

**90th Annual Report**  
**2012-13**



**The Calcutta Stock Exchange Ltd.**  
**TRUST THE TRUSTED**

## Corporate Information

### Chairman

Mr Dipankar Chatterji

### Managing Director & CEO

Mr. B. Madhav Reddy

### Public Interest Directors

Mr. Satyabrata Ganguly

Mr. Jayanta Mitra

Mr. Prasad Ranjan Ray

Mr. Sudev Chandra Das

### Shareholder Directors

Mr. Jagdish Prasad Chowdhary

Mr. Mukul Somany

Mr. V Balasubramaniam

Dr. Abhirup Sarkar

### Company Secretary

Suhita Mukhopadhyay

### 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  
Tel. (033) 40116726

### Bankers

Axis Bank  
HDFC Bank Limited  
United Bank of India

### Auditors

S R B C & Co LLP  
Chartered Accountants

### Internal Auditors

Singhi & Co.  
Chartered Accountants

### Solicitors

Victor Moses & Co.  
Sinha & Co.

## Ninetieth Annual General Meeting

<b>Day</b>	:	Saturday
<b>Date</b>	:	September 28, 2013
<b>Venue</b>	:	7, Lyons Range, Kolkata – 700 001
<b>Time</b>	:	11:00 A.M.
<b>Book-Closure</b>	:	September 25, 2013 to September 28, 2013 (both days inclusive)

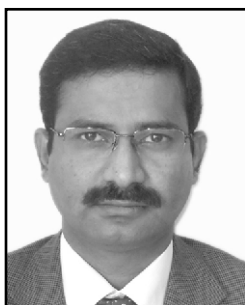
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Board of Directors  
**The Calcutta Stock Exchange Limited**



**Dipankar Chatterji**  
Chairman,  
Public Interest Director



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



**Satyabrata Ganguly**  
Public Interest Director



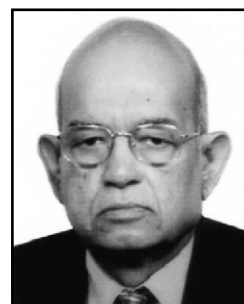
**Prasad Ranjan Ray**  
Public Interest Director



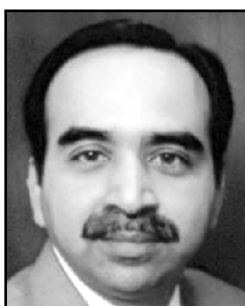
**Jayanta Mitra**  
Public Interest Director



**Sudev Chandra Das**  
Public Interest Director



**Jagdish Prasad Chowdhary**  
Shareholder Director



**Mukul Somany**  
Shareholder Director



**Dr. Abhirup Sarkar**  
Shareholder Director



**V Balasubramaniam**  
Shareholder Director



## The Calcutta Stock Exchange Limited

### **NOTICE**

**NOTICE** is hereby given that the 90th Annual General Meeting of the members of The Calcutta Stock Exchange Limited (The Exchange/Company) will be held on Saturday, the 28th day of September, 2013 at 11.00 A.M. at the Registered Office of the Exchange at 7, Lyons Range, Kolkata-700001 to transact the following business :

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit & Loss Statement for the year ended 31st March, 2013 and the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare Dividend on Equity Shares of the Company for the year ended 31st March, 2013.
3. To appoint a Shareholder Director in place of Mr. Jagdish Prasad Chowdhary, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 LLP (Regd. 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 :**

5. To appoint Mr. Ravi Poddar, as a Shareholder Director in place of Mr. Mukul Somany, who retires by rotation and having completed two consecutive terms as Shareholder Director is not eligible for re-appointment, and in this regard to consider and if thought fit, to pass with or without modification(s) following resolution as an

**Ordinary Resolution :**  
**“RESOLVED THAT** pursuant to Section 255, 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ravi Poddar 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 him, proposing himself as a candidate for the office of Director, be and is hereby appointed, subject to the approval of SEBI under regulation 24(1) of SECC Regulations, 2012, as a Shareholder Director of the Exchange, whose period of office shall be liable to determination by retirement of Directors by rotation.”

By Order of the Board  
of Directors

Suhita Mukhopadhyay  
Company Secretary

Place : Kolkata

Date: 23rd August, 2013

#### **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 Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business is enclosed herewith as **Annexure A.**
3. Information relating to the Directors seeking election/appointment at this Meeting is annexed herewith 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 25th September, 2013 to 28th September, 2013 (both days inclusive) for the purpose of payment of dividend for the year ended 31st



March, 2013, if declared at the Meeting or at any adjournment thereof.

6. The Dividend for the year ended 31st March, 2013, as recommended by the Board of Directors, if approved and declared at the Ninetieth Annual General Meeting, will be paid on or before 29th October, 2013 to those Members and their Mandates as below :-

- (a) Whose names appear as Beneficial Owner as at the end of the business hours on 28th September, 2013 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 transfer in physical form lodged with the Company or RTA on or before 25th September, 2013.

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, 2010, 31st March, 2011 and 31st March, 2012 which remain unclaimed are requested to contact Company's Registrar and Transfer Agent M/s. C. B. Management Services Pvt. Limited, 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 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 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 Authorised 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 License, 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-700001 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**.

16. The Annual Report is also available on the website of the Company. Those who are in receipt of Annual Report by E-mail may request for a physical copy of the said Annual Report by writing to us at the E-mail ID: [annualreport@cse-india.com](mailto:annualreport@cse-india.com).



## 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. 5

Mr. Mukul Somany, 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 reappointment at the forthcoming Annual General Meeting resulting in one vacancy in the Shareholder Director category. In this regard 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 Mr. Ravi Poddar, proposing himself as a candidate for appointment as Shareholder Director of the Exchange, at the forthcoming Annual General Meeting or any adjournment thereof. Mr. Ravi Poddar, with an experience of 41 years, is the Chairman of Ravi Auto Limited and holds directorship in several other Companies.

A brief profile of Mr. Ravi Poddar is given in Annexure-B to the Notice convening 90th Annual General Meeting. Save and except Mr. Poddar being the appointee, no other Director is concerned or interested in the subject resolution.

Your Directors recommend the resolution for your approval.

By Order of the Board of Directors  
Suhita Mukhopadhyay  
Company Secretary

Place: Kolkata

Date: 23rd August, 2013

#### Annexure - B

Details of Directors seeking re-appointment/appointment at the 90th AGM to be held on Saturday, 28th September, 2013 at 11 A.M.

Name of Director	Jagdish Prasad Chowdhary	Ravi Poddar
Item No.	3	5
Date of Birth	23rd September, 1940	22nd January, 1950
Qualifications	B.Com, MIMA	B.Com
Expertise in specific functional area	Railways / Heavy Engineering Industry	Automotive distribution, Real Estate development
Category Represented	Shareholder	Shareholder
Other Directorship in Public Limited Companies	Continental Valves Limited Titagarh Wagons Limited Titagarh Marine Limited Cimmco Limited Titagarh Trains Limited Titagarh Cranes Limited	Ravi Auto Limited United Credit & Development Co. Ltd.
Chairman/Member of the Committee of the Board of Directors of the other Companies in which he is a Director  (Only in Audit Committee & Shareholder/Investors' Grievance Committee)	Chairman-Titagarh Wagons Limited Chairman-Cimmco Limited	Chairman-Ravi Auto Limited Chairman-P.C.Chanda & Co. Pvt. Ltd.
Equity shares held in the Exchange	Individual – Nil 10, 454 equity shares are held by Mrs. Savitri Devi Chowdhary (w/o Mr. Jagdish Prasad Chowdhary)	1000 Equity Shares held by Mr. Ravi Poddar in his personal name

## DIRECTORS' REPORT

*Dear members*

The Board of Directors of **The Calcutta Stock Exchange Limited** (the 'Exchange/Company/CSE') take great pleasure in presenting the 90th Annual Report for the Financial Year 2012-2013 together with the Audited Financial Statements for the Year ended 31st March, 2013.

### 1. Audited Results

#### 1.1 Financial Highlights

During the year under review, the total income of the Exchange was Rs 2089.73 Lac. and the

operating income was Rs 442.78 Lac. During this period the Exchange has recognized income from listing fees only in respect of Companies who are regular subscriber and are paying the fees regularly. Accordingly income from listing fees recognized in the current year is lower by Rs. 177.95 Lac. The profit after tax for the financial year 2012-2013 is Rs 450.83 Lac. The net profit after tax and statutory transfers to Settlement Guarantee Fund (SGF) and Investor Service Fund (ISF) of the Exchange is Rs 159.16 lac. The Earning per Share (EPS) has decreased from Rs 32.03 in the last year to Rs 26 in the year under report mainly due to the fact that revenue on account of listing fees of Rs.177.95 lac has not been recognised.

### FINANCIAL RESULTS

Rupees in Lac

	2012-13	2011-12
Revenue from Operation	442.78*	635.62
Other Income	1,646.95	1,331.40
<b>Total Income</b>	<b>2,089.73</b>	<b>1,967.02</b>
<b>Total Expenses</b>	<b>1392.97</b>	<b>1,364.99</b>
<b>Profit before Depreciation</b>	<b>696.76</b>	<b>602.03</b>
Depreciation	58.19	34.04
<b>Profit before Tax</b>	<b>638.57</b>	<b>567.99</b>
Provision for Tax	187.74	153.11
<b>Profit after Tax</b>	<b>450.83</b>	<b>414.88</b>
<b>Less : Transferred to:</b>		
Investors' Service Fund	61.51	65.61
Settlement Guarantee Fund	230.16	153.55
<b>Profit attributable to Equity Shareholders</b>	<b>159.17</b>	<b>195.72</b>
<b>Profit brought forward from last year</b>	<b>590.86</b>	<b>571.99</b>
<b>Surplus before appropriation</b>	<b>750.03</b>	<b>767.71</b>
<b>Appropriated to:</b>		
Income (net of expenses) related to pre-demutualization period transferred to General Reserve	80.72	5.84
General Reserve	45.08	100.00
Proposed Dividend	122.20	61.10
Tax on proposed Dividend	20.77	9.91
<b>Surplus carried to Balance Sheet</b>	<b>481.26</b>	<b>590.86</b>
<b>Total on Appropriation</b>	<b>750.03</b>	<b>767.71</b>

\* Listing bills amounting to Rs.177.95 Lac have not been recognized.

### 1.2 Appropriations

#### 1.2.1 Dividend

Your Directors have recommended dividend of Rs. 20 per equity share on the face value of Re. 1/- for the financial year 2012-2013, 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. A sum of Rs.142.97 Lac. will be the outflow towards the payment of dividend including dividend distribution tax.

#### 1.2.2 Transfer to Reserve

The Exchange proposed to transfer Rs. 45.08 Lac to the General Reserve out of Rs. 750.03 Lac available for appropriations as per (Transfer of Profits to Reserves) Rules, 1975.

### 2. Business Development & New Initiatives at CSE

The Exchange has operationalized the sharing of F & O Segment of both NSE and BSE by CSE members u/s 13 of SCRA in July 2012 and in November 2012 respectively. Presently 171 members are activated for trading in BSE and NSE segments. During the year 30



## The Calcutta Stock Exchange Limited

new members have got SEBI registration and have been activated for trading in BSE/CSE/NSE trading platform.

In view of the changed business scenario, CSE has offered its members from time to time new systems and schemes to enhance the volume of business. These initiatives have resulted into an increase in an average volume of Rs.124 crores per day with a highest volume of Rs.465 crores per day in the current year.

SEBI has rationalized the Base Minimum Capital (BMC) requirement for members according to their profiles for their trading on the Stock Exchange. Accordingly, CSE has announced four categories of BMC requirement for the members and as a result, now CSE membership is most competitive in the market.

As per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 [SECC (Regulations) 2012], SEBI has mandated for networth of Rs. 100 crores and a minimum of Rs.1000 crores trading in its own platform for the Stock exchanges. Except CSE, no other Regional Stock Exchanges (RSEs) qualify for the above two requirements.

CSE's trading platform has a volume of Rs. 9500 crores, with a membership strength of 738 and 2561 listed companies. CSE has taken steps for consolidation of RSEs, invited companies listed with RSEs to enlist with CSE and the brokers to be registered in CSE as members and offered its three tier-trading platforms. Such a move would help the retail investors of companies listed in other RSEs to find a functional trading platform and thus provide an exit route. The Exchange has revamped its website and introduced the Bengali version for the retail investors of Bengal.

CSE has developed a unique business proposition by tying up with one of the leading PSU Banks viz. United Bank of India to introduce the Internet Based Trading system (U-Connect) for the retail investors of India which would generate further revenue for the Exchange.

In an imaginative and unique initiative, the Exchange has come out with a book on Capital Markets for visually challenged persons embossed in their own educative language, Braille. The book entitled 'Taking Stock' is perhaps the first ever initiative by any Stock Exchange in the world to publish any kind of literacy material for the blind pupils, embossed in Braille.

### 3. Operations

The Exchange is continuing to provide trading opportunity to its members to trade in both Capital Market and F&O segments of BSE and NSE under

Section 13 of Securities Contract (Regulation) Act, 1956. However, the trading volumes in these segments by CSE's trading members are not encouraging. This is largely due to the prevailing capital market scenario in the Country.

The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 was notified on 20th June 2012. Pursuant to the provisions thereof, it has now become mandatory for stock Exchanges to set up their own clearing corporation or outsource the functions of clearing and settlement of trades through a recognized clearing corporation. Keeping in view the current market scenario and the trading volumes in the C-Star, the Exchange initially sought exemption from SEBI for transferring of clearing and settlement activities to a clearing corporation and thereafter sought extension of time. However, SEBI has declined both the Exchange proposals and directed the Exchange to stop clearing and settlement activities through its clearing house. Pursuant to SEBI's directive, the clearing house of the Exchange has stopped clearing and settlement of trades w.e.f. 5th April 2013 and consequently, the trading in C-Star has also been stalled w.e.f. 4th April 2013.

Thereafter, the Exchange has entered into an agreement with Indian Clearing Corporation Ltd., (ICCL) the Clearing Corporation of BSE for clearing and settlement of trades executed in CSE. Your Board and the management have ensured that the processes in this regard are completed and the application for operationalization of this arrangement is pending with SEBI for its approval.

### 4. Technology

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

- Successful Launching of F&O Segment of NSE & BSE with necessary integration with Fastrade, ODIN and Class back-office software.
- Successful Launching of IBT Platform with United Bank of India.
- Up-gradation and Strengthening of Local Area Network (LAN). This has enhanced our central network backbone from 10 Mbps to 10 Gbps resulting in faster distribution of broadcasts from multiple exchanges to our trading members.

### 5. Listing & Membership

#### Listing

Listing and Membership are two key departments of the Exchange and during the year, initiatives have been



taken to streamline the operational procedures of both the departments. Some of the key initiatives are:-

- Direct Listing norms have been further amended and simplified and presently the Company should have minimum issued and paid up equity capital of Rs. 25 Lac and/or Minimum Net worth of Rs. 1 Crore. This initiative has been taken to attract more companies to get listed with this Exchange. With this proposal the Exchange hopes to increase its number of listed companies and consequently enhance the revenue from Listing Fees.
- The amount of interest collection on outstanding listing fees has increased more than two times in comparison to the previous year which indicates that the listed companies are coming forward to regularize their compliances with CSE.
- Revenue collection of Listing Department during the Financial Year 2012-13 was around Rs. 3.02 Crore.
- A new system has been introduced during the year for the benefit of listed companies by uploading the compliance status report of the companies on our web-site. CSE has implemented a software for uploading of the master data as well as compliances by the companies on our web-site for providing easy and quick service to our listed companies. This endeavor would lead to better compliance by the listed Companies of the Exchange.

#### **Membership**

The entry level deposits for activation of BSE and NSE segments have been reduced to a great extent to facilitate activation by the existing trading members and also to attract new trading members.

Minimum Guaranteed Turnover Scheme has been introduced to maintain minimum revenue to the Exchange and this has been availed by 37 members till 31st July 2013. A scheme for distribution of withheld dividend on shares deposited by trading members under BMC was introduced subject to compliance of certain conditions.

#### **6. Depository Services**

The Exchange is a SEBI registered Depository Participant of both the depositories in the country. During the year 430 new accounts have been opened taking the total number of accounts to 1680 and value of holding at Rs. 706 crores as on 31st March 2013. The Exchange is a KRA intermediary and has registered with both CVL and NDML.

Consequent to the notification of SECC Regulations, 2012 and SEBI's directives, the Clearing House of CSE was not allowed to settle trades executed after 5th

April 2013. In view of the closure of Clearing House of CSE, both NSDL and CDSL have barred the CSE DP for opening of new DP accounts and also issued letters to CSE for surrender of Depository Participant registration. However, your Exchange has made a representation to SEBI for allowing it to continue the DP operations and is also considering to render the DP services through its subsidiary company.

