscription fees should have been recognized by the Company only when there are no significant uncertainties regarding their ultimate collectability. Based on the information and explanations provided by the Company, the impact of the above on the revenue from listing fees and subscription fees recognized by the Company during the year, profit for the year and year end receivables towards aforesaid fees is not currently ascertainable.

- (c) Note No. 26(b) regarding the Company's annual contribution aggregating Rs. 1,18,74,655 (including Rs. 14,97,461 for the year) to the Settlement Guarantee Fund for years subsequent to 2000-01 required to be made in accordance with the bye-laws of the Settlement Guarantee Fund not being recognized in these financial statements for the reason mentioned therein, the appropriateness of which we are unable to comment on.
- (d) Note No. 26(f) regarding dividend on members' security deposits being accumulated in the Settlement Guarantee Fund under the head "Reserves and Surplus" and not being passed on to the members for the reasons mentioned therein( amount not ascertained) and Note No. 29(iii) regarding the sum of Rs. 3,10,92,390 received from certain members at the time of payment crisis in earlier years, which is included in the Settlement Guarantee Fund under the head "Reserves and Surplus", based on information and explanation made available to us, we are unable to form an opinion as to whether the aforesaid amount is to be refunded to the concerned members on fulfillment of certain conditions in which case such amount should be disclosed as "Sundry Deposits".

The auditor's report on the financial statements for the year ended March 31, 2011 was modified in respect of the above matters.

Without considering items 4(a), (b), and (d) above, whose impact is presently not ascertainable, had the impact of 4(c) above been considered, net profit after tax for the year would have been Rs. 3,34,66,328 as against the reported profit of Rs. 4,14,88,251, year- end balance in Settlement Guarantee Fund (under



*Reserves & Surplus) would have been Rs. 25,04,56,271 as against the reported amounting Rs. 24,24,34,348 and aggregate year end balances of other Reserves & Surplus would have been Rs. 127,50,50,670 as against the reported other Reserves & Surplus of Rs. 128,30,72,593.*

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

- i. *Except for matters referred in paragraphs 4(a),(b) and (d) 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. *Except for matters referred in paragraphs 4(b),(c) and (d) above*, 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 the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- iv. The balance sheet, statement of profit and loss dealt with by this report *except for matters referred in paragraphs 4(b) and (d) 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,

2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. *Except for the possible effect of the matters referred in paragraphs 4(a), (b) and (d) and effect of the matter referred in paragraph 4 (c) above respectively*, 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 the balance sheet, of the state of affairs of the Company as at March 31, 2012; and
  - b) in the case of the statement of profit and loss, of the profit for the year ended on that date;

Place: Kolkata  
Date : 9th August, 2012

**For S R B C & CO**  
**FRN: 324982E**  
**Chartered Accountants**  
**per Kamal Agarwal**  
Partner  
Membership No.: 58652



## The Calcutta Stock Exchange Limited

### 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, 2012)

- (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) According to the information and explanations given to us, 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 4iii(a) to (d) of the Order, are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such, clauses 4iii(e) to (g) of the Order, are not applicable.
- (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. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (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, employees' state insurance, service tax, cess and other material statutory dues *except for significant delay in deposit of income tax dues in a particular case*. During the year, the Company did not have any dues towards investor education and protection fund, wealth tax, customs duty, sales tax and excise duty.
- (b) During the year, the Company did not have any dues towards investor education and protection fund, wealth tax, customs duty, sales tax and excise duty. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, 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, service tax and cess on account of any dispute are as follows:

| Name of the Statue       | Name 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  | 2,69,21,819  | 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 | 7,46,25,506  | A.Y.1991-92 to 1993-94, 1995-96    | Hon'ble High Court of Kolkata – Rs. 3,66,74,684 and With CIT (Appeals) – Rs. 3,79,50,822 |
|                          | c) Penalty on disallowance of certain expenses   | 4,99,745     | A.Y.2009-10                        | CIT (Appeals)  |

- (x) *Without considering the consequential effects, if any, of the matters stated in paragraph 4(a), (b) and (d) and after considering the consequential impact of the matter stated in paragraph 4(c) 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 to the Company.
- (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 guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (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 B C & CO**  
**FRN: 324982E**  
**Chartered Accountants**  
**per Kamal Agarwal**  
Partner  
Membership No.: 58652

Place: Kolkata  
Date : 9th August, 2012



## The Calcutta Stock Exchange Limited

### BALANCE SHEET AS AT 31st MARCH, 2012

|  | NOTES | As at 31st March 2012 |                      | As at 31st March 2011 |                      |
|--|-------|-----------------------|----------------------|-----------------------|----------------------|
|  |       | Rupees                | Rupees               | Rupees                | Rupees               |
| <b>I. EQUITIES AND LIABILITIES</b>         |       |                       |                      |                       |                      |
| <b>1. SHAREHOLDERS' FUND</b>               |       |                       |                      |                       |                      |
| Share Capital                              | 3     |                       | 6,18,750             |                       | 6,18,750             |
| Reserves and Surplus                       | 4     |                       | 152,55,06,941        |                       | 149,50,70,132        |
| <b>2. NON CURRENT LIABILITIES</b>          |       |                       |                      |                       |                      |
| Long Term Liabilities                      | 5     |                       | 128,76,72,285        |                       | 132,47,55,647        |
| Long Term Provisions                       | 6     |                       | 1,60,28,831          |                       | 1,23,96,880          |
| <b>3. CURRENT LIABILITIES</b>              |       |                       |                      |                       |                      |
| Current Liabilities                        | 7     |                       | 45,69,72,647         |                       | 39,06,86,320         |
| Short Term Provisions                      | 6     |                       | 93,51,309            |                       | 1,20,27,133          |
|  |       |                       | <b>329,61,50,763</b> |                       | <b>323,55,54,862</b> |
| <b>II. ASSETS</b>                          |       |                       |                      |                       |                      |
| <b>1. NON CURRENT ASSETS</b>               |       |                       |                      |                       |                      |
| FIXED ASSETS                               |       |                       |                      |                       |                      |
| - Tangible Assets                          | 8     | 32,15,63,515          |                      | 32,23,47,648          |                      |
| - Intangible Assets                        | 8A    | 36                    |                      | 36                    |                      |
| - Capital Work in Progress                 |       | 46,89,263             | 32,62,52,814         | 13,01,126             | 32,36,48,810         |
| Non Current Investments                    | 9     |                       | 6,56,46,675          |                       | 4,50,06,675          |
| Deferred Tax Assets (Net)                  | 10    |                       | 1,74,98,056          |                       | 1,79,08,870          |
| Long term Loans & Advances                 | 11    |                       | 108,26,37,162        |                       | 110,74,96,340        |
| Other Non-Current Assets                   | 15    |                       | 20,57,04,735         |                       | 79,01,68,610         |
| <b>2. CURRENT ASSETS</b>                   |       |                       |                      |                       |                      |
| Current Investments                        | 12    |                       | 2,50,00,000          |                       | 2,04,92,107          |
| Trade Receivables                          | 13    |                       | 2,91,19,574          |                       | 3,10,16,209          |
| Cash and Bank Balances:                    | 14    |                       | 139,25,54,593        |                       | 79,83,98,019         |
| Short Term Loans & Advances                | 11    |                       | 13,97,71,657         |                       | 8,48,38,557          |
| Other Current Assets                       | 15    |                       | 1,19,65,497          |                       | 165,80,665           |
|  |       |                       | <b>329,61,50,763</b> |                       | <b>323,55,54,862</b> |
| Summary of Significant Accounting Policies | 2     |                       |                      |                       |                      |

The accompanying notes are an integral part of the financial statements.

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

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

Place: Kolkata  
 Date: 9th August, 2012

**For and on behalf of the Board of Directors**

**B Madhav Reddy**  
 Managing Director & CEO

**Sunil Mitra**  
 Chairman

**Prosenjit Dutta**  
 Chief Financial Officer

**Sharad Chandra Jhunjunwala**  
 Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012**

|   | NOTES | 2011-2012<br>Rupees | 2010-2011<br>Rupees |
|---|-------|---------------------|---------------------|
| <b>Income :</b>                                     |       |                     |                     |
| Revenue from Operations                             | 16    | 6,35,62,329         | 6,14,28,566         |
| Other Income  | 17    | 13,31,39,953        | 15,13,19,523        |
|   |       | <b>19,67,02,282</b> | <b>21,27,48,089</b> |
| <b>Expenses :</b>                                   |       |                     |                     |
| Employees Benefit Expense                           | 18    | 5,51,38,904         | 6,45,97,200         |
| Other Expenses                                      | 19    | 7,34,59,805         | 7,60,67,586         |
| Depreciation and Amortization Expense               | 20    | 34,04,714           | 39,34,305           |
| Contribution to SEBI                                |       | 50,44,810           | 48,34,949           |
| Contribution to Customers Protection Fund           |       | 28,54,984           | 18,94,742           |
|   |       | <b>13,99,03,217</b> | <b>15,13,28,782</b> |
| <b>Profit before Tax</b>                            |       | <b>5,67,99,065</b>  | <b>6,14,19,307</b>  |
| <b>Tax Expenses :</b>                               |       |                     |                     |
| Current Tax   |       | 1,49,00,000         | 1,98,96,000         |
| Deferred Tax  |       | 4,10,814            | -59,91,782          |
| Excess Provision made in earlier years written back |       | -                   | -42,99,134          |
|   |       | <b>1,53,10,814</b>  | <b>96,05,084</b>    |
| <b>Profit after Tax</b>                             |       | <b>4,14,88,251</b>  | <b>5,18,14,223</b>  |
| <b>Earnings per equity share</b>                    |       |                     |                     |
| Basic & Dilluted (Rs.)                              | 21    | 32.03               | 22.52               |
| Nominal Value of Share (Re.)                        |       | 1                   | 1                   |
| Summary of Significant Accounting Policies          | 2     |                     |                     |

The accompanying notes are an integral part of the financial statements.

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

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

Place: Kolkata  
 Date: 9th August, 2012

**For and on behalf of the Board of Directors**

**B Madhav Reddy**  
 Managing Director & CEO

**Prosenjit Dutta**  
 Chief Financial Officer

**Sunil Mitra**  
 Chairman

**Sharad Chandra Jhunjhunwala**  
 Director



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

### NOTE - 1 : BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous years, except for the change of accounting policy explained below.

### NOTE - 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### i) Change in Accounting Policy

##### Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements of revised Schedule VI applicable in the current year.

#### ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liability in future periods.

#### iii) Revenue Recognition

Revenue is recognized 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 Company's right to receive payment is established by the balance sheet date.

#### iv) Tangible Assets

Fixed assets are stated at historical 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.

Asset under development as at the Balance Sheet date are shown as Capital work in Progress. Advance paid towards such development are shown as Capital Advance.

**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 on Tangible Assets**

(a) Depreciation on fixed assets has been provided on the written down value method as per the rates prescribe under Schedule – XIV of the Companies Act, 1956 which is in accordance with management estimates for the useful life of the underlying assets. 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) Fixed assets costing upto Rs.5,000 individually are fully depreciated in the year of purchase.

(c) Leasehold Land is amortized over the period of lease.

**vii) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Software costs related to computers are capitalized at the rates applicable to computers as per Schedule XIV of the Companies Act, 1956.

**viii) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**ix) Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable



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income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forwarded tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets 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 such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

### **x) Retirement and other Employee Benefits**

- a) Retirement benefit in the form of provident and superannuation funds are defined contribution schemes and monthly contributions are recognized in the books of account when such contributions become due for payment to the Regional Provident Fund Commissioner and the Life Insurance Corporation of India respectively. There are no obligations other than such contributions.
- 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 financial 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 Statement of Profit and Loss and are not deferred.
- e) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

### **xi) Earnings per Share**

Basic 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 number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### **xii) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its 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.

### **xiii) Contingent Liabilities**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize the contingent liability but discloses its existence in the financial statement.



