

*A 100 Year Heritage*



**The Calcutta Stock Exchange Limited**  
**Trust The Trusted**

**91st Annual Report**  
**2013 - 14**

**CALCUTTA STOCK EXCHANGE**

**A 100 YEAR HERITAGE**

**1908-2008**

## Corporate Information

### Chairman

M. Dipankar Chatterji  
Public Interest Director

### Managing Director & CEO

Mr. B. Madhav Reddy

### Public Interest Directors

Mr. Prasad Ranjan Ray  
Mr. Bhaskar Sen  
Mr. Jayanta Mitra

### Shareholder Directors

Mr. Ravi Poddar  
Mr. V. Balasubramaniam

### 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.

## Ninety-one Annual General Meeting

Day	:	Monday
Date	:	September 29th, 2014
Venue	:	Stock Exchange Building, 7, Lyons Range Kolkata - 700 001
Time	:	4:30 pm
Book-Closure	:	September 24th, 2014 to September 29th, 2014 (Both days inclusive)

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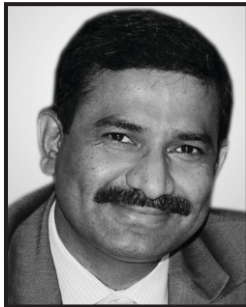
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Board of Directors  
**The Calcutta Stock Exchange Limited**



**Dipankar Chatterji**  
Chairman,  
Public Interest Director



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



**Jayanta Mitra**  
Public Interest Director



**Prasad Ranjan Ray**  
Public Interest Director



**Bhaskar Sen**  
Public Interest Director



**Ravi Poddar**  
Shareholder Director



**V Balasubramaniam**  
Shareholder Director





**DIRECTORS' REPORT***Dear Shareholders,*

The Board of Directors of **The Calcutta Stock Exchange Limited** (the 'Exchange/Company/CSE') take great pleasure in presenting the 91st Annual Report for the Financial Year 2013-2014 together with the Audited Financial Statements for the Year ended 31<sup>st</sup> March, 2014.

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

During the year under review, the total income of the Exchange was Rs. 1877.38 Lac and the operating income was Rs. 437.12 Lac. During this

**1.2 Appropriations :****1.2.1 Dividend :**

Your Directors have recommended a dividend of Rs. 20 /- per equity share on the face value of Re. 1/- for the financial year 2013-14, if approved at the forthcoming Annual General Meeting, shall be paid to those members whose names appear in the Registrar of Members as on the date of Book Closure. A sum of Rs. 142.97 lacs will be the outflow towards the payment of dividend including dividend distribution tax.

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

<b>Financial Highlights</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Total Income</b>	<b>1877.38</b>	<b>2089.73</b>
<b>Total Expenses</b>	<b>1285.91</b>	<b>1457.49</b>
<b>Profit before Depreciation</b>	<b>591.47</b>	<b>632.24</b>
Depreciation	87.60	58.19
<b>Profit before Tax</b>	<b>503.87</b>	<b>574.06</b>
Provision for Tax	134.60	187.74
<b>Profit after Tax</b>	<b>369.27</b>	<b>386.32</b>
<b>Less Transfer to :</b>		
Investor Service Fund	57.10	47.29
Settlement Guarantee Fund	181.17	179.86
<b>Profit Attributable to Equity Shareholders</b>	<b>131.00</b>	<b>159.17</b>
<b>Profit brought forward from last year</b>	<b>481.26</b>	<b>590.86</b>
<b>Surplus before appropriation</b>	<b>612.26</b>	<b>750.03</b>
<b>Appropriated to :</b>		
Income (net of expenses) related to pre-demutualization period transferred to General Reserve	27.55	80.72
General Reserve	36.93	45.08
Proposed Dividend	122.20	122.20
Tax on Proposed Dividend	20.77	20.77
<b>Surplus carried to Balance Sheet</b>	<b>404.81</b>	<b>481.26</b>
<b>Total on Appropriation</b>	<b>612.26</b>	<b>750.03</b>

period the Exchange has recognized income from listing fees only in respect of Companies who are regular in paying the fees. Profit after tax for the financial year 2013-2014 is Rs. 369.27 Lac. The Earning per Share (EPS) has decreased from Rs. 26.05 in the last year to Rs 21.44 in the year under report.

The Exchange has entered into an Agreement with Madhya Pradesh Stock Exchange Ltd., (MPSE) for consolidating their business operations with CSE. Under this Agreement, it is proposed to enlist companies exclusively listed with MPSE, to induct MPSE trading members in CSE and also to take-over the depository operations of MPSE's subsidiary



## The Calcutta Stock Exchange Limited

company. It is also proposed that the infrastructure and manpower of MPSE will also be taken and the MPSE's trading members will be serviced from that infrastructure. Under this arrangement, a consideration of Rs. 1.00 crore would be payable to MPSE and this arrangement is subject to SEBI's approval and restart of trading in CSE's own trading platform. CSE has also entered into Memorandum of Understanding (MOU) with, UP Stock Exchange, OTCEI, Bangalore Stock Exchange, and Ludhiana Stock Exchange for consolidation of their listed companies with CSE.

### 3. Operations

The Exchange is continuing to provide trading opportunity to its members to trade in Capital Market and F&O segments of both BSE and NSE under Section 13 of Securities Contract (Regulation) Act, 1956. Listing at CSE has seen an inflow of companies from other RSEs. Revenue collection of Listing Department during the Financial Year 2013-14 was Rs. 3.04Crore. Broking Membership has also seen a positive response. CSE intends to enter into tie-up with a Clearing Corporation following the issue of new guidelines on Clearing Corporation.

### 4. Depository Services

As per SEBI directives, both CDSL and NSDL have restrained CSE DP for opening of fresh accounts as the Clearing House of the CSE was cease to undertake the activity of clearing and settling of trades. Accordingly, CSE Capital Markets Pvt. Ltd., the wholly owned subsidiary company of CSE has since obtained Registration of SEBI as a Depository Participant of both CDSL and NSDL

### 5. Investor Education

The Exchange has long embarked in creating financial inclusion among retails participants and students across different parts of Eastern India. Around 95 Investor and Students Awareness Programmes were conducted during the year in various parts covering Eastern India and the National Capital, Delhi.

The "CU-CSE Centre of Excellence in Financial Markets" has also promoted education to young investors by conducting seminars and publishing news letters on the capital markets and the recent happenings in the financial sector.

### 6. Public Interest Directors

Mr. Satyabrata Ganguly and Mr. Sudev Chandra Das, have ceased to be Public Interest Director of the Company with effect from 17<sup>th</sup> December, 2014 and

4<sup>th</sup> April, 2014 respectively.

Pursuant to approval of SEBI, Mr. Bhaskar Sen has been appointed as Public Interest Director (Nominee Director) with effect from 6<sup>th</sup> May, 2014.

Mr. Dipankar Chatterji, Mr. Jayanta Kumar Mitra and Mr. Prasad Ranjan Ray continue to act as Public Interest Directors of the Exchange.

### 7. Shareholder Directors

Dr. Abhirup Sarkar and Mr. Jagdish Prasad Chowdhary have resigned as Shareholder Directors of the Company with effect from 22<sup>nd</sup> May, 2014 and 23<sup>rd</sup> May, 2014 respectively.

Mr. V. Balasubramaniam, Chief Business Officer of BSE being a Shareholder Director of the Company retires by rotation and does not seek re-appointment.

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

### 8. Change in constitution/name of the Board Committees :

In accordance with SEBI Circular dated December 13<sup>th</sup>, 2012 on procedural norms on recognition, ownership and governance for Stock Exchanges and Clearing Corporations, new Committees were constituted by the Board of CSE. The details of Committees formed part of Corporate Governance Report annexed to the Directors' Report.

### 9. 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. 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<sup>st</sup>, 2014.

### 10. Corporate Governance

Pursuant to the Securities Contracts (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<sup>st</sup>, 2014 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.

#### 11. 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<sup>st</sup>, 2014, 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<sup>st</sup>, 2014 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<sup>st</sup>, 2014 have been prepared on a going concern basis.

#### 12. Fixed Deposits

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

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

##### [A] Conservation of Energy and Technology Absorption :

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.

#### 14. Green Initiative

In line with our core value of being recognised as a responsible corporate citizen, we have disposed off 1.6 tonnes of electronic waste materials through E-Waste Recyclers India. This is a humble beginning towards our Go Green initiative.

15. In line with our core value of being recognised as a responsible corporate citizen, we have disposed off 1.6 tonnes of electronic waste materials through E-Waste Recyclers India an authorized e-waste recycler certified by Pollution control Board of India. This is a humble beginning towards our Go Green initiative.

Name	Age (Yrs)	Date of Joining	Total Remuneration (Rs.)	Designation	Educational Qualification	Experience in Years	Previous Employment
Baireddy Madhav Reddy	48	06.06.2011	48.91 lac	Managing Director & CEO	B.Sc., Project Management Professional	24 years	Multi Commodity Exchange of India Ltd.

#### 16. Management/s Explanation to the qualifications made by the Statutory Auditors on the annual Accounts of the Exchange for the year 2013-14.

Points as per the Independent Auditor's Report :	Management's Policy
Note(a)- Note 31 (i) regarding recoverability of Rs.95,45,32,105/- due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact where of on the Company's profit for the year and year end loans and advances is not ascertainable.	As on 31.3.2014 amount recoverable from Members who have defaulted on account of settlement dues during the year 2000-01 is amounting to Rs.95,45,32,105/-. 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





## The Calcutta Stock Exchange Limited

<p>Note (b) - Note No. 26(b) regarding the Company's annual contribution aggregating Rs.1,30,34,622/- (including Rs.11,217/- 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 observation above been considered, net profit after tax for the year would have been Rs.2,81,21,371/- as against reported profit of Rs.3,69,26,910/- year end balance in Settlement Guarantee Fund (under Reserve &amp; Surplus) would have been Rs.27,81,39,140/- as against reported amount of Rs.26,93,33,601/- and aggregate year end balances of other Reserves &amp; Surplus would have been Rs.1,28,51,29,363/- as against the reported other Reserve &amp; Surplus of Rs.1,29,39,34,907/-</p>	<p>Settlement Guarantee Fund and no impact on profitability is foreseen.</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.1,30,34,622/- has been adjusted up to 31.03.2014 towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs.11,217/- 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.18,63,20,758/- 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.11,217/- 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 1<sup>st</sup> 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. 31(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. 27 regarding the directions issued by The Securities And Exchange Board of India ("SEBI") dated 20<sup>th</sup> 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 27, 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<sup>st</sup>, 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>

## 17. Statutory Auditors :

At the last Annual General Meeting of the Exchange M/s. S.R.B.C. & Co LLP (Registration No.324982E), Chartered Accountants were appointed as Statutory Auditors of the company to hold office till the conclusion of the ensuing AGM.

The said Auditors retire at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed for a further term. Messrs S R Batliboi & Co., LLP, Chartered Accountants a network firm of Messrs S R B C & Co. LLP have given their consent to act as Auditors, if appointed, and confirmed that the appointment, if made, would be in compliance with Section-141 read with the Companies (Audit and Auditors) Rules, 2014.

## 18. Auditors' Report

The Auditors' Report dated 22<sup>nd</sup> August 2014 on the financial statements of the Exchange for the financial year ended March 31<sup>st</sup>, 2014 has certain qualifications and the management has given its suitable reply.

## 19. Management Discussion & Analysis

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

## 20. Subsidiary Company

CSE Capital Markets Private Limited (CCMPL), being the wholly owned subsidiary of the CSE has not undergone any material change in the nature of its business. The Board of Directors of the subsidiary has made applications to NSDL and CDSL to act as their depository participants. A statement under section 212 of the Companies Act, 1956 in respect of its sole subsidiary is attached.

## 21. Acknowledgement

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

For and on behalf of the Board  
Dipankar Chatterji  
Chairman

Place: Kolkata

Date: 28<sup>th</sup> August, 2014



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The CSE operation includes listing of securities and facilitation of trading in securities - from pre-trade order management and risk management, through trading on its own electronic trading platform and in the trading platforms of BSE and NSE under Section 13 of SCRA, 1956 and post-trade clearing, settlement and record-keeping services. The Indian exchange space potentially spans many asset classes - equities, equity derivatives, currency derivatives, ETFs, mutual funds, debt, interest rate derivatives, power trading and commodity derivatives. Designated regulators like SEBI, FMC, CERC etc. regulate Exchanges and other intermediaries in India. India has competing exchanges in most asset classes.

### 2. OUTLOOK

Despite a number of years of declining equity volumes globally, the outlook for the Indian capital market is still quite positive. If India continues to develop as a resilient growth economy and one of the most attractive emerging markets for investments, then over the medium to long term, investors and higher volume levels will return to the market. In the long term, given the outlook for continued growth and wealth-creation in India, we continue to believe corporate profits and equity market performance will warrant continued interest from Indian institutional investors and foreign investors also.

### 3. COMPETITIVE STRENGTHS AND OPPORTUNITIES

- Strong brand recognition
- Sound corporate governance and regulatory framework
- Financial strength and diversified and stable sources of revenue.

