

**The Calcutta Stock Exchange Limited**  
**94th Annual Report**  
**2016-17**



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## Corporate Information

### Chairman

Dr. Bhaskar Banerjee  
Public Interest Director

### Managing Director & CEO

Mr. Subrato Das

### Public Interest Directors

Mr Bhaskar Sen  
Prof. Partha Ray

### Shareholder Directors

Mr. Ravi Poddar  
Mr. Sanjay Budhia  
Mr. Mohan Goenka  
Mr. Purushottam Saraf

### 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. Batliboi & Co. LLP  
Chartered Accountants

### Internal Auditors

Singhi & Co.  
Chartered Accountants

### Solicitors

Victor Moses & Co.  
Sinha & Co.

## 94<sup>th</sup> Annual General Meeting

|              |   |  |
|--------------|---|--|
| Day          | : | Tuesday  |
| Date         | : | October 10th, 2017   |
| Venue        | : | Stock Exchange Building, 7 Lyons Range, Kolkata - 700001         |
| Time         | : | 4 pm   |
| Book-Closure | : | October 4th, 2017 to October 10th, 2017<br>(Both days inclusive) |

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



**Dr. Bhaskar Banerjee**  
Chairman,  
Public Interest Director



**Bhaskar Sen**  
Public Interest Director



**Prof. Partha Ray**  
Public Interest Director



**Ravi Poddar**  
Shareholder Director



**Sanjay Budhia**  
Shareholder Director



**Mohan Goenka**  
Shareholder Director



**Purushottam Saraf**  
Shareholder Director



**Subrato Das**  
Managing Director & CEO



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31,2017

### DIRECTORS' REPORT

*Dear Shareholders,*

The Board of Directors of The Calcutta Stock Exchange Limited (the 'Exchange / Company / CSE') take great pleasure in presenting the 94<sup>th</sup> Annual Report for the Financial Year 2016-17 together with the Audited Financial Statements for the Year ended 31<sup>st</sup> March, 2017. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

#### 1. Audited Results:

##### 1.1 Financial Highlights during the year under review:

The total income of the Exchange on a stand-alone basis was Rs. 1,655.07 Lakhs. During the year the Exchange has recognized income from listing fees only in respect of Companies which are active and/or paying the fees regularly. The profit after tax for the financial year 2016-17 was Rs. 288.73 lakhs, which is lower than the last year's profit after tax of Rs. 308.26 lakhs due to lower income on account of interest/dividend and extra-ordinary items written back in the last year.

#### Financial Highlights [Rupees in Lakh]

|   | Standalone |         | Consolidated |         |
|---|------------|---------|--------------|---------|
|   | 2016-17    | 2015-16 | 2016-17      | 2015-16 |
| Total Income  | 1655.07    | 1895.84 | 1735.29      | 1948.14 |
| Total Expenses  | 1180.75    | 1392.54 | 1196.53      | 1406.72 |
| Profit before Depreciation  | 474.32     | 503.30  | 538.76       | 541.42  |
| Depreciation  | 51.61      | 64.20   | 53.19        | 64.36   |
| Profit before Tax   | 422.71     | 439.10  | 485.57       | 477.06  |
| Provision for Tax   | 133.98     | 130.84  | 151.66       | 142.88  |
| Profit after Tax  | 288.73     | 308.26  | 333.91       | 334.18  |
| Less Transfer to:   |            |         |              |         |
| Expenses (net of Income) related to pre-demutualization period transferred to General Reserve | (0.26)     | (2.47)  | (0.26)       | (2.47)  |
| Investor Service Fund   | 72.84      | 70.82   | 72.84        | 70.82   |
| Settlement Guarantee Fund   | 174.70     | 167.11  | 174.70       | 167.11  |
| Prior period Tax Item   | 0.44       | ---     | 0.44         | ---     |
| Profit Attributable to Equity Shareholders  | 41.01      | 72.80   | 86.19        | 98.72   |
| Profit brought forward from last year   | 201.68     | 306.02  | 331.01       | 409.41  |
| Surplus before appropriation  | 242.69     | 378.82  | 417.20       | 508.13  |
| Appropriated to:  |            |         |              |         |
| General Reserve   | 10.00      | 30.00   | 10.00        | 30.00   |
| Proposed Dividend   | ---        | 122.25  | ---          | 122.25  |
| Tax on Proposed Dividend  | ---        | 24.89   | ---          | 24.89   |
| Surplus carried to Balance Sheet  | 232.69     | 201.68  | 407.20       | 330.99  |

#### 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 2016-17 as against Rs. 20/- per equity

share of face value of Re. 1/- in the previous Financial Year, which if approved at the forthcoming Annual General Meeting, shall be paid to those members whose names appear in the Register of Members as on the date of Book Closure. A sum of Rs.147.14 lakhs will be the outflow towards the payment of dividend including dividend distribution tax.