Notes to the financial statements as at and for the year ended 31st March 2012

**NOTE - 3 : SHARE CAPITAL**

| <u>PARTICULARS</u>                          | <u>As at 31st<br/>March, 2012</u> | <u>As at 31st<br/>March, 2011</u> |
|---|-----------------------------------|-----------------------------------|
|   | <u>Rupees</u>                     | <u>Rupees</u>                     |
| <b>a) AUTHORISED SHARES :</b>               |                                   |                                   |
| 10,00,000 (31 March 2011 : 10,00,000)       |                                   |                                   |
| Equity Shares of Re.1 each                  | <u>10,00,000</u>                  | <u>10,00,000</u>                  |
| <b>b) ISSUED SHARES :</b>                   |                                   |                                   |
| 6,18,750 (31 March 2011 : 6,18,750)         |                                   |                                   |
| Equity Shares of Re.1 each                  | <u>6,18,750</u>                   | <u>6,18,750</u>                   |
| <b>c) SUBSCRIBED &amp; PAID UP SHARES :</b> |                                   |                                   |
| 6,11,000 (31 March 2011 : 6,11,000)         |                                   |                                   |
| Equity Shares of Re.1 each fully paid up    | 6,11,000                          | 6,11,000                          |
| <b>Add : Forfeited Shares:</b>              | 7,750                             | 7,750                             |
| 7,750 (31 March 2011 : 7,750)               |                                   |                                   |
| Equity Shares paid up of Re.1 each          | <u>6,18,750</u>                   | <u>6,18,750</u>                   |

**A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :**

|   | <b>31st March 2012</b> |            | <b>31st March 2011</b> |            |
|---|------------------------|------------|------------------------|------------|
|   | <b>Number</b>          | <b>Rs.</b> | <b>Number</b>          | <b>Rs.</b> |
| Equity Shares                             | 6,11,000               | 6,11,000   | 6,11,000               | 6,11,000   |
| Issued during the year                    | -                      | -          | -                      | -          |
| Shares outstanding at the end of the year | 6,11,000               | 6,11,000   | 6,11,000               | 6,11,000   |

**B. Terms / rights attached to equity shares :**

The Company has only one class of equity shares having at par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount per share dividend recognized as distributions to equity shareholders was Rs.10 (31 March 2011 : Rs.7).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**C. There are no shareholders who are holding more than 5% shares in the Company.**



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Notes to the financial statements as at and for the year ended 31st March 2012

### NOTE - 4 : RESERVES AND SURPLUS

| PARTICULARS   | Balance of Pre-Demutalisation Period as at 31st March 2011 |                | Pre-Demutalisation Period |                            | Post-Demutalisation Period |               | Balance of Pre-Demutalisation Period as at 31st March 2012 |                | Balance of Post-Demutalisation Period as at 31st March 2012 |                | Total Balance of Reserves & Surplus as at 31st March 2012 |                | Total Balance of Reserves & Surplus as at 31st March 2011 |             |
|---|--|----------------|---------------------------|----------------------------|----------------------------|---------------|--|----------------|---|----------------|---|----------------|---|-------------|
|   | Rupees   | Rupees         | Additions during the year | Deductions during the year | Rupees                     | Rupees        | Rupees   | Rupees         | Rupees  | Rupees         | Rupees  | Rupees         | Rupees  | Rupees      |
| <b>Own Fund</b>   |  |                |                           |                            |                            |               |  |                |   |                |   |                |   |             |
| Capital Reserve   | 6,18,860   | -              | -                         | -                          | -                          | -             | 6,18,860   | -              | -   | -              | 6,18,860  | 6,18,860       | -   | -           |
| Securities Premium  | (6,18,860)   | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (6,18,860)   | (-)            | (-)   | (-)            | (6,18,860)  | (6,18,860)     | (-)   | (-)         |
| Reserve for Establishment of Centre for Training and Statistical Information & Setting up a Library                             | 30,14,597  | 63,17,78,051   | -                         | -                          | -                          | -             | 30,14,597  | -              | 63,17,78,051  | 63,17,78,051   | 63,47,92,648  | 63,47,92,648   | -   | -           |
|   | (30,14,597)  | (63,17,78,051) | (-)                       | (-)                        | (-)                        | (-)           | (30,14,597)  | (-)            | (63,17,78,051)  | (63,17,78,051) | (63,47,92,648)  | (63,47,92,648) | -   | -           |
| Contingency Reserve (Refer Note 30)   | 3,88,41,547  | -              | -                         | -                          | -                          | -             | 3,88,41,547  | -              | -   | -              | 3,88,41,547   | 3,88,41,547    | -   | -           |
|   | (5,65,91,570)  | (-)            | (-)                       | (1,77,50,023)              | (-)                        | (-)           | (3,88,41,547)  | (-)            | (-)   | (-)            | (3,88,41,547)   | (3,88,41,547)  | -   | -           |
| Development Fee Fund  | 2,00,00,000  | -              | -                         | 2,00,00,000                | -                          | -             | -  | -              | -   | -              | -   | -              | 2,00,00,000   | 2,00,00,000 |
|   | (2,00,00,000)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (2,00,00,000)  | (-)            | (-)   | (-)            | (2,00,00,000)   | (2,00,00,000)  | -   | -           |
| General Reserve (Refer Note Below)  | 13,40,50,000   | -              | -                         | -                          | -                          | -             | 13,40,50,000   | -              | -   | -              | 13,40,50,000  | 13,40,50,000   | -   | -           |
|   | (13,40,50,000)   | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (13,40,50,000)   | (-)            | (-)   | (-)            | (13,40,50,000)  | (13,40,50,000) | -   | -           |
| Surplus in the Statement of Profit and Loss   | 31,30,94,905   | 3,00,00,000    | 2,05,83,843               | -                          | -                          | 1,00,00,000   | 33,36,78,748   | -              | 4,00,00,000   | 4,00,00,000    | 37,36,78,748  | 34,30,94,905   | -   | -           |
|   | (6,97,36,395)  | (23,90,58,000) | (24,38,86,865)            | (5,28,355)                 | (-)                        | (1,00,00,000) | (31,30,94,905)   | (21,90,58,000) | (3,00,00,000)   | (3,00,00,000)  | (34,30,94,905)  | (30,87,94,395) | -   | -           |
| Add: Profit for the Year  | -  | 5,71,99,460    | -                         | -                          | -                          | -             | -  | -              | -   | -              | -   | -              | -   | -           |
|   | (-)  | (6,49,61,487)  | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (-)            | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |
| Add : Sundry balances written off related to pre demutalisation period adjusted with general reserve                            | -  | -              | -                         | -                          | -                          | -             | -  | -              | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (-)            | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |
| Less: Transferred to General Reserve  | -  | -              | -                         | -                          | -                          | -             | -  | -              | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (-)            | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |
| Less : Transferred to Investors' Service Fund [including Rs. Nil (Rs. 34,16,165) for earlier years]                             | -  | -              | -                         | -                          | -                          | -             | -  | -              | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (-)            | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |
| Less : Transferred to Settlement Guarantee Fund   | -  | -              | -                         | -                          | -                          | -             | -  | -              | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (-)            | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |
| Less : Profit on sale of Fixed Assets of Pre-Demutalisation Period transferred to General Reserve                               | -  | -              | -                         | -                          | -                          | -             | -  | -              | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | -              | -   | -              | -   | -              | -   | -           |
| Less : Unspent Liabilities no longer required, written back related to Pre-Demutalisation Period transferred to General Reserve | -  | -              | -                         | -                          | -                          | -             | -  | 93,400         | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (1,76,804)     | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |
|   | -  | -              | -                         | -                          | -                          | -             | -  | 4,90,443       | -   | -              | -   | -              | -   | -           |
|   | (-)  | (-)            | (-)                       | (-)                        | (-)                        | (-)           | (-)  | (-)            | (-)   | (-)            | (-)   | (-)            | (-)   | (-)         |

## Notes to the financial statements as at and for the year ended 31st March 2012

## NOTE - 4 : RESERVES AND SURPLUS (Contd.)

| PARTICULARS   | Balance of Pre-Demutalisation Period as at 31st March 2011 |                     | Post-Demutalisation Period |                            | Balance of Pre-Demutalisation Period as at 31st March 2012 |                    | Balance of Post-Demutalisation Period as at 31st March 2012 |  | Total Balance of Reserves & Surplus as at 31st March 2011 |                      | Total Balance of Reserves & Surplus as at 31st March 2012 |                      |
|---|--|---------------------|----------------------------|----------------------------|--|--------------------|---|--|---|----------------------|---|----------------------|
|   | Rupees   | Rupees              | Pre-Demutalisation Period  |                            | Rupees   | Rupees             | Post-Demutalisation Period                                  |  | Rupees  | Rupees               | Rupees  | Rupees               |
|   |  |                     | Additions during the year  | Deductions during the year |  |                    | Additions during the year                                   | Deductions/adjustments during the year |   |                      |   |                      |
| Less: Sundry Balances written back of Pre-Demutalisation period adjusted with General Reserve         | -  | -                   | -                          | -                          | -  | -                  | -   | -                                      | -   | -                    | -   | -                    |
| Less : Proposed Dividend  | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | (69,02,038)                            | (-)   | (-)                  | (-)   | (-)                  |
| Less : Tax on Dividend  | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | (42,77,000)                            | (-)   | (-)                  | (-)   | (-)                  |
|   | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | 9,91,195                               | (-)   | (-)                  | (-)   | (-)                  |
|   | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | (6,93,858)                             | (-)   | (-)                  | (-)   | (-)                  |
|   | -  | 5,71,99,460         | -                          | -                          | -  | -                  | 4,14,88,251   | 3,96,01,132                            | -   | 5,90,86,579          | 5,90,86,579   | 5,71,99,460          |
|   | (-)  | (6,49,61,487)       | (-)                        | (-)                        | (-)  | (-)                | (5,23,42,578)   | (6,01,04,605)                          | (-)   | (5,71,99,460)        | (5,71,99,460)   | (6,49,61,487)        |
| <b>Total (I)</b>  | <b>50,96,19,909</b>  | <b>71,89,77,511</b> | <b>2,05,83,843</b>         | <b>2,00,00,000</b>         | <b>2,00,00,000</b>   | <b>2,00,00,000</b> | <b>5,14,88,251</b>  | <b>3,96,01,132</b>                     | <b>51,02,03,752</b>                                       | <b>73,08,64,630</b>  | <b>124,10,68,382</b>                                      | <b>122,85,97,420</b> |
| Investors' Service Fund (Ref. to Note 27)   | (-)  | (93,57,97,538)      | (24,38,86,865)             | (1,82,78,378)              | (1,82,78,378)  | (1,82,78,378)      | (6,23,42,578)   | (27,91,62,605)                         | (50,96,19,909)  | (71,89,77,511)       | (122,85,97,420)   | (121,98,08,960)      |
|   | (-)  | 3,58,70,617         | (-)                        | (-)                        | (-)  | (-)                | 65,60,571   | 4,26,977                               | (-)   | 4,20,04,211          | 4,20,04,211   | 3,58,70,617          |
|   | (-)  | (3,00,96,542)       | (-)                        | (-)                        | (-)  | (-)                | (67,08,849)   | (9,34,774)                             | (-)   | (3,58,70,617)        | (3,58,70,617)   | (3,00,96,542)        |
| <b>Total (II)</b>   | <b>(-)</b>   | <b>3,58,70,617</b>  | <b>(-)</b>                 | <b>(-)</b>                 | <b>(-)</b>   | <b>(-)</b>         | <b>65,60,571</b>  | <b>4,26,977</b>                        | <b>(-)</b>  | <b>4,20,04,211</b>   | <b>4,20,04,211</b>  | <b>3,58,70,617</b>   |
| (Ref. to Note 26)   | (-)  | (3,00,96,542)       | (-)                        | (-)                        | (-)  | (-)                | (67,08,849)   | (9,34,774)                             | (-)   | (3,58,70,617)        | (3,58,70,617)   | (3,00,96,542)        |
| <b>Settlement Guarantee Fund</b>  |  |                     |                            |                            |  |                    |   |  |   |                      |   |                      |
| (Ref. to Note 26)   |  |                     |                            |                            |  |                    |   |  |   |                      |   |                      |
| Settlement Guarantee Fund for CSE-NSE Cash Segment  | -  | -                   | -                          | -                          | -  | -                  | 1,00,00,000   | -                                      | -   | 1,00,00,000          | 1,00,00,000   | -                    |
|   | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | (-)                                    | (-)   | (-)                  | (-)   | (-)                  |
| Settlement Guarantee Fund for CSE-NSE Future and Option Segment                                       | -  | -                   | -                          | -                          | -  | -                  | 1,00,00,000   | -                                      | -   | 1,00,00,000          | 1,00,00,000   | -                    |
|   | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | (-)                                    | (-)   | (-)                  | (-)   | (-)                  |
| Settlement Guarantee Fund for CSE-BSE Cash Segment  | -  | -                   | -                          | -                          | -  | -                  | 1,00,00,000   | -                                      | -   | 1,00,00,000          | 1,00,00,000   | -                    |
|   | (-)  | (-)                 | (-)                        | (-)                        | (-)  | (-)                | (-)   | (-)                                    | (-)   | (-)                  | (-)   | (-)                  |
| Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the Exchange) | -  | 23,06,02,095        | -                          | -                          | -  | -                  | 1,85,88,570   | 3,67,56,317                            | -   | 21,24,34,348         | 21,24,34,348  | 23,06,02,095         |
|   | (-)  | (78,06,19,067)      | (-)                        | (-)                        | (-)  | (-)                | (6,45,48,232)   | (61,45,65,204)                         | (-)   | (23,06,02,095)       | (23,06,02,095)  | (78,06,19,067)       |
| <b>Total (III)</b>  | <b>(-)</b>   | <b>23,06,02,095</b> | <b>(-)</b>                 | <b>(-)</b>                 | <b>(-)</b>   | <b>(-)</b>         | <b>4,85,88,570</b>  | <b>3,67,56,317</b>                     | <b>(-)</b>  | <b>24,24,34,348</b>  | <b>24,24,34,348</b>                                       | <b>23,06,02,095</b>  |
|   | (-)  | (78,06,19,067)      | (-)                        | (-)                        | (-)  | (-)                | (6,45,48,232)   | (61,45,65,204)                         | (-)   | (23,06,02,095)       | (23,06,02,095)  | (78,06,19,067)       |
| <b>TOTAL OF I + II + III</b>  | <b>50,96,19,909</b>  | <b>98,54,50,223</b> | <b>2,05,83,843</b>         | <b>2,00,00,000</b>         | <b>2,00,00,000</b>   | <b>2,00,00,000</b> | <b>10,66,37,392</b>   | <b>7,67,84,426</b>                     | <b>51,02,03,752</b>                                       | <b>101,53,03,189</b> | <b>152,55,06,941</b>                                      | <b>149,50,70,132</b> |
|   | (28,40,11,422)   | (174,65,13,147)     | (24,38,86,865)             | (1,82,78,378)              | (1,82,78,378)  | (1,82,78,378)      | (13,35,99,659)  | (89,46,62,583)                         | (50,96,19,909)  | (98,54,50,223)       | (149,50,70,132)   | (203,05,24,569)      |