#### **7. Land & Building**

The tenanted Office Space of the Exchange admeasuring about 5100.0 sq. feet at the premises at 4th Floor, 6, Lyons Range, Kolkata-700001 has been surrendered to the land lord, Messrs Turner Morrison Limited on 31st January 2013. The Exchange has installed an environment friendly 10.2 KWP Grid Connected Solar Power Plant which has been commissioned in May 2013.

#### **8. Human Resource**

The Exchange realizes that investment in human capital is investment for the future and increases the focus on having the right investment in human capital to take people to the next level of competence. For this reason, the Exchange continues to invest in training and development programmes along with various HR initiatives.

In view of the increasing number of outsourced personnel rendering services to the Exchange and the amount of cost involved in maintaining the outsourced people, steps have been taken for training and upgrading the existing workforce of the Exchange to reduce the outsource/AMC cost. Further, the Exchange is also evaluating the pros and cons of introducing outsourcing model for the IT and trading activities to reduce cost of acquisition of IT systems and infrastructure.

#### **9. Investors' Services**

The Exchange, being a Self Regulatory Organization 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. 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.

#### **10. Investor Awareness and Education**

The Exchange with a view to create Financial Inclusion



## The Calcutta Stock Exchange Limited

and awareness among market participants conducted 90 Investor Awareness Programmes during the year in different parts of Eastern India. The Exchange had utilized the services of the Federation of Consumer Associations West Bengal (FCAWB) and the Peoples' Human Development Association (PHDA) to conduct outreach programmes at various locations across West Bengal. The Exchange advertised on various issues in print media and on FM Radio in the form of jingles to increase investor awareness. Investor Education messages were placed in bus shelters and in hoardings. Kiosks were also put up at various locations to spread basic awareness on financial markets.

Since financial market is a dynamic and continuously evolving field there is a need for focused study and extensive research. To achieve this, a "CSE Centre of Excellence in Capital Markets" has been setup by tying-up with the Calcutta University, one of the oldest and prestigious universities. The Centre has also sponsored four research scholars to carry out research in the field of financial markets and to spread education and awareness among the youth.

### 11. Code of Conduct for Directors

To outline the Exchange's value and principles and to set out the standards for professional and ethical behavior, The Code of Conduct for Directors, as recommended by SEBI, has been adopted by your Exchange. This is applicable to all Directors. All the Directors of the Exchange have affirmed compliance to the Code for the financial year ending March 31, 2013. A copy of the Code has been put on the Company's website: [www.cse-india.com](http://www.cse-india.com).

### 12. CSE Board Structure and Governance

Pursuant to SECC Regulations 2012 notified by SEBI on June 20, 2012, the Governing Board of every recognised stock exchange shall include:

- (a) Shareholder Directors;
- (b) Public Interest Directors; and
- (c) Managing Director.

The number of public interest directors shall not be less than the number of shareholder directors in a recognized stock exchange. No Trading members or their associates and agents shall be on the Governing Board of any recognized stock exchange.

#### Managing Director & CEO

Mr. B. Madhav Reddy continued his stint as the Managing Director and Chief Executive Officer of the Exchange during the year under report.

#### Public Interest Directors

Mr. Sudev Chandra Das, formerly Chief General Manager of State Bank of India and the Executive Director of SEBI was appointed as Public Interest Director in the Board of CSE with effect from 20th November, 2012.

Mr. Dipankar Chatterji was appointed as Public Interest Director and Chairman in the Governing Board of the Exchange with effect from 14th January, 2013.

Mr. Satyabrata Ganguly, Mr. Prasad Ranjan Ray and Mr. Jayanta Mitra will continue as the Public Interest Directors on the Governing Board of the Exchange until the expiry of their respective terms.

#### Shareholder Directors

Mr. Jagdish Prasad Chowdhary, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. V. Balasubramaniam, Chief Business Officer of BSE was appointed as a Shareholder Director in the previous Annual General Meeting of the Company in accordance with the provisions of section 257 of the Companies Act, 1956 and is not retiring on rotation.

Dr. Abhirup Sarkar, Chairman of West Bengal Infrastructure Development Finance Corporation Limited was appointed as a Shareholder director in the previous Annual General Meeting of the Company in accordance with the provisions of section 257 of the Companies Act, 1956 and is not retiring on rotation.

Mr. Mukul Somany, Shareholder Director whose term of office is liable to retirement by rotation, has completed two consecutive terms and shall retire at the ensuing AGM. This will result in one vacancy in the shareholder director category. It is proposed to appoint a shareholder director in his place.

Mr. Purushottam Saraf, Deputy General Manager of BSE Limited, was appointed as an Alternate Director to Mr. V. Balasubramaniam, Original Director with effect from 11th June, 2013.

Mr. Harsh Vardhan Agarwal, Shareholder Director submitted his resignation from the Board and ceased to be a director with effect from October 10, 2012.

Mr. Sunil Mitra, who was appointed as an Additional Director continued his tenure till the conclusion of the last Annual General meeting held on 18th September, 2012 and as he was not re-appointed, he ceased to be a director at the conclusion of the Annual General Meeting.

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.

**13. Changes in constitution / name of Board Committees**

In accordance with SEBI Circular dated December 13, 2012 on Procedural norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations, new committees were constituted by the board of CSE. The details of committees form part of Corporate Governance Report annexed to the directors' Report.

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

Your Directors and the Functionaries of the 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, 2013.

**15. Corporate Governance**

Pursuant to the Securities Contracts (Regulations) (Stock Exchanges & Clearing Corporations) Regulations, 2012 ("SECC Regulations, 2012"), corporate governance norms as specified for listed companies mutatis mutandis applies to a recognized stock exchange.

In accordance with good corporate governance practices and in order to comply with the SECC Regulations 2012, a report on Corporate Governance as on March 31, 2013 forms part of the Annual Report. A Certificate by MD & CEO and CFO on compliance of clause 49 and Auditors' Certificate confirming status of compliance of Corporate Governance are annexed to the report.

**16. Directors' Responsibility Statement**

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

1. In the preparation of the Annual Accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanations relating to material departures.

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, 2013 and of the profit of the Company for that year.
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.
4. Annual accounts for the financial year ended March 31, 2013 have been prepared on a going concern basis.

**17. 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.

**18. Conservation of Energy and Technology Absorption and Foreign Exchange Earnings & Outgo****[A] Conservation of Energy and Technology Absorption:**

As the Company does not fall under any of the industries listed out in the schedule appended to Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956, read with the aforesaid Rules are not applicable to the Company. Since CSE operates in the Financial Services industry, the operations of the Company are less energy intensive. However, CSE continuously strives to optimize its energy usage and efficiency and has installed an environment friendly 10.2 KWP Grid Connected Solar Power Plant.

**[B] Foreign Exchange Earnings & Outgo:**

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



## The Calcutta Stock Exchange Limited

### 19. Particulars of Employees as required under section 217(2A) of the Companies Act, 1956 and the rules 1975, as amended and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2012

Name	Age (yrs.)	Date of Joining	Total Remuneration (Rs.)	Designation	Education Qualification	Experience in Years	Previous Employment
Baireddy Madhav Reddy	47	06.06.2011	48.87 lac	Managing Director & CEO	B.Sc. Project Management Professional	23 years	Multi Commodity Exchange of India Ltd.

### 20. Management/s Explanation to the qualifications made by the Statutory Auditors on the annual Accounts of the Exchange for the year 2012-13.

<p><b>Points as per the Independent Auditor's Report</b></p> <p>Note (a) - Note 32 (i) regarding recoverability of Rs. 95,47,82,021 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.</p>	<p><b>Management's Policy</b></p> <p>As on 31.3.2013 amount recoverable from Members who have defaulted on account of settlement dues during the year 2000-01 is amounting to Rs. 95,47,82,021/-. Out of the above, money recovery suits have been filed against ten defaulters for recovery to the extent of Rs. 90,20,30,137/-. The Company has also filed money recovery suits against other defaulted members for an amount of Rs. 3,71,46,476/- . As the matter is sub-Judice, the extent of recoverability of the amount from defaulters is not ascertainable. However, current liabilities include the same amount as contribution received from Settlement Guarantee Fund and no impact on profitability is foreseen.</p>
<p>Note (b) - Note No. 26(b) regarding the Company's annual contribution aggregating Rs. 1,30,23,405 (including Rs.11,48,750 for the year)to the Settlement Guarantee Fund for years subsequent to 2000-01required 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, and which in our opinion, should have been recognized. Had the impact of the our observation in point (b) above been considered, net profit after tax for the year would have been Rs. 3,46,65,803 as against reported profit of Rs. 4,50,83,511, year end balance in Settlement Guarantee Fund (under Reserve &amp; Surplus) would have been Rs. 26,15,31,156 as against reported amount of Rs. 25,11,13,448 and aggregate year end balances of other Reserves &amp; Surplus would have been Rs. 1,27,90,03,615 as against the reported other Reserve &amp; Surplus of Rs.1,28,94,21,323</p>	<p>An additional contribution of Rs. 19,93,55,380 has been made by the Company to the Settlement Guarantee Fund during the year 2000-01 which was charged off to the Income &amp; Expenditure Account of the said year. Being in the nature of prepaid charges payable to the Settlement Guarantee Fund, a sum of Rs. 1,30,23,405/- has been adjusted up to 31.03.2013 towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs. 11,48,750/- for the year) in accordance with the decision of the erstwhile Board of Directors taken at its meeting held on 03.10.2001 and the balance of Rs. 18,63,31,975/- would be adjusted in future years. However, since the aforesaid amount has already been charged-off to Income &amp; Expenditure Account of 2000-01, the annual contribution of Rs. 11,48,750 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>
<p>Note (c) - Note No. 26(e) regarding dividend ( amount not ascertained ) on member's 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, the appropriateness of which, we are unable to comment on .</p>	<p>Distribution of Interest and Dividend on Members Base Minimum Deposit was discontinued with effect from 1st November 2007 as referred in Note 26 (e) is in accordance with the decision taken by erstwhile Administrator and intimated to members vide Exchange notification dated 24th December, 2007.</p>

<p>Note (d) - Note No. 33(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", the appropriateness of which we are unable to comment on based on information and explanation made available to us.</p>	<p>During pay-in crisis in March 2001 an amount of Rs 3,10,92,390/-, in the nature of contributions to the Settlement Guarantee Fund, has been received from few members of the Exchange. The contributions were subject to the condition that the said amount should be considered for refund in the event of recovery of the dues from defaulted members and liability towards refund will arise only on receipt from defaulted members.</p>
<p>Note (e) Note No. 28 regarding the directions issued by The Securities Exchange Board of India ("SEBI") dated 20th June, 2012 which requires every stock exchange to credit twenty five percent of its profit to the Settlement Guarantee Fund of a recognized clearing corporation(s). In view of the reasons fully explained in Note 28, amount of appropriation out of profit for the year is yet to be determined by the management and accordingly we are unable to comment on the compliance or otherwise of the aforesaid SEBI direction including consequential impact, that may arise in this regard, in these financial statements.</p>	<p>SEBI has formed an expert committee in terms of its Press Release dated June 21, 2012 to frame norms for sourcing, including transfer of profits by exchanges to the Settlement Guarantee Fund. Pending receipt of any communication/direction in this regard, no appropriation of profit to Settlement Guarantee Fund has been made. Moreover, the company had made an additional contribution amounting to Rs. 19,93,55,380/- in the year 2000-01 as mentioned in note 26 (b) which would be available for adjustment subject to SEBI approval if any.</p>
<p>Note (f) - Note No.30 regarding recognition of income of Rs. 67,46,020/- from refund of advance tax during the year which were written off in earlier years. Such refund has also been claimed as deduction for computation of income tax for the year end. Based on the information and explanation available to us we are unable to comment as regards appropriateness of recognition of such income and tax benefit claimed on such refund and consequential impact that arise in this regard in these financial statements</p>	<p>Recognition of the amounts paid on account of advance tax of earlier years and written-off, as income is as per the accepted accounting principles.</p> <p>Adjustment of excess payment of taxes in earlier years and written-off, does not constitute as a income and does not attract any income-tax.</p>

## 21. Statutory Auditors

The Auditors, M/s. SRBC & Co. LLP (earlier known as M/s S.R. Batliboi & Co.), Chartered Accountants, the Statutory Auditors of the Exchange, hold office until the conclusion of the ensuing Annual General Meeting and are recommended by the Board for re-appointment, to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. The Auditors have confirmed that, their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Act and that they are not disqualified in terms of Section 226 of the Act.

## 22. Auditors' Report

The Auditors' Report dated 23rd August, 2013 on the financial statements of the Exchange for the financial year ended March 31, 2013 has certain qualifications.

## 23. Management Discussion & Analysis

The Management Discussion & Analysis Report forms part of this Annual Report.

## 24. Subsidiary Company

CSE Capital Markets Private Limited (CCMPL), subsidiary of the CSE has not undergone any material

change in the nature of its business. In addition to the distribution of Mutual Fund Products, Bonds, IPO and procurement and release of Advertisements for Times Group, CCMPL has become a Corporate Agent of IndiaFirst Life Insurance for distribution of various Insurance Products.

## 25. 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.

Place: Kolkata  
Date: 23rd August, 2013

For and on behalf of the Board  
Dipankar Chatterji  
Chairman



## The Calcutta Stock Exchange Limited

### Management Discussion and Analysis Report

#### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The important task of economy has always been to strengthen the capital market largely through stimulation of private investments. This could be achieved by effecting structural changes to the capital market. The Indian capital market has developed to a large extent but is still in the process of evolution in terms of global cues.

The Indian Exchanges have asset classes of equity derivatives, Exchange Traded Funds, Mutual Funds, Debt, Interest Rate Derivates, Financial Derivatives, Power Trading and Commodity Derivatives. At present there are 21 Stock Exchanges in the country but 17 of them have made no trading since last five years.

The year under report witnessed several developments in the capital markets. Stock Exchanges are primarily regulated by the Securities and Exchange Board of India (SEBI) and SEBI has mandated the Exchanges to have its own clearing corporation which would provide clearing and settlement services or shall avail of the services of a recognized clearing corporation pursuant to an agreement in writing between them.

#### 2. OUTLOOK

Currently, the Indian economy is going through a phase of consolidation. However, the global factors are such that availability of capital from the global markets is much easier at this juncture. So we are seeing a lot of capital flowing into India.

The recent initiative of the Government in the Rajiv Gandhi Equity Scheme shall bring in new investors into the market and increase the financial inclusion and financial literacy agenda put forth sometime ago.

The Indian Stock markets have been in demand in the international arena as the inflows in the last three months have increased. The interest rate cycle in the economy has near to topped and the downturn in the interest rates should start any moment. Once the interest rate comes down, the lending in economy would pick up. This would lead to a rapid expansion in the corporate sector. The small and medium enterprise segment initiated by the Stock Exchanges would also play a vital role in the listing of the SME companies. This would result in the listing of many small-scale companies looking for the much-needed capital to aid their expansion plans. Once the SME segment starts expanding this would create huge job opportunity within the economy.

#### 3. OPPORTUNITIES AND THREATS

##### *Opportunities :*

The Exchange set up for more than 100 years, has played a crucial role in the country's capital market especially for the eastern and north-eastern part of the country. A single membership with CSE can enable a member to trade across multiple exchanges like BSE (Cash and F & O) and NSE (Cash and F & O) and CSE. The physical location of the members does not matter and one can avail membership from any part of the country. CSE under arrangement with multiple Exchanges makes the transaction cheaper, easier and smoother for the members. In the process the members can even go for self- branding. CSE offers different slab based tariff, with an incentive of lower tariff for higher turnover volume.

CSE places a great deal of emphasis on information technology to strengthen its functioning and performance. CSE also operates one of the largest private fiber optic LAN network in India. The Exchange has arranged a secured and low cost connectivity to its members through SSL VPN solution. It provides VPN connectivity to its members to trade in CSE as well as in BSE and NSE platforms through Internet.

The trading and settlement activities of the member-brokers are closely monitored at CSE through On-line Real Time Surveillance System known as Advance Warning and Controlling System (AWACS). The system enables the Exchange to detect market abuses at a nascent stage, improve the risk management system and strengthen the self-regulatory mechanisms.

CSE has also procured back office software 'Class' for settling trades executed by its members under BSE & NSE platforms and this software is also accessible by its members for various reports.

CSE has recently launched Internet Based Trading (IBT) in partnership with United Bank of India known as 'U-Connect'. All customers availing net banking facility of the United Bank of India can get them registered and activated for share trading in BSE and NSE through Internet.

As per SEBI guidelines, CSE has also implemented trade confirmations through e-mail and SMS to the investors to ensure transparency of trades done on C-STAR platform.

The new SECC Regulations, 2012 relating to networth criteria and turnover criteria for Stock Exchanges and Clearing Corporations has become a threat to Regional Stock Exchanges which provies an opportunity for CSE to spread its wings in these cities.