## The Calcutta Stock Exchange Limited

### 1.2.2 Transfer to Reserves:

The Exchange proposed to transfer Rs. 10.00 Lakhs to the General Reserve out of Rs. 41.01 lakhs available for appropriations in standalone accounts as against Rs. 30.00 Lakhs in the previous Financial Year.

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

During the year NISM, an Educational Initiative of SEBI, has given a detailed Report suggesting ways forward for the Business Development of the Company in the form of a comprehensive document on Business Plan. CSE has submitted a copy of the said report before the Division Bench, Calcutta High Court and also forwarded a copy to SEBI.

### 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.

Due to policy changes by SEBI, CSE could not attract any company through Direct Listing norms. As a consequence, reduced Revenue collection of Listing Department during the Financial Year 2016-17 was Rs. 4.11 Crore as against Rs. 4.96 Crore in the Financial Year 2015-16. During the year 2016-17, CSE has approved Voluntary Delisting of 29 Companies under SEBI Voluntary Delisting Regulations. At the end of 31<sup>st</sup> March 2017, there are 2436 companies listed with the Exchange.

Due to restrictions imposed by SEBI in the wake of Exit Circular, SEBI is not entertaining registration of fresh entities as Trading Members of the Company and hence, the Company couldn't increase the number of its SEBI registered trading members during the current financial year.

The appeals filed by Company before the Hon'ble High Court at Calcutta against the Single Bench Orders dated April 12, 2016 passed in the Writ Petitions filed by it against Securities and Exchange Board of India (SEBI) have been admitted by the Division Bench and

the matters are pending adjudication. The Hon'ble Division Bench has also been pleased to pass an interim order till the said appeals are heard.

### 4. Depository Services:

CSE Capital Markets Pvt. Ltd., the wholly owned subsidiary company of CSE viz. CCMPPL is continuing with the depository operations of both CDSL and NSDL.

During the current Financial Year 2016-17, the total number of beneficiary accounts at CCMPPL stood at 2,723 for NSDL and 728 for CDSL as against 572 and 758 respectively in the previous financial year of 2015-16.

### 5. Investors' Services:

The Exchange, being a Self Regulatory Organization has taken significant strides in protecting the interest of investors and also to promote education of investors in the capital markets.

The Investor Services Cell of the Exchange takes care of complaints received from investors against the listed corporate entities and/or against trading members and assists in resolving complaints at the earliest. This goes a long way in restoring Investors' confidence in the capital markets. Additionally, the Exchange also takes an active part in resolution of Investor Grievances for complaints uploaded on SEBI's online complaint resolution system called "SCORES".

The Exchange updates the action taken to resolve the Investors' Grievances in 'SCORES' regularly.

### 6. Investor Awareness and Education:

The Exchange continued its efforts to reach out to large number of individuals for promoting investors awareness and spreading financial literacy and conducted 25 number of Investor Awareness programmes in collaboration with NSDL.

CSE is actively collaborating with premier academic institutes in the area of Investor Research and the related areas of Capital Market. Centre for Studies in

Social Sciences, Calcutta under the grant of CSE-IPF is engaged on Capital Market Research. They are now in the process of writing the final report after conducting household survey on “*The State of Capital Market and Household Saving*” to discover the pattern of household participation in the capital market for investment purposes. Under the funding from the CSE-IPF, Indian Institute of Management, Calcutta is offering a fellowship grant in their doctoral programme on “*Investor Attention and Sentiment*” in the area of Research on Capital Market under their Finance & Control group.

CSE has also set up a Centre of Excellence on Financial Market (CUCSE-CEFM) at Calcutta University focusing on inter-disciplinary research initiatives on three thrust areas: capital markets, financial inclusiveness, and ethics in financial markets, with its endowment fund.

The Centre has been designed to share and leverage the expertise of the two sterling and heritage institutions towards advancing the understanding of financial markets/system, and protection of the interests of the retail investors. The objectives are congruent with those of regulatory bodies such as the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), Ministry of Corporate Affairs, and the Ministry of Finance, Government of India. To that end, the centre has conducted several awareness programmes for the students of various colleges and universities, and has intent to run specialized courses on capital markets and pursue scholastic research. This centre is few among its kind in India and a pioneer in the eastern region. Within a short span of time, since 2013, the centre has actively started to examine select issues that acutely confront the financial system in India.