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2012

### NOTE - 5 : LONG TERM LIABILITIES

| PARTICULARS                                    | As at 31st March 2012     |                            |                      | As at 31st March 2011     |                            |                      |
|--|---------------------------|----------------------------|----------------------|---------------------------|----------------------------|----------------------|
|  | Pre-Demutalisation Period | Post-Demutalisation Period | TOTAL                | Pre-Demutalisation Period | Post-Demutalisation Period | TOTAL                |
|  | Rupees                    | Rupees                     | Rupees               | Rupees                    | Rupees                     | Rupees               |
|  |                           |                            |                      |                           |                            |                      |
| Trade Payables (Refer Note below)              | 2,45,07,297               | 1,17,31,348                | 3,62,38,645          | 2,45,07,297               | 92,36,151                  | 3,37,43,448          |
| Sundry Deposits [Refer Note 29(ii)]            | 96,92,94,037              | -                          | 96,92,94,037         | 96,92,94,037              | -                          | 96,92,94,037         |
| Members' Security Deposits                     |                           |                            |                      |                           |                            |                      |
| - Own Fund [Refer Note 26( C )]                | -                         | 12,94,59,028               | 12,94,59,028         | -                         | -                          | -                    |
| - Settlement Guarantee Fund [Refer Note 26(a)] | -                         | 15,26,80,575               | 15,26,80,575         | -                         | 32,17,18,162               | 32,17,18,162         |
|  | <b>99,38,01,334</b>       | <b>29,38,70,951</b>        | <b>128,76,72,285</b> | <b>99,38,01,334</b>       | <b>33,09,54,313</b>        | <b>132,47,55,647</b> |

#### Notes :

- I) The Company had obtained office premises on rent together with furniture, fixture etc. from Turner Morrison Limited. The Company had also paid a Security Deposit of Rs 2,00,00,000 for the aforementioned premises. On termination of the rent agreement, Turner Morrison Limited had demanded to increase the rent. Since the Company was not interested to increase the rent, they decided to vacate the property subject to refund of the Security Deposit of Rs 2,00,00,000. As Turner Morrison Limited has not refunded the Security Deposit, the Company has stopped payment of dues to the aforesaid Company for Rent, Service Charges etc pertaining to the office premises situated at 4th floor of 6, Lyons Range, Kolkata – 700001, with effect from May, 2001. Consequently, Turner Morrison Limited had filed a suit against the Company for eviction from the said office. Turner Morrison Limited had 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 had made a provision of Rs.2,52,52,148 in the books of account as at 31st March 2011. Further, the party had 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 had been provided in the books as at 31st March 2011. During the current year, the Company has made an additional provision of Rs.21,97,699 towards rent, furniture and fixture etc and Rs.2,97,498 towards municipal tax which is consistent with previous year.
- 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 as at 31st March 2011 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.
- II) 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

Notes to the financial statements as at and for the year ended 31st March 2012

**NOTE - 6 : PROVISIONS**

| <b>PARTICULARS</b>   | <b>Long Term</b>                 |                                  | <b>Short Term</b>                |                                  |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | <b>As at 31st<br/>March 2012</b> | <b>As at 31st<br/>March 2011</b> | <b>As at 31st<br/>March 2012</b> | <b>As at 31st<br/>March 2011</b> |
|  | <b>Rupees</b>                    | <b>Rupees</b>                    | <b>Rupees</b>                    | <b>Rupees</b>                    |
| <b>Provision for Employee Benefits:</b>                                  |                                  |                                  |                                  |                                  |
| Leave  | 1,60,28,831                      | 1,23,96,880                      | 17,72,242                        | 8,03,768                         |
| Gratuity (Refer Note 33)   | -                                | -                                | 1,67,608                         | 55,25,631                        |
| Provision for Taxation [Net of Advance Tax of Rs. 1,45,89,736 (Rs. Nil)] |                                  |                                  | 3,10,264                         | -                                |
| Proposed Dividend  | -                                | -                                | 61,10,000                        | 42,77,000                        |
| Tax on Dividend  | -                                | -                                | 9,91,195                         | 14,20,734                        |
|  | <b>1,60,28,831</b>               | <b>1,23,96,880</b>               | <b>93,51,309</b>                 | <b>1,20,27,133</b>               |

**NOTE - 7 : CURRENT LIABILITIES**

| <b>PARTICULARS</b>   | <b>As at 31st March 2012</b>              |  |                     | <b>As at 31st March 2011</b>              |  |                     |
|--|---|--|---------------------|---|--|---------------------|
|  | <b>Pre-<br/>Demutalisation<br/>Period</b> | <b>Post-<br/>Demutalisation<br/>Period</b> | <b>TOTAL</b>        | <b>Pre-<br/>Demutalisation<br/>Period</b> | <b>Post-<br/>Demutalisation<br/>Period</b> | <b>TOTAL</b>        |
|  | <b>Rupees</b>                             | <b>Rupees</b>                              | <b>Rupees</b>       | <b>Rupees</b>                             | <b>Rupees</b>                              | <b>Rupees</b>       |
| Trade Payables *   | -   | 4,10,26,610                                | <b>4,10,26,610</b>  | 7,34,416                                  | 1,26,52,437                                | <b>1,33,86,853</b>  |
| <b>Other Liabilities :</b>   |   |  |                     |   |  |                     |
| Sundry Deposits  | 3,33,34,049                               | 1,07,74,692                                | <b>4,41,08,741</b>  | 3,51,27,320                               | 1,33,71,294                                | <b>4,84,98,614</b>  |
| Statutory Dues   | -   | 2,64,02,943                                | <b>2,64,02,943</b>  | -   | 1,74,04,394                                | <b>1,74,04,394</b>  |
| Unclaimed Dividend   | -   | 13,15,685                                  | <b>13,15,685</b>    | -   | 8,50,290                                   | <b>8,50,290</b>     |
| Members' deposit including deposits<br>for additional base capital requirement<br>and margin in Cash | -   | 34,41,18,668                               | <b>34,41,18,668</b> | -   | 31,05,46,169                               | <b>31,05,46,169</b> |
|  |   |  | <b>45,69,72,647</b> |   |  | <b>39,06,86,320</b> |

\* 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.





# The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2012

## NOTE - 8 : TANGIBLE ASSETS

| COST OF VALUATION                     |  | Freehold Land | Leasehold Land | Building  | Electrical Equipments | Furniture & Fixtures | Office Equipments | Vehicles  | Computers    | Total        |
|---------------------------------------|--|---------------|----------------|-----------|-----------------------|----------------------|-------------------|-----------|--------------|--------------|
|                                       |  | Rupees        | Rupees         | Rupees    | Rupees                | Rupees               | Rupees            | Rupees    | Rupees       | Rupees       |
| <b>ASSETS OF PRE-DEMUTUALISATION</b>  |  |               |                |           |                       |                      |                   |           |              |              |
| <b>PERIOD :</b>                       |  |               |                |           |                       |                      |                   |           |              |              |
| At 1st April 2010                     |  | 4,15,300      | 4,96,67,291    | 21,57,399 | 1,46,29,316           | 1,41,21,629          | 1,02,79,828       | 3,81,642  | 21,04,83,588 | 30,21,35,993 |
| Additions                             |  | -             | -              | -         | -                     | -                    | -                 | -         | -            | -            |
| Disposals/Adjustment                  |  | -             | -              | -         | 1,413                 | 24,75,018            | -                 | 3,81,642  | -            | 28,58,073    |
| At 31st March 2011                    |  | 4,15,300      | 4,96,67,291    | 21,57,399 | 1,46,27,903           | 1,16,46,611          | 1,02,79,828       | -         | 21,04,83,588 | 29,92,77,920 |
| Additions                             |  | -             | -              | -         | -                     | -                    | -                 | -         | -            | -            |
| Disposals/Adjustment                  |  | -             | -              | -         | 12,38,787             | 1,08,106             | 3,54,070          | -         | 2,34,78,596  | 2,51,79,559  |
| At 31st March 2012                    |  | 415,300       | 4,96,67,291    | 21,57,399 | 1,33,89,116           | 1,15,38,505          | 99,25,758         | -         | 18,70,04,992 | 27,40,98,361 |
| <b>Depreciation</b>                   |  |               |                |           |                       |                      |                   |           |              |              |
| At 1st April 2010                     |  | -             | 45,14,552      | 13,25,096 | 1,26,07,062           | 1,28,58,147          | 86,92,097         | 3,56,402  | 20,84,68,278 | 24,88,21,634 |
| Charge For the Year                   |  | -             | 5,13,100       | 41,616    | 2,82,044              | 2,77,951             | 2,35,920          | -         | 8,06,120     | 21,56,751    |
| Disposals/Adjustment                  |  | -             | -              | -         | 1,358                 | 22,96,123            | -                 | 3,56,402  | -            | 26,53,883    |
| At 31st March 2011                    |  | -             | 50,27,652      | 13,66,712 | 1,28,87,748           | 1,08,39,975          | 89,28,017         | -         | 20,92,74,398 | 24,83,24,502 |
| Charge For the Year                   |  | -             | 4,63,419       | 46,403    | 2,58,498              | 1,50,997             | 4,29,333          | -         | 3,35,244     | 16,83,894    |
| Disposals/Adjustment                  |  | -             | -              | -         | 11,21,005             | 1,09,249             | 2,81,186          | -         | 2,34,18,176  | 2,49,29,616  |
| At 31st March 2012                    |  | -             | 54,91,071      | 14,13,115 | 1,20,25,241           | 1,08,81,723          | 90,76,164         | -         | 18,61,91,466 | 22,50,78,780 |
| <b>Net Block</b>                      |  |               |                |           |                       |                      |                   |           |              |              |
| At 31st March 2011                    |  | 4,15,300      | 44,639,639     | 7,90,687  | 17,40,155             | 8,06,636             | 13,51,811         | -         | 12,09,190    | 50,953,418   |
| At 31st March 2012                    |  | 4,15,300      | 44,176,220     | 7,44,284  | 13,63,875             | 6,56,782             | 8,49,594          | -         | 8,13,526     | 49,019,581   |
| <b>ASSETS OF POST-DEMUTUALISATION</b> |  |               |                |           |                       |                      |                   |           |              |              |
| <b>PERIOD :</b>                       |  |               |                |           |                       |                      |                   |           |              |              |
| At 1st April 2010                     |  | -             | -              | 58,768    | 12,131                | 1,38,945             | 13,58,242         | 12,38,747 | 65,01,159    | 93,07,992    |
| Additions                             |  | 26,77,50,023  | -              | -         | -                     | 68,493               | 1,72,113          | -         | 4,56,041     | 26,84,46,670 |
| Disposals/Adjustment                  |  | -             | -              | 58,768    | -                     | -                    | 11,250            | -         | 1,17,728     | 1,87,746     |
| At 31st March 2011                    |  | 26,77,50,023  | -              | -         | 12,131                | 2,07,438             | 15,19,105         | 12,38,747 | 68,39,472    | 27,75,66,916 |
| Additions                             |  | -             | -              | -         | -                     | -                    | 3,62,869          | 5,20,000  | 24,97,958    | 33,80,827    |
| Disposals/Adjustment                  |  | -             | -              | -         | -                     | 3,279                | 5,25,258          | 3,65,217  | 82,589       | 9,76,343     |
| At 31st March 2012                    |  | 26,77,50,023  | -              | -         | 12,131                | 2,04,159             | 13,56,716         | 13,93,530 | 92,54,841    | 27,99,71,400 |
| <b>Depreciation</b>                   |  |               |                |           |                       |                      |                   |           |              |              |
| At 1st April 2010                     |  | -             | -              | 5,969     | 3,613                 | 52,082               | 2,90,495          | 3,62,958  | 38,09,524    | 45,24,641    |
| Charge For the Year                   |  | -             | -              | 52,799    | 1,185                 | 76,867               | 2,83,700          | 2,26,741  | 11,36,262    | 17,77,554    |
| Disposals/Adjustment                  |  | -             | -              | 58,768    | -                     | -                    | 2,916             | -         | 67,825       | 1,29,509     |
| At 31st March 2011                    |  | -             | -              | -         | 4,798                 | 1,28,949             | 5,71,279          | 5,89,699  | 48,77,961    | 61,72,686    |
| Charge For the Year                   |  | -             | -              | -         | 1,020                 | 25,983               | 1,74,055          | 1,60,953  | 13,58,809    | 17,20,820    |
| Disposals/Adjustment                  |  | -             | -              | -         | -                     | 1,803                | 1,80,985          | 2,16,561  | 66,691       | 4,66,040     |
| At 31st March 2012                    |  | -             | -              | -         | 5,818                 | 1,53,129             | 5,64,349          | 5,34,091  | 61,70,079    | 74,27,466    |
| <b>Net Block</b>                      |  |               |                |           |                       |                      |                   |           |              |              |
| At 31st March 2011                    |  | 26,77,50,023  | -              | -         | 7,333                 | 78,489               | 9,47,826          | 6,49,048  | 19,61,511    | 27,13,94,230 |
| At 31st March 2012                    |  | 26,77,50,023  | -              | -         | 6,313                 | 51,030               | 7,92,367          | 8,59,439  | 30,84,762    | 27,25,43,934 |
| <b>Net Block of Tangible Assets</b>   |  |               |                |           |                       |                      |                   |           |              |              |
| At 31st March 2011                    |  | 26,81,65,323  | 4,46,39,639    | 7,90,687  | 17,47,488             | 8,85,125             | 22,99,637         | 6,49,048  | 31,70,701    | 32,23,47,648 |
| At 31st March 2012                    |  | 26,81,65,323  | 4,41,76,220    | 7,44,284  | 13,70,188             | 7,07,812             | 16,41,961         | 8,59,439  | 38,98,288    | 32,15,63,515 |

Notes to the financial statements as at and for the year ended 31st March 2012

**NOTE - 8A : INTANGIBLE ASSETS**

| <u>PARTICULARS</u>                            | <u>Computer Softwares</u> | <u>TOTAL</u>  |
|---|---------------------------|---------------|
|   | <u>Rupees</u>             | <u>Rupees</u> |
| <b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b> |                           |               |
| <b>Gross Block</b>                            |                           |               |
| At 1st April 2010                             | 3,00,36,144               | 3,00,36,144   |
| Purchase -                                    | -                         | -             |
| Disposals/Adjustment                          | -                         | -             |
| At 31st March 2011                            | 3,00,36,144               | 3,00,36,144   |
| Purchase -                                    | -                         | -             |
| Disposals/Adjustment                          | -                         | -             |
| At 31st March 2012                            | 3,00,36,144               | 3,00,36,144   |
| Purchase                                      | -                         | -             |
| Amortization                                  | -                         | -             |
| At 1st April 2010                             | 3,00,36,108               | 3,00,36,108   |
| Charge For the Year                           | -                         | -             |
| Disposals/Adjustment                          | -                         | -             |
| At 31st March 2011                            | 3,00,36,108               | 3,00,36,108   |
| Charge For the Year                           | -                         | -             |
| Disposals/Adjustment                          | -                         | -             |
| At 31st March 2012                            | 3,00,36,108               | 3,00,36,108   |
| <b>Net Block</b>                              |                           |               |
| At 31st March 2011                            | 36                        | 36            |
| At 31st March 2012                            | 36                        | 36            |