### 4. THREATS

The Exchange's performance is dependent upon SEBI's policy on Regional Stock Exchanges. CSE could not

restart the trading in its own trading platform since 4th April 2013 as it was not able to transfer its function relating to clearing and settlement of trades to a recognized clearing corporation.

### 5. RISKS AND CONCERNS

- The Company's performance is dependent upon the volume and value of trades executed on the trading platform of BSE and NSE, the number of active traders sharing these platforms and the number of new and further listings
- Adverse economic conditions and SEBI policy could negatively affect our business, financial condition and results of operations.
- We operate in a business environment that continues to experience significant and rapid technological changes.
- We operate in a highly regulated industry and may be subject to censures, fines and other legal proceedings if we fail to comply with our legal and regulatory obligations.

### 6. 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.

### 7. HUMAN CAPITAL

Based on identified needs, training and development of employees is undertaken to increase effectiveness.

### 8. FINANCIAL PERFORMANCE

The Company reported operational income of Rs. 437 Lac which was marginally lower than the last year figure of Rs. 443 Lac. Total expense including depreciation has decreased to Rs. 1373.51 Lac from Rs. 1515.67 Lac. Profit after tax has decreased marginally to Rs. 369.27 Lac from Rs. 386.32 Lac.



### **9. MATERIAL DEVELOPMENTS AFTER BALANCE SHEET DATE**

The Exchange received NO Objection from SEBI regarding disposal of its E. M. Bypass land vide SEBI's letter No.MRD/DSA/OW/15004/2014 dated 26<sup>th</sup> May, 2014 and Exchange had called an Extra Ordinary General Meeting of the Shareholders on 20th June, 2014 seeking their consent to sale and/or assign of the E. M. Bye pass land. The company received shareholders' nod for the same by way of special resolution.

### **10. 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" herein above and subsequent developments, information or events.

### **11. ACKNOWLEDGEMENT**

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

For and on behalf of the Board

Dipankar Chatterji

Chairman

Place : Kolkata

Date : 28<sup>th</sup> August , 2014



## The Calcutta Stock Exchange Limited

### 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.

#### 2. Board of Directors

The Exchange is controlled and managed by its Governing Board comprised of :

- 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 7 Directors, out of which 4 are Public Interest Directors and 2 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. Jayanta Kumar Mitra
3. Mr. Prasad Ranjan Ray
4. Mr. Bhaskar Sen

##### Shareholder Directors :

1. Mr. Ravi Poddar
2. Mr. V. Balasubramaniam
3. Mr. Purushottam Saraf

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

### Directors' Profile

#### Mr. Dipankar Chatterji - Chairman

Aged 66 years. Graduated with First Class B.Com (Hons). Fellow of the Institute of Chartered Accountants of India. Presently Senior Partner of the firm, M/s. L. B. Jha & Co., Chartered Accountants.

#### Mr. Jayanta Kumar Mitra

Aged 75 years. Graduated with Economics Hons. from the Calcutta University and completed his Bachelor of Laws from London University. Currently he is a well-known Legal Practitioner in the Hon'ble High Court at Calcutta.

#### Mr. Prasad Ranjan Ray

Aged 66 years. He holds a Master Degree in Pure Physics from University of Calcutta and is retired IAS.

#### Mr. Bhaskar Sen

Aged 62 years. He is B.Com (Hons), CAIIB and Ex-Chairman of United Bank of India.

#### Mr. Ravi Poddar

Aged 64 years. He is a Graduate from University of Calcutta. He is a renowned social worker and Chairman of Ravi Auto Limited.

#### Mr. V. Balasubramaniam

Age 45 years, a Cost Accountant , has more than two decades of experience in managing business and technology operations in the capital markets and derivatives market. Currently he is part of BSE's Executive Management Committee and its Chief Business Officer.

#### Mr. B. Madhav Reddy

Aged 48 years. is a Project Management Professional (PMP) from Project Management Institute with more than 24 years of experience in financial markets. Prior to his joining at CSE as Managing Director & CEO he was working as Vice-President of Multi Commodity of Exchange of India Limited.

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 2013-14		Whether Attended AGM held on 28 <sup>th</sup> September, 2013	No. of Directorship in other Indian Public Companies as on 31 <sup>st</sup> March, 2014	No. of Shares held as on 31 <sup>st</sup> March, 2014
		Held	Attended			
Dipankar Chatterji	Chairman (PID)	8	8	Yes	6	-
B. Madhav Reddy	MD & CEO	8	8	Yes	-	-
Satyabrata Ganguly	PID	8	6	Yes	N.A.	-
Prasad Ranjan Ray	PID	8	5	Yes	-	-
Jayanta Kumar Mitra	PID	8	7	Yes	-	-
Sudev C. Das (Upto 4.4.14)	PID	8	6	Yes	1	-
Jagdish Prasad Chowdhuary (Upto 23.5.14)	SD	8	6	Yes	5	-
Mukul Somany (Upto 28.9.13)	SD	4	-	No	N.A.	N.A.
Ravi Poddar (w.e.f. 5.2.14)	SD	1	1	N.A.	3	1000
V. Balasubramaniam	SD	8	3	No	3	-
Dr. Abhirup Sarkar (upto 22.5.14)	SD	8	8	Yes	2	-
Purushootam Saraf (w.e.f.)	Alternate to SD-V. Balasubramaniam	8	2	No	-	-

Eight Board meetings were held during the financial year 2013-14 on the following dates : 5<sup>th</sup> April, 2013, 27<sup>th</sup> April, 2013, 11<sup>th</sup> June, 2013, 23<sup>rd</sup> August, 2013, 28<sup>th</sup> September, 2013, 30<sup>th</sup> November, 2013, 16<sup>th</sup> December, 2013 and 5<sup>th</sup> February, 2014.

#### 4. Code of Conduct and Code of Ethics

To outline the Exchange's value and principles and to set out the standards for professional and ethical behavior, Code of Conduct for Directors' as recommended by SEBI, has been adopted by your Exchange. 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, 2014. 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 Service Committee

#### Role & Composition of Audit Committee

Presently, the Audit Committee of the Board consists of two Public Interest Directors and One Shareholder Director. 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.

During the financial year 2013-14, six meetings of the Audit Committee were held respectively on 17.4.13, 11.6.13, 24.7.13, 23.8.13, 5.11.13 and 5.3.14. The attendance of each member of the Audit Committee is given below :-





## The Calcutta Stock Exchange Limited

Name of the Members	Status	Meetings Attended
Sudev Chandra Das	Public Interest Director	4
Dipankar Chatterji	-do-	5
J. P. Chowdhary	Shareholder Director	3
V. Balasubramaniam	Shareholder Director	1
Purushottam Saraf	Alternate Director to V. Balasubramiam	3
B. Madhav Reddy	Managing Director & CEO	6

### Compensation & HR Committee

#### Role & Composition

The Committee is vested with powers to :

- Lay down the policy for employee compensation
- Determine the tenure of Managing Director & CEO and operational heads
- Deal with HR issue of selection, recruitment, promotion, termination and training of employees
- Finalise and amend service manual
- Deal with and approve employees' governing rules

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

During the financial year 2013-14, one meeting of the Compensation & HR Committee was held on 2.7.13. The attendance of each member of the Compensation & HR Committee is given below :-

Name of the Members	Status	Meeting Attended
Dipankar Chatterji	Public Interest Director	Yes
Prasad Ranjaj Ray	Public Interest Director	Yes
Sudev Chandra Das	Public Interest Director	Yes
Mukul Somany	Non-Executive Shareholder Director	No
J. P. Chowdhary	Shareholder Director	No
B. Madhav Reddy	Managing Director & CEO	Yes

#### Remuneration paid to Managing Director & Chief Executive Officer for the year ending 31<sup>st</sup> March, 2014 :

Particulars	Amount (Rs.)
Gross Salary	40,35,000
Exgratia	2,00,000
Employer's Contribution to Provident Fund	2,88,000
Employer's Contribution to GSS-LIC	1,44,000
Leave Travel Assistance	1,00,000
Medical Reimbursement	15,000
Books & Periodicals Reimbursement	17,746
Insurance Premium	91,512
Total	48,91,258

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

Name of Non-Executive Directors	Sitting Fees (Rs.)
Dipankar Chatterji	1,85,000/-
Jayanta Mitra	1,30,000/-
Prasad Ranjan Ray	1,17,500/-
Satyabrata Ganguly	1,05,000/-
Sudev Chandra Das	1,35,000/-
Jagdish Prasad Chowdhary	82,500/-
Ravi Poddar	25,000/-
Dr. Abhirup Sarkar	1,32,500/-
BSE Limited (Director-V.Balasubramaniam)	80,000/-

**Investors' Service Committee**

1. To attend and resolve difficulties/ problems faced by shareholders.
2. 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.

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

During the financial year 2013-14, one meeting of the Investors' Service Committee was held on 20<sup>th</sup> September, 2013 which was attended by all the Committee Members, namely Mr. Sudev Chandra Das, Mr. Satyabrata Ganguly, Mr. B. Madhav Reddy and Ms. Mala Banerjee .

**Details of Shareholders Complaint Received & Redressed :  
From 01.04.2013 To 31.03.2014**
**SUMMARY**

	Through SEBI	Through Stock Exchange	Direct Holders	Total
Received	Nil	Nil	6	6
Resolved	Nil	Nil	6	6

**Complaint**

1.	Non-Receipt of Share Certificates	Nil
2.	Non-Receipt of Dividend Warrants/ Cheques/ Demand Drafts	4
	Sub Total	4

**Request**

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

**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 also various other statutory & Non-statutory committees constituted pursuant to SEBI Circular dated 13th December, 2012:-

- 1) Membership Selection Committee
- 2) Defaulters Committee
- 3) Disciplinary Action Committee
- 4) Investor Grievance Redressal Committee
- 5) Standing Committee on Technology
- 6) Investors Service Committee
- 7) Public Interest Director Committee
- 8) Arbitration Committee
- 9) Ethics Committee
- 10) Oversight Committee (Member Regulation)
- 11) Oversight Committee (Listing Functions)
- 12) Oversight Committee (Trading & Surveillance Functions)
- 13) Advisory Committee
- 14) Sub-Committee for monitoring compliances of suggestions in SEBI Inspection Report
- 15) Business Development
- 16) Legal Committee
- 17) Premises Committee

**General Body Meetings :**

Details of General Meeting	Date	Time	Venue
A.G.M. 2010-11	30th Nov. 2011	4 P.M.	7, Lyons Range, Kol-1
A.G.M. 2011-12	18th Sept. 2012	4 P.M.	7, Lyons Range, Kol-1
A.G.M. 2012-13	28th Sept. 2013	11 A.M.	7, Lyons Range, Kol-1
Extra-Ordinary General Meeting	20th June 2014	4.30 P.M.	7, Lyons Range, Kol-1



## The Calcutta Stock Exchange Limited

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

- 1) Consent of the company was accorded to the Board of Directors to exercise its powers to transfer, assign, sub-lease deal with dispose of or part with the possession of leasehold land of the Exchange situated at E. M. Bypass, Kolkata
- 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 30<sup>th</sup> November, 2011
- 3) Alterations of Articles of Association of the Exchange - passed in the 89<sup>th</sup> AGM held on 18<sup>th</sup> September, 2012

### Passing of Resolution by Postal Ballot :

The Companies (Passing of Resolution by Postal Ballot) Rules, 2011 has been superseded by the Central Government by notifying Companies (Management and Administration) Rules, 2014 requiring every company with more than 1000 shareholders to offer E-voting facility as an alternate mode of voting which has subsequently been notified as optional till December 2014. Pursuant to the said rules the company made necessary arrangements through CDSL to facilitate and offer E-voting platform to shareholders for the Extra-Ordinary General Meeting held on 20<sup>th</sup> June, 2014.

### 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.

### General Shareholder Information :

#### (A) 91<sup>st</sup> Annual General Meeting

Day & Date	29 <sup>th</sup> September, 2014
Time	4.30 P.M.
Venue	Stock Exchange Bulding, 7, Lyons Range, Kolkata-700001
Financial Year	31 <sup>st</sup> March, 2014
Book Closure	24 <sup>th</sup> September, 2014 to 29 <sup>th</sup> September, 2014 (Both days inclusive)
Payment of Dividend	Dividend if declared at the 91 <sup>st</sup> AGM will be paid within 30 days from the date of AGM.