### 7. Code of Conduct for Directors:

To emphasise the values and principles of the Exchange and to set the standards for professional and ethical behaviour, the Code of Conduct for Directors, as recommended by SEBI, has been adopted by the Exchange. These are applicable to all Directors. All the Directors of the Exchange have affirmed compliance to the Code for the financial year ending March 31, 2017.

A copy of the Code has been put on the Company's website at [www.cse-india.com](http://www.cse-india.com).

### 8. CSE Board Structure and Governance:

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

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

The number of Public Interest Directors shall not be less than the number of shareholder directors in a Recognized Stock Exchange. However, during the current Financial Year there are only three Public Interest Directors as against four Shareholder Directors. The Company is still awaiting for SEBI's response for appointment of two Public Interest Directors out of the four names forwarded by the Governing Board. According to SECC Regulations as referred above, presently there are no Trading Members or their associates and agents on the Board of Directors of the Exchange.

### Managing Director & CEO:

During the year, Mr. Subrato Das has taken charge as Manager Director and Chief Executive Officer of the Exchange w.e.f. 20<sup>th</sup> May, 2016.

### Public Interest Directors:

Mr. Bhaskar Sen, Dr. Bhaskar Banerjee and Prof. Partha Ray continue to act as Public Interest Directors of the Exchange. The Board selected four reputed persons from Kolkata and recommended their candidature for appointment of any two of them as Public Interest Directors of the Exchange. However, the Exchange is yet to receive communication from SEBI. This has resulted in the lower number of Public Interest Directors than the number of Shareholder Directors of the Exchange, both on the year end date as well as on the date of this Report, contrary to the stipulations of SECC Regulations referred *ibid*. The Exchange is also awaiting for SEBI approval for appointment of Chairman of the Company.



## The Calcutta Stock Exchange Limited

Public Interest Directors are not liable to retire by rotation and shareholders' approval is not required for their appointment.

### Shareholder Directors:

Mr. Ravi Poddar, Mr. Sanjay Budhia, Mr. Mohan Goenka, and Mr. Purushottam Saraf, as representative of BSE continued to act as Shareholder Directors of the Exchange and their tenures of appointment are subject to retirement of directors by rotation. Pursuant to Section 152 of the Companies Act, 2013, Mr. Sanjay Budhia [DIN: 00119611] and Mr. Ravi Poddar [DIN: 00031201] retire by rotation and being eligible, have offered themselves for re-appointment.

The Board places on record its sincere appreciation for the valuable contributions made by the Directors during their tenure on the Board. None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

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

In accordance with SEBI Circular dated December 13, 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, meeting details and attendance of Directors in the meetings of the various committees form part of Corporate Governance Report annexed to the Directors' Report. The Company is not required to appoint statutory committees enunciated under the provisions of Section 178 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. The various Committees constituted by the Company has been disclosed under Corporate Governance Report.

### 10. Meeting Details:

During the Financial Year 2016-17, seven meetings of the Board were convened and held 8<sup>th</sup> April, 2016, 15<sup>th</sup> April, 2016, 16<sup>th</sup> June, 2016, 27<sup>th</sup> August 2016, 26<sup>th</sup> September 2016, 22<sup>nd</sup> November 2016 and 3<sup>rd</sup> March, 2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act,

2013. Details of the Committee meeting held during the year are disclosed in Corporate Governance Report.

### 11. Code of Conduct for Prevention of Insider Trading pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015:

Your Directors and the Functionaries of the Exchange owe a fiduciary duty to its members and all the Corporates whose securities are listed on its trading platform to conduct their personal securities transactions in a manner that does not create any conflict of interest. The Code of Conduct for Prevention of Insider Trading has been adopted, to serve as a guiding charter for all relevant persons associated with the functioning of the Exchange. All the Directors and Functionaries of the Exchange have made requisite disclosures under the said Code of Conduct for the Financial Year ending March 31, 2017.

### 12. Corporate Governance:

In accordance with good Corporate Governance practices and in order to comply with the SECC Regulations 2012, a report on Corporate Governance as on 31st March 2017 forms part of the Annual Report. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as Listing Regulations] as applicable, with regard to Corporate Governance. As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the CEO and CFO have given appropriate certifications to the Board of Directors.

As required by Regulation 34 (3) Schedule V (E) of the listing regulations, a certificate from a Practicing Company Secretary is annexed to this report.