**Threats:**

- Capital Markets are more volatile and prone to economic happenings around the world in this era of globalization. Moreover, the economy is in shambles, with growth rate plummeting to 5% in 2012-13 – the lowest in the decade. The rupee is at a record low. The Exchange performance is totally dependent upon the volume and value of trades executed on its trading platform and new listings.
- Liquidity plays an important role in the Stock Exchange. Due to the inability of the Exchange to spread its tentacles to other cities and towns, the Exchange faces the threat of illiquidity and hence loses its avenue of business.
- The changes in the regulatory scenario in the capital market continue to be challenging.
- Despite progress over the past five years, new gaps continue to surface in the industry's ability to protect against emerging and unidentified systemic risks. Increased industry engagement and vigilance is a must.
- End to mandatory regional listing as per earlier regulations poses a threat. Earlier the public companies were required to be listed first in the Region either near to the place of its registered office or to its business. With the abolition of the requirement, more and more companies have delisted from the Regional Stock Exchanges and so also from CSE, while remaining listed on the BSE/NSE.

**4. RISK & CONCERN**

As the nature of systemic threats continues to change, our Exchange needs to understand these risks more clearly in order to be able to mitigate them.

- The Exchange operates in a business environment that continues to experience significant and rapid technological change.
- We have to compete with diverse range of market participants for listing, clearing, trading and settlement volumes.
- Our industry is highly regulated and is subject to severe fines and other legal proceedings for non-compliance with legal and regulatory obligations.
- Changes in government policies, political situation in India or globe make us volatile and adversely affects trading volumes of instruments traded in a Exchange
- Recurrence of financial crisis and other major risk events can occur with little notice and have a significant impact on the securities industry as well as economy as a whole.

**5. INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Exchange constituted the Audit Committee, which is responsible for the transparency and integrity of the financial statements and also oversees the compliance with legal and regulatory requirements of the Exchange. The Audit Committee meets the company's statutory auditors and the internal auditors at reasonable intervals to ascertain the adequacy of internal control systems prevailing in the Exchange.

The internal Auditors through the internal audit reports make observations relating to deficiencies/non-compliance of various audit areas and give suggestions/recommendations for reconsideration and rectification. The observations made by the Internal Auditors and the compliances thereof are placed before the Audit Committee for further directions.

**6. HUMAN CAPITAL**

Based on identified needs, training and development of all employees is undertaken to increase effectiveness. The Exchange nominates employees for specialized training Programs/Workshops/Seminars/conferences organized by reputed professional organizations and Institutes. Management Team is committed to further develop and retain the competency of the organization talent. We have an internal union representing clerical and sub-staff.

**7. FINANCIAL PERFORMANCE**

The Company reported operational income of Rs. 443 Lac. which was lower than the last year figure of Rs. 636 Lac. The decrease in income is due to the fact that the Company has recognized the income from listing fees only in respect of Companies who are regular subscribers and are paying the listing fees regularly.

Income from Investment Services has increased to Rs. 1497 Lac from Rs. 1255 Lac. Other income has also increased to Rs. 150 Lac. from Rs. 76 Lac. Total expense including depreciation has increased to Rs. 1452 Lac from Rs. 1399 Lac. Profit after tax has increased to Rs. 451 Lac from Rs. 415 Lac.

Particulars	Year ending 31st March 2013 (Rs. in Lac)	% Change
Total Income including exceptional income of Rs. 68 Lac.	2090	(+) 6
Total Expenses	1451	(+) 4
Profit before Tax	639	(+) 12
Provision for Tax	188	(+) 22
Profit after Tax	451	(+) 9



## The Calcutta Stock Exchange Limited

### 8. MATERIAL DEVELOPMENTS AFTER BALANCE SHEET DATE

The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 was notified on 20th June 2012. SEBI vide letter dated 3rd April 2013 directed the Exchange not to continue clearing operations beyond 5th April 2013 and members of CSE were intimated vide Notice dated 4th April 2013 that trading in C-Star has been stopped with immediate effect. Pursuant to the provisions thereof, it became mandatory for Stock Exchanges to either set up their own clearing corporation or outsource the functions of clearing and settlement of trades through a recognized clearing corporation.

Keeping in view the current market scenario and the trading volumes in the C-Star, the Exchange sought exemption from SEBI for transferring of clearing and settlement activities to a clearing corporation and thereafter sought extension of time. However, SEBI declined both the Exchange proposals and directed the Exchange to stop clearing and settlement activities through its clearing house. Pursuant to SEBI's directive, the clearing house of the Exchange has stopped clearing and settlement of trades w.e.f. 5th April 2013 and consequently, the trading in C-Star has also been stalled w.e.f. 4th April 2013.

Thereafter, the Exchange has entered into an agreement with Indian Clearing Corporation Ltd., (ICCL) the Clearing Corporation of BSE for clearing and

settlement of trades executed in CSE. Your Board and the management have ensured that the processes in this regard are completed and the application for operationalization of this arrangement is pending with SEBI for its approval.

### 9. FORWARD LOOKING STATEMENT

The Statements in this report describing the Company's Policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws of regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risk and Concern" hereinabove and subsequent developments, information or events.

### 10. ACKNOWLEDGEMENT

Your Directors place on record their appreciation for co-operation and support extended by the Government, Regulators and other Statutory Bodies.

Place: Kolkata

Date: 23rd August, 2013

For and on behalf of the Board

Dipankar Chatterji

Chairman

## Report on Corporate Governance

Clause-35 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012") provides that disclosure on Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange. The Calcutta Stock Exchange Limited (CSE) is a Public Limited Company whose securities are not listed on any Stock Exchange. However, pursuant to the aforesaid regulations, the Corporate Governance norms are applicable to CSE.

### 1. Company's philosophy on Corporate Governance

The philosophy of CSE in relation to Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully with the laws and regulations of the country in order to promote ethical conduct and practices throughout the organization for enhancing stakeholders value. The Exchange being a company incorporated under the Companies Act, 1956 and one of the historical Stock Exchanges of the country set up more than 100 years ago, has an exclusive nature of functions to perform. Not only it has its obligations towards the stakeholders being a Limited Company but is also a self-regulatory organization under the purview of SEBI serving more than 2000 companies whose securities are listed on this Exchange. The Exchange is required to comply with various guidelines and circulars issued by SEBI and fulfill the expectation of the investors who view the Exchange as a catalyst for wealth creation.

### 2. Board Of Directors

The Exchange is controlled and managed by its Governing Board constituted of professionals with vast experience in the diverse fields of finance, law, accounting, economics, management, engineering, administration relevant to financial markets. The composition of the Governing Board is in accordance with applicable laws, rules, regulations and circulars as well as guidelines issued by SEBI from time to time. The Composition of the Governing Board of CSE is as follows:

- Managing Director;
- Public Interest Directors;
- Shareholder Directors

The number of Public Interest Directors is greater than the number of Shareholder Directors. The Chairman of the Exchange is a Public Interest Director.

### 3. Board Composition

The Board consists of 9 Directors, out of which 5 are Public Interest Directors and 4 are Shareholder Directors, besides the Managing Director & CEO.

Managing Director & CEO – Mr. B. Madhav Reddy

#### Public Interest Directors:

1. Mr. Dipankar Chatterji - Chairman
2. Mr. Satyabrata Ganguly
3. Mr. Jayanta Mitra
4. Mr. Prasad Ranjan Ray
5. Mr. Sudev Chandra Das

#### Shareholder Directors:

1. Mr. Jagdish Prasad Chowdhary
2. Mr. Mukul Somany
3. V. Balasubramanian
4. Dr. Abhirup Sarkar
5. Mr. Purushottam Saraf

(Alternate Director to Mr. V. Balasubramaniam w.e.f. 11.06.2013)

### Directors' Profile

#### Mr. Dipankar Chatterji -Chairman

Age 65 years, He has Graduated with First Class B.Com (Hons) and is a Fellow of the Institute of Chartered Accountants of India. Presently he is a Senior Partner of the firm, L. B. Jha & Co., Chartered Accountants. He has been on the Board of four nationalised banks, a public sector mutual fund, and an associate company of State Bank of India. Presently he is the director of Union Bank of India and is the Vice-President of one of the top 10 B Schools in the country. He was appointed as member in various committees for reviewing and advising. Presently he is a member of National Council of CII and the Chairman of National Committee on Accounting Standards of CII.

#### Mr. Satyabrata Ganguly

Age 71 years, Mr. S B Ganguly is a Graduate of Chemical Engineering & Fellow of Plastics & Rubber Institute (London) and Fellow of the Institute of Chemical Engineers & Fellow of the Institute of Chemicals.

He was the former Chairman of Exide Industries Ltd. He is presently Chairman of Peerless Trust Management Co Ltd, Non-Executive Director of Paharpur Cooling Towers Ltd, Magma Fincorp Ltd, West Bengal Industrial Development Corporation, Su-Kam Power Systems Ltd, Emami Ltd & West Bengal Industrial Infrastructure Development Corporation. He is Trustee of the Academy of Fine Arts (Kolkata) besides being Member of various other Bodies.

#### Mr. Jayanta Mitra

Age 74 years, Graduated with Economics Hons. from the Calcutta University and completed his Bachelor of Laws from London University. Currently he is a renowned Barrister of Hon'ble High Court, Calcutta.

#### Mr. Prasad Ranjan Ray

Age 65, holds a Master Degree in Pure Physics from University of Calcutta and completed Associateship Diploma from the Saha Institute of Nuclear Physics. He is MPS in International Agriculture and Rural Development, Cornell University, US. He was an IAS Officer and held various assignments and retired as Additional Chief Secretary, Govt. of West Bengal in the year 2000. Currently he is the Chairperson of West Bengal Electricity Regulatory Commission and has authored several books and articles.



## The Calcutta Stock Exchange Limited

### Mr. Sudev Chandra Das

Age 68 years, is M.A. (Economics) and has about 40 years of experience in Banking, Finance including Corporate Finance and Securities Markets. He was the Chief General Manager of State Bank of India and the Executive Director in SEBI. He holds Directorship in other Public Limited Companies. He is also associated with many Business Schools.

### Dr. Abhirup Sarkar

Age 58 years, is a Doctorate in Economics. He is a Professor of Economics in Indian Statistical Institute, Kolkata. Currently, he is a Chairman of West Bengal Infrastructure Development Finance Corporation Limited and is a Vice-Chairman of West Bengal Industrial Development Corporation Limited. He is a prolific writer in several newspapers and periodicals.

### Mr. Jagdish Prasad Chowdhary

Age 73 years, is a Graduate in Commerce, Diploma in Business Management. Currently he is the member of Central Board of Trustees, Employees Provident Fund Organisation and Consulate to Government of Switzerland. He has been engaged in various social activities like Traffic Improvement, garbage Disposal, Industrial Rejuvenation, Health and Sewerage Treatment in Kolkata. He Represented India in a number of delegations – official and semi-official in various parts of the world.

### Mr. V. Balasubramaniam

Age 44 years, has more than two decades of experience in managing business and technology operations in the capital

markets and derivatives market. He is a member of the Institute of Cost & Works Accountant of India and also a Certified Information Systems Auditor. Currently he is part of BSE's Executive Management Committee and is a Chief Business Officer. He is also a Director Central Depository Services (India) Limited and BOI Shareholding Limited.

**Mr. Mukul Somany**, age 48 years, is the Vice Chairman & Managing Director of Hindusthan National Glass & Industries Ltd. (HNG) – India's largest Packaging Container Glass solutions.

He is an expert in Finance, Marketing, Administration & Business Strategy and is an accomplished entrepreneur with more than 24 years of experience.

Besides his tenure at HNG, Mr. Somany is also the President of All India Glass Manufacturers' Federation (AIGMF), Member of the CII National Council, and in the immediate past was the Chairman of the Confederation of Indian Industry (CII), Eastern Region.

**Mr. B. Madhav Reddy**, age 47 years, is a Project Management Professional (PMP) from Project Management Institute with more than 23 years of experience in financial markets. He was initially associated with Stock Holding Corporation of India Ltd. and was involved in the initial development phase of both Custodial and Depository Services. Prior to joining CSE as Managing Director & CEO, he was working as Vice President with Multi Commodity Exchange of India Ltd.

The name and category of Director on the Board and the number of Directorship held by them in other Companies are given herein below.

Name of the Director	Category	No of Board Meetings during the Financial Year 2012-2013		Whether attended AGM on 18th Sept. 2012	No. of Directorship in other Indian Public Companies as on 31st March, 2013	No. of Shares held as on 31st March, 2013
		Held	Attended			
Dipankar Chatterji (w.e.f. 14.1.2013)	Chairman (PID)	9	2	N.A.	6	-
B. Madhav Reddy	MD & CEO	9	9	Yes	-	-
Satyabrata Ganguly	PID	9	9	Yes	7	-
Prasad Ranjan Ray	PID	9	6	No	-	-
Jayanta Mitra	PID	9	6	Yes	-	-
Sudev Chandra Das (w.e.f. 20.11.2012)	PID	9	4	N.A.	1	-
Jagdish Prasad Chowdhary	SD	9	6	Yes	5	-
Mukul Somany	SD	9	2	No	10	-
V. Balasubramaniam	SD	9	4	Yes	3	-
Dr. Abhirup Sarkar (w.e.f. 18.9.2012)	SD	9	3	N.A.	2	-
Purushottam Saraf (w.e.f. 11.6.2013)	Alternate to V. Balasubramaniam Not Applicable					

Nine Board meetings were held during the financial year 2012-13 on the following dates: 21st April, 2012, 15th June, 2012, 23rd July, 2012, 9th August, 2012, 10th October, 2012, 20th November, 2012, 14th January, 2013, 1st February, 2013 and 8th March, 2013.

**4. Code of Conduct and Code of Ethics**

The Code of Conduct for Directors' as recommended by SEBI, has been adopted by your Exchange to outline the value and principles of the Exchange and to set out the standards for professional and ethical behavior. This is applicable to all Directors and all the Directors of the Exchange have affirmed compliance to the Code for the financial year ending March 31, 2013. A copy of the Code has been put on the Company's website [www.cse-india.com](http://www.cse-india.com).

**5. Committees of the Board**

Pursuant to Code of Corporate Governance, Board Committees of the Exchange during the financial year are -

Audit Committee

Compensation & HR Committee

Investor Grievance Redressal Committee

**Role & Composition of Audit Committee**

The Audit Committee of the Board comprises of two Public Interest Directors and Two Shareholder Directors. The Chairman of the Committee is Public Interest Director. MD & CEO is permanent invitee of the Committee. All the members of the Audit Committee are financially literate and have relevant finance and/or audit exposure. The Company Secretary acts as a Secretary to the Audit Committee. The Audit Committee assists the Board of Directors in fulfilling oversight responsibility for the transparency and integrity of the financial statements of the Exchange. The Committee also oversees the compliance with legal and regulatory requirements of the Exchange and the performance of the internal audit functions and statutory auditors.