#### (B) Distribution of Shareholding as on 31<sup>st</sup> March, 2014

From Shares	Shares	Folios	%Shares	%Folios
1-500	278850	1239	45.0667	95.6757
501-1000	20100	24	3.2485	1.8533
1001-2000	5100	4	0.8242	0.3089
2001-3000	3000	1	0.4848	0.0772
3001-4000	6281	2	1.0151	0.1544
4001-5000	4476	1	0.7234	0.0772
5001-10000	93566	13	15.1218	1.0039
10001-50000	207377	11	33.5155	0.8494
50001-100000	-	-	-	-
<b>Total</b>	<b>618750</b>	<b>1295</b>	<b>100.00</b>	<b>100.00</b>

#### (C) Category of Shareholders as on 31<sup>st</sup> March, 2014

Category	No. of share holders	%	No. of shares	%
Resident individual	1045	80.78	267628	43.26
Bodies Corporate	247	19.07	329960	53.32
HUF				
Trust				
Banks/Financial Institutions	2	0.15	21157	3.42
Non-Resident Indians	1	-	5	0.00
Foreign Bodies Corporate				
Foreign Institutional Investor Venture Capital				
<b>Total</b>	<b>1295</b>	<b>100.00</b>	<b>618750</b>	<b>100.00</b>

#### (D) List of top 20 Shareholders as on 31<sup>st</sup> March, 2014

Sl. No.	Name of Shareholder	No. of shares held at the end of the quarter	Percentage Share-holding
01	BSE Limited	30875	4.99
02	West Bengal Infrastructure Dev,Fin Corp Ltd	20907	3.37
03	Patton International Ltd	20907	3.37
04	East India Securities Ltd	20907	3.37
05	Mannakrishna Investments Pvt 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 Square Limited	10544	1.70
10	Kesoram Industries Ltd	10455	1.69
11	Savitri Devi Chowdhari	10454	1.69
12	Maryada Barter Pvt Ltd	10000	1.62
13	Neeru Poddar	8500	1.37
14	Hindusthan National Glass & Industries Ltd	8364	1.35

Sl. No.	Name of Shareholder	No. of shares held at the end of the quarter	Percentage Shareholding
15	Greatwall Vanijya Ltd	8364	1.35
16	Nagreeka Synthetics Pvt Ltd	8364	1.35
17	Jai Balaji Industries Limited	6726	1.09
18	Rohil Investments & Finance Company Ltd	6187	1.00
19	Texmaco Infrastructure & Holdings Ltd	6187	1.00
20	Meenakshi Tea Company Limited	6187	1.00

**(C) Category of Shares in Physical and Electronic mode as on 31.03.2014**

Category	No. of holders	No. of Shares	%
Physical	581	199635	32.26
NSDL	573	353879	57.19
CDSL	141	65236	10.55
Total	1295	618750	100.00

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

C. B. Management Services Pvt. Limited,  
P-22, Bondel Road, Kolkata -700 019  
Ph.No. : 033-40116726

**(G) Share Transfer :**

67.74% of equity shares of the company are in electronic form. Transfer of this 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). report, cash flow statement and other material related matters is circulated to the shareholders and other 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 31<sup>st</sup> March, 2014.

Place : Kolkata  
Dated : 28<sup>th</sup> August, 2014

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<sup>st</sup>, 2014 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 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 : 28<sup>th</sup> August, 2014

**(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 31<sup>st</sup> March 2014 as stipulated in Clause 49 of the Listing Agreement (as revised by SEBI till 31<sup>st</sup> March 2014) 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 : 28<sup>th</sup> August, 2014



## 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<sup>st</sup>, 2014, and the Statement of Profit and Loss and 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 notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4<sup>th</sup> April 2014 issued by the Ministry of Corporate Affairs. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 31 (i) regarding recoverability of Rs.95,45,32,105 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.1,30,34,622 (including Rs.11,217 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 observation above been considered, net profit after tax for the year would have been Rs.2,81,21,371 as against reported profit of Rs.3,69,26,910, year end balance in Settlement Guarantee Fund (under Reserve & Surplus) would have been Rs.27,81,39,140 as against reported amount of Rs.26,93,33,601 and aggregate year end balances of other Reserves & Surplus would have been Rs.1,28,51,29,368 as against reported Reserve & Surplus of Rs.1,29,39,34,907.*
- (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. 31(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. 27 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 27, 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.*

*In respect of the above observations, our audit opinion on the financial statements for the previous year 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 paragraph (b) in the Basis for Qualified Opinion paragraph and the possible effects of the matter stated in paragraph (a), (c), (d), (e) and (f) in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Companies Act, 1956 ("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<sup>st</sup>, 2014; and
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

### Emphasis of Matter

We draw attention to Note No. 36 to the financial statements regarding steps taken by the Company to ensure compliance with the directives issued by SEBI more fully described therein. Our opinion is not qualified in respect of this matter.

### 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 for 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 for 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 comments in Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, and the Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
  - (e) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2014, 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  
Membership Number : 58652

Place : Kolkata  
Date : 28<sup>th</sup> August, 2014

**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 31<sup>ST</sup> MARCH, 2014)**

- (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 disposal of a substantial part of fixed assets during the year.
- (ii) The Company is engaged in the business of providing stock exchange services and is not required to maintain inventory. Consequently, the requirements of clauses 4 (ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (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 of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the services rendered by the Company. Further, the Company is not in the business of sale of any goods.
- (ix) (a) The Company has been regular in depositing undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax, cess and other material statutory dues. During the year, the Company did not have any dues towards investor education and protection fund, customs duty, sales tax and excise duty. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) During the year, the Company did not have any dues towards investor education and protection fund, employees' state insurance, 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, income-tax, wealth-tax, service tax, cess and other material statutory 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 statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	a) Disallowance of certain expenses	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	10,49,464	A.Y. 2009-10	CIT (Appeals)

- (x) Without considering the consequential effects, if any, of the matters stated in paragraph 4 (a), (c), (d) and (e) 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 during the year. Further, the Company did not have any outstanding debentures during the year. Accordingly, the provisions of clause 4(xi) of the Order are not applicable to the Company and hence not commented upon.
- (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 Companies (Auditor's Report) Order, 2003 (as amended), 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 Companies (Auditor's Report) Order, 2003 (as amended) 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.
- (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 year.

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 324982E**

**per Kamal Agarwal**  
Partner  
Membership Number: 58652

Place : Kolkata  
Date: 28<sup>th</sup> August, 2014

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014**

		As at 31 <sup>st</sup> MARCH 2014		As at 31 <sup>st</sup> MARCH 2013	
	Notes	Rupees	Rupees	Rupees	Rupees
I. EQUITIES AND LIABILITIES					
1. SHAREHOLDERS' FUND					
Share Capital	3		618,750		618,750
Reserves and Surplus	4		1,563,268,508		1,540,534,771
2. NON CURRENT LIABILITIES					
Long Term Liabilities	5		1,214,403,065		1,231,418,814
3. CURRENT LIABILITIES					
Current Liabilities	6		868,570,843		422,419,827
Short Term Provisions	7		40,737,660		35,279,096
			<u>3,687,598,826</u>		<u>3,230,271,258</u>
II. ASSETS					
1. NON CURRENT ASSETS					
Fixed Assets					
- Tangible Assets	8	298,681,862		340,279,928	
- Intangible Assets	8A	2,633,913		4,203,333	
- Capital Work in Progress		<u>-</u>	301,315,775	<u>3,453,251</u>	347,936,512
Non Current Investments	9		98,896,057		73,146,675
Deferred Tax Assets (Net)	10		4,163,430		8,075,531
Long term Loans & Advances	11		1,184,658,502		1,182,678,243
Other Non-Current Assets	15		170,800,000		384,069,469
2. CURRENT ASSETS					
Current Investments	12		224,500,000		72,000,000
Trade Receivables	13		7,874,042		6,054,613
Cash and Bank Balances	14		1,515,087,167		1,104,009,528
Short Term Loans & Advances	11		159,211,808		36,403,057
Other Current Assets	15		21,092,045		15,897,630
			<u>3,687,598,826</u>		<u>3,230,271,258</u>
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

Firm Registration Number. 324982E

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

**Dipankar Chatterji**  
Chairman

**B Madhav Reddy**  
Managing Director & CEO

per **Kamal Agarwal**

Partner

Membership No. 58652

Place: Kolkata

Date: 28<sup>th</sup> August, 2014

**Prosenjit Dutta**

Chief Financial Officer





## The Calcutta Stock Exchange Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

Particulars	Notes	2013-14 Rupees	2012-13 Rupees
<b>Income :</b>			
Revenue from Operations	16	43,711,825	44,277,717
Other Income	17	144,026,288	164,695,340
		<b>187,738,113</b>	<b>208,973,057</b>
<b>Expenses :</b>			
Employees Benefit Expense	18	78,950,695	67,529,514
Other Expenses	19	43,222,302	72,892,282
Depreciation and Amortization Expense	20	8,760,549	5,818,578
Contribution to SEBI		2,236,997	2,354,394
Contribution to Stock Exchange Investors' Protection Fund		4,180,521	2,972,477
		<b>137,351,064</b>	<b>151,567,245</b>
<b>Profit before Tax</b>		<b>50,387,049</b>	<b>57,405,812</b>
<b>Tax Expenses :</b>			
Current Tax		10,662,378	7,213,559
MAT Credit availed		(1,034,480)	-
Adjustment to Tax provision relating to earlier years		(79,860)	2,137,847
Deferred Tax		3,912,101	9,422,525
		<b>13,460,139</b>	<b>18,773,931</b>
<b>Profit after Tax</b>		<b>36,926,910</b>	<b>38,631,881</b>
<b>Earnings per equity share</b>			
Basic & Dilluted (Rs.)	21	21.44	26.05
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 and on behalf of the Board of Directors

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

Chartered Accountants

Firm Registration Number. 324982E

**Dipankar Chatterji**

Chairman

**B Madhav Reddy**

Managing Director & CEO

per **Kamal Agarwal**

Partner

Membership No. 58652

Place: Kolkata

Date: 28<sup>th</sup> August, 2014

**Prosenjit Dutta**

Chief Financial Officer

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2014****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 and the relevant provisions of the Companies Act, 1956, read with General Circular 8/2014 dated 4<sup>th</sup> April, 2014 issued by the Ministry of Corporate Affairs. 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 and 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 accumulated impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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.

**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 up-to 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.

**Investment Property :**

An investment in land, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property. The investment property is stated at cost.

**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 and 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 and 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 fund and superannuation fund are defined contribution scheme. The company has no obligation, other than the contribution payable to such funds. The company recognizes contribution payable to these funds as an expenditure, when an employee renders the related service. If the contribution payable to the funds for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the funds are recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- b) The company operates two defined benefit plans for its employees, viz., Gratuity and leave liability. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

- c) 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

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

### NOTE - 3 : Share Capital

Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	Rupees	Rupees
<b>a) AUTHORISED SHARES :</b>		
10,00,00,000 (31 <sup>st</sup> March 2013 : 10,00,00,000) Equity Shares of Re.1 each	100,000,000	100,000,000
<b>b) ISSUED SHARES :</b>		
6,18,750 (31 March 2013 : 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 <sup>st</sup> March 2013 : 6,11,000) Equity Shares of Re.1 each fully paid up	611,000	611,000
<b>Add : Forfeited Shares:</b>		
7,750 (31 <sup>st</sup> March 2013 : 7,750) Equity Shares paid up of Re.1 each	7,750	7,750
	<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 :

	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	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 will be subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31<sup>st</sup> March 2014, the amount per share dividend recognized as distributions to equity shareholders was Rs.20 (31<sup>st</sup> March 2013 : Rs.20).

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.



Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014**NOTE - 4 : Reserves and Surplus**

Particulars	Balance of Pre-Demutualisation Period as at 31 <sup>st</sup> March 2013	Balance of Post-Demutualisation Period as at 31 <sup>st</sup> March 2013	Pre-Demutualisation Period		Post-Demutualisation Period		Balance of Pre-Demutualisation Period as at 31 <sup>st</sup> March 2014	Balance of Post-Demutualisation Period as at 31 <sup>st</sup> March 2014	Total Balance of Reserves & Surplus as at 31 <sup>st</sup> March 2014	Total Balance of Reserves & Surplus as at 31 <sup>st</sup> March 2013
	Rupees	Rupees	Additions during the period	Deductions during the period	Additions during the period	Deductions during the period	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)
Development Fee Fund	134,050,000 (134,050,000)	-	-	-	-	-	134,050,000 (134,050,000)	-	134,050,000 (134,050,000)	134,050,000 (134,050,000)
General Reserve	341,750,932 (333,678,748)	44,508,351 (40,000,000)	3,068,250 (8,131,220)	313,355 (59,036)	3,693,000 (4,508,351)	-	344,505,827 (341,750,932)	48,201,351 (44,508,351)	392,707,178 (386,259,283)	386,259,283 (373,678,748)
Surplus in the Statement of Profit and Loss	-	48,126,162 (59,086,579)	-	-	-	-	-	-	-	-
Add: Profit for the Year	-	-	-	-	36,926,910 (38,631,881)	-	-	-	-	-
Add : Sundry balances written off related to pre demutualisation period transferred from general reserve	-	-	-	-	313,355 (59,036)	-	-	-	-	-
Less : Interest and refund of TDS receivable from Income Tax Authority related to pre demutualisation period transferred to	-	-	-	-	-	2,010,330 (7,837,241)	-	-	-	-
Less: Transferred to General Reserve	-	-	-	-	-	3,693,000 (4,508,351)	-	-	-	-
Less : Income of Investors' Service Fund transferred	-	-	-	-	-	5,839,903 (5,689,219)	-	-	-	-
Add : Expenses of Investors' Service Fund transferred	-	-	-	-	129,867 (960,607)	-	-	-	-	-
Less : Income of Settlement Guarantee Fund transferred	-	-	-	-	-	20,667,289 (20,878,408)	-	-	-	-
Add : Expenses of Settlement Guarantee Fund transferred	-	-	-	-	2,550,752 (3,397,792)	-	-	-	-	-
Less: Provision for Doubtful Advances written back and transferred to Settlement Guarantee Fund	-	-	-	-	-	(505,746)	-	-	-	-
Less: Profit on sale of Fixed Assets of Pre-Demutualisation Period transferred to General Reserve	-	-	-	-	-	1,567 (293,979)	-	-	-	-
Less: Unspent Liabilities no longer required, written back related to Pre-Demutualisation Period transferred to General	-	-	-	-	-	1,056,353	-	-	-	-
Less: Proposed final equity dividend	-	-	-	-	-	12,220,000 (12,220,000)	-	-	-	-
[amount per share Rs.20 (31 <sup>st</sup> March 2013 : Rs.20)]	-	-	-	-	-	-	-	-	-	-