### 13. Directors' Responsibility Statement:

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under

review. Pursuant to Section 134 (5) of the Companies Act, 2013 and in respect of the Annual Accounts for the year under review, the Directors hereby confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year;

iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. the directors had prepared the annual accounts on a going concern basis;

v. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **14. Public Deposits:**

The Exchange has neither accepted nor renewed any fixed deposits from public during the Financial Year under review and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### **15. Material Changes and Commitments:**

There were no material changes or commitments affecting the financial position of the company occurring between the date of Financial Statements and the Board's Report.

### **16. Note on Holding, Subsidiary, Joint Venture and Associate Companies:**

The Company has a wholly-owned Subsidiary Company viz. CSE Capital Markets Private Limited (CCMPL). It has no other Associate or Joint Venture Company. In accordance with Section 129 (3) of the Companies Act, 2013, the Exchange has prepared consolidated financial statements of the Company and its subsidiary, which form part of the Annual Report. Further, the report on the performance and financial position of the sole subsidiary and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report as Annexure – 1. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and Audited Financial Statements of the Subsidiary will be available on our website [www.cse-india.com](http://www.cse-india.com). These documents will also be available for inspection during business hours at the Registered Office of the Company. There are no companies which have become or ceased to be subsidiaries, joint ventures and associates during or at the end of the Financial Year.

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

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as below:

#### **A. Conservation of Energy:**

The Company is a stock exchange, engaged in providing listing services; hence its operations do not account for substantial energy consumptions. Accordingly, the Company is not required to furnish information under the head “Conservation of Energy” as per the requirement of aforesaid rules. However, CSE continuously strives to optimise its energy usage and efficiency and has adopted several environment friendly measures to conserve energy such as –

i. Installation of an environment friendly 10.2 KWP Solar Power Plant at its Registered Office.



- ii. Installation of Thin – Film Transistor (TFT) monitors that save power.
- iii. Power shutdown of idle monitors.
- iv. Minimising air-conditioning usage.
- v. Shutting off all the lights when not in use.
- vi. Educating and making the employees aware to save power.

**B. Technology Absorption:**

|    |   |  |
|----|---|--|
| 1  | Efforts, made towards technology absorption   | The management keeps itself abreast of the technological advancements in the industry and ensures continued and sustained efforts towards absorption as well as development of the same to meet business needs and objectives. |
| 2  | Benefits derived like Product improvement, cost reduction, product development, product substitution, or import substitution                                  | The technological absorption has resulted in improvement in services. However, the benefits derived from the technological advancements are not quantifiable.  |
| 3  | In case of imported technology (imported during the last 3 years, reckoned from the beginning of the financial year) following information may be furnished : |  |
|    | (a) Technology imported.  | Nil  |
|    | (b) Year of import.   | Not Applicable   |
|    | (c) Has technology been fully absorbed?   | Not Applicable   |
|    | (d) If not fully absorbed, areas where this has not taken place, reasons thereof  | Not Applicable   |
| 4. | Expenditure incurred on Research and Development  | The Company is stock exchange, engaged in providing listing services; hence there were no activities in the company which require substantive research and development.  |

**C. Foreign Exchange Earnings & Outgo:**

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

**18. Particulars of Employees**

In accordance with Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended upto date there was no employee who was in receipt of remuneration in excess of Rupees One Crore Two Lakh for the year or Rupees Eight Lakh Fifty Thousand per month.

In accordance with Regulation 27(5) of the Securities Contracts (Regulation) Stock Exchanges and Clearing Corporations) Regulations, 2012 compensation given to key management personnel as defined under regulation 2(1)(i) of aforesaid regulations is disclosed

in Corporate Governance Report annexed to the Directors Report

**19. Statutory Auditors:**

M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, [FRN:301003E] Statutory Auditors of the Company were appointed for a period of five years to hold office from the conclusion of 93<sup>rd</sup> Annual General Meeting till the conclusion of the 98<sup>th</sup> Annual General Meeting for the financial year ending on 31<sup>st</sup> March 2021 subject to ratification by members at every subsequent Annual General Meeting. Following the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended upto date, the Board has ratified their appointment till conclusion of the 95<sup>th</sup> Annual General Meeting subject the approval of the members in the

Annual General Meeting.

## 20. Auditors' Report:

The Statutory Auditors' in their Report dated 30<sup>th</sup> August, 2017 on the financial statements of the Exchange for the Financial Year ended March 31, 2017 has reported certain qualifications and the management has given its suitable reply.