During the financial year 2012-13, four meetings of the Audit Committee were held i.e., on 11.4.2012, 9.8.2012, 14.12.2012. and 18.3.2013 which was postponed to 17.04.2013. The attendance of each member of the Audit Committee is given below :-

Name of the Members	Status	No. of Meetings attended
Sunil Mitra (Resigned w.e.f.18.9.2012)	Non-Executive Shareholder Director	2
Sharad Chandra Jhunjhunwala (resigned w.e.f. 18.9.2012)	Non-Executive Shareholder Director	2
Harsha Vardhan Agarwal	Non-Executive Shareholder Director	Nil
Madhu Kannan (resigned w.e.f. 15.6.2012)	Non-Executive Shareholder Director	Nil
V. Balasubramaniam (Appointed w.e.f. 15.6.2012)	Non-Executive Shareholder Director	1
Sudev Chandra Das (Appointed w.e.f. 20.11.12)	Non-Executive Public Interest Director	2
Jagdish Prasad Chowdhary (Appointed w.e.f. 20.11.2012)	Non-Executive Public Interest Director	2
Dipankar Chatterji (Appointed w.e.f. 1.2.2013)	Non-Executive Public Interest Director	1
B. Madhav Reddy	Managing Director & CEO	4

**Compensation & HR Committee****Role**

The Committee is vested with powers to :

- Lay down the policy for compensation of key management personnel in terms of compensation norms prescribed by SEBI
- Determine the tenure of key management personnel
- Deal with HR issue of selection, recruitment, promotion, termination and training
- Finalize and amend the service manual
- Deal with and approve employees' governing rules

**Composition, Meeting and Attendance during the year**

During the financial year 2012-13, two meetings of the Compensation & HR Committee were held i.e., on 5.9.2012 and 8.3.2013. The attendance of each member of the Compensation & HR Committee is given below :-



## The Calcutta Stock Exchange Limited

Name of the Members	Status	No. of Meetings attended
Mukul Somany	Non-Executive Shareholder Director	1
Jagdish Prasad Chowdhary	Non-Executive Shareholder Director	1
Ajit Khandelwal (Resigned w.e.f 18.9.2012)	Non-Executive Trading Member Director	Nil
Dipankar Chatterji (Appointed w.e.f. 1.2.2013)	Non-Executive Public Interest Director	Nil
Prasad Ranjan Ray (Appointed w.e.f. 1.2.2013)	Non-Executive Public Interest Director	1
Sudev Chandra Das (Appointed w.e.f. 1.2.2013)	Non-Executive Public Interest Director	1
B. Madhav Reddy	Managing Director & CEO	2

### Remuneration Paid to Non-Executive Directors during the year :

Name of Non-Executive Directors	Sitting Fees(Rs.)
Sunil Mitra	1,02,500
Jagdish Prasad Chowdhury	82,500
Prasad Ranjan Ray	97,500
Satyabrata Ganguly	1,20,000
Jayanta Mitra	1,05,000
Sanjay Budhia	62,500
Mukul Somany	35,000
V. Balasubramaniam	47,500
Ajit Khandelwal	62,500
Suresh Kumar Kaushik	92,500
Sharad Chandra Jhunjhunwala	70,000
Sudev Chandra Das	55,000
Dr. Abhirup Sarkar	60,000
Dipankar Chatterji	20,000

### Remuneration paid to Managing Director & Chief Executive Officer as on 31st March, 2013

PARTICULARS	AMOUNT (Rs.)
Gross Salary	4,035,000
Exgratia	200,000
Employer's Contribution to Provident Fund	288,000
Employer's Contribution To GSS-LIC	144,000
Leave Travel Assistance	100,000
Medical Reimbursement	15,000
Books & Periodicals Reimbursement	18,000
Insurance Premium	87,969
<b>Total payment</b>	<b>4,887,969</b>

Stock Options : Nil

### Investors' Service Committee/ Membership Selection Committee

#### Role:

- To attend and resolve difficulties/ problems faced by shareholders.
- Ensure prompt redressal grievance, if any of shareholders in regard to transfer of shares, non-receipt of dividend, non-receipt of shares in demat account, non-receipt of annual report and any other matters.
- The function of the Membership Selection Committee/ Investors' Service Committee is to consider issues like transfer, transmission of shares of members, change of name, change in qualifying directors, change in share capital and change in shareholding pattern of members.

#### Composition, meetings and attendance during the year :

During the financial year 2012-13, one meeting of the Investors' Service Committee/ Membership Selection Committee was held on 1st June, 2012. The attendance of each member of the Investors' Service Committee/ Membership Selection Committee is given below :-

Name of the Members	Status	No. of Meeting attended
Satyabrata Ganguly	Non-Executive Shareholder Director	1
Prasad Ranjan Ray	Non-Executive Shareholder Director	1
Ajit Khandelwal (resigned w.e.f.18.09.2012)	Non-Executive Shareholder Director	1
B Madhav Reddy	Managing Director & CEO	1



**Details of Shareholders Complaint Received & Redressed :  
From 01.04.2012 to 31.03.2013**

	Through SEBI	Through Stock Exchange	Direct Share Holders	Total
Received	Nil	Nil	15	15
Resolved	Nil	Nil	15	15

**Complaint**

1.	Non-Receipt of Share Certificates	Nil
2.	Non-Receipt of Dividend Warrants/ Cheques/ Demand Drafts	8
	Sub Total	8

**Request**

1.	Change of Address/ Bank Mandate/ ECS Mandate/	7
2.	Procedure for Loss of Share Certificate	Nil
3.	Procedure for Transmission	Nil
	Sub Total	7

**Information**

1.	Issue of Duplicate Share Certificate	NIL
2.	General Queries	NIL
	Sub Total	NIL
	Grand Total	NIL

In addition to the above, the Exchange also has various other Statutory & Non-Statutory Committees constituted pursuant to SEBI Circular dated 13th December, 2013:-

- 1) Defaulters Committee
- 2) Disciplinary Action Committee
- 3) Investor Grievance Redressal Committee
- 4) Standing Committee on Technology
- 5) Investors Service Committee
- 6) Public Interest Director Committee
- 7) Arbitration Committee
- 8) Ethics Committee
- 9) Oversight Committee (Member Regulation)
- 10) Oversight Committee (Listing Functions)
- 11) Oversight Committee (Trading & Surveillance Functions)

- 12) Advisory Committee
- 13) Sub-Committee for monitoring compliances of suggestions in SEBI Inspection Report
- 14) Business Development Committee
- 15) Legal Committee
- 16) Premises Committee

**General Body Meetings :**

Details of General Meeting	Date	Time	Venue
AGM 2009-10	3rd Jan., 2011	4 P.M	7, Lyons Range, Kol-1
AGM 2010-11	30th Nov., 2011	4P.M.	7, Lyons Range, Kol-1
AGM 2011-12	18th Sept., 2012	4 P.M.	7, Lyons Range, Kol-1

**Special Resolutions passed in the General Body Meetings :**

- 1) Alteration of Articles of Association of the Exchange - passed in the 89th AGM held on 18th September, 2012
- 2) Appointment of Mr. B. Madhav Reddy, Managing Director & CEO of the Exchange in accordance with applicable provisions of Companies Act, 1956 read with Schedule-XIII to the Act – Passed in the 88th AGM held on 30th November, 2011
- 3) Ratification of Terms of Appointment of Ms. Molly Thambi as Managing Director & CEO of the Exchange – passed in the 87th AGM held on 3rd January, 2011
- 4) Alteration of Ancillary Object Clause of the Memorandum of Association of the Exchange - passed in the 87th AGM held on 3rd January, 2011

**Passing of Resolution by Postal Ballot :**

The Companies (Passing of Resolution by Postal Ballot) Rules, 2011 as notified by Central Government are applicable to only listed Companies. The Exchange being an unlisted Company does not fall under the ambit of these Rules.

**Disclosures :**

- 1) There were no materially significant related party transactions during the period under report having conflict with the interest of the company.
- 2) There have been no penalties or strictures imposed by SEBI or any statutory authority on any matter related to the capital markets during the last three years.
- 3) The Exchange has mutatis mutandis complied with the conditions of corporate governance as stipulated in the Listing Agreement.



## The Calcutta Stock Exchange Limited

### General Shareholder Information :

#### (A) 90th Annual General Meeting

Day & Date	Saturday, 28th September, 2013
Time	11-00 A.M.
Venue	Trading Hall, 7, Lyons Range, Kolkata-700001, Ground Floor
Financial Year	31st March, 2013
Book Closure	25th September, 2013 to 28th September, 2013 (Both days inclusive)
Payment of Dividend	Dividend if declared at the 90th AGM will be paid on or after 29th October, 2013

#### (B) Distribution of Shareholding as on 31st March, 2013

Category	No of Shares	% of Shares	No. of Share holders
1	5000	317807	51.3627
5001	10000	93566	15.1218
10001	20000	51360	8.3006
20001	30000	125142	20.225
30001	40000	30875	4.9899
40001	50000	-	-
50001	100000	-	-
100001	And above	-	-
Total		618750	100

#### (C) Category of Shareholders as on 31st March, 2013

Category	No. of shareholders	%	No. of Shares	%
Resident Individual	1038	80.78	269728	43.59
Bodies Corporate	244	18.99	327860	52.99
HUF	-	-	-	-
Trust	-	-	-	-
Banks/Financial Institutions	2	0.15	21157	3.42
Non-Resident Indians	1	0.08	5	0.00
Foreign Bodies Corporate	-	-	-	-
Foreign Institutional Investor	-	-	-	-
Venture Capital	-	-	-	-
Total	1285	100.00	618750	100.00

#### (D) List of top 20 Shareholders as on 31st March, 2013

Sl.	Name of Shareholder	No. of Shares held	Per-centage Share-holding
01	Bombay Stock Exchange Ltd	30875	4.99
02	West Bengal Infrastructure Development Fin Corp Ltd	20907	3.37
03	Manna Krishna Investments Pvt Ltd	20907	3.37
04	Patton International Ltd	20907	3.37
05	East India Securities Ltd	20907	3.37
06	Kirtivardhan Finvest Services Ltd	20907	3.37
07	Deevee Commercials Ltd	20607	3.33
08	Aradhana Investments Ltd	19907	3.21
09	Mani Sequare Limited	10544	1.70
10	Kesoram Industries Ltd	10455	1.69
11	Savitri Devi Chowdhary	10454	1.69
12	Maryada Barter Private Limited	10000	1.62
13	Neeru Poddar	8500	1.37
14	Hindusthan National Glass & Industries Ltd.	8364	1.35
15	Greatwall Vanijya Ltd	8364	1.35
16	Nagreeka Synthetics Private Limited	8364	1.35
17	Jai Balaji Industries Limited	6726	1.09
18	Ashika Venture Capital Pvt. Ltd.	6187	1.00
19	The Property Company Private Limited	6187	1.00
20	Texmaco Infrastructure & Holdings Limited	6187	1.00

#### (E) Dematerialisation of Shares :

Category of Shares in Physical and Electronic mode as on 31st March, 2013 is given below

Category	No.of holders	No.of Shares	%
Physical	602	205135	33.15
NSDL	548	355031	57.38
CDSL	135	58584	9.47
Total	1285	618750	100.00

#### (F) Registrar and Share Transfer Agent :

C. B. Management Services Pvt. Limited,  
P-22, Bondel Road, Kolkata-700019  
Tel.: (033) 40116726

(G) **Share Transfer** : 66.85% of equity shares of the company are in electronic form. Transfer of the shares is done through depository with no involvement of the company. As regards transfer of shares held in physical

form, the transfer deed can be lodged with the Registrar & Share Transfer Agent at the address mentioned above and the company processes the transfer within the prescribed time limit.

**(H) Means of communication with shareholders :**

The Exchange disseminates all material information to the shareholders through the website [www.cse-india.com](http://www.cse-india.com). Annual Report containing inter alia audited account, directors' report, auditors' report and other material related matters is circulated to the shareholders and others entitled thereto. The Corporate Governance Report annexed to Directors' Report forms part of the Annual Report.

**Declaration by the Managing Director on Code of conduct**

To  
The members of  
The Calcutta Stock Exchange Limited

This is to declare that to the best of my knowledge and belief, all the members of the Board and Senior Management Personnel of the Company have affirmed their respective compliance with the Code of Conduct as laid down by the Company for the Year ended 31st March, 2013.

Place : Kolkata  
Dated: 23rd August, 2013

B Madhav Reddy  
Managing Director & CEO

Note :

- (a) In this report 'the company' or 'the Exchange' or 'CSE' has been used to denote The Calcutta Stock Exchange Limited.
- (b) 'Members' has been used to denote shareholders of The Calcutta Stock Exchange Limited

**Certificate by Chief Executive Officer and Chief Financial Officer**

(Pursuant to Clause 49 of the Listing Agreement)

We, B. Madhav Reddy, Managing Director & CEO and Prosenjit Dutta, Chief Financial Officer, of The Calcutta Stock Exchange Limited, certify that :-

- (a) We have reviewed financial statements for the year ending March 31, 2013 and that to the best of our knowledge and belief :-
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ; and
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that :
  - (i) there were no significant changes in internal control over financial reporting during the year;
  - (ii) there were no significant changes in the accounting policies during the year. However income from listing fees has been recognized only in respect of companies which are regular subscribers and are paying the fees regularly; and
  - (iii) There were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Kolkata  
Date : 23rd August, 2013

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

**(Prosenjit Dutta)**  
Chief Financial Officer



**The Calcutta Stock Exchange Limited**

## **Certificate on Corporate Governance**

To  
The Members of  
The Calcutta Stock Exchange Limited

We have examined the compliance of conditions of Corporate Governance by The Calcutta Stock Exchange Limited (CSE) for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement, as revised by SEBI and applicable for the time being in force with Stock Exchanges in India.

The Company is not listed on any Stock Exchange. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012; 'the disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange'. CSE being a recognised Stock Exchange is required to adhere to the corporate governance norms.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. DUTT & CO.  
Company Secretaries

(DEBABRATA DUTT)  
Proprietor  
FCS-5401  
C.P. No.-3824

Place: Kolkata  
Date: 23rd August, 2013

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
The Calcutta Stock Exchange Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of The Calcutta Stock Exchange Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Qualified Opinion

*Attention is drawn to the following notes in the financial statements:*

- (a) *Note 33(i) regarding recoverability of Rs. 95,47,82,021 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. 26(b) regarding the Company's annual contribution aggregating Rs. 1,30,23,405 (including Rs.11,48,750 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, and which in our opinion, should have been recognized. Had the impact of the our observation in point (b) above been considered, net profit after tax for the year would have been Rs. 3,46,65,803 as against reported profit of Rs. 4,50,83,511, year end balance in Settlement Guarantee Fund (under Reserve & Surplus) would have been Rs. 26,15,31,156 as against reported amount of Rs. 25,11,13,448 and aggregate year end balances of other Reserves & Surplus would have been Rs. 1,27,90,03,615 as against the reported other Reserve & Surplus of Rs.1,28,94,21,323 .*
- (c) *Note No. 26(e) regarding dividend ( amount not ascertained ) on member's 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, the appropriateness of which, we are unable to comment on .*
- (d) *Note No. 33(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", the appropriateness of which we are unable to comment on based on information and explanation made available to us.*
- (e) *Note No. 28 regarding the directions issued by The Securities Exchange Board of India ("SEBI") dated 20th June, 2012 which requires every stock exchange to*



## The Calcutta Stock Exchange Limited

*credit twenty five percent of its profit to the Settlement Guarantee Fund of a recognized clearing corporation(s). In view of the reasons fully explained in Note 28, amount of appropriation out of profit for the year is yet to be determined by the management and accordingly we are unable to comment on the compliance or otherwise of the aforesaid SEBI direction including consequential impact ,that may arise in this regard, in these financial statements .*

- (f) *Note No.30 regarding recognition of income of Rs. 67,46,020 from refund of advance tax during the year which were written off in earlier years. Such refund has also been claimed as deduction for computation of income tax for the year end. Based on the information and explanation available to us we are unable to comment as regards appropriateness of recognition of such income and tax benefit claimed on such refund and consequential impact that arise in this regard in these financial statements .*

*In respect of the observations (a), (b), (c) and (d) above, the previous year audit report was similarly modified.*

### Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter stated in para b and possible effects of the matter stated in para a, c, d, e and f described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) *Except for our comments in Basis of Qualified Opinion paragraph*, 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) *Except for our comments in Basis of Qualified Opinion paragraph*, 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;
  - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - (d) *Except for our comment in Basis of Qualified Opinion paragraph*, in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S R B C & CO LLP**  
**Chartered Accountants**

**ICAI Firm Registration Number : 324982E**

**per Kamal Agarwal**

Partner

Place: Kolkata

Date : 23rd August, 2013

Membership No.: 58652



**ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE CALCUTTA STOCK EXCHANGE LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013)**

- (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 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 to companies, firms or other parties covered in 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 though there has been slight delay in few cases. 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, sales tax, excise duty, cess and other statutory material dues were outstanding, as on the Balance Sheet date, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, service tax, and cess on account of any dispute are as follows:



## The Calcutta Stock Exchange Limited

Name of the Statue	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	a) Disallowance of certain expenses	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	3,66,74,684	A.Y. 1991-92 and 1992-93	Hon'ble High Court of Kolkata
	c) Disallowance of certain expenses including penalty	10,49,468	A.Y. 2009-10	CIT (Appeals)

- (x) *Without considering the consequential effects, if any, of the matters stated in paragraph 4 (a), (c), (d), (e) and (f) and after considering the consequential impact of the matter stated in paragraph 4 (b) 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 LLP**  
**Chartered Accountants**  
**ICAI Firm Registration Number : 324982E**