# The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

## NOTE - 4 : Reserves and Surplus

Particulars	Balance of Pre-Demutualisation Period as at 31 <sup>st</sup> March 2013		Pre-Demutualisation Period		Post-Demutualisation Period		Balance of Pre-Demutualisation Period as at 31 <sup>st</sup> March 2014		Balance of Post-Demutualisation Period as at 31 <sup>st</sup> March 2014		Total Balance of Reserves & Surplus as at 31 <sup>st</sup> March 2013	
	Rupees	Rupees	Additions during the period	Deductions during the period	Additions during the period	Deductions during the period	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Less : Tax on proposed equity dividend	-	-	-	-	-	-	2,076,789	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(2,076,789)	(-)	(-)	(-)	(-)	(-)
	-	48,126,162	-	-	39,920,884	47,565,231	-	40,481,815	40,481,815	48,126,162	48,126,162	(59,086,579)
	(-)	(59,086,579)	(-)	(-)	(43,049,316)	(54,009,733)	(-)	(48,126,162)	(48,126,162)	(48,126,162)	(59,086,579)	
<b>Total (I)</b>	518,275,936	724,412,564	3,068,250	313,355	43,613,884	47,565,231	521,030,831	720,461,217	720,461,217	1,241,492,048	1,241,688,500	
	(510,203,752)	(730,864,630)	(8,131,220)	(59,036)	(47,557,667)	(54,009,733)	(518,275,936)	(724,412,564)	(724,412,564)	(1,242,688,500)	(1,241,068,382)	
Investors' Service Fund (Refer Note 29)	-	46,732,823	-	-	5,839,903	129,867	-	52,442,859	52,442,859	46,732,823	46,732,823	
	(-)	(42,004,211)	(-)	(-)	(5,689,219)	(960,607)	(-)	(46,732,823)	(46,732,823)	(46,732,823)	(42,004,211)	
<b>Total (II)</b>	-	46,732,823	-	-	5,839,903	129,867	-	52,442,859	52,442,859	46,732,823	46,732,823	
	(-)	(42,004,211)	(-)	(-)	(5,689,219)	(960,607)	(-)	(46,732,823)	(46,732,823)	(46,732,823)	(42,004,211)	
<b>Settlement Guarantee Fund (Refer Note 26)</b>												
Settlement Guarantee Fund for CSE-NSE Cash Segment	-	10,018,630	-	-	31,963	-	-	10,050,593	10,050,593	10,018,630	10,018,630	
	(-)	(10,000,000)	(-)	(-)	(18,630)	(-)	(-)	(10,018,630)	(10,018,630)	(10,018,630)	(10,000,000)	
Settlement Guarantee Fund for CSE-NSE Future and Option Segment	-	10,004,120	-	-	12,081	-	-	10,016,201	10,016,201	10,004,120	10,004,120	
	(-)	(10,000,000)	(-)	(-)	(4,120)	(-)	(-)	(10,004,120)	(10,004,120)	(10,000,000)	(10,000,000)	
Settlement Guarantee Fund for CSE-BSE Cash Segment	-	10,024,808	-	-	50,107	-	-	10,074,915	10,074,915	10,024,808	10,024,808	
	(-)	(10,000,000)	(-)	(-)	(24,808)	(-)	(-)	(10,024,808)	(10,024,808)	(10,000,000)	(10,000,000)	
Settlement Guarantee Fund for CSE-BSE Future and Option Segment	-	10,000,000	-	-	-	-	-	10,000,000	10,000,000	10,000,000	10,000,000	
	(-)	(-)	(-)	(-)	(10,000,000)	(-)	(-)	(10,000,000)	(10,000,000)	(10,000,000)	(-)	
Settlement Guarantee Fund - Initial membership fees	-	130,000	-	-	100,000	-	-	230,000	230,000	130,000	130,000	
	(-)	(-)	(-)	(-)	(130,000)	(-)	(-)	(130,000)	(130,000)	(130,000)	(-)	
Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the Exchange)	-	210,935,890	-	-	20,667,289	2,641,287	-	228,961,892	228,961,892	210,935,890	210,935,890	
	(-)	(212,434,348)	(-)	(-)	(21,384,153)	(22,882,611)	(-)	(210,935,890)	(210,935,890)	(212,434,348)	(212,434,348)	
<b>Total (III)</b>	-	251,113,448	-	-	20,861,440	2,641,287	-	269,333,601	269,333,601	251,113,448	251,113,448	
	(-)	(242,434,348)	(-)	(-)	(31,561,711)	(22,882,611)	(-)	(251,113,448)	(251,113,448)	(242,434,348)	(242,434,348)	
<b>TOTAL OF I + II + III</b>	518,275,936	1,022,258,935	3,068,250	313,355	70,315,227	50,336,385	521,030,831	1,042,237,677	1,042,237,677	1,563,268,508	1,540,534,771	
	(510,203,752)	(1,015,303,189)	(8,131,220)	(59,036)	(84,808,597)	(77,852,951)	(518,275,936)	(1,022,258,835)	(1,022,258,835)	(1,540,534,771)	(1,525,506,941)	

Notes to the financial statements as at and for the year ended 31<sup>st</sup> March 2014**NOTE - 5 : Long Term Liabilities**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2014</b>			<b>As at 31<sup>st</sup> March 2013</b>		
	<b>Pre-</b>	<b>Post-</b>	<b>TOTAL</b>	<b>Pre-</b>	<b>Post-</b>	<b>TOTAL</b>
	<b>Demutualisation</b>	<b>Demutualisation</b>		<b>Demutualisation</b>	<b>Demutualisation</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>
Sundry Deposits (Refer Note 31(ii))	969,294,037	-	<b>969,294,037</b>	969,294,037	-	<b>969,294,037</b>
Members' Security Deposits						
- Own Fund		108,536,222	<b>108,536,222</b>	-	114,216,594	<b>114,216,594</b>
- Settlement Guarantee Fund		136,572,806	<b>136,572,806</b>	-	147,908,183	<b>147,908,183</b>
	<b>969,294,037</b>	<b>245,109,028</b>	<b>1,214,403,065</b>	<b>969,294,037</b>	<b>262,124,777</b>	<b>1,231,418,814</b>

**NOTE - 6 : Current Liabilities**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2014</b>			<b>As at 31<sup>st</sup> March 2013</b>		
	<b>Pre-</b>	<b>Post-</b>	<b>TOTAL</b>	<b>Pre-</b>	<b>Post-</b>	<b>TOTAL</b>
	<b>Demutualisation</b>	<b>Demutualisation</b>		<b>Demutualisation</b>	<b>Demutualisation</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	-	13,243,576	<b>13,243,576</b>	9,427,495	81,024,715	<b>90,452,210</b>
<b>Other Liabilities :</b>						
Sundry Deposits	25,521,925	26,637,445	<b>52,159,370</b>	27,674,898	23,449,135	<b>51,124,033</b>
For Fixed Assets	-	630,127	<b>630,127</b>	-	1,381,559	<b>1,381,559</b>
<b>Payable to related party: (Refer Note 34 (a))</b>						
CSE Capital Markets Pvt Ltd	-	63,828	<b>63,828</b>	-	2,245,843	<b>2,245,843</b>
Stock Exchange Investors' Protection Fund	-	2,542,523	<b>2,542,523</b>	-	1,034,653	<b>1,034,653</b>
Statutory Dues	-	2,722,729	<b>2,722,729</b>	-	11,844,863	<b>11,844,863</b>
Unclaimed Dividend	-	3,580,565	<b>3,580,565</b>	-	1,909,075	<b>1,909,075</b>
Members' deposit including deposits for additional base capital requirement and margin in Cash	-	793,628,125	<b>793,628,125</b>	-	262,427,591	<b>262,427,591</b>
	<b>25,521,925</b>	<b>843,048,918</b>	<b>868,570,843</b>	<b>37,102,393</b>	<b>385,317,434</b>	<b>422,419,827</b>

**Notes:** 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.

**NOTE - 7 : Provisions**

<b>Particulars</b>	<b>Short Term</b>	
	<b>As at 31<sup>st</sup> March</b>	<b>As at 31<sup>st</sup> March</b>
	<b>2014</b>	<b>2013</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Provision for Employee Benefits:</b>		
Leave	21,851,848	20,973,978
Gratuity (Refer Note 33)	89,023	8,329
Proposed Dividend	12,220,000	12,220,000
Tax on Dividend	2,076,789	2,076,789
Wealth Tax	4,500,000	-
	<b>40,737,660</b>	<b>35,279,096</b>



# The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

## NOTE - 8 : Tangible Assets

(Amount in Rs.)										
Cost or Valuation	Freehold Land	Leasehold Land	Building	Electrical Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	
<b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>										
At 1 <sup>st</sup> April 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 31 <sup>st</sup> 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	
Additions	-	-	-	-	-	-	-	-	-	
Disposals/Adjustment	-	49,667,291 *	-	-	32,048	-	-	-	49,699,339	
At 31 <sup>st</sup> March 2014	415,300	-	2,157,399	13,389,116	11,309,956	9,905,858	-	186,296,242	223,473,871	
<b>Depreciation</b>										
At 1 <sup>st</sup> April 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 31 <sup>st</sup> March 2013	-	5,954,490	1,457,198	12,230,299	10,767,290	9,194,114	-	185,489,907	225,093,298	
Charge For the Year	-	463,419	39,378	158,076	64,656	97,960	-	28,517	852,006	
Disposals/Adjustment	-	6,417,909	-	-	31,137	-	-	-	6,449,046	
At 31 <sup>st</sup> March 2014	-	-	1,496,576	12,388,375	10,800,809	9,292,074	-	185,518,424	219,496,258	
<b>Net Block</b>										
At 31 <sup>st</sup> March 2013	415,300	43,712,801	700,201	1,158,817	574,714	711,744	-	806,335	48,079,912	
At 31 <sup>st</sup> March 2014	415,300	-	660,823	1,000,741	509,147	613,784	-	777,818	3,977,613	
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>										
At 1 <sup>st</sup> April 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 31 <sup>st</sup> 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	
Additions	-	-	828,654	1,027,066	55,576	34,990	-	6,749,196	8,695,482	
Disposals/Adjustment	-	-	-	-	-	-	-	-	-	
At 31 <sup>st</sup> March 2014	269,000,023	-	11,728,629	3,538,189	5,381,103	2,995,560	1,393,530	18,420,125	312,457,159	
<b>Depreciation</b>										
At 1 <sup>st</sup> April 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 31 <sup>st</sup> March 2013	-	-	342,984	353,295	1,336,490	881,970	750,373	7,896,549	11,561,661	
Charge For the Year	-	-	548,510	431,268	729,477	291,156	166,514	4,024,324	6,191,249	
Disposals/Adjustment	-	-	-	-	-	-	-	-	-	
At 31 <sup>st</sup> March 2014	-	-	891,494	784,563	2,065,967	1,173,126	916,887	11,920,873	17,752,910	
<b>Net Block</b>										
At 31 <sup>st</sup> 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	
At 31 <sup>st</sup> March 2014	269,000,023	-	10,837,135	2,753,626	3,315,136	1,822,434	476,643	6,499,252	294,704,249	
<b>Net Block of Tangible Assets</b>										
At 31 <sup>st</sup> 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	
At 31 <sup>st</sup> March 2014	269,415,323	-	11,497,958	3,754,367	3,824,283	2,436,218	476,643	7,277,070	298,681,862	