## 21. Management/s Explanation to the qualifications made by the Statutory Auditors on the Annual Accounts of the Exchange for the year 2016-17:

| Points as per Independent Auditor's Report:   | Management's Explanation:  |
|---|--|
| Attention is drawn to Note 30 (i) regarding recoverability of Rs. 94,96,16,925 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 as carried forward in these financial statements is not ascertainable. | As on 31.3.2017 amount recoverable from Members who have defaulted on account of settlement dues during the year 2000-01 is amounting to Rs.94,96,16,925/-.Out of the above, money recovery suits have been filed against defaulters for recovery to the extent of Rs.93,00,50,704/-. As the matter is sub-judice, the extent of recoverability of the amount from defaulters is not ascertainable. However, long term liabilities include the same amount as contribution received from Settlement Guarantee Fund and hence no impact on profitability is foreseen.   |
| Points as per Auditor's Report on the internal financial control over financial reporting:  | Management's Explanation:  |
| The Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Company not recognising sufficient provision there against.                | As on 31.3.2017 amount recoverable from Members who have defaulted on account of settlement dues during the year 2000-01 is amounting to Rs.94,96,16,925/-.Out of the above, money recovery suits have been filed against defaulters for recovery to the extent of Rs.93,00,50,704/-and exchange is constantly persuading the cases for recovery. As the matter is sub-judice, the extent of recoverability of the amount from defaulters is not ascertainable. However, long term liabilities include the same amount as contribution received from Settlement Guarantee Fund and hence separate provisioning is not required and no impact on profitability is foreseen. |

## 22. Management Discussion & Analysis:

The Management Discussion & Analysis Report forms

part of this Annual Report.

## 23. Cost Audit and Secretarial Audit:

Secretarial Audit, Cost Audit and maintenance of cost records are not applicable to the Company.

## 24. Particulars of loans, guarantees or investments:

The Company has not granted any loan or made any investments or given guarantees or provided securities covered under section 186 of the Companies Act, 2013.

## 25. Related Party Disclosures:

All related party transactions, entered into during the Financial Year were on arm's length basis in the ordinary course of business.

Material Transactions entered into by the Company with the related parties referred to in Section 188(1) of the Act during the year under review, which were in the ordinary course of business and on arm's length basis and the particulars of which are required to be disclosed under Section 134(1)(h) of the Act read with Rule 8(2) of Companies (Accounts) Rules, 2014 in Form AOC-2 is attached as Annexure - 2.

## 26. Extract of the Annual Return as per section 92(3) of the Act:

Pursuant to Sections 92 (3) and 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return as provided in Form MGT-9 is attached as Annexure-3.

## 27. Internal Financial Control:

As required under Section 134 (3) (q) of the Companies Act, 2013 read with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has Internal Financial Controls with reference to the Financial Statements that are commensurate with the size, scale, complexity and operations of the Company. The same are designed to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliances. Internal control systems comprising of policies and procedures are designed to



ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected. Self-certification exercises are also conducted by which Directors and senior management level employees certify effectiveness of the internal control system, their adherence to the code of conduct and company's policies for which they are responsible in financial or commercial transactions.

The internal financial control measures have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Exchange has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. The Exchange uses back office software to record data for accounting, consolidation and management information purposes.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2017. The assessment involved self review, internal audit and external audit. M/s. S. R. Batliboi & Co. LLP, the statutory auditors of the company has audited the financial statements included in this annual report and has issued an attestation report on its internal control over financial reporting (as defined in Section 143 of Companies Act, 2013).

The Company has appointed M/s. Singhi & Co., Chartered Accountants to oversee and carry out internal audit of the functions and activities of the Exchange. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as software delivery, accounting and finance, procurement, employee engagement, travel,

insurance, IT processes etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in Section 177 of Companies Act 2013) the audit committee has concluded that, as of March 31, 2017, the Company's internal financial controls were adequate and operating effectively.

### **28. Risk Management:**

Risks are events, situations or circumstances which may lead to negative consequences on the company's businesses. Risk management is the process of identifying, quantifying and managing the risks that an organization faces.

The Company has in place a Risk Management Policy, based on which the risks are identified and managed. Key business risks and the related key performance indicators, along with the mitigating action plans are reviewed on need based periodicity to assess the threats and opportunities that will impact the objectives set for the Company as a whole. The Risk Assessment and Minimization Procedures are periodically reviewed and modified by the Board. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined policy. The Company fulfils its legal requirements as per the Rules/Acts laid down in the statute and improving work place safety continues to be the top priority. As of now the Directors do not envisage any element of risk which may threaten the very existence of the company.

### **29. Employee Relations / Human Resource Developments:**

The Company continued to maintain excellent and cordial personnel relation. The Directors express their appreciation for the dedication, commitment and sincere services rendered by the employees at all levels

throughout the year.