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

Place: Kolkata  
Date : 23rd August, 2013

**BALANCE SHEET AS AT 31st MARCH, 2013**

	NOTES	As at 31st March 2013		As at 31st March 2012	
		Rupees	Rupees	Rupees	Rupees
<b>I. EQUITIES AND LIABILITIES</b>					
<b>1. SHAREHOLDERS' FUND</b>					
Share Capital	3		618,750		618,750
Reserves and Surplus	4		1,540,534,771		1,525,506,941
<b>2. NON CURRENT LIABILITIES</b>					
Long Term Liabilities	5		1,231,418,814		1,287,672,285
Long Term Provisions	6		12,481,605		16,028,831
<b>3. CURRENT LIABILITIES</b>					
Current Liabilities	7		422,419,827		456,972,647
Short Term Provisions	6		22,797,491		9,351,309
			<b>3,230,271,258</b>		<b>3,296,150,763</b>
<b>II. ASSETS</b>					
<b>1. NON CURRENT ASSETS</b>					
Fixed Assets					
- Tangible Assets	8	340,279,928		321,563,515	
- Intangible Assets	8A	4,203,333		36	
- Capital Work in Progress		<u>3,453,251</u>	347,936,512	<u>4,689,263</u>	326,252,814
Non Current Investments	9		73,146,675		65,646,675
Deferred Tax Assets (Net)	10		8,075,531		17,498,056
Long term Loans & Advances	11		1,074,394,630		1,082,637,162
Other Non-Current Assets	15		384,069,469		205,704,735
<b>2. CURRENT ASSETS</b>					
Current Investments	12		72,000,000		25,000,000
Trade Receivables	13		6,054,613		29,119,574
Cash and Bank Balances	14		1,104,009,528		1,392,554,593
Short Term Loans & Advances	11		144,686,670		139,771,657
Other Current Assets	15		15,897,630		11,965,497
			<b>3,230,271,258</b>		<b>3,296,150,763</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 LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E

per **Kamal Agarwal**

Partner

Membership No. 58652

Place: Kolkata

Date: 23rd August, 2013

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

**Dipankar Chatterji**  
Chairman

**Prosenjit Dutta**  
Chief Financial Officer

**B Madhav Reddy**  
Managing Director & CEO

**Suhita Mukhopadhyay**  
Company Secretary



## The Calcutta Stock Exchange Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	NOTES	2012-13 Rupees	2011-12 Rupees
<b>Income :</b>			
Revenue from Operations	16	44,277,717	63,562,329
Other Income	17	164,695,340	133,139,953
		<b>208,973,057</b>	<b>196,702,282</b>
<b>Expenses :</b>			
Employees Benefit Expense	18	65,126,523	55,138,904
Other Expenses	19	68,843,643	73,459,805
Depreciation and Amortization Expense	20	5,818,578	3,404,714
Contribution to SEBI		2,354,394	5,044,810
Contribution to Customers' Protection Fund		2,972,477	2,854,984
		<b>145,115,615</b>	<b>139,903,217</b>
<b>Profit before Tax</b>		<b>63,857,442</b>	<b>56,799,065</b>
<b>Tax Expenses :</b>			
Current Tax		7,213,559	14,900,000
Adjustment to tax relating to earlier years		2,137,847	-
Deferred Tax		9,422,525	410,814
		<b>18,773,931</b>	<b>15,310,814</b>
<b>Profit after Tax</b>		<b>45,083,511</b>	<b>41,488,251</b>
<b>Earnings per equity share</b>			
Basic & Dilluted (Rs.)	21	26.05	32.03
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 LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E

per **Kamal Agarwal**

Partner

Membership No. 58652

Place: Kolkata

Date: 23rd August, 2013

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

**Dipankar Chatterji**  
Chairman

**Prosenjit Dutta**  
Chief Financial Officer

**B Madhav Reddy**  
Managing Director & CEO

**Suhita Mukhopadhyay**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013****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.

**NOTE – 2 : Summary of Significant Accounting Policies****i) 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.

**ii) 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.

Revenue from Listing Fees and Subscription Fees are recognized when there is reasonable certainty of its ultimate realization/collection. The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

**Interest**

Interest from fixed deposit is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the Statement of Profit & Loss.

**Dividend**

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

**iii) 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.

**iv) 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.



## The Calcutta Stock Exchange Limited

### v) 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.

### vi) 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.

### vii) 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.

### viii) 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 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit & Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of Profit & Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**ix) 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.

**x) 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.

**xi) 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.

**xii) 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.



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

### NOTE - 3 : SHARE CAPITAL

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
	Rupees	Rupees
<b>a) AUTHORISED SHARES :</b>		
10,00,00,000 (31 March 2012 : 10,00,000)		
Equity Shares of Re.1 each	100,000,000	1,000,000
<b>b) ISSUED SHARES :</b>		
6,18,750 (31 March 2012 : 6,18,750)		
Equity Shares of Re.1 each	618,750	618,750
<b>c) SUBSCRIBED &amp; PAID UP SHARES :</b>		
6,11,000 (31 March 2012 : 6,11,000)		
Equity Shares of Re.1 each fully paid up	611,000	611,000
<b>Add : Forfeited Shares:</b>		
7,750 (31 March 2012 : 7,750)	7,750	7,750
Equity Shares paid up of Re.1 each		
	<b>618,750</b>	<b>618,750</b>

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

	31st March 2013		31st March 2012	
	Number	Rs.	Number	Rs.
Equity Shares	6,11,000	611,000	6,11,000	611,000
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	6,11,000	611,000	6,11,000	611,000

#### 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 2013, the amount per share dividend recognized as distributions to equity shareholders was Rs.20 (31 March 2012 : Rs.10).

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.

## Notes to the financial statements as at and for the year ended 31st March 2013

**NOTE - 4 : RESERVES AND SURPLUS**

PARTICULARS	Balance of Pre-Demutal- isation Period as at 31st March 2012	Balance of Post-Demu- talisatation Period at 31st March 2012	Pre-Demutalisation Period		Post-Demutalisation Period		Balance of Pre-Demutal- isation Period as at 31st March 2013	Balance of Post-Demu- talisatation Period as at 31st March 2013	Total Balance of Reserves & Surplus as at March 2013	Total Balance of Reserves & Surplus as at 31st March 2012
	Rupees	Rupees	Additions during the year	Deductions during the year	Additions during the year	Deductions/ adjustments during the year	Rupees	Rupees	Rupees	Rupees
<b>Own Fund</b>										
Capital Reserve	618,860 (618,860)	- (-)	- (-)	- (-)	- (-)	- (-)	618,860 (618,860)	- (-)	618,860 (618,860)	618,860 (618,860)
Securities Premium Account	3,014,597 (3,014,597)	631,778,051 (631,778,051)	- (-)	- (-)	- (-)	- (-)	3,014,597 (3,014,597)	631,778,051 (631,778,051)	634,792,648 (634,792,648)	634,792,648 (634,792,648)
Reserve for Establishment of Centre for Training and Statistical Information & Setting up a Library	38,841,547 (38,841,547)	- (-)	- (-)	- (-)	- (-)	- (-)	38,841,547 (38,841,547)	- (-)	38,841,547 (38,841,547)	38,841,547 (38,841,547)
Contingency Reserve	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Development Fee Fund	(20,000,000) 134,050,000	- (-)	- (-)	(20,000,000) -	- (-)	- (-)	134,050,000 (134,050,000)	- (-)	134,050,000 (134,050,000)	(20,000,000) 134,050,000
General Reserve	(134,050,000) 333,678,748 (313,094,905)	- (-)	8,131,220 (20,583,843)	59,036 (-)	4,508,351 (10,000,000)	- (-)	341,750,932 (333,678,748)	44,508,351 (40,000,000)	386,259,283 (373,678,748)	(134,050,000) 373,678,748 (343,094,905)
Surplus in the Statement of Profit and Loss	- (-)	59,086,579 (57,199,460)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Add: Profit for the Year	- (-)	- (-)	- (-)	- (-)	45,083,511 (41,488,251)	- (-)	- (-)	- (-)	- (-)	- (-)
Add : Sundry balances written off related to pre demutalisation period transferred from general reserve	- (-)	- (-)	- (-)	- (-)	59,036 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Less : Interest and refund of TDS receivable from Income Tax Authority related to pre demutalisation period transferred to general reserve	- (-)	- (-)	- (-)	- (-)	- (-)	7,837,241 (-)	- (-)	- (-)	- (-)	- (-)
Less: Transferred to General Reserve	- (-)	- (-)	- (-)	- (-)	- (-)	4,508,351 (10,000,000)	- (-)	- (-)	- (-)	- (-)
Less : Transferred to Investors' Service Fund	- (-)	- (-)	- (-)	- (-)	- (-)	6,150,575 (6,560,571)	- (-)	- (-)	- (-)	- (-)
Less : Transferred to Settlement Guarantee Fund	- (-)	- (-)	- (-)	- (-)	- (-)	22,510,283 (15,355,523)	- (-)	- (-)	- (-)	- (-)
Less : Provision for Doubtful Advances written back and transferred to Settlement Guarantee Fund	- (-)	- (-)	- (-)	- (-)	- (-)	505,746 (-)	- (-)	- (-)	- (-)	- (-)
Less : Profit on sale of Fixed Assets of Pre-Demutalisation Period transferred to General Reserve	- (-)	- (-)	- (-)	- (-)	- (-)	293,979 (93,400)	- (-)	- (-)	- (-)	- (-)



# The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

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

PARTICULARS	Balance of Pre-Demutalisation Period as at 31st March 2012	Pre-Demutalisation Period		Post-Demutalisation Period		Balance of Pre-Demutalisation Period as at 31st March 2013	Balance of Post-Demutalisation Period as at 31st March 2013	Total Balance of Reserves & Surplus as at 31st March 2013	Total Balance of Reserves & Surplus as at 31st March 2012
		Additions during the year	Deductions during the year	Additions during the year	Deductions/adjustments during the year				
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Less : Unspent Liabilities no longer required, written back related to Pre-Demutalisation Period transferred to General Reserve	-	-	-	-	-	-	-	-	-
Less : Proposed final equity dividend (amount per share Rs.20 (31 March 2012 : Rs.10))	-	-	-	-	12,220,000 (6,110,000)	-	-	-	-
Less : Tax on proposed equity dividend	-	-	-	-	2,076,789 (991,195)	-	-	-	-
	-	-	-	45,142,547 (41,488,251)	56,102,964 (39,601,132)	-	48,126,162 (59,086,579)	48,126,162 (59,086,579)	59,086,579 (57,199,460)
<b>Total (I)</b>	<b>510,203,752 (509,619,909)</b>	<b>8,131,220 (20,583,843)</b>	<b>59,036 (20,000,000)</b>	<b>49,650,998 (51,488,251)</b>	<b>56,102,964 (39,601,132)</b>	<b>518,275,936 (510,203,752)</b>	<b>724,412,564 (730,864,630)</b>	<b>1,242,688,500 (1,241,068,382)</b>	<b>1,241,068,382 (1,228,597,420)</b>
Investors' Service Fund (Refer Note 31)	-	-	-	6,150,575 (6,560,571)	1,421,963 (426,977)	-	46,732,823 (42,004,211)	46,732,823 (42,004,211)	42,004,211 (35,870,617)
<b>Total (II)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,150,575 (6,560,571)</b>	<b>1,421,963 (426,977)</b>	<b>-</b>	<b>46,732,823 (42,004,211)</b>	<b>46,732,823 (42,004,211)</b>	<b>42,004,211 (35,870,617)</b>
<b>Settlement Guarantee Fund (Refer Note 26)</b>									
Settlement Guarantee Fund for CSE-NSE Cash Segment	-	-	-	18,630 (10,000,000)	-	-	10,018,630 (10,000,000)	10,018,630 (10,000,000)	10,000,000 (-)
Settlement Guarantee Fund for CSE-NSE Future and Option Segment	-	-	-	4,120 (10,000,000)	-	-	10,004,120 (-)	10,004,120 (-)	10,000,000 (-)
Settlement Guarantee Fund for CSE-BSE Cash Segment	-	-	-	24,808 (10,000,000)	-	-	10,024,808 (-)	10,024,808 (-)	10,000,000 (-)
Settlement Guarantee Fund for CSE-BSE Future and Option Segment	-	-	-	10,000,000 (-)	-	-	10,000,000 (-)	10,000,000 (-)	-
Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the Exchange)	-	-	-	23,146,029 (18,588,570)	24,514,487 (36,756,317)	-	211,065,890 (212,434,348)	211,065,890 (-)	212,434,348 (230,602,095)
<b>Total (III)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,193,587 (48,588,570)</b>	<b>24,514,487 (36,756,317)</b>	<b>-</b>	<b>251,113,448 (242,434,348)</b>	<b>251,113,448 (242,434,348)</b>	<b>242,434,348 (230,602,095)</b>
<b>TOTAL OF I + II + III</b>	<b>510,203,752 (509,619,909)</b>	<b>8,131,220 (20,583,843)</b>	<b>59,036 (20,000,000)</b>	<b>88,995,060 (106,637,392)</b>	<b>82,039,414 (76,784,426)</b>	<b>518,275,936 (510,203,752)</b>	<b>1,022,258,835 (1,015,303,189)</b>	<b>1,540,534,771 (1,525,506,941)</b>	<b>1,525,506,941 (1,495,070,132)</b>

Notes to the financial statements as at and for the year ended 31st March 2013

**NOTE - 5 : LONG TERM LIABILITIES**

<b>PARTICULARS</b>	<b>As at 31st March 2013</b>			<b>As at 31st March 2012</b>		
	<b>Pre-</b>	<b>Post-</b>	<b>TOTAL</b>	<b>Pre-</b>	<b>Post-</b>	<b>TOTAL</b>
	<b>Demutalisation</b>	<b>Demutalisation</b>		<b>Demutalisation</b>	<b>Demutalisation</b>	
	<b>Period</b>	<b>Period</b>		<b>Period</b>	<b>Period</b>	
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Trade Payables	-	-	-	24,507,297	11,731,348	36,238,645
Sundry Deposits {Refer Note 33(ii)}	969,294,037	-	969,294,037	969,294,037	-	969,294,037
Members' Security Deposits						
- Own Fund	-	114,216,594	114,216,594	-	129,459,028	129,459,028
- Settlement Guarantee Fund	-	147,908,183	147,908,183	-	152,680,575	152,680,575
	<b>969,294,037</b>	<b>262,124,777</b>	<b>1,231,418,814</b>	<b>993,801,334</b>	<b>293,870,951</b>	<b>1,287,672,285</b>

**NOTE - 6 : PROVISIONS**

<b>PARTICULARS</b>	<b>Long Term</b>		<b>Short Term</b>	
	<b>As at 31st</b>	<b>As at 31st</b>	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March 2013</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2012</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Provision for Employee Benefits:</b>				
Leave	12,481,605	16,028,831	8,492,373	1,772,242
Gratuity (Refer Note 35)	-	-	8,329	167,608
Provision for Taxation (Net of Advance tax of Rs.1,78,80,400 (31st March 2012 : Rs.1,45,89,736)	-	-	-	310,264
Proposed Dividend	-	-	12,220,000	6,110,000
Tax on Dividend	-	-	2,076,789	991,195
	<b>12,481,605</b>	<b>16,028,831</b>	<b>22,797,491</b>	<b>9,351,309</b>



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

### NOTE - 7 : CURRENT LIABILITIES

PARTICULARS	As at 31st March 2013			As at 31st March 2012		
	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)	9,427,495	81,024,715	90,452,210	-	41,026,610	41,026,610
<b>Other Liabilities :</b>						
Sundry Deposits	27,674,898	23,449,135	51,124,033	33,334,049	10,774,692	44,108,741
For Fixed Assets	-	1,381,559	1,381,559	-	-	-
<b>Payable to related party: (Refer Note 36)</b>						
CSE Capital Markets Pvt Ltd	-	2,245,843	2,245,843	-	-	-
Stock Exchange Customers' Protection Fund	-	1,034,653	1,034,653	-	-	-
Statutory Dues	-	11,844,863	11,844,863	-	26,402,943	26,402,943
Unclaimed Dividend	-	1,909,075	1,909,075	-	1,315,685	1,315,685
Members' deposit including deposits for additional base capital requirement and margin in Cash	-	262,427,591	262,427,591	-	344,118,668	344,118,668
	<b>37,102,393</b>	<b>385,317,434</b>	<b>422,419,827</b>	<b>33,334,049</b>	<b>423,638,598</b>	<b>456,972,647</b>

#### Notes:

- i) The office premises taken by the Company on rental together with furniture fixtures etc., from Turner Morrison Limited stands vacated by Company on 31.01.2013. In the civil suits No.230 of 2003 filed by Co. against Turner Morrison Limited for a decree for Rs.2.0 Crore, together with interest, which was kept as a security Deposit in connection with sale/tenancy of 9395 sq. ft. and No.29/2004 filed by Turner Morrison Limited against Co. for recovery of possession, the Hon'ble High Court vide its order dated 11th & 24th September 2012 directed the Company to pay Rs.1,53,874/- (as against last agreed paid rent of Rs.2,03,491/-) month by month to Turner Morrison Limited as occupation charges w.e.f. September, 2012 and to go on paying the said charges till occupancy and or disposal of the suit. The Court also directed the Company to clear the arrear rent payable upto August, 2012 by 21st December 2012 after adjusting Company's deposit of Rs.2.0 Crore lying with Turner Morrison Limited. The court further directed the Company to deposit the entire amount of admitted Municipal Taxes together with commercial surcharge totaling to Rs.27,417,987 with Company's advocate on record viz., Messrs Victor Moses & Co. by 21st December 2012, who will keep the same in term deposit with State Bank of India, High Court Branch, earning the highest rate of interest. After adjudication of proportionate tax liabilities by the special referee, as appointed by the court, the municipal tax account would be settled. All directions of Hon'ble High Court at Kolkata stands complied with. The Claim of interest by either party had been relegated to trial in the suit. Turner Morrison Limited preferred an appeal against the order dated 11th September 2012 and order dated 24th September 2012. By an order dated 25th April 2013, the Division Bench directed the Company to go on paying enhanced occupation charges @ 15% after expiry of every two years strictly in terms of the lease agreement dated 8th January 1994, even after termination of the agreement and also to liquidate the differential amount between the amount paid till date at the rate of the rent that was paid on the date of termination and the increased amount that would have been payable in terms of the said agreement. The Division Bench also directed the company to premature the fixed deposit for the sum of Rs.27,417,987 and pay a sum of Rs.10,000,000 therefrom to Turner Morrison Limited on account of property tax in respect of 5100 sq. ft. and to reinvest the balance amount of Rs.17,417,987 Crore by way of fixed deposit to be kept with Messrs Victor Moses & Co. till further order or disposal of the case. The payment so made by the Company, would be subject to adjustment at the time of final adjudication of the mesne profit and without prejudice to the rights and contentions of the parties. The Company preferred a Special Leave petition before Hon'ble Supreme Court. The Special Leave petition filed by the Company was dismissed by the Hon'ble court on 02.08.2013.