\* Disclosed as investment property

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

**NOTE - 8A : Intangible Assets**

		(Amount in Rs.)
Particulars	Computer Softwares	Total
ASSETS OF PRE-DEMUTUALISATION PERIOD :		
Gross Block		
At 1 <sup>st</sup> April 2012	30,036,144	30,036,144
Purchase	-	-
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2013	30,036,144	30,036,144
Purchase	-	-
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2014	30,036,144	30,036,144
Amortization		
At 1 <sup>st</sup> April 2012	30,036,108	30,036,108
Charge For the Year	-	-
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2013	30,036,108	30,036,108
Charge For the Year	-	-
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2014	30,036,108	30,036,108
Net Block		
At 31 <sup>st</sup> March 2013	36	36
At 31 <sup>st</sup> March 2014	36	36
ASSETS OF POST-DEMUTUALISATION PERIOD :		
Gross Block		
At 1 <sup>st</sup> April 2012	-	-
Purchase	4,952,659	4,952,659
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2013	4,952,659	4,952,659
Purchase	147,874	147,874
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2014	5,100,533	5,100,533
Amortization		
At 1 <sup>st</sup> April 2012	-	-
Charge For the Year	749,362	749,362
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2013	749,362	749,362
Charge For the Year	1,717,294	1,717,294
Disposals/Adjustment	-	-
At 31 <sup>st</sup> March 2014	2,466,656	2,466,656
Net Block		
At 31 <sup>st</sup> March 2013	4,203,297	4,203,297
At 31 <sup>st</sup> March 2014	2,633,877	2,633,877
Net Block of Intangible Assets		
At 31 <sup>st</sup> March 2013	4,203,333	4,203,333
At 31 <sup>st</sup> March 2014	2,633,913	2,633,913





## The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

### NOTE - 9 : Non Current Investments (At cost)

Particulars		As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
<b>INVESTMENT PROPERTY</b>			
<b>Pre-Demutualisation Period</b>			
Cost of leasehold land (Refer Note 35)	49,667,291		
Less : Accumulated depreciation	<u>6,417,909</u>	43,249,382	-
		<u>43,249,382</u>	-
<b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b>			
<b>Non-trade</b>			
<b>Quoted debentures</b>			
117 (31 <sup>st</sup> March 2013 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *	100	1	1
<b>Trade</b>			
<b>Unquoted equity shares</b>			
10,00,000 (31 <sup>st</sup> March 13: 10,00,000) equity shares of Rs. 10 each fully paid up of Central Depository Services (India) Ltd (by way of equity participation as a co-sponsor)	10	10,000,000	10,000,000
		<u>10,000,001</u>	<u>10,000,001</u>
<b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>			
<b>Trade</b>			
<b>Unquoted equity shares</b>			
<b>Subsidiary Company</b>			
35,00,000 (31 <sup>st</sup> March 13: 35,00,000) equity shares of Rs. 10 each fully paid up of CSE Capital Markets Pvt Ltd	10	35,000,000	35,000,000
<b>Non-Trade</b>			
<b>Quoted</b>			
<b>Equity shares</b>			
400 (31 <sup>st</sup> March 13: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd	10	6,674	6,674
<b>Bonds</b>			
5,696 (31 <sup>st</sup> March 13: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation of India	1,000	5,696,000	5,696,000
4,944 (31 <sup>st</sup> March 13: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highway Securities Authority of India (N1 Series)	1,000	4,944,000	4,944,000
<b>Unquoted fixed maturity plans</b>			
12,50,000 (31 <sup>st</sup> March 13: 12,50,000) units of Rs. 10 each fully paid up of SBI Debt Fund Series 14 MONTHS -1 - Direct Plan - Growth	10	-	12,500,000
5,00,000 (31 <sup>st</sup> March 13: 5,00,000 ) units of Rs. 10 each fully paid up of UTI Fixed Term Income Fund Series XIII- III (549 Days) - Growth Plan	10	-	5,000,000
		<u>45,646,674</u>	<u>63,146,674</u>
		<u>98,896,057</u>	<u>73,146,675</u>

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

#### Aggregate cost of Investments:

Quoted	10,646,675	10,646,675
Unquoted	45,000,000	62,500,000
Value of investment property	43,249,382	-
Market value of quoted investments	10,988,045	11,610,791
Net asset value of fixed maturity plan	-	17,753,875

Notes to the financial statements as at and for the year ended 31<sup>st</sup> March 2014**NOTE - 10 : Deferred Tax Assets (Net)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> March 2014 Rupees</u>	<u>As at 31<sup>st</sup> March 2013 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	1,505,708	692,125
<b>Gross Deferred Tax Liability</b>	<b>1,505,708</b>	<b>692,125</b>
<b>Deferred Tax Asset</b>		
Provision for doubtful debts and advances	2,821,443	3,006,814
Expenses allowable against taxable income in future years	2,847,695	5,760,842
<b>Gross Deferred Tax Asset</b>	<b>5,669,138</b>	<b>8,767,656</b>
<b>Net Deferred Tax Asset</b>	<b>4,163,430</b>	<b>8,075,531</b>

**NOTE - 11 : Loans & Advances**

<u>Particulars</u>	<u>Non-Current</u>		<u>Current</u>	
	<u>As at 31<sup>st</sup> March 2014 Rupees</u>	<u>As at 31<sup>st</sup> March 2013 Rupees</u>	<u>As at 31<sup>st</sup> March 2014 Rupees</u>	<u>As at 31<sup>st</sup> March 2013 Rupees</u>
<b>Unsecured, considered good :</b>				
Capital Advances	400,000	1,000,650	-	-
Security Deposits	41,457,441	41,319,179	-	-
Deposit with BSE Ltd - Settlement Guarantee Fund	59,000,000	60,000,000	-	-
Deposit with Indian Clearing Corporation Ltd	-	-	150,510,000	30,000,000
Deposit with Indian Clearing Corporation Ltd - Settlement Guarantee Fund	-	-	1,000,000	-
	<b>100,857,441</b>	<b>102,319,829</b>	<b>151,510,000</b>	<b>30,000,000</b>
Other advances recoverable in cash or in kind				
- From Settlement Guarantee Fund	2,667,301	2,667,301	-	-
- Provision for doubtful advances	(2,667,301)	(2,667,301)	-	-
- From other parties	10,240,786	9,932,961	46,134	56,390
Receivable from defaulting members (Refer Note 31(i))	954,532,105	954,782,021	-	-
	<b>964,772,891</b>	<b>964,714,982</b>	<b>46,134</b>	<b>56,390</b>
<b>Other Loans &amp; Advances:</b>				
Advance Income Tax and Tax Deducted at Source [Net of Provisions of Rs. 68,709,471 (31 <sup>st</sup> March 2013 : Rs.5,91,61,433)]	112,551,287	108,283,613	-	-
Prepaid expenses	-	-	3,852,537	3,511,935
Loan to employees				
- Interest bearing	6,432,490	7,291,319	1,530,248	1,212,758
- Non interest bearing	44,393	68,500	303,692	622,963
Service Tax receivable	-	-	1,969,197	999,011
	<b>119,028,170</b>	<b>115,643,432</b>	<b>7,655,674</b>	<b>6,346,667</b>
	<b>1,184,658,502</b>	<b>1,182,678,243</b>	<b>159,211,808</b>	<b>36,403,057</b>



## The Calcutta Stock Exchange Limited

Notes to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

### NOTE - 12 : Current Investments

Particulars	As at 31 <sup>st</sup> March 2014 Rupees	As at 31 <sup>st</sup> March 2013 Rupees
<b>Current portion of long-term investments (valued at cost)</b>		
<b>Unquoted fixed maturity plans</b>		
12,50,000 (31st March 13: 12,50,000) units of Rs. 10 each fully paid up of SBI Debt Fund Series 14 MONTHS -1 - Direct Plan - Growth	12,500,000	-
5,00,000 (31st March 13: 5,00,000) units of Rs. 10 each fully paid up of UTI Fixed Term Income Fund Series XIII- III (549 Days) - Growth Plan	5,000,000	-
Nil (31st March 13: 5,00,000) units of Rs. 10 each fully paid up of HDFC FMP 391 Days Mar 2012 - Growth (These units are redeemable on 23rd April 2013)	-	5,000,000
5,00,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of HDFC FMP 370 Days October 2013 (5) Series 28 -Direct- Growth	5,000,000	-
Nil (31st March 13: 12,50,000) units of Rs. 10 each fully paid up of HDFC FMP 372 Days February 2013 Direct - Growth	-	12,500,000
2,50,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of TATA Fixed Maturity plan Series 45 scheme A Direct Plan	2,500,000	-
5,00,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of BOI-AXA Fixed Maturity Plan - Series 10 (368 Days)- Direct Plan Growth (S3DG)	5,000,000	-
4,50,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of IDBI FMP Series IV - 368 Days February 2014-C- Direct Plan -Growth -(BJG1)	4,500,000	-
5,00,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of IDBI FMP Series IV - 366 Days February 2014 E- Direct Plan -Growth -BJG1	5,000,000	-
Nil (31st March 13: 5,00,000) units of Rs. 10 each fully paid up of Baroda Pioneer 370 Days FMP - Series 1 - Growth	-	5,000,000
5,00,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of SBI Debt Fund Series 366 days 28- Direct Plan -Growth	5,000,000	-
Nil (31st March 13: 20,00,000) units of Rs. 10 each fully paid up of UTI Fixed Term Income Fund - Series - XII-IV (369 days) - Growth Plan	-	20,000,000
Nil (31st March 13: 5,00,000) units of Rs. 10 each fully paid up of DWS Fixed Maturity Plan Series 24 - Direct Plan - Growth (368 days close ended debt fund)	-	5,000,000
5,00,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of DWS Fixed Maturity Plan Series 50 - Direct Plan - Growth (367 days close ended debt fund)	5,000,000	-
2,50,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of DWS Fixed Maturity Plan Series 42 - Direct Plan - Growth (370 days close ended debt fund)	2,500,000	-
Nil (31st March 13: 4,50,000) units of Rs. 10 each fully paid up of UTI Fixed Term Income Fund Series XIV - I 366 days - Direct Growth Plan	-	4,500,000
Nil (31st March 13: 1,74,197) units of Rs. 10 each fully paid up of SBI Magnum Income Fund - Direct Plan - Growth	-	5,000,000
Nil (31st March 13: 3,30,950) units of Rs. 15 each fully paid up of UTI Fixed Income Interval Fund Annual Interval Plan III- Growth Plan	-	5,000,000
2,50,000 (31st March 13: Nil) units of Rs. 10 each fully paid up of SBI Debt Fund Series 366 days 34-Direct Plan -Growth	2,500,000	-
	<b>54,500,000</b>	<b>62,000,000</b>
<b>Current Investment (Valued at lower of cost and net realisable value)</b>		
<b>Unquoted Mutual fund units</b>		
5,99,994 (31st March 13: Nil) units of Rs. 100 each fully paid up of Birla Sun Life Floating Rate Fund Short Term Plan - daily Dividend - Direct Plan	60,000,000	-
10,00,443 (31st March 13: Nil) units of Rs. 100 each fully paid up of ICICI Prudential Liquid - Direct Plan - Daily dividend	100,000,000	-
Nil (31st March 13: 4,987) units of Rs. 1000 each fully paid up of SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth	-	10,000,000
1,141 (31st March 13: Nil) units of Rs. 1000 each fully paid up of SBI MICF Liquid Floater- Direct Plan-Growth	2,500,000	-
6,002 (31st March 13: Nil) units of Rs. 100 each fully paid up of Baroda Pioneer Liquid Fund - Plan B Daily Dividend *	6,000,000	-
1,044 (31st March 13: Nil) units of Rs. 1000 each fully paid up of Baroda Pioneer Liquid Fund - Plan B Growth **	1,500,000	-
	<b>170,000,000</b>	<b>10,000,000</b>
	<b>224,500,000</b>	<b>72,000,000</b>
<b>* Investment out of Settlement Guarantee Fund</b>		
<b>** Investment out of Investors' Service Fund</b>		
<b>Aggregate cost of Investments:</b>		
Unquoted	224,500,000	72,000,000
Net asset value of fixed maturity plan	57,485,730	64,959,844
Net asset value of mutual fund units	170,269,153	10,052,983

### NOTE - 13 : Trade Receivables

Particulars	As at 31 <sup>st</sup> March 2014 Rupees	Rupees	As at 31 <sup>st</sup> March 2013 Rupees	Rupees
Debts outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	1,510,835		924,609	
Unsecured				
- Considered good	4,893,334		4,542,499	
- Considered doubtful	6,028,779	12,432,948	6,600,117	12,067,225
Other Debts:				
Unsecured, Considered good		1,469,873		587,505
		13,902,821		12,654,730
		6,028,779		6,600,117
		<b>7,874,042</b>		<b>6,054,613</b>
Less: Provision for Doubtful Debts				

**Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014**

**NOTE - 14 : Cash and Bank Balances**

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>
	March 2014	March 2013	March 2014	March 2013
	Rupees	Rupees	Rupees	Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	-	-	36,389	35,337
Cheques / Drafts on hand	-	-	741,681	-
Balance with Scheduled Banks on:				
- Current Account				
- Own Fund	-	-	436,166,169	227,966,356
- Investors' Service Fund	-	-	1,468,499	19,800
- Settlement Guarantee Fund	-	-	721,016	2,958,471
- Unpaid Dividend Account	-	-	3,580,565	1,909,075
	-	-	<b>442,714,319</b>	<b>232,889,039</b>

**b. OTHER BANK BALANCES**

**Deposits with original maturity for more than 12 months :**

Own Fund *	137,150,000	216,341,836	406,973,312	432,808,453
Earmarked Funds:				
- Settlement Guarantee Fund *	28,850,000	125,600,000	114,100,002	180,750,000
- Investors' Service Fund *	4,800,000	41,913,023	44,540,000	4,800,000
- Fund for Establishment of Centre for Training and Statistical Information & Setting up a Library	-	-	38,841,547	38,841,547