### 30. Corporate Social Responsibility:

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to incur expenditure towards CSR activities to the extent of Rs. 9.81 lakhs for the financial year 2016-17. As expenditure in this account could not be incurred during the year, the same shall be incurred in the next financial year for the purposes specified in these Rules.

However, during the year 2016-17, company has deposited Rs. 10 lakhs to 'HDFC Charity Fund for Cancer Cure'. Half of the dividend under this scheme, may be treated as part of CSR, under 'Preventive Healthcare' as given in Schedule VII of The Companies Act, 2013.

### 31. Unpaid/Unclaimed Dividend:

As on 31st March, 2017, the Company is having a sum of Rs. 64.53 lakhs (as against Previous Year Rs.57.73. lacs) as unpaid/unclaimed dividend lying in its Unpaid Dividend Account with Banks.

### 32. General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) No loan has been granted to any employee for purchase of Company's shares under any scheme.
- b) The Company has not issued any equity shares

with differential rights as to dividend, voting or otherwise.

c) There was no issue of shares (including sweat equity shares / ESOP / ESPS) to employees of the Company under any scheme.

d) None of the Directors / Managing Director receives any remuneration or commission from any of its subsidiaries.

e) No fraud has been committed by the Company or by any of its officers or employees and the Auditors have not reported any fraud either to the Audit Committee or to the Board of Directors or to the Central Government pursuant to section 143(12) of the companies Act, 2013.

f) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status.

g) Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 33. Acknowledgement

Your Directors place on record their sincere appreciation for the continued assistance, co-operation and guidance provided by the 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

Place: Kolkata  
Date: 30<sup>th</sup> August, 2017

Bhaskar Sen  
Director  
DIN - 03193003

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201



# The Calcutta Stock Exchange Limited

Annexure -1

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars   | Details                                 |
|---------|---|---|
|         | Name of the subsidiary  | CSE Capital Markets Pvt. Ltd.           |
|         | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Year ended 31 <sup>st</sup> March, 2017 |
|         | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR (Rupees)                            |
|         | Share capital   | 5,77,50,020                             |
|         | Reserves & surplus  | 2,42,76,113                             |
|         | Total Assets  | 8,46,52,692                             |
|         | Total Liabilities   | 26,06,041                               |
|         | Investments   | 60,93,724                               |
|         | Turnover  | 81,29,716                               |
|         | Profit before taxation  | 62,85,979                               |
|         | Provision for taxation  | 17,67,659                               |
|         | Profit after taxation   | 45,18,320                               |
|         | Proposed Dividend   | Nil                                     |
|         | % of shareholding   | 100%                                    |

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board

Place: Kolkata  
Date: 30<sup>th</sup> August, 2017

Bhaskar Sen  
Director  
DIN - 03193003

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201

# Annual Report 2016-17

Annexure - 2

## Form No. AOC – 2

**[Pursuant to clause (h) of sub-section (3) of section 134 of the act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

**Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto**

### 1. Details of contracts or arrangements or transactions not at arm's length basis:- NIL

| Sl.No | Name(s) of the related Party and nature of relationship | Nature of Contract /arrangements /transactions | Duration of the contracts/arrangements /transactions | Salient terms of the contract or arrangements or transactions, including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|-------|---|--|--|--|--|----------------------------------|---------------------------------|---|
|       |   |  |  |  |  |                                  |                                 |   |
|       |   |  |  |  |  |                                  |                                 |   |
|       |   |  |  |  |  |                                  |                                 |   |
|       |   |  |  |  |  |                                  |                                 |   |
|       |   |  |  |  |  |                                  |                                 |   |

### 2. Details of material contracts or arrangement or transactions at arm's length basis:-

| Sl. No. | Name(s) of the related Party and nature of relationship | Nature of contracts /arrangements /transactions | Duration of the contracts/arrangements /transactions | Salient features of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---------|---|---|--|---|--|---------------------------------|
| 1.      | Stock Exchange Investors' Protection Fund               | As per SEBI guidelines                          | Ongoing [Throughout the year]                        | Not applicable  | N.A.*                                    | No                              |
| 2.      | CSE Capital Markets Private Limited                     | Reimbursement Transactions                      | Ongoing [Throughout the year]                        | Not applicable  |  | Not ascertainable               |

\* No Board approval is required since Sec 188 of the Companies Act, 2013 is not applicable