**NOTE - 9 : NON CURRENT INVESTMENTS**

| <u>PARTICULARS</u>  | <u>No. of Shares/<br/>Units/Debenture</u> | <u>Face Value<br/>per Share/<br/>Debenture/Unit<br/>Rupees</u> | <u>As at<br/>31st March<br/>2012<br/>Rupees</u> | <u>As at<br/>31st March<br/>2011<br/>Rupees</u> |
|---|---|--|---|---|
| <b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b>  |   |  |   |   |
| <b>Other than trade (valued at cost unless stated otherwise)</b>                            |   |  |   |   |
| <b>Quoted debentures (fully paid up)</b>  |   |  |   |   |
| 15% Bengal Paper Mills Co Ltd *   | 117                                       | 100  | 1   | 1   |
| <b>Unquoted equity shares (fully paid up)</b>   |   |  |   |   |
| Central Depository Services (India) Ltd<br>(by way of equity participation as a co-sponsor) | 10,00,000                                 | 10   | 1,00,00,000                                     | 1,00,00,000                                     |
|   |   |  | <b>1,00,00,001</b>                              | <b>1,00,00,001</b>                              |
| <b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>   |   |  |   |   |
| <b>Trade (valued at cost unless stated otherwise)</b>                                       |   |  |   |   |
| <b>Unquoted equity shares (fully paid up)</b>   |   |  |   |   |
| <b>Subsidiary Company</b>   |   |  |   |   |
| CSE Capital Markets Private Limited   | 35,00,000                                 | 10   | 3,50,00,000                                     | 3,50,00,000                                     |
| <b>Other than trade (valued at cost unless stated otherwise)</b>                            |   |  |   |   |
| <b>Quoted equity shares (fully paid up)</b>   |   |  |   |   |
| Beeyu Overseas Ltd  | 400                                       | 10   | 6,674   | 6,674   |
| <b>Quoted bonds (fully paid up)</b>   |   |  |   |   |
| Power Finance Corporation of India Ltd  | 5696<br>( - )                             | 1,000  | 56,96,000                                       | -   |
| National Highway Authority of India Ltd   | 4944<br>( - )                             | 1,000  | 49,44,000                                       | -   |
| <b>Unquoted fixed maturity plans (fully paid up)</b>  |   |  |   |   |
| HDFC Fixed Maturity Plan 391D Mar 2012 (1) - Growth   | 5,00,000<br>( - )                         | 10   | 50,00,000                                       | -   |
| Baroda Pioneer 370 Days FMP - Series I - Growth Plan  | 5,00,000<br>( - )                         | 10   | 50,00,000                                       | -   |
|   |   |  | <b>5,56,46,674</b>                              | <b>3,50,06,674</b>                              |
|   |   |  | <b>6,56,46,675</b>                              | <b>4,50,06,675</b>                              |
| <b>Aggregate cost of Investments:</b>   |   |  |   |   |
| Quoted  |   |  | 1,06,46,675                                     | 6,675   |
| Unquoted  |   |  | 5,50,00,000                                     | 4,50,00,000                                     |
| Market value of quoted investments  |   |  | 1,08,62,924                                     | 936   |
| Net Asset value of Fixed Maturity Plan  |   |  | 1,00,10,550                                     | -   |

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



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2012

### NOTE - 10 : DEFERRED TAX ASSETS (NET)

| <u>PARTICULARS</u>  | <u>As at 31st<br/>March 2012</u> | <u>As at 31st<br/>March 2011</u> |
|---|----------------------------------|----------------------------------|
|   | <u>Rupees</u>                    | <u>Rupees</u>                    |
| <b>Deferred Tax Liability</b>   |                                  |                                  |
| Difference between written down value of fixed assets<br>as per book of account and for income tax purposes | 2,71,665                         | 2,59,359                         |
| <b>Gross Deferred Tax Liability</b>   | <b>2,71,665</b>                  | <b>2,59,359</b>                  |
| <b>Deferred Tax Asset</b>   |                                  |                                  |
| Provision for doubtful debts and advances   | 95,17,718                        | 1,02,26,911                      |
| Expenses allowable against taxable income in future years   | 82,52,003                        | 79,41,318                        |
| <b>Gross Deferred Tax Asset</b>   | <b>1,77,69,721</b>               | <b>1,81,68,229</b>               |
| <b>Net Deferred Tax Asset</b>   | <b>1,74,98,056</b>               | <b>1,79,08,870</b>               |

### NOTE - 11 : LOANS & ADVANCES

| <u>PARTICULARS</u>   | <u>Non-Current</u>               |                                  | <u>Current</u>                   |                                  |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | <u>As at 31st<br/>March 2012</u> | <u>As at 31st<br/>March 2011</u> | <u>As at 31st<br/>March 2012</u> | <u>As at 31st<br/>March 2011</u> |
|  | <u>Rupees</u>                    | <u>Rupees</u>                    | <u>Rupees</u>                    | <u>Rupees</u>                    |
| <b>Unsecured, considered good :</b>  |                                  |                                  |                                  |                                  |
| Capital Advances   | 20,11,155                        | -                                | -                                | -                                |
| Security Deposits  | 4,91,23,323                      | 2,38,08,323                      | -                                | -                                |
| Deposit with BSE Ltd -Settlement Guarantee Fund  | 6,00,00,000                      | 6,00,00,000                      | -                                | -                                |
|  | <b>11,11,34,478</b>              | <b>8,38,08,323</b>               | -                                | -                                |
| Advances recoverable from related parties (Refer Note 34)  |                                  |                                  |                                  |                                  |
| - CSE Capital Markets Private Limited (wholly owned subsidiary)  | -                                | -                                | 2,26,796                         | 6,29,158                         |
| - Stock Exchange Customers' Protection Fund  | -                                | -                                | 57,842                           | -                                |
| Other advances recoverable in cash or in kind  |                                  |                                  |                                  |                                  |
| - From Settlement Guarantee Fund   | 31,73,047                        | 32,53,134                        | -                                | -                                |
| - Provision for doubtful advances  | (3,173,047)                      | (813,284)                        | -                                | -                                |
| - From other parties   | 92,92,800                        | 92,21,182                        | -                                | -                                |
| Receivable from defaulting members [Refer Note 29(i)]  | 95,47,82,021                     | 96,47,96,301                     | -                                | -                                |
|  | <b>96,40,74,821</b>              | <b>97,64,57,333</b>              | <b>2,84,638</b>                  | <b>6,29,158</b>                  |
| <b>Other Loans &amp; Advances:</b>   |                                  |                                  |                                  |                                  |
| Advance Income Tax and Tax Deducted at Source<br>[Net of Provisions of Rs. 3,48,42,661<br>(31 March 2011 : Rs. 3,48,42,661)] | -                                | -                                | 9,06,94,393                      | 7,90,88,302                      |
| Prepaid expenses   | -                                | -                                | 48,33,149                        | 25,88,189                        |
| Loan to employees  |                                  |                                  |                                  |                                  |
| - Interest bearing   | 69,49,544                        | 48,78,788                        | 10,79,565                        | 16,05,836                        |
| - Non interest bearing   | 4,78,319                         | 3,51,896                         | 7,55,113                         | 5,85,720                         |
| Service Tax receivable   | -                                | -                                | 1,24,799                         | 3,41,352                         |
| Fixed deposit with financial institution (bearing interest)  | -                                | 99,00,000                        | 99,00,000                        | -                                |
| Fixed deposit with others (bearing interest)   |                                  |                                  |                                  |                                  |
| - Settlement Guarantee Fund  | -                                | 3,21,00,000                      | 3,21,00,000                      | -                                |
|  | <b>74,27,863</b>                 | <b>4,72,30,684</b>               | <b>13,94,87,019</b>              | <b>8,42,09,399</b>               |
|  | <b>108,26,37,162</b>             | <b>110,74,96,340</b>             | <b>13,97,71,657</b>              | <b>8,48,38,557</b>               |

Notes to the financial statements as at and for the year ended 31st March 2012

**NOTE - 12 : CURRENT INVESTMENTS**

| <u>PARTICULARS</u>  | <u>No. of Units</u> | <u>Face Value<br/>per Unit</u><br><u>Rupees</u> | <u>As at<br/>31st March<br/>2012</u><br><u>Rupees</u> | <u>As at<br/>31st March<br/>2011</u><br><u>Rupees</u> |
|---|---------------------|---|---|---|
| <b>CURRENT (Unquoted)</b><br><b>(at lower of cost and net realisable value)</b> |                     |   |   |   |
| HDFC Cash Management Fund - Savings Plan -<br>Daily Dividend Re-investments     | —<br>(19,26,602)    | 10  | -   | 2,04,92,107   |
| HDFC Fixed Maturity Plan 370 D Feb 2012 (2) - Growth                            | 12,50,000<br>(—)    | 10  | 1,25,00,000   | -   |
| UTI Fixed Term Income Fund-2012 Series XII-IV 368 days - Growth                 | 12,50,000<br>(—)    | 10  | 1,25,00,000   | -   |
|   |                     |   | <u>2,50,00,000</u>                                    | <u>2,04,92,107</u>                                    |
| <b>Aggregate cost of Investment:</b>  |                     |   |   |   |
| Unquoted  |                     |   | 2,50,00,000   | 2,04,92,107   |
| Net asset value of Fixed Maturity Plan  |                     |   | 2,52,24,500   | -   |
| Net asset value of Mutual Funds   |                     |   | -   | 2,04,92,107   |

**NOTE - 13 : TRADE RECEIVABLES**

| <u>PARTICULARS</u>  | <u>As at 31st March 2012</u> |                    | <u>As at 31st March 2011</u> |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
|   | <u>Rupees</u>                | <u>Rupees</u>      | <u>Rupees</u>                | <u>Rupees</u>      |
| Debts outstanding for a period exceeding six months<br>from the date they became due for payment: |                              |                    |                              |                    |
| Secured, Considered good  | 45,01,038                    |                    | 25,49,108                    |                    |
| Unsecured   |                              |                    |                              |                    |
| - Considered good   | 2,43,93,584                  |                    | 2,82,53,185                  |                    |
| - Considered doubtful *   | <u>2,61,61,884</u>           | 5,50,56,506        | <u>3,07,07,477</u>           | 6,15,09,770        |
| Other Debts:  |                              |                    |                              |                    |
| Unsecured, Considered good  | <u>2,24,952</u>              | <u>2,24,952</u>    | <u>2,13,916</u>              | <u>2,13,916</u>    |
|   |                              | 5,52,81,458        |                              | 6,17,23,686        |
| Less: Provision for Doubtful Debts  |                              | <u>2,61,61,884</u> |                              | <u>3,07,07,477</u> |
|   |                              | <u>2,91,19,574</u> |                              | <u>3,10,16,209</u> |

\* The Calcutta Stock Exchange Limited (CSE) has entered into an agreement with Bombay Stock Exchange Ltd (BSE) and National Stock Exchange Ltd (NSE) u/s. 13 of Securities Contract (Regulations) Act, 1956 wherein the members of CSE can have access to the trading platform of BSE and NSE and the companies listed in CSE can be allowed to trade in the permitted category in BSE and NSE (subject to terms and conditions as prescribed by BSE and NSE). Many of the companies are now completing various compliance requirements along with the payment of outstanding listing fees to make themselves eligible for accessing trading platforms of BSE and NSE. 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, membership subscription fees (unsecured) aggregating to Rs.66,69,226 (31 March 2011 : Rs.83,29,092) outstanding as on 31st March 2012 has been fully provided for and provision at the rate of 50% has also been recognized against listing fees (unsecured) aggregating to Rs.1,94,92,658 (31 March 2011 : Rs.2,23,78,385) outstanding as on 31st March 2012.