**Deposits with original maturity for more than 3 months, but not more than 12 months :**

Own Fund *	-	-	287,917,987	207,177,015
Earmarked Funds:				
- Settlement Guarantee Fund *	-	-	180,000,000	6,743,474
- Investors' Service Fund	-	-	-	-
	<b>170,800,000</b>	<b>383,854,859</b>	<b>1,072,372,848</b>	<b>871,120,489</b>

Amount disclosed under Non-current assets (Refer Note 15)

(170,800,000)	(383,854,859)	-	-
-	-	1,515,087,167	1,104,009,528

	Non-Current		Current	
	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>
	March 2014	March 2013	March 2014	March 2013
	Rupees	Rupees	Rupees	Rupees
<b>Deposits with original maturity for more than 3 months, but not more than 12 months :</b>				
- Pledged with ICCL	-	-	330,100,000	6,500,000
- Pledged with NSCCL	-	-	-	170,000,000
<b>Deposits with original maturity for more than 12 months :</b>				
- Pledged with ICCL	144,050,000	25,100,000	270,454,859	-
- Pledged with NSCCL	5,500,000	51,100,000	191,800,000	480,600,000
	<b>149,550,000</b>	<b>76,200,000</b>	<b>792,354,859</b>	<b>657,100,000</b>

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

**Deposits with original maturity for more than 3 months, but less than 12 months :**

- Deposit with Victor Moses & Co	-	-	17,417,987	27,417,987
	-	-	<b>17,417,987</b>	<b>27,417,987</b>



## The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

### NOTE - 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>
	March 2014	March 2013	March 2014	March 2013
	Rupees	Rupees	Rupees	Rupees
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Non-current bank balances</b>	170,800,000	383,854,859	-	-
<b>Other receivables</b>				
Rent		-	1,068,603	1,032,612
Electricity		-	723,836	852,194
Others		-	227,866	227,221
<b>Interest accrued on fixed deposits:</b>				
- Own Fund		-	14,100,052	11,824,451
- Settlement Guarantee Fund		214,610	4,418,203	1,546,413
- Investors' Service Fund		-	138,746	
<b>Interest accrued on PSU bonds:</b>				
- Own Fund		-	414,739	414,739
	<b>170,800,000</b>	<b>384,069,469</b>	<b>21,092,045</b>	<b>15,897,630</b>

### NOTE - 16 : Revenue from Operations

Particulars	2013-14	2012-13
	Rupees	Rupees
<b>SALE OF SERVICES :</b>		
Turnover charges on own trading platform	42,805	4,567,073
Turnover charges on other trading platform :		
- BSE	1,993,463	901,748
- NSE	2,112,092	692,837
Listing fees	16,011,500	18,832,500
Subscriptions	2,214,000	2,295,000
Processing charges	8,743,936	7,860,062
Income from depository participant operation	2,259,532	1,510,379
Commission on PAN services	162,514	199,584
<b>Other operating revenue :</b>		
Bad debts recovered	4,340,000	2,504,800
Recovery of penal charges from clients	3,878,326	3,151,287
Technology charges from new members	260,000	-
Interest on delayed payment of Listing Fees	1,693,657	1,762,447
	<b>43,711,825</b>	<b>44,277,717</b>

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Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

## NOTE - 17 : Other Income

<u>Particulars</u>	<u>2013-14</u> <u>Rupees</u>	<u>2012-13</u> <u>Rupees</u>
Interest on investments of Investors' Service Fund	4,649,650	4,467,916
Interest on investments of Settlement Guarantee Fund	30,593,278	30,905,792
	<b>35,242,928</b>	<b>35,373,708</b>
Interest income on own fund:		
Fixed deposits	84,063,318	90,232,261
Tax Free PSU bonds	872,480	868,432
Savings bank account	-	37,121
Security deposit with CESC Ltd	123,221	111,383
Income Tax refunds	7,520,701	12,423,877
Others	733,799	657,484
	<b>93,313,519</b>	<b>104,330,558</b>
Profit on sale of Current investments	273,536	1,276,375
Profit on sale of Long Term investments	5,650,742	1,273,375
	<b>5,924,278</b>	<b>2,549,750</b>
Dividend income from investments - own fund:		
Dividend from long term investments	2,000,000	1,500,000
Dividend from current investments	3,322,388	5,942,531
	<b>5,322,388</b>	<b>7,442,531</b>
Other non-operating Income:		
Rent	918,382	1,053,914
Fees for transfer of tenancy rights	177,000	693,000
Miscellaneous receipts	1,211,940	1,609,117
Profit on sale of fixed assets	1,567	293,979
Advance tax, earlier written off, now written back	-	6,746,020
Liabilities/Provisions no longer required, written back	1,914,286	4,602,763
	<b>4,223,175</b>	<b>14,998,793</b>
	<b>144,026,288</b>	<b>164,695,340</b>

## NOTE - 18 : Employees Benefit Expense

<u>Particulars</u>	<u>Rupees</u>	<u>2013-14</u> <u>Rupees</u>	<u>Rupees</u>	<u>2012-13</u> <u>Rupees</u>
Salaries, bonus etc.		65,650,508		56,789,864
Contribution to provident and other funds:				
Contribution to Provident Fund	4,680,762		3,892,947	
Contribution to Employees State Insurance	-		76,119	
Contribution to Superannuation Fund	1,946,658		1,563,016	
Gratuity	2,463,904	9,091,324	1,432,825	6,964,907
Staff welfare		4,208,863		3,774,743
		<b>78,950,695</b>		<b>67,529,514</b>





## The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

### NOTE - 19 : Other Expenses

Particulars	2013-14		2012-13	
	Rupees	Rupees	Rupees	Rupees
Advertisement		118,039		2,164,657
Rent		16,119		3,930,578
Electricity charges	8,390,419		8,540,906	
Less : recovered from tenants	<u>1,726,382</u>	6,664,037	<u>1,878,851</u>	6,662,055
Rates & Taxes		5,042,165		2,762,912
Insurance		323,206		274,328
Printing & Stationary		554,663		975,030
Telephone charges		1,005,158		950,663
Travelling & Conveyance		1,772,558		1,354,113
Motor car expenses		424,491		350,214
Repairs & Maintenance:				
- Building	417,905		1,019,543	
- Others *	<u>14,355,918</u>	14,773,823	<u>18,392,434</u>	19,411,977
Expenses for Other Trading Platform:				
-BSE		393,390		340,822
-NSE		57,028		218,116
Interest on delayed payment of statutory dues		29,004		16,224
Security Expenses		954,278		1,991,879
Miscellaneous Expenses		2,154,503		3,575,240
Expenses for Depository Services		2,261,883		1,807,803
Legal & Professional Fees		4,093,471		4,018,254
Filing Fees		-		580,000
Auditor's Remuneration				
As Audit Fees	800,000		800,000	
Tax Audit	200,000		200,000	
For other Services		-	175,000	
Reimbursement of Expenses	<u>15,400</u>	1,015,400	<u>14,850</u>	1,189,850
Investors' Service Expenses		192,239		1,421,963
Directors Sitting Fee		992,500		982,500
Bad Debts	679,290		37,287,915	
Less : Adjusted against Provision for Doubtful Debts	<u>571,338</u>	107,952	<u>19,492,658</u>	17,795,257
Contribution to Settlement Guarantee Fund on CSE-NSE Turnover		44,044		22,750
Contribution to Settlement Guarantee Fund on CSE-BSE Turnover		50,107		24,808
Sundry Balances Written Off		182,244		70,289
		<u><u>43,222,302</u></u>		<u><u>72,892,282</u></u>

\* Including Rs.1,29,79,103 (31<sup>st</sup> March 2013 : Rs.1,61,37,065) for computer maintenance and service charges.

Notes to the financial statements as at and for the year ended 31<sup>st</sup> March 2014**NOTE - 20 : Depreciation and Amortization Expense**

Particulars	2013-14 Rupees	2012-13 Rupees
Depreciation of Tangible Assets	7,043,255	5,069,216
Amortization of Intangible Assets	1,717,294	749,362
	<b>8,760,549</b>	<b>5,818,578</b>

**NOTE - 21 : Earnings Per Share (EPS)**

Particulars	2013-14 Rupees	2012-13 Rupees
Net Profit after Tax as per Statement of profit and loss	36,926,910	38,631,881
Less : Profit appropriated to earmarked fund		
-Transferred to Investors' Service Fund	5,710,036	4,728,612
-Transferred to Settlement Guarantee Fund	18,116,537	17,986,362
<b>Profit attributable to equity shareholders</b>	<b>13,100,337</b>	<b>15,916,907</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>21.44</b>	<b>26.05</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) vide its order dated August 29<sup>th</sup>, 2005, had approved the Demutualisation Scheme ("the Scheme") for conversion of The Calcutta Stock Exchange Association Ltd to The Calcutta Stock Exchange Ltd and it 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 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.6,55,000 (Rs.31,28,356).
25. **Contingent Liabilities not provided for :**  
Claims against the Company not acknowledged as debts.



## The Calcutta Stock Exchange Limited

### 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 under section 14A of the Income Tax Act, 1961 and have also imposed a penalty of Rs.4,99,745. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid demand by the Income Tax Authorities 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) by way of 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 as 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.1,30,34,622 should have been adjusted till the year end towards annual contribution payable by the Company to Settlement Guarantee Fund (including Rs.11,217 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.18,63,20,758 should 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.11,217 for the year) had not been charged against profits for those years.

(c) Settlement Guarantee Fund at the year-end comprises of the following :

SI No	Particulars	2013-14 (Rs.)	2012-13 (Rs.)
	<b>Under Reserves &amp; Surplus (Settlement Guarantee Fund) :</b>		
I	Settlement Guarantee Fund of the Exchange	22,36,85,418	20,54,65,265
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	1,45,20,483
	<b>Total</b>	<b>26,93,33,601</b>	<b>25,11,13,448</b>
	<b>Under Long Term Liabilities (Settlement Guarantee Fund) :</b>		
IV	Members BMC/SGF in Cash	12,23,16,395	13,35,34,149
V	Interest Adjustable with BMC/ABMC	1,16,46,411	1,19,29,034
VI	Members' deposit towards BSE/NSE-SGF	26,10,000	24,45,000
	<b>Total</b>	<b>13,65,72,806</b>	<b>14,79,08,183</b>
	<b>Grand Total</b>	<b>40,59,06,407</b>	<b>39,90,21,631</b>

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

SI No	Particulars	2013-14 (Rs.)	2012-13(Rs.)
I	Investments in Fixed Deposits	32,29,50,002	31,30,93,474
II	Investment in Mutual Fund	60,00,000	---
III	Balances in Current Account	7,21,016	29,58,471
IV	Interest accrued on Fixed Deposits	44,18,203	17,61,023
V	Deposit with BSE Ltd	5,90,00,000	6,00,00,000
VI	Deposit with Indian Clearing Corporation Ltd	10,00,000	---
VII	BMC Receivable from Members	26,67,301	26,67,301
VIII	Receivable from Exchange	91,59,885	1,85,41,362
	<b>Total</b>	<b>40,59,06,407</b>	<b>39,90,21,631</b>

- (e) Dividend on Members' security Deposits as stated in (c)(III) above includes the income earned , with effect from 1<sup>st</sup> 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 20<sup>th</sup> 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 1<sup>st</sup> July 2010 to 31<sup>st</sup> 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 year 2012-13 and the income earned on the aforesaid matter during the period 1<sup>st</sup> November 2007 till 30<sup>th</sup> June 2010 continues to be included in the "Settlement Guarantee Fund" under the head "Reserve & Surplus".

## 27. Transfer of Profit :

As per the notification issued by The Securities and Exchange Board of India ("SEBI") dated June 20<sup>th</sup>, 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<sup>st</sup>, 2012 to frame norms for sourcing, including transfer of profits by stock exchanges to the fund. Pending further direction from SEBI regarding the norms of transfer of profit to the Settlement Guarantee Fund, no appropriation of profit has been made to the credit of the Fund in the books of account as at March 31<sup>st</sup>, 2014.

## 28. Clearing Corporation :

SEBI vide its letter Ref No. MRD/DSA/OW/8066/2013 dated 3<sup>rd</sup> 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 5<sup>th</sup> April 2013 till the Exchange establishes a Clearing Corporation in compliance with the provision of SECC



## The Calcutta Stock Exchange Limited

Regulations, 2012 or ties up with any other recognized clearing corporation. The Company had entered into an agreement with Indian Clearing Corporation Ltd, on 18<sup>th</sup> June, 2013, post the signing of Memorandum of Understanding on 9<sup>th</sup> April 2013, for clearing and settlement activities of trades executed on the C-STAR system. However, the proposed arrangement could not get the approval of SEBI. Now, the company has decided to take up a stake in a recognized clearing corporation after disposal of the Leasehold land at E M By-pass, Kolkata. The trading activities in BSE and NSE trading platforms are being done on regular basis.

### 29. 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 SEBI. The Fund is being 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.