For and on behalf of the Board

Place: Kolkata  
Date: 30<sup>th</sup> August, 2017

Bhaskar Sen  
Director  
DIN - 03193003

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201



**FORM NO. MGT – 9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON : 31ST MARCH, 2017**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

|      |   |  |
|------|---|--|
| i)   | CIN   | U67120WB1923PLC004707  |
| ii)  | Registration Date   | 06/07/1923   |
| iii) | Name of the Company   | The Calcutta Stock Exchange Limited  |
| iv)  | Category / Sub-Category of the Company                                    | Public Company Limited by Shares   |
| v)   | Address of the Registered Office and Contact details                      | 7, Lyons Range, Kolkata – 700001<br>Tel – 033 – 4025 3000<br>Fax – 033 – 4025 3030<br>Email -                                      |
| vi)  | Whether Listed Company – Yes / No   | No   |
| vii) | Name, Address and Contact Details of Registrar and Transfer Agent, if any | C.B. Management Services Pvt. Ltd.<br>P-22, Bondel Road, Kolkata – 700019<br>Ph - +91 33 4011 6700 / 6729<br>Email – rta@cbmsl.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1.      | Stock Exchange operations                        | 6611                             | 29%                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

| S. NO | NAME AND ADDRESS OF THE COMPANY                                   | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE* | % of shares held | Applicable Section |
|-------|---|-----------------------|---------------------------------|------------------|--------------------|
| 1     | CSE Capital Markets Pvt. Ltd.<br>7, Lyons Range, Kolkata – 700001 | U74900WB2009PTC134753 | Subsidiary                      | 100%             | 2(87)(ii)          |

\*There is no holding and associate company during the year

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise share holding

| Category of Shareholder  | Number of shares held at the beginning of the year 01.04.2016 |               |               |                   | Number of shares held at the end of the year 31.03.2017 |               |               |                   | % change during the year |
|--|---|---------------|---------------|-------------------|---|---------------|---------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total         | % of total shares | Demat   | Physical      | Total         | % of total shares |                          |
| <b>A. Promoters</b>  |   |               |               |                   |   |               |               |                   |                          |
| <b>(1) Indian</b>  |   |               |               |                   |   |               |               |                   |                          |
| (a) Individual/ HUF  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (b) Central Government   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (c ) State Government(s)   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (d) Bodies Corporate   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (e) Banks/FI   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (f) Any Other  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| <b>Sub Total(A)(1)</b>   | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0.0000</b>            |
| <b>(2) Foreign</b>   |   |               |               |                   |   |               |               |                   |                          |
| (a) NRIs-Individuals   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (b) Other—Individuals  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (c )Bodies Corporate   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (d) Banks/FI   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (e) Any Other  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| <b>Sub Total(A)(2)</b>   | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0.0000</b>            |
| <b>Total Shareholding of Promoter (A)– (A)(1)+(A)(2)</b>                           | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0.0000</b>            |
| <b>B. Public shareholding</b>  |   |               |               |                   |   |               |               |                   |                          |
| <b>1. Institutions</b>   |   |               |               |                   |   |               |               |                   |                          |
| (a) Mutual Funds   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (b) Banks/FI   | 0   | 20907         | 20907         | 3.3789            | 0   | 20907         | 20907         | 3.4204            | 0.0415                   |
| (c ) Central Government  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (d) State Government(s)  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (e) Venture Capital Funds  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (f) Insurance Companies  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (g) FIIs   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (h) Foreign Venture Capital Funds  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (i) Qualified Foreign Investor   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (j) Other (specify)  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| <b>Sub-Total (B)(1)</b>  | <b>0</b>  | <b>20907</b>  | <b>20907</b>  | <b>3.3789</b>     | <b>0</b>  | <b>20907</b>  | <b>20907</b>  | <b>3.4204</b>     | <b>0.0415</b>            |
| <b>2. Non-institutions</b>   |   |               |               |                   |   |               |               |                   |                          |
| (a) Bodies Corporate   |   |               |               |                   |   |               |               |                   |                          |
| (i) Indian   | 265107  | 25728         | 290835        | 47.0036           | 263293  | 15364         | 278657        | 45.034            | -1.96                    |
| (ii) Overseas  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (b) Individuals  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh         | 94172   | 49125         | 143297        | 23.1591           | 102683  | 43628         | 146311        | 23.9364           | 0.7772                   |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (c )Others (specify)   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (i) Director   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (ii) Trust   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| (iii) Non-Resident Individuals - Rep.  | 5   | 0             | 5             | 0.0008            | 655   | 0             | 655           | 0.1072            | 0.1063                   |
| (iv) Non-Resident Individuals - Non Rep.   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| <b>Sub-Total (B)(2)</b>  | <b>359284</b>   | <b>74853</b>  | <b>434137</b> | <b>70.1636</b>    | <b>366631</b>   | <b>58992</b>  | <b>425623</b> | <b>69.6316</b>    | <b>-0.5320</b>           |
| <b>Total Public Shareholding (B)– (B)(1)+(B)(2)</b>                                | <b>359284</b>   | <b>95760</b>  | <b>455044</b> | <b>73.5425</b>    | <b>366631</b>   | <b>79899</b>  | <b>446530</b> | <b>73.0519</b>    | <b>-0.4905</b>           |
| <b>C. Shares held by Custodians for GDRs &amp; ADRs</b>                            | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0</b>  | <b>0</b>      | <b>0</b>      | <b>0.0000</b>     | <b>0.0000</b>            |
| <b>D. Trading Members and Associated of Trading Members</b>                        |   |               |               |                   |   |               |               |                   |                          |
| 1. Corporate Trading Member  | 17250   | 21750         | 39000         | 6.3030            | 22864   | 21250         | 44114         | 7.2170            | 0.9140                   |
| 2. Individual Trading Member   | 51956   | 72500         | 124456        | 20.1141           | 50356   | 70000         | 120356        | 19.6901           | -0.4240                  |
| 3. Associate Trading Members – FI/Banks  | 0   | 250           | 250           | 0.0404            | 0   | 250           | 250           | 0.0409            | 0.0005                   |
| 4. Associate Trading Members – INDIVIDUAL  | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| 5. Associate Trading Members – HUF   | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| 6. Associate Trading Member - Venture Capital                                      | 0   | 0             | 0             | 0.0000            | 0   | 0             | 0             | 0.0000            | 0.0000                   |
| <b>Sub-Total (D)</b>   | <b>69206</b>  | <b>94500</b>  | <b>163706</b> | <b>26.4575</b>    | <b>73220</b>  | <b>91500</b>  | <b>164720</b> | <b>26.9481</b>    | <b>0.4905</b>            |
| <b>GRAND TOTAL (A)+(B) + (C) +(D)</b>  | <b>428490</b>   | <b>190260</b> | <b>618750</b> | <b>100.0000</b>   | <b>439851</b>   | <b>171399</b> | <b>611250</b> | <b>100.0000</b>   | <b>0.0000</b>            |