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2012

### NOTE - 14 : CASH AND BANK BALANCES

| PARTICULARS  | Non-Current                        |                                    | Current                            |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | As at 31st<br>March 2012<br>Rupees | As at 31st<br>March 2011<br>Rupees | As at 31st<br>March 2012<br>Rupees | As at 31st<br>March 2011<br>Rupees |
| <b>a. CASH AND CASH EQUIVALENTS</b>  |                                    |                                    |                                    |                                    |
| Cash on hand   | -                                  | -                                  | 58,337                             | 83,656                             |
| Balance with Scheduled Banks on:   |                                    |                                    |                                    |                                    |
| - Current Account  | -                                  | -                                  |                                    |                                    |
| - Own Fund   | -                                  | -                                  | 32,40,24,899                       | 24,66,04,643                       |
| - Investors' Service Fund  | -                                  | -                                  | 98,047                             | -                                  |
| - Settlement Guarantee Fund  | -                                  | -                                  | 38,82,053                          | 73,942                             |
| - Unpaid Dividend Account  | -                                  | -                                  | 13,15,685                          | 8,50,290                           |
| - Savings Account  | -                                  | -                                  | 17,49,605                          | 29,85,270                          |
|  | -                                  | -                                  | <b>33,11,28,626</b>                | <b>25,05,97,801</b>                |
| <b>b. OTHER BANK BALANCES</b>  |                                    |                                    |                                    |                                    |
| <b>Deposits with original maturity for more than 12 months :</b>                                   |                                    |                                    |                                    |                                    |
| Own Fund   | 16,11,69,860                       | 58,48,02,063                       | 58,73,86,235                       | 15,92,99,000                       |
| Earmarked Funds:   |                                    |                                    |                                    |                                    |
| - Settlement Guarantee Fund*   | 7,50,000                           | 16,65,25,000                       | 18,42,90,540                       | 12,92,04,218                       |
| - Investors' Service Fund  | 48,00,000                          | -                                  | -                                  | -                                  |
| - Fund for Establishment of Centre for Training and Statistical Information & Setting up a Library | 3,88,41,547                        | 3,88,41,547                        | -                                  | -                                  |
| <b>Deposits with original maturity for more than 3 months, but less than 12 months :</b>           |                                    |                                    |                                    |                                    |
| Own Fund   | -                                  | -                                  | 15,88,93,836                       | 20,90,29,383                       |
| Earmarked Funds:   |                                    |                                    |                                    |                                    |
| - Settlement Guarantee Fund*   | -                                  | -                                  | 9,37,49,192                        | 1,43,97,000                        |
| - Investors' Service Fund  | -                                  | -                                  | 3,71,06,164                        | 3,58,70,617                        |
|  | <b>20,55,61,407</b>                | <b>79,01,68,610</b>                | <b>106,14,25,967</b>               | <b>54,78,00,218</b>                |
| Amount disclosed under Non-current assets (Refer Note 15)  | <b>(205,561,407)</b>               | <b>(790,168,610)</b>               |                                    |                                    |
|  | -                                  | -                                  | <b>139,25,54,593</b>               | <b>79,83,98,019</b>                |
| <b>Deposits with original maturity for more than 3 months, but less than 12 months :</b>           |                                    |                                    |                                    |                                    |
| - Pledged with BSE   | -                                  | -                                  | 65,00,000                          | -                                  |
| - Pledged with NSCCL   | -                                  | -                                  | 8,72,49,192                        | -                                  |
| <b>Deposits with original maturity for more than 12 months :</b>                                   |                                    |                                    |                                    |                                    |
| - Pledged with BSE   | -                                  | 8,00,25,000                        | -                                  | 9,25,00,000                        |
| - Pledged with NSCCL   | 7,50,000                           | -                                  | 7,72,24,568                        | -                                  |
|  | <b>7,50,000</b>                    | <b>800,25,000</b>                  | <b>1709,73,760</b>                 | <b>925,00,000</b>                  |

\*The aforesaid fixed deposits have been pledged as margin for utilization of their Trading Platform by the members of the Company.

### NOTE - 15 : OTHER ASSETS

| PARTICULARS  | Non-Current                        |                                    | Current                            |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | As at 31st<br>March 2012<br>Rupees | As at 31st<br>March 2011<br>Rupees | As at 31st<br>March 2012<br>Rupees | As at 31st<br>March 2011<br>Rupees |
| Unsecured, Considered Good unless stated otherwise |                                    |                                    |                                    |                                    |
| Non-current bank balances (Refer Note 14)          | 20,55,61,407                       | 79,01,68,610                       | -                                  | -                                  |
| OTHER RECEIVABLES                                  |                                    |                                    |                                    |                                    |
| Other Debts:                                       |                                    |                                    |                                    |                                    |
| Unsecured, Considered good                         |                                    |                                    |                                    |                                    |
| Rent   | -                                  | -                                  | 4,69,751                           | 3,86,625                           |
| Electricity  | -                                  | -                                  | 892,747                            | 15,86,663                          |
| Others   | -                                  | -                                  | 48,906                             | -                                  |
| Interest accrued on fixed deposits:                |                                    |                                    |                                    |                                    |
| - Own Fund   | 1,24,443                           | -                                  | 89,00,924                          | 1,11,83,133                        |
| - Settlement Guarantee Fund                        | 18,885                             | -                                  | 15,01,973                          | 34,24,244                          |
| Interest accrued on PSU bonds:                     |                                    |                                    |                                    |                                    |
| - Own Fund   | -                                  | -                                  | 1,51,196                           | -                                  |
|  | <b>20,57,04,735</b>                | <b>79,01,68,610</b>                | <b>1,19,65,497</b>                 | <b>1,65,80,665</b>                 |



Notes to the financial statements as at and for the year ended 31st March 2012

**NOTE - 16 : REVENUE FROM OPERATIONS:**

| <b>PARTICULARS</b>                           | <b>2011-2012</b>   | <b>2010-2011</b>   |
|--|--------------------|--------------------|
|  | <b>Rupees</b>      | <b>Rupees</b>      |
| <b>SALE OF SERVICES :</b>                    |                    |                    |
| Turnover charges on own trading platform     | 55,07,743          | 26,00,295          |
| Turnover charges on other trading platform : |                    |                    |
| - BSE  | 11,75,928          | 16,55,145          |
| - NSE  | 1,14,929           | -                  |
| Listing fees                                 | 3,69,29,500        | 3,95,20,820        |
| Subscriptions                                | 23,91,000          | 24,18,000          |
| Processing charges                           | 78,19,022          | 93,57,150          |
| Income from depository participant operation | 10,61,453          | 4,85,026           |
| Commission on PAN services                   | 2,15,597           | 1,65,132           |
| <b>Other operating revenue :</b>             |                    |                    |
| Bad debts recovered                          | 31,15,000          | 32,82,982          |
| Recovery of penal charges from clients       | 29,97,656          | 14,08,541          |
| Technology charges from new members          | 6,50,000           | 5,00,000           |
| Interest on delayed payment of Listing Fees  | 15,84,501          | 35,475             |
|  | <b>6,35,62,329</b> | <b>6,14,28,566</b> |

**NOTE - 17 : OTHER INCOME**

| <b>PARTICULARS</b>  | <b>2011-2012</b>    | <b>2010-2011</b>    |
|---|---------------------|---------------------|
|   | <b>Rupees</b>       | <b>Rupees</b>       |
| Interest on investments of Investors' Service Fund                  | 36,37,399           | 22,31,700           |
| Income from investments of Settlement Guarantee Fund:               |                     |                     |
| Interest on fixed deposits  | 2,15,54,796         | 3,62,48,972         |
| Dividend from current investments                                   | -                   | 1,86,879            |
| Dividend from equity shares pledged by members [Refer note 26(f)]   | 29,07,088           | 69,51,207           |
|   | <b>2,80,99,283</b>  | <b>4,56,18,758</b>  |
| Interest income on own fund:  |                     |                     |
| Fixed deposits (including Rs. Nil (Rs.76,84,515) for earlier years) | 8,93,15,092         | 8,12,60,149         |
| Tax Free PSU bonds  | 1,51,196            | -                   |
| Savings bank account  | 1,15,438            | 77,386              |
| Security deposit with CESC Ltd                                      | 1,06,234            | 1,07,586            |
| Income Tax refunds  | 2,20,851            | 13,79,182           |
| Others  | 6,59,346            | 2,91,755            |
|   | <b>9,05,68,157</b>  | <b>8,31,16,058</b>  |
| Dividend income from investments - own fund:                        |                     |                     |
| Dividend from long term investments                                 | 12,00,000           | 12,00,000           |
| Dividend from current investments                                   | 56,86,685           | 17,24,212           |
|   | <b>68,86,685</b>    | <b>29,24,212</b>    |
| Other non-operating Income:   |                     |                     |
| Rent  | 7,03,538            | 6,76,215            |
| Fees for transfer of tenancy rights                                 | 8,83,580            | -                   |
| Miscellaneous receipts  | 10,16,841           | 15,88,580           |
| Profit on sale of fixed assets                                      | -                   | 1,76,804            |
| Liabilities/Provisions no longer required, written back             | 49,81,869           | 1,72,18,896         |
|   | <b>75,85,828</b>    | <b>1,96,60,495</b>  |
|   | <b>13,31,39,953</b> | <b>15,13,19,523</b> |



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2012

### NOTE - 18 : EMPLOYEE'S BENEFIT EXPENSE

| PARTICULARS  | 2011-2012 |                    | 2010-2011 |                    |
|--|-----------|--------------------|-----------|--------------------|
|  | Rupees    | Rupees             | Rupees    | Rupees             |
| Salaries, bonus etc [including Rs.Nil<br>(31 March 2011 : Rs.25,76,094) for earlier years]       |           | 4,65,90,771        |           | 5,06,01,429        |
| Contribution to provident and other funds<br>[including Rs.Nil (Rs.19,34,485) for earlier years] |           | 53,06,713          |           | 1,19,41,025        |
| Staff welfare [including Rs.Nil<br>(31 March 2011 : Rs.12,33,509) for earlier years]             |           | 34,71,593          |           | 49,19,725          |
| Voluntary retirement expenses  |           | 14,38,605          |           | -                  |
|  |           | <b>5,68,07,682</b> |           | <b>6,74,62,179</b> |
| Less : Expenses for Investors' Service Fund  | -         |                    | 1,64,543  |                    |
| Less : Expenses for Settlement Guarantee Fund  | 16,68,778 | 16,68,778          | 27,00,436 | 28,64,979          |
|  |           | <b>5,51,38,904</b> |           | <b>6,45,97,200</b> |

### NOTE - 19 : OTHER EXPENSES

| PARTICULARS   | 2011-2012   |                    | 2010-2011   |                    |
|---|-------------|--------------------|-------------|--------------------|
|   | Rupees      | Rupees             | Rupees      | Rupees             |
| Advertisement   |             | 45,97,362          |             | 9,43,544           |
| Rent  |             | 15,52,827          |             | 19,74,027          |
| Electricity charges   | 70,26,947   |                    | 68,17,053   |                    |
| Less : recovered from tenants   | 17,19,540   | 53,07,407          | 21,12,796   | 47,04,257          |
| Rates & Taxes   |             | 6,52,593           |             | 5,70,863           |
| Insurance   |             | 2,80,250           |             | 3,06,212           |
| Printing & Stationary   |             | 11,32,581          |             | 6,09,730           |
| Telephone charges   |             | 6,54,502           |             | 5,96,460           |
| Travelling & Conveyance   |             | 14,08,805          |             | 13,72,527          |
| Motor car expenses  |             | 3,44,814           |             | 2,64,090           |
| Repairs & Maintenance:  |             |                    |             |                    |
| - Building  | 4,92,673    |                    | 2,29,272    |                    |
| - Others*   | 2,04,41,446 | 209,34,119         | 1,77,58,163 | 179,87,435         |
| Expenses for Other Trading Platform   |             |                    |             |                    |
| -BSE  |             | 6,99,178           |             | 4,75,014           |
| -NSE  |             | 1,07,382           |             | -                  |
| Interest on delayed payment of statutory dues                               |             | 15,14,097          |             | 79,660             |
| Security Expenses   |             | 12,66,092          |             | 14,85,877          |
| Demat Charges (Including Rs.3,13,794 (Rs. Nil) for earlier years)           |             | 6,24,875           |             | 40,639             |
| Miscellaneous Expenses  |             | 32,47,136          |             | 22,52,048          |
| Expenses for Depository Services  |             | 15,02,958          |             | 13,06,671          |
| Legal & Professional Fees   |             | 31,92,005          |             | 47,10,799          |
| Auditor's Remuneration  |             |                    |             |                    |
| As Audit Fees   | 6,00,000    |                    | 6,00,000    |                    |
| Tax Audit   | 2,00,000    |                    | -           |                    |
| For other Services  | 1,25,000    |                    | -           |                    |
| Reimbursement of Expenses   | 8,750       | 9,33,750           | -           | 6,00,000           |
| Investors' Service Expenses   |             | 4,26,977           |             | 6,44,318           |
| Directors Sitting Fee   |             | 13,82,500          |             | 13,82,500          |
| Bad Debts   | 2,29,08,020 |                    | 2,20,60,757 |                    |
| Less : Adjusted against Provision for Doubtful Debts                        | 1,14,54,010 | 1,14,54,010        | 57,10,189   | 1,63,50,568        |
| Provision for Doubtful Debts and Advances                                   |             | 1,09,28,046        |             | 1,80,24,094        |
| Miscellaneous Expenditure Written Off                                       |             | -                  |             | 4,20,700           |
| Contribution on reconciliation to Settlement Guarantee Fund (Refer note 31) |             | 10,27,911          |             | -                  |
| Loss on sale/discard of assets  |             | 1,68,747           |             | -                  |
| Sundry Balances Written Off   |             | 1,44,577           |             | 5,40,258           |
|   |             | <b>7,54,85,501</b> |             | <b>7,76,42,291</b> |
| Less : Expenses for Investors' Service Fund                                 | 4,26,977    |                    | 7,70,231    |                    |
| Less : Expenses for Settlement Guarantee Fund                               | 15,98,719   | 20,25,696          | 8,04,474    | 15,74,705          |
|   |             | <b>7,34,59,805</b> |             | <b>7,60,67,586</b> |

\* Including Rs.1,61,06,150 (31 March 2011 : Rs.1,64,34,481) for Computer maintenance and service charges

Notes to the financial statements as at and for the year ended 31st March 2012

**NOTE - 20 : DEPRECIATION AND AMORTIZATION EXPENSE**

| <u>PARTICULARS</u>                | <u>2011-2012</u> | <u>2010-2011</u> |
|-----------------------------------|------------------|------------------|
|                                   | <u>Rupees</u>    | <u>Rupees</u>    |
| Depreciation of Tangible Assets   | 34,04,714        | 39,34,305        |
| Amortization of Intangible Assets | -                | -                |
|                                   | <u>34,04,714</u> | <u>39,34,305</u> |