### 30. 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	2013-14 (Rs.)	2012-13 (Rs.)
Settlement Guarantee Fund Expenses :		
- Salaries, Wages and Bonus etc	23,67,384	23,16,764
- Staff Welfare	2,37,864	86,227
- Rent	---	4,80,000
- Telephone Charges	25,000	25,000
- Computer Maintenance and Service Charges	3,600	3,600
- Electricity Charges	---	75,000
- Audit Expenses	2,50,000	2,50,000
- Miscellaneous Expenses	2,47,785	2,37,525
- Legal & Professional Fees	7,69,183	15,55,551
Investors' Service Expenses	1,92,239	14,21,963

31. i) Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.95,45,32,105 (Rs.95,47,82,021) due from Members on account of settlements in prior years comprising of Rs.94,71,73,816 (Rs.94,74,23,732) towards HandDelivery 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 31.03.2014. 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.
- (ii) Sundry Deposits as at 31.03.2014, in Note-5, under the head "Long Term Liabilities" includes Rs.96,92,94,037 (Rs.96,92,94,037) 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.

32. Fixed Deposits and shares are being received by the Company from the members as security deposit. Since the rights on aforesaid shares and fixed deposits remained with the members and the same is kept with the Company only as security deposits, the value of such shares of Rs.17,28,53,132 (Rs.16,63,99,997) and fixed deposits of Rs.20,76,57,522 (Rs.25,18,50,956) as at 31.03.2014, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

### 33. Employee Benefits :

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years or more of services is entitled to gratuity on 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	2013-14	2012-13
Discount rate	8.75%	8.00%
Salary escalation rate (Inflation rate)	8.00%	7.00%
Withdrawal rates	2.00%	2.00%

- 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	2013-14 (Rs.)	2012-13 (Rs.)
Contribution to Provident/Pension Fund	46,80,762	38,92,947
Contribution to Superannuation Fund	19,46,658	15,63,016
Contribution to Employees' State Insurance	---	76,119

### 34. Related Party Transactions :

Aggregated Related Party disclosure as at and for the year ended 31<sup>st</sup> March 2014:

- a) Entities under common control :

Name : Stock Exchange Investors' Protection Fund

Transactions with the entity under common control:

Name	Particulars	2013-14 (Rs.)	2012-13 (Rs.)
<b>Stock Exchange Investors' Protection Fund</b>	Contribution to Stock Exchange Investors' Protection Fund	42,40,496	31,47,727
	Expenses Recoverable	52,130	1,40,025
	Amount paid	16,45,843	19,15,207
	Amount Payable outstanding	25,42,523	10,34,653
	Amount Receivable outstanding	-	-





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Transactions with the wholly owned Subsidiary :

Name	Particulars	2013-14 (Rs.)	2012-13 (Rs.)
<b>CSE Capital Markets Private Limited</b>	Expenses incurred on behalf of Subsidiary	1,57,754	-
	Amount recovered against expenses incurred	-	-
	Advertisement Expenses	-	18,71,131
	Interest on fixed deposits received from bank on behalf of subsidiary	1,95,300	4,53,375
	Expenses payable to subsidiary	26,282	1,48,133
	Amount payable outstanding	63,828	22,45,843

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

Name	Particulars	2013-14 (Rs.)	2012-13 (Rs.)
Mr. B Madhav Reddy	Remuneration and other allowances	48,91,258	48,87,969

### 35. Reclassification of Fixed Assets to Investment Property :

The Company has, in the current year, decided to sub lease its lease hold land situated at E.M. Bye-pass and has also received approval from SEBI in this regard.

Accordingly, since the above lease hold land is not intended to be occupied substantially for use by, or in the operations of, the Company, this has been reclassified from "Fixed Assets" disclosed under Note 8 to "Non-Current Investment" as investment property disclosed under Note 9 of these financial statements, in terms of AS-13: Accounting for Investments.

36. SEBI, vide its letter Ref No.MRD/DSA/OW/8066/2013 dated 3<sup>rd</sup> April, 2013 had directed the Exchange to discontinue its clearing and settlement activities carried out vide its C-Star trading system through its clearing house after 5<sup>th</sup> April, 2013 till the Exchange establishes a clearing corporation in compliance with the provisions of the SECC Regulations, 2012 or ties up with any other clearing corporation. Consequently, the Exchange had discontinued trading on its own C-Star platform after 5<sup>th</sup> April, 2013. Subsequently, SEBI had, vide its letter dated 21<sup>st</sup> May 2014, informed the Exchange about its intent to proceed with compulsory de-recognition and exit from stock exchange operations since it had not been able to achieve the prescribed turnover of INR 1000 crore on continuous basis and had not applied for voluntary surrender in accordance with SEBI circular dated 20<sup>th</sup> May 2012 (Exit Circular). Management has been negotiating with various clearing houses for entering into an arrangement for them to carry out clearing and settlement activities in respect of trades executed by the Exchange. The Exchange is also planning to acquire a stake in a clearing corporation and has received necessary approval from SEBI for sub-lease of leasehold land and utilisation of the proceeds thereof for such acquisition. Pursuant to certain clarifications contained in SEBI circular dated 27<sup>th</sup> August 2014 regarding core settlement guarantee fund and default waterfall, management is confident of being able to enter into an arrangement with a clearing corporation to enable the Exchange to resume its own trading operations through its C-Star platform. Consequently, it has been considered appropriate to prepare these financial statements under the going concern assumption.

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**

Firm Registration Number :324982E

per **Kamal Agarwal**  
Partner

Membership Number: 58652

Place : Kolkata

Date : 28<sup>th</sup> August, 2014

For and on behalf of The Board of Directors

**Dipankar Chatterji**  
Chairman

**B Madhav Reddy**  
Managing Director &CEO

**Prosenjit Dutta**  
Chief Financial Officer

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

	Name of the Subsidiary Company	CSE Capital Markets Private Limited
	Financial Year of the Subsidiary Company	March 31 <sup>st</sup> , 2014
	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%
	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.22,66,111
	b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary	Rs.25,02,981
	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<sup>st</sup>, 2014 of the subsidiary Company has been attached herewith.

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

**Dipankar Chatterji**  
Chairman

**B Madhav Reddy**  
Managing Director & CEO

**Prosenjit Dutta**  
Chief Financial Officer

Place : Kolkata

Date : 28<sup>th</sup> August, 2014

## DIRECTORS' REPORT

### *Dear Shareholders*

Your Directors are pleased to present the Fifth Annual Report on the operations of the Company together with the audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2014.

#### Financial Overview

Particulars	For the year ended 31 <sup>st</sup> March '14	For the year ended 31 <sup>st</sup> March '13
Total Income	35,09,452	88,31,195
Total Expenditure	2,80,573	51,66,434
Profit/(Loss) Before Tax	32,28,879	36,64,434
Less : Provision for Tax	(9,62,768)	(11,61,780)
Profit After Tax	22,66,111	25,02,981

During the year under review, profit has decreased due to lower interest on fixed deposits realization and decrease in commission and brokerage. 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. The Board of Directors has applied to CDSL to act as their depository participants and started functioning of DP operations from 1<sup>st</sup> July, 2014. 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<sup>st</sup>, 2014.

#### 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 :

In accordance with the provisions of section 152 of the Companies Act, 2013 ( corresponding to section-256 of the Companies Act,1956) Mr. B. Madhav Reddy retires by rotation and being eligible has offered himself for reappointment.

#### Statutory Auditors :

At the last Annual General Meeting of the Company M/s. Suchismita & Associates, Chartered Accountants (Firm Registration No. 326238E), were appointed as Statutory Auditors of the company to hold office till the conclusion of the ensuing AGM.

The said Auditors retire at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to be reappointed for a further term. The Company has received a Notice from a shareholder pursuant to Section-140 read with Section-115 of the Companies Act, 2013 proposing a resolution for approval of the members at the ensuing Annual General Meeting for appointment of Messrs Dhar & Basu, Chartered Accountants (Firm Registration No.FRN-313003E) as Auditors of the Company. A copy of the said Notice has been forwarded to

the retiring Auditors as prescribed under Section-140 of the Companies Act, 2013. Messrs Dhar & Basu, Chartered Accountants have also given their consent to act as Auditors, if appointed, and confirmed that the appointment, if made, would be in compliance with Section-141 read with the Companies (Audit and Auditors) Rules, 2014.

#### 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<sup>st</sup>, 2014 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<sup>st</sup>, 2014 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 31<sup>st</sup> March, 2014 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<sup>st</sup>, 2014 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: 21<sup>st</sup> August , 2014**

**B. Madhav Reddy  
Director**

## SECRETARIAL COMPLIANCE CERTIFICATE

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

CIN : U74900WB2009PTC134753

Nominal Capital : Rs. 500 Lakh

We have examined the Registers, Records, Books and Papers of CSE Capital Markets Private Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. 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 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 03.04.2013, 20.06.2013, 16.08.2013, 12.12.2013 and 14.03.2014 in respect of which meetings no formal written notices were given but the Directors were suitably informed by available means of communication 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 31<sup>st</sup> March, 2013 was held on 30.09.2013 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. One Extra-Ordinary General Meeting was held during the financial year on 28.01.2014 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.
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



## CSE CAPITAL MARKETS PRIVATE LIMITED

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 31<sup>st</sup> March 2013.
- 14. The Board of Directors of the Company is duly constituted and the appointment of Additional Directors and their subsequent change in designation on being appointed as Director(s) at the Annual General Meeting have been duly made. There was no appointment of any other Director, Alternate Director or Director to fill any casual vacancy during the financial year.
- 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 altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny and complied with necessary provisions of the Act.
- 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

Place : Kolkata  
Date : 21<sup>st</sup> August, 2014

FCS-5401  
C.P. No.-3824

**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(1)
7.	Register of Disclosure	U/s.	299/301(3)
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 31<sup>st</sup> March, 2014.

Sl. No.	Form No. / Return	Filed under section	For	Date of Filing	Whether filed within prescribed time Yes/No.	If delay in filing, whether requisite additional fees paid Yes/No.
1.	Form 32	303(2)	Resignation of Mr. S. Sahoo and appointment of Mr. M A V Raju and Mr. Dhiraj Chakraborti as Additional Directors w.e.f. 20.06.2013	06.08.2013	Yes	N.A.
2.	Form 66	383A	Secretarial Compliance Certificate for the year ended 31st March 2013	25.10.2013	Yes	N.A.
3.	Form 32	303(2)	Appointment (change in designation) of Mr. M A V Raju and Mr. Dhiraj Chakraborti as Directors at the AGM held on 30.09.2013	27.10.2013	Yes	N.A.
4.	Form 23AC & 23ACA	220	Balance Sheet as at 31.03.2013	29.10.2013	Yes	N.A.
5.	Form 20B	159	Annual Return prepared upto 30.09.2013	30.12.2013	No	Yes
6.	Form 23	192	Alteration of objects clause of the Memorandum of Association at the EOGM held on 28.01.2014	26.02.2014	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.





## CSE CAPITAL MARKETS PRIVATE LIMITED

### 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 31<sup>st</sup> March, 2014, Statement 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 31<sup>st</sup> March, 2014;
- (ii) in the case of the Profit and Loss Account 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 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 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 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, **Suchismita & Associates**

Chartered Accountants

FRN: 326238E

Address :

N- 193 B Mudialy 1st Lane

Kolkata - 700024

Dated : 21<sup>st</sup> August, 2014

(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, 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's transactions in relation to commercial activities 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, in general.  
(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 31<sup>st</sup> March, 2014 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.