The Company has made adequate provision in the financial statement for rent, municipal tax etc. based on the judgement passed by the Hon'ble High Court of Kolkata and subsequently upheld by Hon'ble Supreme Court of India.

- 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 2013

**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 2011	415,300	49,667,291	2,157,399	14,627,903	11,646,611	10,279,828	-	210,483,588	299,277,920
Additions	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	1,238,787	108,106	354,070	-	23,478,596	25,179,559
At 31st March 2012	415,300	49,667,291	2,157,399	13,389,116	11,538,505	9,925,758	-	187,004,992	274,098,361
Additions	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	196,501	19,900	-	708,750	925,151
At 31st March 2013	415,300	49,667,291	2,157,399	13,389,116	11,342,004	9,905,858	-	186,296,242	273,173,210
<b>Depreciation</b>									
At 1st April 2011	-	5,027,652	1,366,712	12,887,748	10,839,975	8,928,017	-	209,274,398	248,324,502
Charge For the Year	-	463,419	46,403	258,498	150,997	429,333	-	335,244	1,683,894
Disposals/Adjustment	-	-	-	1,121,005	109,249	281,186	-	23,418,176	24,929,616
At 31st March 2012	-	5,491,071	1,413,115	12,025,241	10,881,723	9,076,164	-	186,191,466	225,078,780
Charge For the Year	-	463,419	44,083	205,058	79,567	135,263	-	3,582	930,972
Disposals/Adjustment	-	-	-	-	194,000	17,313	-	705,141	916,454
At 31st March 2013	-	5,954,490	1,457,198	12,230,299	10,767,290	9,194,114	-	185,489,907	225,093,298
<b>Net Block</b>									
At 31st March 2012	415,300	44,176,220	744,284	1,363,875	656,782	849,594	-	813,526	49,019,581
At 31st March 2013	415,300	43,712,801	700,201	1,158,817	574,714	711,744	-	806,335	48,079,912
<b>ASSETS OF POST-DEMUTUALISATION</b>									
<b>PERIOD :</b>									
At 1st April 2011	267,750,023	-	-	12,131	207,438	1,519,105	1,238,747	6,839,472	277,566,916
Additions	-	-	-	-	-	362,869	520,000	2,497,958	3,380,827
Disposals/Adjustment	-	-	-	-	3,279	525,258	365,217	82,589	976,343
At 31st March 2012	267,750,023	-	-	12,131	204,159	1,356,716	1,393,530	9,254,841	279,971,400
Additions	1,250,000	-	10,899,975	2,498,992	5,125,418	1,603,854	-	2,416,088	23,794,327
Disposals/Adjustment	-	-	-	-	4,050	-	-	-	4,050
At 31st March 2013	269,000,023	-	10,899,975	2,511,123	5,325,527	2,960,570	1,393,530	11,670,929	303,761,677
<b>Depreciation</b>									
At 1st April 2011	-	-	-	4,798	128,949	571,279	589,699	4,877,961	6,172,686
Charge For the Year	-	-	-	1,020	25,983	174,055	160,953	1,358,809	1,720,820
Disposals/Adjustment	-	-	-	-	1,803	180,985	216,561	66,691	466,040
At 31st March 2012	-	-	-	5,818	153,129	564,349	534,091	6,170,079	7,427,466
Charge For the Year	-	-	342,984	347,477	1,187,410	317,621	216,282	1,726,470	4,138,244
Disposals/Adjustment	-	-	-	-	4,049	-	-	-	4,049
At 31st March 2013	-	-	342,984	353,295	1,336,490	881,970	750,373	7,896,549	11,561,661
<b>Net Block</b>									
At 31st March 2012	267,750,023	-	-	6,313	51,030	792,367	859,439	3,084,762	272,543,934
At 31st March 2013	269,000,023	-	10,556,991	2,157,828	3,989,037	2,078,600	643,157	3,774,380	292,200,016
<b>Net Block of Tangible Assets</b>									
At 31st March 2012	268,165,323	44,176,220	744,284	1,370,188	707,812	1,641,961	859,439	3,898,288	321,563,515
At 31st March 2013	269,415,323	43,712,801	11,257,192	3,316,645	4,563,751	2,790,344	643,157	4,580,715	340,279,928



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

### 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>		
<b>At 1st April 2011</b>	30,036,144	30,036,144
Purchase -	-	-
Disposals/Adjustment	-	-
<b>At 31st March 2012</b>	30,036,144	30,036,144
Purchase -	-	-
Disposals/Adjustment	-	-
<b>At 31st March 2013</b>	30,036,144	30,036,144
<b>Amortization</b>		
<b>At 1st April 2011</b>	30,036,108	30,036,108
Charge For the Year	-	-
Disposals/Adjustment	-	-
<b>At 31st March 2012</b>	30,036,108	30,036,108
Charge For the Year	-	-
Disposals/Adjustment	-	-
<b>At 31st March 2013</b>	30,036,108	30,036,108
<b>Net Block</b>		
<b>At 31st March 2012</b>	36	36
<b>At 31st March 2013</b>	36	36
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
<b>At 1st April 2011</b>	-	-
Purchase -	-	-
Disposals/Adjustment	-	-
<b>At 31st March 2012</b>	-	-
Purchase	4,952,659	4,952,659
Disposals/Adjustment	-	-
<b>At 31st March 2013</b>	4,952,659	4,952,659
<b>Amortization</b>		
<b>At 1st April 2011</b>	-	-
Charge For the Year	-	-
Disposals/Adjustment	-	-
<b>At 31st March 2012</b>	-	-
Charge For the Year	749,362	749,362
Disposals/Adjustment	-	-
<b>At 31st March 2013</b>	749,362	749,362
<b>Net Block</b>		
<b>At 31st March 2012</b>	-	-
<b>At 31st March 2013</b>	4,203,297	4,203,297
<b>Net Block of Intangible Assets</b>		
<b>At 31st March 2012</b>	36	36
<b>At 31st March 2013</b>	4,203,333	4,203,333



## Notes to the financial statements as at and for the year ended 31st March 2013

**NOTE - 9 : NON CURRENT INVESTMENTS**

<u>PARTICULARS</u>	<u>No. of Shares/ Units/Debenture</u>	<u>Face Value per Share/ Debenture/Unit Rupees</u>	<u>As at 31st March 2013 Rupees</u>	<u>As at 31st March 2012 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 (by way of equity participation as a co-sponsor)	10,00,000	10	10,00,000	10,00,000
			<b>10,00,001</b>	<b>10,00,001</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	35,00,000	35,00,000
<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	1,000	5,696,000	5,696,000
National Highway Authority of India Ltd	4944	1,000	4,944,000	4,944,000
<b>Unquoted fixed maturity plans (fully paid up)</b>				
HDFC Fixed Maturity Plan 391D Mar 2012 (1) - Growth (These units are redeemable on 23rd April 2013)	— (5,00,000)	10	-	5,00,000
SBI FMP - 14 Months	12,50,000 (-)	10	12,50,000	-
Baroda Pioneer 370 Days FMP - Series I - Growth Plan	— (5,00,000)	10	-	5,00,000
UTI Fixed Term Income - Fund Series XIII - (549 Days) Growth Plan	5,00,000 (-)	10	5,00,000	-
			<b>63,146,674</b>	<b>55,646,674</b>
			<b>73,146,675</b>	<b>65,646,675</b>
<b>Aggregate cost of Investments:</b>				
Quoted			10,646,675	10,646,675
Unquoted			62,500,000	55,000,000
Market value of quoted investments			11,610,791	10,862,924
Net Asset value of Fixed Maturity Plan			17,753,875	10,010,550

\* 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 2013

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

<u>PARTICULARS</u>	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
	<u>Rupees</u>	<u>Rupees</u>
<b>Deferred Tax Liability</b>		
Difference between written down value of fixed assets as per book of account and for income tax purposes	692,125	271,665
<b>Gross Deferred Tax Liability</b>	<b>692,125</b>	<b>271,665</b>
<b>Deferred Tax Asset</b>		
Provision for doubtful debts and advances	3,006,814	9,517,718
Expenses allowable against taxable income in future years	5,760,842	8,252,003
<b>Gross Deferred Tax Asset</b>	<b>8,767,656</b>	<b>17,769,721</b>
<b>Net Deferred Tax Asset</b>	<b>8,075,531</b>	<b>17,498,056</b>

### NOTE - 11 : LOANS & ADVANCES

<u>PARTICULARS</u>	<u>Non-Current</u>		<u>Current</u>	
	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
<b>Unsecured, considered good :</b>				
Capital Advances	1,000,650	2,011,155	-	-
Security Deposits	41,319,179	49,123,323	-	-
Deposit with BSE Ltd	-	-	30,000,000	-
Deposit with BSE Ltd - Settlement Guarantee Fund	60,000,000	60,000,000	-	-
	<b>102,319,829</b>	<b>111,134,478</b>	<b>30,000,000</b>	-
Advances recoverable from related parties (Refer Note 36)				
- CSE Capital Markets Private Limited (wholly owned subsidiary)	-	-	-	226,796
- Stock Exchange Customers' Protection Fund	-	-	-	57,842
Other advances recoverable in cash or in kind				
- From Settlement Guarantee Fund	2,667,301	3,173,047	-	-
- Provision for doubtful advances	(2,667,301)	(3,173,047)	-	-
- From other parties	9,932,961	9,292,800	56,390	-
Receivable from defaulting members {Refer Note 33(i)}	954,782,021	954,782,021	-	-
	<b>964,714,982</b>	<b>964,074,821</b>	<b>56,390</b>	<b>284,638</b>
<b>Other Loans &amp; Advances:</b>				
Advance Income Tax and Tax Deducted at Source [Net of Provisions of Rs.5,91,61,433 (31 March 2012 : Rs. 3,48,42,661)]	-	-	108,283,613	90,694,393
Prepaid expenses	-	-	3,511,935	4,833,149
Loan to employees				
- Interest bearing	7,291,319	6,949,544	1,212,758	1,079,565
- Non interest bearing	68,500	478,319	622,963	755,113
Service Tax receivable	-	-	999,011	124,799
Fixed deposit with financial institution (bearing interest)	-	-	-	9,900,000
Fixed deposit with others (bearing interest) - Settlement Guarantee Fund	-	-	-	32,100,000
	<b>7,359,819</b>	<b>7,427,863</b>	<b>114,630,280</b>	<b>139,487,019</b>
	<b>1,074,394,630</b>	<b>1,082,637,162</b>	<b>144,686,670</b>	<b>139,771,657</b>

## Notes to the financial statements as at and for the year ended 31st March 2013

**NOTE - 12 : CURRENT INVESTMENTS**

<u>PARTICULARS</u>	No. of Units	Face Value per Unit <u>Rupees</u>	As at 31st March 2013 <u>Rupees</u>	As at 31st March 2012 <u>Rupees</u>
<b>Current portion of long-term investments (valued at cost)</b>				
HDFC FMP 391 Days Mar 2012 - Growth (These units are redeemable on 23rd April 2013)	500000 (-)	10	5,000,000	-
<b>Current (Unquoted) (at lower of cost and net realisable value)</b>				
HDFC Fixed Maturity Plan 370 D Feb 2012 (2) - Growth	— (12,50,000)	10	-	12,50,000
UTI Fixed Term Income Fund-2012 Series XII-IV 368 days - Growth	— (12,50,000)	10	-	12,50,000
HDFC FMP 372 Days Feb 2013 Direct - Growth	12,50,000 (-)	10	12,50,000	-
SBI Magnum Income Fund - Direct Plan - Growth	1,74,197 (-)	10	5,000,000	-
SBI MICF Liquid Floater - Direct - GR	4,987 (-)	1000	10,000,000	-
Baroda Pioneer 370 Days FMP - Series 1 - Growth	5,00,000 (-)	10	5,000,000	-
UTI Fixed Term Income Fund - Series - XII-IV (369 days) - Growth Plan	20,00,000 (-)	10	20,000,000	-
UTI Fixed Term Income III - Annual Interval Plan - Retail Option - Growth	3,30,950 (-)	15	5,000,000	-
UTI Fixed Term Income Fund Series XIV - I 366 days - Direct Growth Plan	4,50,000 (-)	10	4,500,000	-
DWS Fixed Maturity Plan Series 24 - Direct Plan - Growth	5,00,000 (-)	10	5,000,000	-
			<b>72,000,000</b>	<b>25,000,000</b>
<b>Aggregate cost of Investment:</b>				
Unquoted			72,000,000	25,000,000
Net asset value of Fixed Maturity Plan			75,012,827	25,224,500

**NOTE - 13 : TRADE RECEIVABLES**

<u>PARTICULARS</u>	<u>As at 31st March 2013</u>		<u>As at 31st March 2012</u>	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Debts outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	924,609		4,501,038	
Unsecured				
- Considered good	4,542,499		24,393,584	
- Considered doubtful	6,600,117	12,067,225	26,161,884	55,056,506
Other Debts:				
Unsecured, Considered good	587,505	587,505	224,952	224,952
		12,654,730		55,281,458
Less: Provision for Doubtful Debts		6,600,117		26,161,884
		<b>6,054,613</b>		<b>29,119,574</b>



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

### NOTE - 14 : CASH AND BANK BALANCES

PARTICULARS	Non-Current		Current	
	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	-	-	35,337	58,337
Balance with Scheduled Banks on:				
- Current Account				
- Own Fund	-	-	227,966,356	324,024,899
- Investors' Service Fund	-	-	19,800	98,047
- Settlement Guarantee Fund	-	-	2,958,471	3,882,053
- Unpaid Dividend Account	-	-	1,909,075	1,315,685
- Savings Account	-	-	-	1,749,605
	-	-	<b>232,889,039</b>	<b>331,128,626</b>
<b>b. OTHER BANK BALANCES</b>				
<b>Deposits with original maturity for more than 12 months :</b>				
Own Fund*	216,341,836	161,169,860	432,808,453	587,386,235
Earmarked Funds:				
- Settlement Guarantee Fund*	125,600,000	750,000	180,750,000	184,290,540
- Investors' Service Fund*	41,913,023	4,800,000	4,800,000	-
- Fund for Establishment of Centre for Training and Statistical Information & Setting up a Library	-	38,841,547	38,841,547	-
<b>Deposits with original maturity for more than 3 months, but less than 12 months :</b>				
Own Fund *	-	-	207,177,015	158,893,836
Earmarked Funds:				
- Settlement Guarantee Fund *	-	-	6,743,474	93,749,192
- Investors' Service Fund	-	-	-	37,106,164
	<b>383,854,859</b>	<b>205,561,407</b>	<b>871,120,489</b>	<b>1,061,425,967</b>
Amount disclosed under Non-current assets (Refer Note 15)	<b>(383,854,859)</b>	<b>(205,561,407)</b>	-	-
	-	-	<b>1,104,009,528</b>	<b>1,392,554,593</b>
<b>Deposits with original maturity for more than 3 months, but less than 12 months :</b>				
- Pledged with BSE	-	-	-	6,500,000
- Pledged with ICCL	-	-	6,500,000	-
- Pledged with NSCCL	-	-	170,000,000	87,249,192
<b>Deposits with original maturity for more than 12 months :</b>				
- Pledged with ICCL	25,100,000	-	-	-
- Pledged with NSCCL	51,100,000	750,000	480,600,000	77,224,568
	<b>76,200,000</b>	<b>750,000</b>	<b>657,100,000</b>	<b>170,973,760</b>
* The aforesaid fixed deposits have been pledged as margin for utilization of their Trading Platform by the members of the Company				
<b>Deposits with original maturity for more than 3 months, but less than 12 months :</b>				
- Deposit with Victor Moses & Co (Refer Note 7)	-	-	27,417,987	-
	-	-	<b>27,417,987</b>	-