**NOTE - 21 : EARNING PER SHARE (EPS)**

| <u>PARTICULARS</u>                                       | <u>2011-2012</u>          | <u>2010-2011</u>          |
|--|---------------------------|---------------------------|
|  | <u>Rupees</u>             | <u>Rupees</u>             |
| Net Profit after Tax as per Statement of profit and loss | 4,14,88,251               | 5,18,14,223               |
| Less : Profit appropriated to earmarked fund             |                           |                           |
| -Transferred to Investors' Service Fund                  | 65,60,571                 | 67,08,849                 |
| -Transferred to Settlement Guarantee Fund                | 1,53,55,523               | 3,13,46,056               |
| <b>Profit attributable to equity shareholders</b>        | <u><b>1,95,72,157</b></u> | <u><b>1,37,59,318</b></u> |
| <b>Weighted average number of equity shares</b>          | <u><b>6,11,000</b></u>    | <u><b>6,11,000</b></u>    |
| <b>Earnings per share - Basic &amp; Diluted (Rs.)</b>    | <u><b>32.03</b></u>       | <u><b>22.52</b></u>       |
| <b>Nominal Value of share (Re.)</b>                      | <b>1</b>                  | <b>1</b>                  |

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. The Securities and Exchange Board of India (SEBI) had approved the Demutualisation Scheme of the Company vide its order dated August 29, 2005 and the same was notified in the official Gazette on the same date. Pursuant to the aforesaid scheme a trading member may or may not be a shareholder of the Company and vice versa, it was directed to the Company that it shall not use its assets and reserves as on the date of publication of the scheme or the proceeds from disposal of such assets or the proceeds from disposal of successive species of assets acquired from the proceeds of disposal of such assets for any purpose other than discharging the current liabilities outstanding as on the date of publication of the scheme or for the business operations of the Company. Accordingly, the reserves and surplus, liabilities, fixed assets and investments have been segregated between pre- demutualisation and post-demutualisation period and have been disclosed accordingly in the financial statements.
24. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for Rs.49,16,719 (Rs.1,01,991).
25. **Contingent Liabilities not provided for:**  
 Claims against the Company not acknowledged as debts.
- Income Tax matters:**
- a) In respect of Assessment Years 1991-92 and 1992-93, total demands aggregating Rs.3,66,74,684 raised by the Assessing Officer due to development fees received from members was considered revenue receipt instead of



## The Calcutta Stock Exchange Limited

capital receipt. The aforesaid demand 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 at 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 1995-96, total demands of Rs.1,50,17,383 raised by the Assessing Officer due to development fees received from members was considered revenue receipt instead of capital receipt. The aforesaid demand 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. The Assessing Officer has given a notice u/s 142(1) and passed an assessment order on 19th December 2011 demanding Rs.2,29,41,449 (out of which an amount of Rs.49,29,584 on account of tax and surcharge and balance of Rs.18,011,865 for interest) for Assessment Year 1993-94 and Rs.15,009,373 (out of which an amount of Rs.24,25,755 on account of tax and surcharge and balance of Rs.12,583,618 for interest) for Assessment Year 1995-96. The assessee has filed an appeal before CIT (Appeals) on 24th January 2012 stating that the above order passed by Assessing Officer is beyond the time limit prescribed under the provision of the Income Tax Act. In view of the above, 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 Income Tax Appellate Tribunal had given an Order allowing contribution to Settlement Guarantee Fund as application of income and referred back the other matters to Assessing Officer. 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 at Calcutta against the above Order of the Income Tax Appellate Tribunal.
- d) In respect of Assessment Year 2009-10, the Assessing Officer has disallowed expenses of Rs. 16,17,302 under section 14A of the Income Tax Act, 1961 and have also imposed a penalty of Rs.4,99,745. The Company has filed an appeal before the Commission of Income Tax (Appeals) against the penalty demanded by the Income Tax Authorities which is pending disposal.

### Other matters:

- e) The Company has received three Show Cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Company. The Company has filed a Writ Petition before the Hon'ble High Court at Calcutta 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.
- f) 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.

### 26. Settlement Guarantee Fund (SGF):

- (a) In 1998, the Company had set up Settlement Guarantee Fund (SGF) to guarantee the settlement of bonafide transactions of members of the Company, so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the Company. The Fund and its rules and bye-laws were set up by the Company and duly 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 during the year on the investments of SGF is credited to the Statement of Profit and Loss and then transferred to the Settlement Guarantee Fund (net of applicable taxes) as an appropriation. The non interest bearing amount to the extent which is refundable to the members are disclosed under "Long Term Liabilities" and non refundable amount is disclosed as "Reserve and Surplus" of the Settlement Guarantee Fund. Accordingly, the assets pertaining to the SGF has also been disclosed in the respective note as indicated in Note 26 (e) below.

- (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 and 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.1,18,74,655 would have been adjusted till the year end towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs.14,97,461 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.18,74,80,725 would have been carried forward towards adjustment against annual contribution in subsequent year. However, since the aforesaid amount has already been charged off to Statement of Profit and Loss, the Company's annual contribution for the year subsequent to 2000-01 (including Rs.14,97,461 for the year) had not been charged against profits for those years.
- (c) In accordance with the revised bye-laws of the Company effective from 3rd September, 2011, the Company has changed its past policy of considering refundable security deposits received from trading members upto Rs. 10,00,000 as part of the Settlement Guarantee Fund of the Company and consequent to such change, the differential security deposits in cash, in excess of Rs. 2,50,000 and upto Rs. 10,00,000 has been considered as own fund. Accordingly, the corresponding fixed deposits which were earlier earmarked for SGF has now been considered as fixed deposits of the Company and any interest income earned/accrued on such fixed deposits effective from 3rd September, 2011 has been considered as income of the Company. The aforesaid change in the policy was approved by the Board of Directors vide circular resolution dated 25th July, 2012 with effect from 3rd September, 2011. The Company has also obtained legal opinion from an external legal counsel on the aforesaid matter according to which the aforesaid treatment is in accordance with the bye-laws of the Settlement Guarantee Fund.
- (d) Settlement Guarantee Fund at the year end comprises of the following:

| SI No | Particulars  | 2011-12<br>(Rs.)    | 2010-11<br>(Rs.)    |
|-------|--|---------------------|---------------------|
|       | <b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b> |                     |                     |
| I     | Settlement Guarantee Fund of the Exchange                        | 18,73,01,345        | 17,81,51,027        |
| II    | Members' Ad-hoc contribution to SGF                              | 3,11,27,700         | 3,11,27,700         |
| III   | Dividend on Members' Security Deposit                            | 2,40,05,303         | 2,13,23,368         |
|       | <b>Total</b>   | <b>24,24,34,348</b> | <b>23,06,02,095</b> |
|       | <b>Under Long Term Liabilities (Settlement Guarantee Fund):</b>  |                     |                     |
| IV    | Members BMC/SGF in Cash  | 13,82,53,033        | 30,67,74,742        |
| V     | TDS under Section 194A   | 5,211               | 2,92,783            |
| VI    | Interest Adjustable with BMC/ABMC                                | 1,23,22,331         | 1,46,50,637         |
| VII   | Members' deposit towards NSE-SGF                                 | 21,00,000           | -                   |
|       | <b>Total</b>   | <b>15,26,80,575</b> | <b>32,17,18,162</b> |

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

| SI No | Particulars                        | 2011-12<br>(Rs.)    | 2010-11<br>(Rs.)    |
|-------|------------------------------------|---------------------|---------------------|
| I     | Investments in Fixed Deposits      | 27,87,89,732        | 31,01,26,218        |
| II    | Balances in Current Account        | 38,82,053           | 73,942              |
| III   | Interest accrued on Fixed Deposits | 15,20,858           | 34,24,244           |
| IV    | Deposit with BSE Ltd               | 6,00,00,000         | 6,00,00,000         |
| V     | Deposit with Others                | 3,21,00,000         | 3,21,00,000         |
| VI    | BMC Receivable from Members        | 31,73,047           | 32,53,134           |
| VII   | Receivable from Exchange           | 1,56,49,233         | 14,33,42,719        |
|       | <b>Total</b>                       | <b>39,51,14,923</b> | <b>55,23,20,257</b> |





## The Calcutta Stock Exchange Limited

- (f) Dividend on Members' security Deposits as stated in (d)(III) 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 has been recognized on the Company's income and not passed on to the concerned member, is not to be passed on to the members.

### 27. Investors' Services Fund (ISF):

As required by the bye-laws of the Company, a separate fund called the Investors' Services Fund ("the Fund") was established in a prior year by setting aside twenty percent of the annual listing fees as prescribed by Securities and Exchange Board of India. The Fund is used for the purposes of providing different kind of services to the investing public as stated in bye-laws and to create awareness among the investors. All expenses incurred in providing such services are borne by the Investors' Service Fund.

### 28. During the year, in accordance with the requirement of SEBI, the Company has framed a policy based on which the Company's expenses are allocated to

Settlement Guarantee Fund as against the past practice of allocating expenses to Settlement Guarantee Fund based on necessary approvals from the Board of Directors. The aforesaid policy has been approved by the Board of Directors of the Company.

The revenue expenditures debited to the Settlement Guarantee Fund and Investors' Service Fund as reported in Note 18 and 19 comprises of the following:

| Particulars                                | 2011-12<br>(Rs.) | 2010-11<br>(Rs.) |
|--|------------------|------------------|
| Settlement Guarantee Fund Expenses:        |                  |                  |
| - Salaries, Wages and Bonus etc            | 15,47,657        | 25,43,426        |
| - Staff Welfare                            | 1,21,121         | 1,57,010         |
| - Rent                                     | 4,80,000         | 83,791           |
| - Telephone Charges                        | 25,000           | 22,603           |
| - Computer Maintenance and Service Charges | 3,600            | 3,600            |
| - Electricity Charges                      | 75,000           | 15,919           |
| - Audit Expenses                           | 2,00,000         | -                |
| - Miscellaneous Expenses                   | 64,500           | 38,988           |
| - Legal & Professional Fees                | 7,50,619         | 6,39,573         |
| Investors' Service Expenses                | 4,26,977         | 9,34,774         |

29. (i) Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.95,47,82,021 (Rs.96,47,96,301) due from Members on account of settlements in prior years comprising of Rs.94,74,23,732 (Rs.95,74,05,512) towards Hand Delivery Settlement, Rs.26,36,540 (Rs.26,36,540) for Cash Settlement and Rs.47,21,749 (Rs.47,54,249) on account of Demat Settlement as on 31.03.2012. Out of the above, Rs.90,20,30,137 (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 (Rs.3,71,46,476) from other defaulting members. As the matter is sub-judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.
- ii) Sundry Deposits as at 31.03.2012 under the head "Long Term Liabilities" includes Rs. 96,92,94,037 (Rs.96,92,94,037) as on being contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years which is refundable on receipt of settlement amount from defaulting members.
- iii) Certain members had made an ad-hoc contribution aggregating Rs.28,06,89,708 in the financial year 2000-01, Rs.65,00,000 in the financial year 2001-02 and Rs.2,45,92,390 in the financial year 2002-03 to the Settlement Guarantee Fund. The aforesaid funds were provided to the Company for settling certain transactions where the transacting members have defaulted. Such contributions are to be refunded only when the Company recovers money from the defaulters.
30. In the year 1995-96 the Company had created a contingency reserve of Rs. 2,00,00,000 to set aside funds that may be necessary for dealing with trading members in case of default. In view of the management, since Settlement Guarantee

Fund was subsequently set up in 1998 to settle bonafide transactions of members of the Company, it is no longer necessary to carry the aforesaid contingency reserve and therefore the same has been transferred to General Reserve (pre-demutualisation period) which has been approved by the Board of Directors.

31. During the year, an amount of Rs.10,27,911 has been credited to Settlement Guarantee Fund by debiting Statement of Profit and Loss under the head Contribution on reconciliation to Settlement Guarantee Fund in Note 19 "Other Expenses" after obtaining approval from the Audit and Finance Committee, being the reconciliation difference between Accounts and Securities Department. 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 fees receivable from aforesaid companies are being recognized in the books of account. However, the management does not expect any material impact on this account.
32. Fixed Deposits and shares are being received by the Company from the members as security deposit. Since the rights on aforesaid shares and fixed deposits remained with the members and the same is kept with the Company only as security deposits, the value of such shares of Rs.17,68,99,027 (Rs.16,85,57,223) and fixed deposits of Rs.21,42,62,132 (Rs.179,850,269) as at 31.03.2012, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.
33. Employee Benefits:

The Company has a defined benefit gratuity plan for its employees. 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 the Life Insurance Corporation of India.

The following tables summarize the components of net benefit/expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

- i) The principle actuarial assumptions are as follows:

| Particulars                             | 2011-12 | 2010-11  |
|---|---------|----------|
| Discount rate                           | 8%      | 8%       |
| Salary escalation rate (Inflation rate) | 7.5%    | 7%       |
| Withdrawal rates                        | 2%      | 1% to 3% |

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

| Particulars                                | 2011-12 (Rs.) | 2010-11 (Rs.) |
|--|---------------|---------------|
| Contribution to Provident/Pension Fund     | 31,83,113     | 28,08,757     |
| Contribution to Superannuation Fund        | 11,68,395     | 12,85,369     |
| Contribution to Employees' State Insurance | 1,55,810      | 1,83,309      |

34. Related Party Transactions:

Aggregated Related Party disclosure as at and for the year ended 31 March 2012:

- a) Entities under common control:

Name: Stock Exchange Customers Protection Fund

Transactions with the entity under common control:

| Name                     | Particulars                               | 2011-12(Rs.) | 2010-11(Rs.) |
|--------------------------|---|--------------|--------------|
| Stock Exchange Customers | Contribution to Customers Protection Fund | 28,54,985    | 18,94,74     |
|                          | Expenses Recoverable                      | 1,25,798     | 49,21        |
| Protection Fund          | Amount paid                               | 46,32,559    | -            |
|                          | Amount Payable outstanding                | -            | 18,45,530    |
|                          | Amount Receivable outstanding             | 57,842       | -            |



## The Calcutta Stock Exchange Limited

Transactions with the wholly owned Subsidiary:

| Name                                       | Particulars                                | 2011-12(Rs.) | 2010-11(Rs.) |
|--|--|--------------|--------------|
| <b>CSE Capital Markets Private Limited</b> | Expenses incurred on behalf of Subsidiary  | 17,35,188    | 6,29,158     |
|  | Amount recovered against expenses incurred | 21,37,550    | -            |
|  | Loans taken                                | -            | 2,00,00,000  |
|  | Loans repaid                               | -            | 2,00,00,000  |
|  | Interest Paid                              | -            | 1,57,278     |
|  | Amount receivable outstanding              | 2,26,796     | 6,29,158     |

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

| Name  | Particulars                       | 2011-12 (Rs.) | 2010-11 (Rs.) |
|---|-----------------------------------|---------------|---------------|
| <b>Mr. B Madhav Reddy</b><br>(From 6th June 2011)     | Remuneration and other allowances | 43,28,827     | -             |
| <b>Ms. Molly Thambi</b><br>(Up to September 30, 2010) | Remuneration and other allowances | -             | 28,70,486 *   |

\* excluding Rs.36,00,000 towards exgratia paid after her resignation has not been considered as a part of managerial remuneration and thus not included above.