# CSE CAPITAL MARKETS PRIVATE LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

<u>PARTICULARS</u>	<u>NOTES</u>	<u>As at 31<sup>st</sup> March 2014</u>	<u>As at 31<sup>st</sup> March 2013</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	7,714,408	5,448,297
<b>2. NON-CURRENT LIABILITIES</b>			
Long Term Provisions	6	—	602,941
<b>3. CURRENT LIABILITIES</b>			
Other Current Liabilities	5	44,494	2,464,308
Short Term Provisions	6	973,091	1,161,780
		<b>43,732,014</b>	<b>44,677,346</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Cash and Bank Balances	9	36,500,000	36,500,000
Other Loans & Advances	10	138,191	607,024
<b>2. CURRENT ASSETS</b>			
Current investments	7	5,098,905	17,694
Trade Receivables	8	—	5,513,350
Cash and Bank Balances	9	988,302	1,217,086
Short Term Loans & Advances	10	993,072	694,181
Other Current Assets	11	13,544	128,011
		<b>43,732,014</b>	<b>44,677,346</b>

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 Private Limited

**B Madhav Reddy**  
Director

**M.A.V Raju**  
Director

Place : Kolkata  
Date : 21<sup>st</sup> August, 2014

As per our Report of even date.  
For SUCHISMITA & ASSOCIATES  
Chartered Accountants

CA Suchismita Ghosh Pal  
Partner

Membership No. 061003  
Firm Registration No. 326238E

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2014**

<u>Particulars</u>	<u>Notes</u>	<u>As at 31<sup>st</sup> March 2014 Rupees</u>	<u>As at 31<sup>st</sup> March 2013 Rupees</u>
Revenue from Operations	12	2,024	5,213,657
Other Income	13	3,507,428	3,617,538
		<b>3,509,452</b>	<b>8,831,195</b>
<b>Expenses :</b>			
Cost of services rendered		—	5,108,972
Finance Cost	14	1,493	—
Other Expenses	15	279,080	57,462
		<b>280,573</b>	<b>5,166,434</b>
<b>Profit before Tax</b>		<b>3,228,879</b>	<b>3,664,761</b>
<b>Tax Expenses :</b>			
Current Tax		973,091	1,161,780
Previous Year Tax		(10,323)	0
Deferred Tax		—	0
		<b>962,768</b>	<b>1,161,780</b>
<b>Profit after Tax</b>		<b>2,266,111</b>	<b>2,502,981</b>
Earnings per equity share			
Basic & Diluted (Rs.)	19	0.65	0.72
Nominal Value of Share (Rs.)		10.00	10.00
Summary of Significant Accounting Policies			

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

**For and on behalf of The CSE Capital Markets Private Limited**

**B Madhav Reddy**  
Director

**M.A.V Raju**  
Director

Place : Kolkata  
Date : 21<sup>st</sup> August, 2014

As per our Report of even date.  
For SUCHISMITA & ASSOCIATES  
Chartered Accountants

CA Suchismita Ghosh Pal  
Partner  
Membership No. 061003  
Firm Registration No. 326238E



## **NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**

### **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.

**Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014****NOTE - 3 : SHARE CAPITAL**

<b><u>PARTICULARS</u></b>	<b><u>As at 31<sup>st</sup> March 2014 Rupees</u></b>	<b><u>As at 31<sup>st</sup> March 2013 Rupees</u></b>
<b>a) AUTHORISED SHARES :</b>		
50,00,000 Equity Shares of Rs.10 each	50,000,000	50,000,000
<b>b) ISSUED SHARES :</b>		
35,00,002 Equity Shares of Rs.10 each	35,000,020	35,000,020
<b>c) SUBSCRIBED &amp; PAID UP SHARES :</b>		
35,00,002 Equity Shares of Rs.10 each	35,000,020	35,000,020
	<b>35,000,020</b>	<b>35,000,020</b>

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

	<b><u>As at 31<sup>st</sup> March 2014</u></b>		<b><u>As at 31<sup>st</sup> March 2013</u></b>	
	<b><u>Number</u></b>	<b><u>Rupees</u></b>	<b><u>Number</u></b>	<b><u>Rupees</u></b>
Equity Shares	3,500,002	35,000,020	3,500,002	35,000,020
Issued during the year	0	0	0	0
Shares outstanding at the end of the year	<u>3,500,002</u>	<u>35,000,020</u>	<u>3,500,002</u>	<u>35,000,020</u>

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

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

**NOTE - 4 : RESERVES AND SURPLUS**

<b><u>PARTICULARS</u></b>	<b><u>Total Balance Reserve &amp; Surplus as at 31<sup>st</sup> March 2013 Rupees</u></b>	<b><u>Additions during the year Rupees</u></b>	<b><u>Total Balance Reserve &amp; Surplus as at 31<sup>st</sup> March 2014 Rupees</u></b>	<b><u>Balance Reserve &amp; Surplus as at 31<sup>st</sup> March 2013 Rupees</u></b>
<b>B-I</b>				
Surplus as per Profit and Loss Account	5,448,297	2,266,111	7,714,408	5,448,297
	<u>5,448,297</u>	<u>2,266,111</u>	<u>7,714,408</u>	<u>5,448,297</u>





# CSE CAPITAL MARKETS PRIVATE LIMITED

## Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

### NOTE - 5 : OTHER CURRENT LIABILITIES

#### PARTICULARS

	Current	
	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>
Payable to Income Tax	–	1,380
Outstanding Liabilities	11,236	11,236
Sundry Creditors	32,267	2,451,692
Duties & Taxes	991	–
	<u>44,494</u>	<u>2,464,308</u>

### NOTE - 6 : PROVISIONS

#### PARTICULARS

	Long-Term		Short-Term	
	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Provisions for Income Tax	–	602,941	973,091	1,161,780
	<u>0</u>	<u>602,941</u>	<u>973,091</u>	<u>1,161,780</u>

### NOTE - 7 : INVESTMENTS

#### PARTICULARS

	Non-Current		Current	
	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
<b>a. INVESTMENTS</b>				
Investment with Mutual Fund	–	–	5,098,905	17,694
	<u>0</u>	<u>0</u>	<u>5,098,905</u>	<u>17,694</u>

### NOTE - 8 : TRADE RECEIVABLES

#### PARTICULARS

	Non-Current		Current	
	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
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
	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,513,350</u>

Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014**NOTE - 9 : CASH AND BANK BALANCES**

<b>PARTICULARS</b>	<b>Non-Current</b>		<b>Current</b>	
	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>a. CASH &amp; CASH EQUIVALENTS</b>				
Cash on hand	–	–	3,325	5,010
Balance with Scheduled Banks on:				
– Current Account	–	–	984,977	1,212,076
– Own Fund	–	–	–	–
	<u>–</u>	<u>–</u>	<u>988,302</u>	<u>1,217,086</u>
<b>b. OTHER BANK BALANCES</b>				
Own Fund				
– Deposits with original maturity for more than 12 months	36,500,000	36,500,000		
– Deposits with original maturity for more than 3 months, but less than 12 months				
	<u>36,500,000</u>	<u>36,500,000</u>	<u>0</u>	<u>0</u>
	<u>36,500,000</u>	<u>36,500,000</u>	<u>988,302</u>	<u>1,217,086</u>

**NOTE - 10 : LOANS AND ADVANCES**

<b>PARTICULARS</b>	<b>Non-Current</b>		<b>Current</b>	
	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Other Loans and Advances</b>				
Other Receivables	127,191	–	470	1,184
Advance Income Tax and Tax Deducted at Source	–	596,024	992,602	692,997
Deposits with Others	11,000	11,000	–	–
	<u>138,191</u>	<u>607,024</u>	<u>993,072</u>	<u>694,181</u>

**NOTE - 11 : OTHER CURRENT ASSETS**

<b>PARTICULARS</b>	<b>Current</b>	
	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
Interest accrued but not due on Fixed Deposits :		
– Own Funds	13,544	128,011
	<u>13,544</u>	<u>128,011</u>

**NOTE - 12 : REVENUE FROM OPERATIONS**

<b>PARTICULARS</b>	<b>As at 31<sup>st</sup> March 2014</b>	<b>As at 31<sup>st</sup> March 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>SALE OF SERVICES :</b>		
Commission & Brokerage	2,024	104,685
Reimbursement of Advertisement Expenses	–	5,108,972
	<u>2,024</u>	<u>5,213,657</u>



## CSE CAPITAL MARKETS PRIVATE LIMITED

### Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014

#### **NOTE - 13 : OTHER INCOMES**

##### **PARTICULARS**

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>
Interest on Fixed Deposits Account	3,391,717	3,515,768
Commission on Advertisement	34,494	46,173
Dividend from Mutual Fund	81,210	50,592
Others	7	5,005
	<u>3,507,428</u>	<u>3,617,538</u>

#### **NOTE - 14 : FINANCE COST**

##### **PARTICULARS**

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>
Late Fine	1,493	—
	<u>1,493</u>	<u>0</u>

#### **NOTE - 15 : OTHER EXPENSES**

##### **PARTICULARS**

	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	<u>Rupees</u>	<u>Rupees</u>
Accounting Charges	—	15,000
Auditor's Remuneration	11,236	10,000
Conveyance Expenses	—	450
Commission	30,140	—
Fees to NSE	—	—
Fees to SEBI	—	—
Filing Fees	9,035	2,000
General Charges	10,044	3,145
Legal & Professional Fees	39,327	18,540
Miscellaneous Expenses	—	2
Processing Fees	22,472	825
Profession Tax (Company)	2,500	2,500
Registration Charges with AMFI	—	5,000
Registration Fees	143,090	—
Telephone Charges	—	—
Training Charges	11,236	—
	<u>279,080</u>	<u>57,462</u>

#### **NOTE - 16 :**

The tax deducted at source up to 31.03.2014 Rs. 9,89,962/- (Previous Year Rs. 8,11,286/-) has been accumulated by the company on the basis of tax deduction certificates available with the company.

**Note to the financial statements as at and for the year ended 31<sup>st</sup> March 2014****NOTE - 17 : RELATED PARTY DISCLOSURE :****1. List of related parties and relationships**

<b>Name of related party</b>	<b>Relationship</b>
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 :

<b>Balance outstanding</b>	<b>As at 31<sup>st</sup> March 2014 Rupees</b>	<b>As at 31<sup>st</sup> March 2013 Rupees</b>
<u>Amount Receivable</u>		
The Calcutta Stock Exchange Ltd.	63,828	2,245,843
Stock Exchange Customers' Protection Fund	63,363	3,267,507
<u>Amount Payable</u>		
The Calcutta Stock Exchange Ltd.	—	—

**NOTE - 18 : AUDITOR'S REMUNERATION :**

<b><u>PARTICULARS</u></b>	<b>As at 31<sup>st</sup> March 2014 (Rupees)</b>	<b>As at 31<sup>st</sup> March 2013 (Rupees)</b>
Statutory Audit Fees	11,236	11,236

**NOTE - 19 : EARNING PER SHARE :**

<b><u>PARTICULARS</u></b>	<b>As at 31<sup>st</sup> March 2014 (Rupees) Basic &amp; Diluted EPS</b>	<b>As at 31<sup>st</sup> March 2013 (Rupees) Basic &amp; Diluted EPS</b>
<u>Earnings :</u>		
Net Profit (Profit after Tax)	2,266,111	2,502,981
<u>Shares :</u>		
Weighted average number of equity shares outstanding during the year	3,500,002	3,500,002
Earnings per share of face value of Rs. 10	0.65	0.72

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

**For and on behalf of The CSE Capital Markets Private Limited**

**B Madhav Reddy**  
Director

**M.A.V Raju**  
Director

Place : Kolkata  
Date : 21<sup>st</sup> August, 2014

As per our Report of even date.  
For SUCHISMITA & ASSOCIATES  
Chartered Accountants

CA Suchismita Ghosh Pal  
Partner  
Membership No. 061003  
Firm Registration No. 326238E

### Note

[illegible]

## Inauguration of CU-CSE Centre of Excellence at CU by Vice Chancellor of Calcutta University Prof. Suranjan Das



Dr. Swapan Kr. Bala (MD & CEO of Dhaka Stock Exchange) on his visit to CSE - Moving towards collaboration with CSE



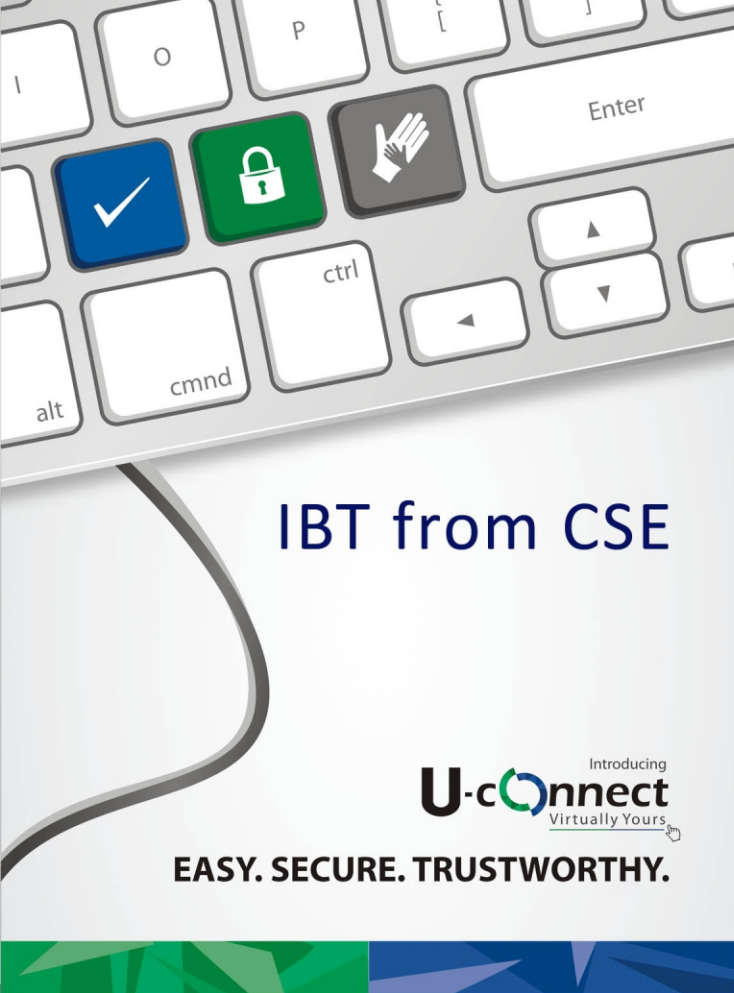
## Braille Book on Capital Market for the Visually Challenged (in English & Bengali)



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