## Notes to the financial statements as at and for the year ended 31st March 2013

**NOTE - 15 : OTHER ASSETS**

<b><u>PARTICULARS</u></b>	<b><u>Non-Current</u></b>		<b><u>Current</u></b>	
	<b><u>As at 31st March 2013 Rupees</u></b>	<b><u>As at 31st March 2012 Rupees</u></b>	<b><u>As at 31st March 2013 Rupees</u></b>	<b><u>As at 31st March 2012 Rupees</u></b>
Unsecured, Considered Good unless stated otherwise				
Non-current bank balances (Refer Note 14)	383,854,859	205,561,407	-	-
OTHER RECEIVABLES				
Other Debts:				
Unsecured, Considered good				
Rent	-	-	1,032,612	469,751
Electricity	-	-	852,194	892,747
Others	-	-	227,221	48,906
Interest accrued on fixed deposits:				
- Own Fund	-	124,443	11,824,451	8,900,924
- Settlement Guarantee Fund	214,610	18,885	1,546,413	1,501,973
Interest accrued on PSU bonds:				
- Own Fund	-	-	414,739	151,196
	<b><u>384,069,469</u></b>	<b><u>205,704,735</u></b>	<b><u>15,897,630</u></b>	<b><u>11,965,497</u></b>

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

<b><u>PARTICULARS</u></b>	<b><u>2012-2013</u></b>	<b><u>2011-2012</u></b>
	<b><u>Rupees</u></b>	<b><u>Rupees</u></b>
<b>SALE OF SERVICES :</b>		
Turnover charges on own trading platform	4,567,073	5,507,743
Turnover charges on other trading platform :		
- BSE	901,748	1,175,928
- NSE	692,837	114,929
Listing fees	18,832,500	36,929,500
Subscriptions	2,295,000	2,391,000
Processing charges	7,860,062	7,819,022
Income from depository participant operation	1,510,379	1,061,453
Commission on PAN services	199,584	215,597
<b>Other operating revenue :</b>		
Bad debts recovered	2,504,800	3,115,000
Recovery of penal charges from clients	3,151,287	2,997,656
Technology charges from new members	-	650,000
Interest on delayed payment of Listing Fees	1,762,447	1,584,501
	<b><u>44,277,717</u></b>	<b><u>63,562,329</u></b>



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

### NOTE - 17 : OTHER INCOME

<u>PARTICULARS</u>	<u>2012-2013</u> <u>Rupees</u>	<u>2011-2012</u> <u>Rupees</u>
Interest on investments of Investors' Service Fund	4,467,916	3,637,399
Income from investments of Settlement Guarantee Fund:		
Interest on fixed deposits	30,905,792	21,554,796
Dividend from equity shares pledged by members {Refer Note 26(e)}	-	2,907,088
	<b>35,373,708</b>	<b>28,099,283</b>
Interest income on own fund:		
Fixed deposits	90,232,261	89,315,092
Tax Free PSU bonds	868,432	151,196
Savings bank account	37,121	115,438
Security deposit with CESC Ltd	111,383	106,234
Income Tax refunds	12,423,877	220,851
Others	657,484	659,346
	<b>104,330,558</b>	<b>90,568,157</b>
Profit on sale of current investments	1,276,375	-
Profit on sale of long term investments	1,273,375	-
	<b>2,549,750</b>	<b>-</b>
Dividend income from investments - own fund:		
Dividend from long term investments	1,500,000	1,200,000
Dividend from current investments	5,942,531	5,686,685
	<b>7,442,531</b>	<b>6,886,685</b>
Other non-operating Income:		
Rent	1,053,914	703,538
Fees for transfer of tenancy rights	693,000	883,580
Miscellaneous receipts	1,609,117	1,016,841
Profit on sale of fixed assets	293,979	-
Advance tax, earlier written off, now written back	6,746,020	-
Liabilities/Provisions no longer required, written back	4,602,763	4,981,869
	<b>14,998,793</b>	<b>7,585,828</b>
	<b>164,695,340</b>	<b>133,139,953</b>

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

<u>PARTICULARS</u>	<u>2012-2013</u> <u>Rupees</u>	<u>2011-2012</u> <u>Rupees</u>
Salaries, bonus etc.	56,789,864	46,590,771
Contribution to provident and other funds	6,964,907	5,306,713
Staff welfare	3,774,743	3,471,593
Voluntary retirement expenses	-	1,438,605
	<b>67,529,514</b>	<b>56,807,682</b>
Less : Expenses for Settlement Guarantee Fund	2,402,991	1,668,778
	<b>65,126,523</b>	<b>55,138,904</b>

## Notes to the financial statements as at and for the year ended 31st March 2013

## NOTE - 19 : OTHER EXPENSES

PARTICULARS	2012-2013		2011-2012	
	Rupees	Rupees	Rupees	Rupees
Advertisement		2,164,657		4,597,362
Rent {Including Rs.15,68,840 (31st March 2012 : Rs.Nil) relating to earlier years}		3,930,578		1,552,827
Electricity charges	8,540,906		7,026,947	
Less : recovered from tenants	1,878,851	6,662,055	1,719,540	5,307,407
Rates & Taxes		2,762,912		652,593
Insurance		274,328		280,250
Printing & Stationary		975,030		1,132,581
Telephone charges		950,663		654,502
Travelling & Conveyance		1,354,113		1,408,805
Motor car expenses		350,214		344,814
Repairs & Maintenance:				
- Building	1,019,543		492,673	
- Others *	18,392,434	19,411,977	20,441,446	20,934,119
Expenses for Other Trading Platform:				
- BSE		340,822		699,178
- NSE		218,116		107,382
Interest on delayed payment of statutory dues		16,224		1,514,097
Security Expenses		1,991,879		1,266,092
Demat Charges (Including Rs. Nil (31st March 2012 : Rs.3,13,794) for earlier years)		104,949		624,875
Miscellaneous Expenses		3,470,291		3,247,136
Expenses for Depository Services		1,807,803		1,502,958
Legal & Professional Fees		4,018,254		3,192,005
Filing Fees		580,000		-
Auditor's Remuneration				
As Audit Fees	800,000		600,000	
Tax Audit	200,000		200,000	
For other Services	175,000		125,000	
Reimbursement of Expenses	14,850	1,189,850	8,750	933,750
Investors' Service Expenses		1,421,963		426,977
Directors Sitting Fee		982,500		1,382,500
Bad Debts	37,287,915		22,908,020	
Less : Adjusted against Provision for Doubtful Debts	19,492,658	17,795,257	11,454,010	11,454,010
Provision for Doubtful Debts and Advances		-		10,928,046
Contribution on reconciliation to Settlement Guarantee Fund		-		1,027,911
Contribution to Settlement Guarantee Fund on CSE-NSE Turnover		22,750		-
Contribution to Settlement Guarantee Fund on CSE-BSE Turnover		24,808		-
Loss on sale/discard of assets		-		168,747
Sundry Balances Written Off		70,289		144,577
		<b>72,892,282</b>		<b>75,485,501</b>
Less : Expenses for Investors' Service Fund	1,421,963		426,977	
Less : Expenses for Settlement Guarantee Fund	2,626,676	4,048,639	1,598,719	2,025,696
		<b>68,843,643</b>		<b>73,459,805</b>

\* Including Rs.1,61,37,065 (31st March 2012 : Rs.1,61,06,150)  
for computer maintenance and service charges.



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31st March 2013

### NOTE - 20 : DEPRECIATION AND AMORTIZATION EXPENSE

<u>PARTICULARS</u>	<u>2012-2013</u>	<u>2011-2012</u>
	<u>Rupees</u>	<u>Rupees</u>
Depreciation of Tangible Assets	5,069,216	3,404,714
Amortization of Intangible Assets	749,362	-
	<u>5,818,578</u>	<u>3,404,714</u>

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

<u>PARTICULARS</u>	<u>2012-2013</u>	<u>2011-2012</u>
	<u>Rupees</u>	<u>Rupees</u>
Net Profit after Tax as per Statement of profit and loss	45,083,511	41,488,251
Less : Profit appropriated to earmarked fund		
-Transferred to Investors' Service Fund	6,150,575	6,560,571
-Transferred to Settlement Guarantee Fund	23,016,029	15,355,523
<b>Profit attributable to equity shareholders</b>	<b>15,916,907</b>	<b>19,572,157</b>
<b>Weighted average number of equity shares</b>	<b>611,000</b>	<b>611,000</b>
<b>Earnings per share - Basic &amp; Diluted (Rs.)</b>	<b>26.05</b>	<b>32.03</b>
<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.31,28,356 (Rs.49,16,719).

#### 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 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 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.
- c) In respect of Assessment Year 2009-10, the Assessing Officer has raised a demand of Rs. 5,49,719 u/s 14A of the Income Tax Act, 1961 and have also imposed a penalty of Rs. 4,99,745. The Company filed an appeal before the Commissioner of Income Tax (Appeal) against the aforesaid demand by Income Tax Authority which is pending disposal.

**Other matters:**

- d) 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.

**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 thereafter 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 notes indicated in Note 26 (d) 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. 1,30,23,405 would have been adjusted till the year end towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs. 11,48,750 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. 18,63,31,975 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.11,48,750 for the year) had not been charged against profits for those years.
- (c) Settlement Guarantee Fund at the year-end comprises of the following:



## The Calcutta Stock Exchange Limited

SI No	Particulars	2012-13 (Rs.)	2011-12 (Rs.)
	<b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b>		
I	Settlement Guarantee Fund of the Exchange	20,54,65,265	18,73,01,345
II	Members' Ad-hoc contribution to SGF	3,11,27,700	3,11,27,700
III	Dividend on Members' Security Deposit	1,45,20,483	2,40,05,303
	<b>Total</b>	<b>25,11,13,448</b>	<b>24,24,34,348</b>
	<b>Under Long Term Liabilities (Settlement Guarantee Fund):</b>		
IV	Members BMC/SGF in Cash	13,35,34,149	13,82,53,033
V	TDS under Section 194A	—	5,211
VI	Interest Adjustable with BMC/ABMC	1,19,29,034	1,23,22,331
VII	Members' deposit towards BSE/NSE-SGF	24,45,000	21,00,000
	<b>Total</b>	<b>14,79,08,183</b>	<b>15,26,80,575</b>

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

SI No	Particulars	2012-13 (Rs.)	2011-12 (Rs.)
I	Investments in Fixed Deposits	31,30,93,474	27,87,89,732
II	Balances in Current Account	29,58,471	38,82,053
III	Interest accrued on Fixed Deposits	17,61,023	15,20,858
IV	Deposit with BSE Ltd	6,00,00,000	6,00,00,000
V	Deposit with Others	—	3,21,00,000
VI	BMC Receivable from Members	26,67,301	31,73,047
VII	Receivable from Exchange	1,85,41,362	1,56,49,233
	<b>Total</b>	<b>39,90,21,631</b>	<b>39,51,14,923</b>

(e) 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 as the Company's income and not passed on to the concerned members. However, the Board of Directors, in their meeting dated 20th November 2012, approved a scheme for distribution of dividend on shares deposited by trading members as security deposits. As per the aforesaid scheme, dividends earned during 1st July 2010 to 31st March 2013 are eligible for distribution, subject to fulfilment of other criteria of the said scheme. Accordingly Rs.94,84,820 has been transferred from "Reserves & Surplus" to "Current Liabilities" in the current year and the income earned on the aforesaid matter during the period 1st November 2007 till 30th June 2010 continues to be included in the "Settlement Guarantee Fund" under the head "Reserve & Surplus".

### 27. Revenue recognized from listing fees:

In the current year, the Company has changed its Revenue Recognition Policy relating to income from listing fees. The Company has recognized income from listing fees only in respect of those Companies from whom income has been realized till previous year, i.e., 31st March, 2012 or Companies which are regular subscriber and are paying the fees regularly, as against the past practice of recognizing revenue all invoices that were raised on the customers. Accordingly, during the current year the Company has written off Rs. 1,77,95,257 as bad debts towards receivables from listing fees outstanding as at 31st March, 2012.

### 28. Transfer of Profit:

As per the notification issued by The Securities and Exchange Board of India ("SEBI") dated June 20, 2012 every stock exchange is required to credit twenty five percent of its profits every year to the Fund of a recognized clearing corporation(s), which clears and settles trades executed on that stock exchange. An expert committee has been formed

by SEBI in terms of Press Release dated June 21, 2012 to frame norms for sourcing, including transfer of profits by stock exchanges to the fund. The management is in the process of seeking clarification from SEBI regarding the norms of transfer of profit to the Settlement Guarantee Fund, pending which no appropriation of profit has been made to the credit of the Fund in the books of account as at March 31, 2013.

**29. Clearing Corporation:**

SEBI vide its letter Ref No. MRD/DSA/OW/8066/2013 dated 3rd April, 2013 has directed the Exchange to discontinue with the clearing & settlement activities of trades executed on the C-STAR trading system through its clearing house beyond 5th April 2013 till the Exchange establishes a Clearing Corporation in compliance with the provision of SECC Regulations, 2012 or ties up with any other clearing corporation. The Company has entered into an agreement with Indian Clearing Corporation Ltd, on 18th June, 2013, post the signing of Memorandum of Understanding on 9th April 2013, for clearing and settlement activities of trades executed on the C-STAR system. Accordingly, the trading activity on C-Star is awaiting SEBI approval, although trading activities in BSE and NSE trading platform are being done on regular basis.

- 30.** The Company has recognized income of Rs. 67,46,020 from refund of advance tax during the year which was written off in earlier years. The income tax benefit on such write off was not taken in earlier years and accordingly, such refund has also been claimed as deduction for computation of income tax for the year end.

**31. 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.

- 32.** As per the policy framed by the company in accordance with the requirement of SEBI, expenses are allocated to Settlement Guarantee Fund as stated below.

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	2012-13 (Rs.)	2011-12 (Rs.)
Settlement Guarantee Fund Expenses:		
- Salaries, Wages and Bonus etc	23,16,764	15,47,657
- Staff Welfare	86,227	1,21,121
- Rent	4,80,000	4,80,000
- Telephone Charges	25,000	25,000
- Computer Maintenance and Service Charges	3,600	3,600
- Electricity Charges	75,000	75,000
- Audit Expenses	2,50,000	2,00,000
- Miscellaneous Expenses	2,37,525	64,500
- Legal & Professional Fees	15,55,551	7,50,619
Investors' Service Expenses	14,21,963	4,26,977

- 33. (i)** Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.95,47,82,021 (Rs.95,47,82,021) due from Members on account of settlements in prior years comprising of Rs.94,74,23,732 (Rs.94,74,23,732) towards Hand Delivery Settlement, Rs. 26,36,540 (Rs. 26,36,540) for Cash Settlement and Rs. 47,21,749 (Rs.47,21,749) on account of Demat Settlement as on 31.03.2013. Out of the above, Rs.90,20,30,137 (Rs.90,20,30,137) 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.



## The Calcutta Stock Exchange Limited

- ii) Sundry Deposits as at 31.03.2013 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.

**34.** 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.16,63,99,997 (Rs.17,68,99,027) and fixed deposits of Rs.25,18,50,956 (Rs.21,42,62,132) as at 31.03.2013, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

### **35. 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 departure @15 days of last drawn salary for each completed year of service. 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	2012-13	2011-12
Discount rate	8%	8%
Salary escalation rate (Inflation rate)	7%	7.5%
Withdrawal rates	2%	2%

- 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	2012-13 (Rs.)	2011-12 (Rs.)
Contribution to Provident/Pension Fund	38,92,947	31,83,113
Contribution to Superannuation Fund	15,63,016	11,68,395
Contribution to Employees' State Insurance	76,119	1,55,810

### **36. Related Party Transactions:**

Aggregated Related Party disclosure as at and for the year ended 31 March 2013:

- a) Entities under common control:

Name: Stock Exchange Customers' Protection Fund

Transactions with the entity under common control:

Name	Particulars	2012-13 (Rs.)	2011-12 (Rs.)
<b>Stock Exchange Customers' Protection Fund</b>	Contribution to Customers Protection Fund	31,47,727	28,54,985
	Expenses Recoverable	1,40,025	1,25,798
	Amount paid	19,15,207	46,32,559
	Amount Payable outstanding	10,34,653	-
	Amount Receivable outstanding	-	57,842

Transactions with the wholly owned Subsidiary:

Name	Particulars	2012-13(Rs.)	2011-12(Rs.)
<b>CSE Capital Markets Private Limited</b>	Expenses incurred on behalf of Subsidiary	-	17,35,188
	Amount recovered against expenses incurred	-	21,37,550
	Advertisement Expenses	18,71,131	-
	Interest on fixed deposits received from bank on behalf of subsidiary	4,53,375	-
	Expenses payable to subsidiary	1,48,133	-
	Amount payable outstanding	22,45,843	-
	Amount receivable outstanding	-	2,26,796

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

Name	Particulars	2012-13 (Rs.)	2011-12 (Rs.)
<b>Mr. B Madhav Reddy</b>	Remuneration and other allowances	48,87,969	43,28,827*

\*Previous year's figure was for part of the year.