35. Till the year ended 31.03.2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31.03.2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. Previous year's figures including those in brackets have been regrouped and/or rearranged wherever necessary.

As per our Report of even date

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

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

Place: Kolkata  
Date: 9th August, 2012

**For and on behalf of the Board of Directors**

**B Madhav Reddy**  
Managing Director & CEO

**Prosenjit Dutta**  
Chief Financial Officer

**Sunil Mitra**  
Chairman

**Sharad Chandra Jhunjunwala**  
Director

**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, 2012  |
| 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. 12,41,632   |
|    | b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary   | Rs. 13,28,302   |
| 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.

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**For and on behalf of the Calcutta Stock Exchange Limited**

**B Madhav Reddy**  
Managing Director & CEO

**Sunil Mitra**  
Chairman

**Prosenjit Dutta**  
Chief Financial Officer

**Sharad Chandra Jhunjunwala**  
Director

Place: Kolkata  
Date: 9th August, 2012

**DIRECTORS' REPORT***Dear Shareholders*

Your Directors are pleased to present the Third Annual Report on the operations of the Company together with the audited Statement of Accounts for the financial year ended 31st March, 2012

**Financial Overview**

| (Amt in Rs)              |                            |                            |
|--------------------------|----------------------------|----------------------------|
| Particulars              | For the year ended 31-3-12 | For the year ended 31-3-11 |
| Total Income             | 43,99,657                  | 26,28,443                  |
| Total Expenditure        | 25,54,016                  | 5,04,303                   |
| Profit/(Loss) Before Tax | 18,45,641                  | 21,24,140                  |
| Less: Provision for Tax  | 6,04,009                   | (7,95,838)                 |
| Profit After Tax         | 12,41,632                  | 13,28,302                  |

During the year under review, income of the Company increased from Rs. 26,28,443 to Rs. 43,99,657. The increase is due to higher operations and improved interest rate and fund management. Your Company strives to perform better in the years to come.

**Operations**

The Company continues to be a wholly-owned subsidiary of The Calcutta Stock Exchange Limited.

The Company has tied-up with IndiaFirst Life Insurance Company Ltd., which is promoted by the Bank of Baroda, Andhra Bank and Legal & General, U.K. for distribution of Life Insurance schemes.

The Company has taken ARN and tied up with Mutual Fund Houses for distribution of Mutual Funds.

The company is also distributing Bonds, Fixed Deposits and Initial Public Offers.

The company endeavors to develop opportunities to function as a channel for providing direct or indirect services to the investors and market participants.

**Dividend**

With a view to conserve working capital resources for future operations of the Company, your Directors have considered it prudent to re-invest the profits into the business. No dividend is therefore recommended for the financial year ended March 31, 2012.

**Deposits**

The Company has neither accepted nor renewed any deposit within the meaning of section 58A of the Companies Act, 1956 and the Rules made thereunder.

**Directors**

At the last Annual General Meeting Mr. Suresh Kumar Kaushik was appointed as a Director of the Company. Mr. B. Madhav Reddy retires by rotation in accordance with the provisions of Section 256 of the Companies Act, 1956 and being eligible offers himself for re-appointment.

**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, being eligible, offers themselves for re-appointment. The board recommends such

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

**Auditor's Report**

The observations of the Auditor's in their Report on the financial statement of the Company for the year ended March 31, 2012 does not have any reservation, qualification or adverse comment.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:**

The Company is engaged in service industry and as such there are no particulars to be reported 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. There was 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, there was no employee who was in receipt of remuneration of more than Rs. 60,00,000 per annum for the year ended March 31, 2012 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 the Directors hereby confirm that:

- In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to the material departure;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and the profit for the year ended on that date;
- 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;
- 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, 2012 is attached in the Annual Report.

**Acknowledgement**

The 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 & on behalf of the Board

Place: Kolkata  
Date: 9th August, 2012

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, 2012. The company was incorporated as a private limited company on 24.04.2009 and the entire shares were subscribed by (including further allotments) 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 or beyond 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 4 (Four) times on 20.06.2011, 25.08.2011, 07.10.2011 and 10.01.2012 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 financial year ended on 31st March, 2011 was held on 30.09.2011 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.
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) There was no allotment / transfer / transmission of securities 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.
- (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



## CSE CAPITAL MARKETS PRIVATE LIMITED

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 year ended on 31st March 2011.

14. The Board of Directors of the Company is duly constituted and the appointments of Directors and Additional Directors have been duly made. There was no appointment of any Alternate Director or Director to fill any casual vacancy. Cessation of director(s) was properly 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. 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 has not made any loan or investment or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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

Place: Kolkata  
Date: 9th Aug., 2012

**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, 2010

| Sl. NO. | Form No./ Return  | Field under Section | For  | Date of Filing | Whether filed within prescribed time<br>Yes / No | If delay in filling, whether requisite additional fees paid<br>Yes / No. |
|---------|-------------------|---------------------|--|----------------|--|--|
| 1.      | Form 32           | 303(2)              | Resignation of Mr. Saubir Bhattacharya and appointment of Mr. Baireddy Madhav Reddy as Additional Director(s) w.e.f 20.06.2011 | 28.06.2011     | Yes  | N.A.   |
| 2.      | Form 66           | 383A                | Secretarial Compliance Certificate for the year ended 31st March 2011  | 29.10.2011     | Yes  | N.A.   |
| 3.      | Form 23AC & 23ACA | 220                 | Balance Sheet as at 31.03.2011   | 29.10.2011     | Yes  | N.A.   |
| 4.      | Form 20B          | 159                 | Annual Return prepared upto 30.09.2011   | 29.11.2011     | Yes  | N.A.   |
| 5.      | Form 32           | 303(2)              | Appointment, Change in designation and Cessation of Directors at the AGM held on 30.09.2011                                    | 29.11.2011     | No   | Yes  |

Note: All the aforesaid forms / documents / returns were filed with proper filing fees 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 2012 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 explanations, 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, 2012;
    - 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 2012 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 - 193B, Mudialy 1st Lane  
Kolkata - 700024

Dated: 9th August, 2012

For Suchismita & Associates  
Chartered Accountants  
FRN: 326238E  
(Suchismita Ghosh Pal)  
Partner  
Membership No.061003

## 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 not granted any loan, secured and unsecured, to any company, firm or other party. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable.  
(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 just 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 just 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, 2012 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 was raised on short-term basis which could 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, 2012

| <u>PARTICULARS</u>                         | <u>NOTES</u> | <u>As at 31st<br/>March 2012</u> | <u>As at 31st<br/>March 2011</u> |
|--|--------------|----------------------------------|----------------------------------|
|  |              | <u>Rupees</u>                    | <u>Rupees</u>                    |
| <b>I. EQUITIES AND LIABILITIES</b>         |              |                                  |                                  |
| <b>1. SHAREHOLDERS' FUND</b>               |              |                                  |                                  |
| Share Capital                              | 3            | 3,50,00,020                      | 3,50,00,020                      |
| Reserves and Surplus                       | 4            | 29,45,316                        | 17,03,684                        |
| <b>3. CURRENT LIABILITIES</b>              |              |                                  |                                  |
| Other Current Liabilities                  | 5            | 2,35,223                         | 7,01,218                         |
| Short Term Provisions                      | 6            | 6,02,941                         | 7,01,716                         |
|  |              | <b>3,87,83,500</b>               | <b>3,81,06,638</b>               |
| <b>II. ASSETS</b>                          |              |                                  |                                  |
| <b>1. NON CURRENT ASSETS</b>               |              |                                  |                                  |
| Cash and Bank Balances:                    | 7            | 1,10,00,000                      | -                                |
| Other Loans & Advances                     | 8            | 7,710                            | -                                |
| <b>2. CURRENT ASSETS</b>                   |              |                                  |                                  |
| Cash and Bank Balances:                    | 7            | 2,69,12,177                      | 3,73,09,844                      |
| Short Term Loans & Advances                | 8            | 3,73,288                         | 2,43,933                         |
| Other Current Assets                       | 9            | 4,90,325                         | 5,52,861                         |
|  |              | <b>3,87,83,500</b>               | <b>3,81,06,638</b>               |
| Summary of Significant Accounting Policies | 2            |                                  |                                  |

The accompanying notes are an integral part of the financial statements.  
For and on behalf of The CSE Capital Markets Pvt. Ltd.

B Madhav Reddy  
Director

Satyabrata Sahoo  
Director

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

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

Kolkata, the 9th August, 2012



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

| <u>PARTICULARS</u>           | <u>NOTES</u> | <u>2011-12</u><br><u>Rupees</u> | <u>2010-11</u><br><u>Rupees</u> |
|------------------------------|--------------|---------------------------------|---------------------------------|
| INCOME :                     |              |                                 |                                 |
| Revenue from Operations      | 10           | 12,46,243                       | -                               |
| Other Income                 | 11           | 31,53,414                       | 26,28,443                       |
|                              |              | <b>43,99,657</b>                | <b>26,28,443</b>                |
| <b>Expenses :</b>            |              |                                 |                                 |
| Employees Benefit Expense    | 12           | 11,66,535                       | -                               |
| Finance Cost                 | 13           | 10,300                          | 325                             |
| Other Expenses               | 14           | 13,77,181                       | 5,03,978                        |
|                              |              | <b>25,54,016</b>                | <b>5,04,303</b>                 |
| <b>Profit before Tax</b>     |              | <b>18,45,641</b>                | <b>21,24,140</b>                |
| <b>Tax Expenses :</b>        |              |                                 |                                 |
| Current Tax                  |              | 6,02,941                        | 7,01,716                        |
| Previous year Tax            |              | 1,068                           | -                               |
| Deferred Tax                 |              | -                               | 94,122                          |
|                              |              | <b>6,04,009</b>                 | <b>7,95,838</b>                 |
| <b>Profit after Tax</b>      |              | <b>12,41,632</b>                | <b>13,28,302</b>                |
| Earnings per equity share    |              |                                 |                                 |
| Basic & Dilluted (Rs.)       |              | 0.35                            | 0.38                            |
| Nominal Value of Share (Rs.) |              | 10                              | 10                              |

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.  
For and on behalf of The CSE Capital Markets Pvt. Ltd.

B Madhav Reddy  
Director

Satyabrata Sahoo  
Director

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

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

Kolkata, the 9th August, 2012



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2012

### 1. **BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements of the company have been prepared in accordance with accepted accounting principles in India (Indian GAP). The Company has prepared these financial statements to comply in all material respects with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

### 2. **SIGNIFICANT ACCOUNTING POLICIES:**

#### I. **Change in Accounting Policy:**

##### **Presentation and disclosure of financial statements**

During the year ended March 31, 2012, the revised Schedule VI notified under The Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with requirement of revised Schedule VI applicable in the current year.

#### II. **Revenue Recognition:**

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

#### III. **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.

#### IV. **Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange of another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

##### **Investment Income:**

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

#### V. **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.

## Notes To Financial Statements As At And For The Year Ended March 31, 2012

**NOTE - 3 : SHARE CAPITAL**

| <b>PARTICULARS</b>  | <b>As at 31st<br/>March 2012<br/>Rupees</b> | <b>As at 31st<br/>March 2011<br/>Rupees</b> |
|---|---|---|
| a) <b>AUTHORISED SHARES :</b><br>50,00,000 Equity Shares of Rs. 10 each               | <u>5,00,00,000</u>                          | <u>5,00,00,000</u>                          |
| b) <b>ISSUED SHARES :</b><br>35,00,002 Equity Shares of Rs. 10 each                   | <u>3,50,00,020</u>                          | <u>3,50,00,020</u>                          |
| c) <b>SUBSCRIBED &amp; PAID UP SHARES :</b><br>35,00,002 Equity Shares of Rs. 10 each | <u>3,50,00,020</u>                          | <u>3,50,00,020</u>                          |
|   | <b><u>3,50,00,020</u></b>                   | <b><u>3,50,00,020</u></b>                   |

**A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :**

|   | <b>As at 31st March 2012</b> |                    | <b>As at 31st March 2011</b> |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
|   | <b>Number</b>                | <b>Rs.</b>         | <b>Number</b>                | <b>Rs.</b>         |
| Equity Shares                             | 35,00,002                    | 3,50,00,020        | 35,00,002                    | 3,50,00,020        |
| Issued during the year                    | -                            | -                  | -                            | -                  |
| Shares outstanding at the end of the year | <u>35,00,002</u>             | <u>3,50,00,020</u> | <u>35,00,002</u>             | <u>3,50,00,020</u> |

**B. Terms / rights attached to equity shares :**

The Company has only one class of equity shares having at par value of Rs.10 per share.  
The Calcutta Stock Exchange Ltd holds 100% share capital of CSE Capital Markets Pvt Ltd.

**NOTE - 4 : RESERVES AND SURPLUS**

| <b>PARTICULARS</b>                     | <b>Balance of<br/>Reserves &amp;<br/>Surplus as<br/>at 31st<br/>March 2011<br/>Rupees</b> | <b>Addition<br/>during<br/>the year<br/>Rupees</b> | <b>Total<br/>Balance of<br/>Reserves<br/>&amp; Surplus as<br/>at 31st<br/>March 2012<br/>Rupees</b> | <b>Total<br/>Balance of<br/>Reserve &amp;<br/>Surplus as at<br/>31st March<br/>2011<br/>Rupees</b> |
|--|---|--|---|--|
| Surplus as per Profit and Loss Account | <u>17,03,684</u>  | <u>12,41,632</u>                                   | <u>29,45,316</u>  | <u>17,03,684</u>   |
|  | <b><u>17,03,684</u></b>   | <b><u>12,41,632</u></b>                            | <b><u>29,45,316</u></b>   | <b><u>17,03,684</u></b>  |



# CSE CAPITAL MARKETS PRIVATE LIMITED

Notes To Financial Statements As At And For The Year Ended March 31, 2012

## NOTE - 5 : OTHER CURRENT LIABILITIES

| <u>PARTICULARS</u>               | <u>Current</u>    |                   |
|----------------------------------|-------------------|-------------------|
|                                  | <u>As at 31st</u> | <u>As at 31st</u> |
|                                  | <u>March 2012</u> | <u>March 2011</u> |
|                                  | <u>Rupees</u>     | <u>Rupees</u>     |
| <b>Other Current Liabilities</b> |                   |                   |
| Outstanding Liabilities          | 8,427             | 72,060            |
| The Calcutta Stock Exchange Ltd  | 2,26,796          | 6,29,158          |
|                                  | <u>2,35,223</u>   | <u>7,01,218</u>   |

## NOTE - 6 : SHORT TERM PROVISIONS

| <u>PARTICULARS</u>                  | <u>Current</u>    |                   |
|-------------------------------------|-------------------|-------------------|
|                                     | <u>As at 31st</u> | <u>As at 31st</u> |
|                                     | <u>March 2012</u> | <u>March 2011</u> |
|                                     | <u>Rupees</u>     | <u>Rupees</u>     |
| <b>Short Term Provisions:</b>       |                   |                   |
| Provisions for Income Tax (2011-12) | 6,02,941          | 7,01,716          |
|                                     | <u>6,02,941</u>   | <u>7,01,716</u>   |

## NOTE - 7 : CASH AND BANK BALANCES

| <u>PARTICULARS</u>   | <u>Non-Current</u> |                   | <u>Current</u>     |                    |
|--|--------------------|-------------------|--------------------|--------------------|
|  | <u>As at 31st</u>  | <u>As at 31st</u> | <u>As at 31st</u>  | <u>As at 31st</u>  |
|  | <u>March 2012</u>  | <u>March 2011</u> | <u>March 2012</u>  | <u>March 2011</u>  |
|  | <u>Rupees</u>      | <u>Rupees</u>     | <u>Rupees</u>      | <u>Rupees</u>      |
| <b>a. CASH AND CASH EQUIVALENTS</b>  |                    |                   |                    |                    |
| Cash on hand   | -                  | -                 | 3,250              | 2,173              |
| Balance with Scheduled Banks on:   |                    |                   |                    |                    |
| -Current Account   | -                  | -                 | 16,08,927          | 10,15,381          |
| -Own Fund  | -                  | -                 | <u>16,12,177</u>   | <u>10,17,554</u>   |
| <b>b. OTHER BANK BALANCES</b>  |                    |                   |                    |                    |
| <b>Own Fund</b>  |                    |                   |                    |                    |
| -Deposits with original maturity for more than 12 months                         | 1,10,00,000        | -                 | -                  | -                  |
| -Deposits with original maturity for more than 3 months, but less than 12 months | -                  | -                 | 2,53,00,000        | 3,63,00,000        |
|  | <u>1,10,00,000</u> | <u>-</u>          | <u>2,53,00,000</u> | <u>3,63,00,000</u> |
|  | <u>1,10,00,000</u> | <u>-</u>          | <u>2,69,12,177</u> | <u>3,73,17,554</u> |

## Notes To Financial Statements As At And For The Year Ended March 31, 2012

**NOTE - 8 : LOANS & ADVANCES**

| <b><u>PARTICULARS</u></b>                     | <b>Non-Current</b> |                   | <b>Current</b>    |                   |
|---|--------------------|-------------------|-------------------|-------------------|
|   | <b>As at 31st</b>  | <b>As at 31st</b> | <b>As at 31st</b> | <b>As at 31st</b> |
|   | <b>March 2012</b>  | <b>March 2011</b> | <b>March 2012</b> | <b>March 2011</b> |
|   | <b>Rupees</b>      | <b>Rupees</b>     | <b>Rupees</b>     | <b>Rupees</b>     |
| <b>Other Loans &amp; Advances:</b>            |                    |                   |                   |                   |
| Advance Income Tax and Tax Deducted at Source | 7,710              | 7,710             | 373,288           | 236,223           |
|   | <b>7,710</b>       | <b>7,710</b>      | <b>373,288</b>    | <b>236,223</b>    |

**NOTE - 9 : OTHER ASSETS**

| <b><u>PARTICULARS</u></b>                       | <b>Current</b>    |                   |
|---|-------------------|-------------------|
|   | <b>As at 31st</b> | <b>As at 31st</b> |
|   | <b>March 2012</b> | <b>March 2011</b> |
|   | <b>Rupees</b>     | <b>Rupees</b>     |
| Interest accrued but not due on Fixed Deposits: |                   |                   |
| - Own Fund                                      | 4,90,325          | 5,52,861          |
|   | <b>4,90,325</b>   | <b>5,52,861</b>   |

**NOTE - 10 : REVENUE FROM OPERATIONS**

| <b><u>PARTICULARS</u></b>               | <b>2011-12</b>   | <b>2010-11</b> |
|---|------------------|----------------|
|   | <b>Rupees</b>    | <b>Rupees</b>  |
| <b>SALE OF SERVICES :</b>               |                  |                |
| Commission & Brokerage                  | 1,22,870         | -              |
| Reimbursement of Advertisement Expenses | 11,23,373        | -              |
|   | <b>12,46,243</b> | <b>-</b>       |

**NOTE - 11 : OTHER INCOME**

| <b><u>PARTICULARS</u></b>                            | <b>2011-12</b>   | <b>2010-11</b>   |
|--|------------------|------------------|
|  | <b>Rupees</b>    | <b>Rupees</b>    |
| Interest on:   |                  |                  |
| Fixed Deposits Account                               | 31,53,414        | 24,70,710        |
| Others   | -                | 1,57,278         |
|  | <b>31,53,414</b> | <b>26,27,988</b> |
| Other Non-operating Income:                          |                  |                  |
| Unspent liabilities no longer required, written back | -                | 455              |
|  | <b>-</b>         | <b>455</b>       |
|  | <b>31,53,414</b> | <b>26,28,443</b> |



# CSE CAPITAL MARKETS PRIVATE LIMITED

Notes To Financial Statements As At And For The Year Ended March 31, 2012

## NOTE - 12 : EMPLOYEES BENEFIT EXPENSE

| <u>PARTICULARS</u>   | <u>2011-12</u><br><u>Rupees</u> | <u>2010-11</u><br><u>Rupees</u> |
|--|---------------------------------|---------------------------------|
| Payments to and Provisions for Employees:<br>Salaries and Bonus etc. | 11,66,535                       | -                               |
|  | <u>11,66,535</u>                | <u>-</u>                        |

## NOTE - 13 : FINANCE COST

| <u>PARTICULARS</u>           | <u>2011-12</u><br><u>Rupees</u> | <u>2010-11</u><br><u>Rupees</u> |
|------------------------------|---------------------------------|---------------------------------|
| Interest on Professional Tax | -                               | 325                             |
| Fine paid to NSE             | 10,300                          | -                               |
|                              | <u>10,300</u>                   | <u>325</u>                      |

## NOTE - 14 : OTHER EXPENSES

| <u>PARTICULARS</u>             | <u>2011-12</u><br><u>Rupees</u> | <u>2010-11</u><br><u>Rupees</u> |
|--------------------------------|---------------------------------|---------------------------------|
| Advertisement                  | 11,23,373                       | 1,73,917                        |
| Rent                           | -                               | 1,74,000                        |
| Electricity Charges            | -                               | 31,332                          |
| Telephone Charges              | 17,684                          | 21,261                          |
| Fees to NSE                    | 50,000                          | 50,000                          |
| Fees to SEBI                   | 1,00,000                        | -                               |
| Registration Charges with AMFI | 55,000                          | -                               |
| Miscellaneous Expenses         | 5,133                           | 7,370                           |
| Legal & Professional Fees      | 17,564                          | 20,438                          |
| Auditor's Remuneration         | 8,427                           | 22,060                          |
| Computer Services              | -                               | 3,600                           |
|                                | <u>13,77,181</u>                | <u>5,03,978</u>                 |



**Notes To Financial Statements As At And For The Year Ended March 31, 2012**

15. The Tax deducted at source up to 31.03.2012 Rs. 3,48,288/- (Previous year Rs. 2,36,223) has been accumulated by the company on the basis of tax deduction certificates available with the company.

16. **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       | 2011-12 (Rs) | 2010-11 (Rs) |
|-------------------|--------------|--------------|
| Loan Given        | -            | 2,00,00,000  |
| Amount Refunded   | -            | 2,00,00,000  |
| Interest Received | -            | 1,57,278     |
| Amount Payable    | 2,26,796     | 6,29,158     |

17. **Auditors' Remuneration:**

Statutory Audit Fees

**2011-12**

Rs. 8,427

**2010-11**

Rs.22,060

18. **Earnings per Share:**

**Year Ended 31.03.2012**

**Basic & Diluted EPS**

**Period Ended 31.03.2011**

**Basic & Diluted EPS**

**Earnings:**

Net Profit (Profit after Tax)

Rs. 12,41,632

Rs. 13,28,302

**Shares:**

Weighted average number of Equity

Shares outstanding during the year

Earnings per share of face value of Rs.10

35,00,002

Re. 0.35

35,00,002

Re.0.38

The accompanying notes are an integral part of the financial statements.

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

B Madhav Reddy  
Director

Satyabrata Sahoo  
Director

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

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

Kolkata, the 9th August, 2012

## NOTES

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings present.

**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 &amp; Address \_\_\_\_\_

(\*\* To be deleted if not applicable)

Folio No. : \_\_\_\_\_

Signature of the First Shareholder : \_\_\_\_\_

Name &amp; Address \_\_\_\_\_

Mobile No. : \_\_\_\_\_ Telephone : \_\_\_\_\_ E-mail ID : \_\_\_\_\_

Signature of the Joint Shareholder : \_\_\_\_\_

Name &amp; Address : \_\_\_\_\_

Signature of the Joint Shareholder : \_\_\_\_\_

Name &amp; 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.



## 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 89th Annual General Meeting of The Calcutta Stock Exchange Limited held on Tuesday, the 18th day of September, 2012 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

of the The Calcutta Stock Exchange Limited, hereby appoint Mr./Ms \_\_\_\_\_

of \_\_\_\_\_ or failing him Mr./Ms \_\_\_\_\_ of

\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 89th Annual General Meeting of the Company to be held on Tuesday, the 18th day of September, 2012 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 \_\_\_\_\_, 2012.

Signature \_\_\_\_\_

Affix Re.1/-  
Revenue  
Stamp here

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.









Deep roots  
deeper heritage  
a brighter future

# Calcutta Stock Exchange.

## A name you can bank on.

For more than a century, we have earned the goodwill that we fiercely guard.

We are CSE, and we invite you to grow with us.

- Access NSE & BSE with CSE
- Direct Listing with CSE- A Gateway to NSE & BSE listing
- CDSL & NSDL Depository Services
- Attractive turnover charges without membership fee



The Calcutta Stock Exchange Limited

For further details contact:

7, Lyons Range, Kolkata- 700001 Ph: 033-40253000

Mob: 09836112625/ 09836900208



our wholly owned subsidiary

**CSE CAPITAL MARKETS PVT. LTD.**

7, Lyons Range, Kolkata - 700 001

Ph : 033-40253000

Fax : 033-40253030

email : [ccmpl@cse-india.com](mailto:ccmpl@cse-india.com)



**The Calcutta Stock Exchange Ltd.**

7, Lyons Range, Kolkata - 700 001

Ph : 033-40253000

Fax : 033-40253030

Website : [www.cse-india.com](http://www.cse-india.com)

email : [cseadm@cse-india.com](mailto:cseadm@cse-india.com)



## 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 89th Annual General Meeting of The Calcutta Stock Exchange Limited held on Tuesday, the 18th day of September, 2012 at Registered Office of the Company at 7, Lyons Range, Kolkata-700 001 at 4 p.m.

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I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member

of the The Calcutta Stock Exchange Limited, hereby appoint Mr./Ms \_\_\_\_\_

of \_\_\_\_\_ or failing him Mr./Ms \_\_\_\_\_ of

\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 89th Annual General Meeting of the Company to be held on Tuesday, the 18th day of September, 2012 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 \_\_\_\_\_, 2012.

Signature \_\_\_\_\_

Affix Re.1/-  
Revenue  
Stamp here

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.





**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 &amp; Address \_\_\_\_\_

(\*\* To be deleted if not applicable)

Folio No. : \_\_\_\_\_

Signature of the First Shareholder : \_\_\_\_\_

Name &amp; Address \_\_\_\_\_

Mobile No. : \_\_\_\_\_ Telephone : \_\_\_\_\_ E-mail ID : \_\_\_\_\_

Signature of the Joint Shareholder : \_\_\_\_\_

Name &amp; Address : \_\_\_\_\_

Signature of the Joint Shareholder : \_\_\_\_\_

Name &amp; 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

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4. Nomination stand rescinded upon transfer of share.
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