37. Previous year's figures including those in brackets have been regrouped and/or rearranged wherever necessary.

As per our Report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E

per **Kamal Agarwal**

Partner

Membership No. 58652

Place: Kolkata

Date: 23rd August, 2013

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

**Dipankar Chatterji**

Chairman

**Prosenjit Dutta**

Chief Financial Officer

**B Madhav Reddy**

Managing Director & CEO

**Suhita Mukhopadhyay**

Company Secretary



## CSE CAPITAL MARKETS PRIVATE LIMITED

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

1.	Name of the Subsidiary Company	CSE Capital Markets Private Limited
2.	Financial Year of the Subsidiary Company	March 31, 2013
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. 25,02,981
	b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary	Rs. 12,41,632
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, 2013 of the subsidiary Company has been attached herewith.

For and on behalf of the Board of Directors

**B Madhav Reddy**  
Managing Director & CEO

**Dipankar Chatterji**  
Chairman

**Suhita Mukhopadhyay**  
Company Secretary

**Prosenjit Dutta**  
Chief Financial Officer

Place : Kolkata  
Date: August 23, 2013

## DIRECTORS' REPORT

### *Dear Shareholders*

Your Directors are pleased to present the Fourth Annual Report on the operations of the Company together with the audited Statement of Accounts for the financial year ended 31st March, 2013

#### Financial Overview

(Amt in Rs)

Particulars	For the year ended 31-Mar-13	For the year ended 31-Mar-12
Total Income	88,31,195	43,99,657
Total Expenditure	51,66,434	25,54,016
Profit/(Loss) Before Tax	36,64,761	18,45,641
Less: Provision for Tax	(11,61,780)	(6,04,009)
Profit After Tax	25,02,981	12,41,632

During the year under review, income of the Company increased from Rs. 43,99,657 to Rs. 88,31,195. The increase in income was due to increase in scope of operations pertaining to advertising activity, higher operations and better 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 and has not undergone any material change in the nature of its business. In addition to the distribution of Mutual Fund Products, Bonds, IPO and procurement and release of Advertisements for Times Group, the Company has become a Corporate Agent of IndiaFirst Life Insurance for distribution of their various Insurance Products. The Calcutta Stock Exchange Ltd., the parent Company is considering to render the DP services through our Company being its subsidiary. 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, 2013.

#### 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 there under.

#### Directors

Mr. Suresh Kumar Kaushik, Trading Member ceased to be a Director on the Board of the Exchange on the conclusion of the last Annual General Meeting held on 18th September, 2012. Mr. Satyabrata Sahoo, director resigned from the Board on 20th June, 2013. The Board placed on record their appreciation for the valuable contribution made by them during their tenure as Directors.

Mr. M.A.V. Raju and Mr. Dhiraj Chakraborty were appointed as Additional Directors of the Company w.e.f. 20th June 2013 in the Board and would hold office till the conclusion of the Annual General Meeting. Your company has received Notices under Section 257 of the Companies Act, 1956 in writing signifying their candidature for the office of the Director.

#### 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, offer 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, 2013 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, 2013 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, 2013 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 provisions 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, 2013 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 and on behalf of the Board of Directors

Place: Kolkata  
Date: 16th August, 2013

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 Lac

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, 2013. The company was incorporated as a private limited company on 24.04.2009 and the entire shares (including further allotments) were subscribed by The Calcutta Stock Exchange Limited (a public limited company) alongwith its Nominees; making it a wholly-owned subsidiary of 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 5 (Five) times on 19.06.2012, 09.08.2012, 18.09.2012, 26.10.2012 and 26.02.2013 in respect of which 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, 2012 was held on 18.09.2012 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 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 2012.
14. During the period from 19.09.2012 to 31.03.2013 the company had only two directors, though it continued to be a subsidiary of a public company. Subject to above, the Board of Directors of the Company is duly constituted. There was no appointment of any Director, Additional Director, Alternate Director or Director to fill any casual vacancy. Cessation of director 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: 16th Aug., 2013



### **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, 2013

Sl. NO.	Form No./ Return	Field under Section	For	Date of Filing	Whether filed within prescribed time Yes / No	If delay in filling, whether requisite additional fees paid Yes / No.
1.	Form 32	303(2)	Resignation of Mr. Suresh Kumar Kaushik w.e.f. 18.09.2012	13.10.2012	Yes	N.A.
2.	Form 20B	159	Annual Return prepared upto 18.09.2012	13.10.2012	Yes	N.A.
3.	Form 66	383A	Secretarial Compliance Certificate for the year ended 31st March 2012	15.10.2012	Yes	N.A.
4.	Form 23AC & 23ACA	220	Balance Sheet as at 31.03.2012	29.10.2012	Yes	N.A.

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

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of CSE Capital Markets Pvt. Ltd.,

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of CSE Capital Markets Pvt. Ltd. ("the Company") which comprise the Balance Sheet as at 31st March, 2013, Statement of Profit and Loss of the Company for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates

made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Opinion:**

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 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :-**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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 appears from our examination of those books;
  - c. The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 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: 16th August, 2013

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



## Annexure to the Auditor's Report

*(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements")*

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 commenced commercial activities since last year. 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 essential.

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, 2013 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 fund 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.

**BALANCE SHEET AS AT 31st MARCH, 2013**

<u>PARTICULARS</u>	<u>NOTES</u>	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
		<u>Rupees</u>	<u>Rupees</u>
<b>I. EQUITIES AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUND</b>			
Share Capital	3	35,000,020	35,000,020
Reserve and Surplus	4	5,448,297	2,945,316
<b>2. NON-CURRENT LIABILITIES</b>			
Long Term Provisions	6	602,941	-
<b>3. CURRENT LIABILITIES</b>			
Other Current Liabilities	5	2,464,308	235,223
Short Term Provisions	6	1,161,780	602,941
		<b>44,677,346</b>	<b>38,783,500</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Cash and Bank Balances	9	36,500,000	11,000,000
Other Loans & Advances	10	607,024	7,710
<b>2. CURRENT ASSETS</b>			
Current investments	7	17,694	-
Trade Receivables	8	5,513,350	-
Cash and Bank Balances	9	1,217,086	26,912,177
Short Term Loans & Advances	10	694,181	373,288
Other Current Assets	11	128,011	490,325
		<b>44,677,346</b>	<b>38,783,500</b>
Summary of Significant Accounting Policies	1 & 2		

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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

**M.A.V. Raju**  
Director

Place: Kolkata  
Date :16th August, 2013

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

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



# CSE CAPITAL MARKETS PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

<u>PARTICULARS</u>	<u>NOTES</u>	<u>As at 31st March 2013 Rupees</u>	<u>As at 31st March 2012 Rupees</u>
Revenue from Operations	12	5,213,657	1,246,243
Other Income	13	3,617,538	3,153,414
		<b>8,831,195</b>	<b>4,399,657</b>
<b>Expenses :</b>			
Cost of services rendered		5,108,972	1,123,373
Employees Benefit Expenses	14	-	1,166,535
Finance Cost	15	-	10,300
Other Expenses	16	57,462	253,808
		<b>5,166,434</b>	<b>2,554,016</b>
<b>Profit before Tax</b>		<b>3,664,761</b>	<b>1,845,641</b>
<b>Tax Expenses :</b>			
Current Tax		1,161,780	602,941
Previous Year Tax		-	1,068
Deferred Tax		-	-
		<b>1,161,780</b>	<b>604,009</b>
<b>Profit after Tax</b>		<b>2,502,981</b>	<b>1,241,632</b>
Earnings per equity share			
Basic & Diluted (Rs.)	20	0.72	0.35
Nominal Value of Share (Rs.)		10.00	10.00
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

**M.A.V. Raju**  
Director

Place: Kolkata  
Date :16th August, 2013

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

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

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2013****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 GAAP). 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. Use of estimates:**

The preparation of financial estimates requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**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 recognized 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 recognized, 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.



# CSE CAPITAL MARKETS PRIVATE LIMITED

Notes To Financial Statements As At And For The Year Ended March 31, 2013

## NOTE - 3 : SHARE CAPITAL

PARTICULARS	As at 31st March 2013	As at 31st March 2012
	Rupees	Rupees
a) <b>AUTHORISED SHARES :</b> 50,00,000 Equity Shares of Rs. 10 each	5,00,00,000	5,00,00,000
b) <b>ISSUED SHARES :</b> 35,00,002 Equity Shares of Rs. 10 each	3,50,00,020	3,50,00,020
c) <b>SUBSCRIBED &amp; PAID UP SHARES :</b> 35,00,002 Equity Shares of Rs. 10 each	3,50,00,020	3,50,00,020
	<b>3,50,00,020</b>	<b>3,50,00,020</b>

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

	As at 31st March 2013		As at 31st March 2012	
	Number	Rs.	Number	Rs.
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.10per share.  
The Calcutta Stock Exchange Ltd holds 100% share capital of CSE Capital Markets Pvt Ltd.

## NOTE - 4 : RESERVES AND SURPLUS

PARTICULARS	Balance Reserves & Surplus as at 31st March 2012	Addition during the year	Total Balance Reserves & Surplus as at 31st March 2013	Total Balance Reserve & Surplus as at 31st March 2012
	Rupees	Rupees	Rupees	Rupees
Surplus in Statement of Profit and Loss	2,945,316	2,502,981	5,448,297	2,945,316
	<u>2,945,316</u>	<u>2,502,981</u>	<u>5,448,297</u>	<u>2,945,316</u>



## Notes To Financial Statements As At And For The Year Ended March 31, 2013

**NOTE - 5 : OTHER CURRENT LIABILITIES**

<b><u>PARTICULARS</u></b>	<b>Current</b>	
	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March 2013</b>	<b>March 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Duties & Taxes	1,380	-
Outstanding Liabilities	11,236	8,427
Sundry Creditors	2,451,692	-
The Calcutta Stock Exchange Ltd.	-	226,796
	<b>2,464,308</b>	<b>235,223</b>

**NOTE - 6 : PROVISIONS**

<b><u>PARTICULARS</u></b>	<b>Long-Term</b>		<b>Short-Term</b>	
	<b>As at 31st</b>	<b>As at 31st</b>	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March 2013</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2012</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Provisions for Income Tax	602,941	-	1,161,780	602,941
	<b>602,941</b>	<b>-</b>	<b>1,161,780</b>	<b>602,941</b>

**NOTE - 7 : INVESTMENTS**

<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 2013</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2012</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>a. INVESTMENTS</b>				
Investment with Mutual Fund	-	-	17,694	-
	<b>-</b>	<b>-</b>	<b>17,694</b>	<b>-</b>

**NOTE - 8 : TRADE RECEIVABLES**

<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 2013</b>	<b>March 2012</b>	<b>March 2013</b>	<b>March 2012</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Outstanding for a period exceeding 6 months from the date they became due:				
Secured, considered good	-	-	-	-
Unsecured				
- Considered good	-	-	-	-
- Considered doubtful	-	-	-	-
Other debts:				
Unsecured, considered good	-	-	5,513,350	-
	<b>-</b>	<b>-</b>	<b>5,513,350</b>	<b>-</b>



# CSE CAPITAL MARKETS PRIVATE LIMITED

Notes To Financial Statements As At And For The Year Ended March 31, 2013

## NOTE - 9 : CASH AND BANK BALANCES

PARTICULARS	Non-Current		Current	
	As at 31st	As at 31st	As at 31st	As at 31st
	March 2013	March 2012	March 2013	March 2012
	Rupees	Rupees	Rupees	Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	-	-	5,010	3,250
Balance with Scheduled Banks on:				
-Current Account	-	-	1,212,076	1,608,927
-Own Fund	-	-	1,217,086	1,612,177
<b>b. OTHER BANK BALANCES</b>				
<b>Own Fund</b>				
-Deposits with original maturity for more than 12 months	36,500,000	11,000,000	-	25,300,000
-Deposits with original maturity for more than 3 months, but less than 12 months	-	-	-	-
	<b>36,500,000</b>	<b>11,000,000</b>	<b>1,217,086</b>	<b>25,300,000</b>

## NOTE - 10 : LOANS & ADVANCES

PARTICULARS	Non-Current		Current	
	As at 31st	As at 31st	As at 31st	As at 31st
	March 2013	March 2012	March 2013	March 2012
	Rupees	Rupees	Rupees	Rupees
<b>Other Loans and Advances</b>				
Other Receivables	-	-	1,184	-
Advance Income Tax and Tax Deducted at Source	596,024	7,710	692,997	373,288
Deposits with Others	11,000	-	-	-
	<b>607,024</b>	<b>7,710</b>	<b>694,181</b>	<b>373,288</b>

## NOTE - 11 : OTHER CURRENT ASSETS

PARTICULARS	Current	
	As at 31st March, 2013	As at 31st March, 2012
	Rupees	Rupees
Interest accrued but not due on Fixed Deposits		
- Own Funds	128,011	490,325
	<b>128,011</b>	<b>490,325</b>

## NOTE - 12 : REVENUE FROM OPERATIONS

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	Rupees		Rupees	
<b>SALE OF SERVICES :</b>				
Commission & Brokerage		104,685		122,870
Reimbursement of Advertisement Expenses		5,108,972		1,123,373
		<b>5,213,657</b>		<b>1,246,243</b>

## Notes To Financial Statements As At And For The Year Ended March 31, 2013

**NOTE - 13 : OTHER INCOMES**

<b>PARTICULARS</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Interest on Fixed Deposits Account	3,515,768	3,153,414
Commission on Advertisement	46,173	-
Dividend from Mutual Fund	50,592	-
Others	5,005	-
	<b>3,617,538</b>	<b>3,153,414</b>

**NOTE - 14 : EMPLOYEES BENEFIT EXPENSE**

<b>PARTICULARS</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Payments to and Provisions for Employees:</b>		
Salaries and Bonus etc.	-	11,66,535
	<b>-</b>	<b>11,66,535</b>

**NOTE - 15 : FINANCE COST**

<b>PARTICULARS</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Fine paid to NSE	-	10,300
	<b>-</b>	<b>10,300</b>

**NOTE - 16 : OTHER EXPENSES**

<b>PARTICULARS</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Accounting Charges	15,000	-
Auditor's Remuneration	10,000	8,427
Conveyance Expenses	450	-
Fees to NSE	-	50,000
Fees to SEBI	-	100,000
Filing Fees	2,000	-
General Charges	3,145	-
Legal & Profesional Fees	18,540	17,564
Miscellaneous Expenses	2	5,133
Processing Fees	825	-
Profession Tax (Company)	2,500	-
Registration Charges with AMFI	5,000	55,000
Telephone Chares	-	17,684
	<b>57,462</b>	<b>253,808</b>



# CSE CAPITAL MARKETS PRIVATE LIMITED

## Notes To Financial Statements As At And For The Year Ended March 31, 2013

**NOTE - 17 :** The Tax deducted at source up to 31.03.2013 Rs. 8,11,286/- (Previous year Rs. 3,48,288/-) has been accumulated by the company on the basis of tax deduction certificates available with the company.

### NOTE - 18 : Related Party Disclosure:

1. List of related parties and relationships

Name of related party	Relationship
The Calcutta Stock Exchange Ltd.	Holding Company
Stock Exchange Customers' Protection Fund	Common Key Management Persons

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

2. Balance outstanding	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
<u>Amount Receivable</u>		
The Calcutta Stock Exchange Ltd.	2,245,843	-
Stock Exchange Customers' Protection Fund	3,267,507	-
<u>Amount Payable</u>		
The Calcutta Stock Exchange Ltd.	-	226,796

### NOTE -19 :Auditor's Remuneration:

<u>PARTICULARS</u>	<u>As at 31st March, 2013</u> <u>(Rupees)</u>	<u>As at 31st March, 2012</u> <u>(Rupees)</u>
Statutory Audit Fees	11,236	8,427

### NOTE-20 : Earnings per Share:

<u>PARTICULARS</u>	<u>As at 31st March, 2013</u> <u>(Rupees)</u>	<u>As at 31st March, 2012</u> <u>(Rupees)</u>
	<b>Basic &amp; Diluted EPS</b>	<b>Basic &amp; Diluted EPS</b>
<b>Earnings:</b>		
Net Profit (Profit after Tax)	2,502,981	1,241,632
<b>Shares:</b>		
Weighted average number of Equity		
Shares outstanding during the year	35,00,002	35,00,002
Earnings per share of face value of Rs.10	0.72	0.35

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

**M.A.V. Raju**  
Director

Place: Kolkata  
Date :16th August, 2013

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

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

**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 :

\_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Date : \_\_\_\_\_

2. Signature of two Witnesses :

\_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

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.



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