**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change In share holding during the year |
|--------|--------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
|        |                    | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
|        | Not Applicable     |   |                                  |  |                                      |                                  |  |   |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl No. | Name of the Share holders | Shareholding at the beginning of the year 01.04.2016 |                                  | Change during the year       |                                |                                  |        | Cumulative Shareholding during the year |                                  | Share holding at the end of the year 31.03.2017 |                                  |
|--------|---------------------------|--|----------------------------------|------------------------------|--------------------------------|----------------------------------|--------|---|----------------------------------|---|----------------------------------|
|        |                           | No. of shares  | % of total shares of the company | Date of increase or Decrease | Amount of increase or decrease | % of total shares of the company | Reason | No. of shares                           | % of total shares of the company | No. of shares                                   | % of total shares of the company |
|        | Not Applicable            |  |                                  |                              |                                |                                  |        |   |                                  |   |                                  |

**(iv) Shareholding Pattern of top ten Shareholders  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | Name of the Share holders                    | Shareholding at the beginning of the year 01.04.2016 |                                  | Change during the year       |                                |                                  |          | Cumulative Shareholding during the year |                                  | Share holding at the end of the year 31.03.2017 |                                  |
|---------|--|--|----------------------------------|------------------------------|--------------------------------|----------------------------------|----------|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares  | % of total shares of the company | Date of increase or Decrease | Amount of increase or decrease | % of total shares of the company | reason   | No. of shares                           | % of total shares of the company | No. of shares                                   | % of total shares of the company |
| 1       | BSE Limited                                  | 30,875   | 4.99                             | No Change                    | No Change                      | No Change                        | N.A.     | 30,875                                  | 4.99                             | 30,875  | 4.99                             |
| 2       | East India Securities Ltd.                   | 20,907   | 3.37                             | No Change                    | No Change                      | No Change                        | N.A.     | 20,907                                  | 3.37                             | 20,907  | 3.37                             |
| 3       | Kirtivardhan Finvest Services Limited        | 20,907   | 3.37                             | No Change                    | No Change                      | No Change                        | N.A.     | 20,907                                  | 3.37                             | 20,907  | 3.37                             |
| 4.      | Mannakrishna Investments Pvt Ltd             | 20,907   | 3.37                             | No Change                    | No Change                      | No Change                        | N.A.     | 20,907                                  | 3.37                             | 20,907  | 3.37                             |
| 5       | West Bengal Infrastructure Dev Fin Corpn Ltd | 20,907   | 3.37                             | No Change                    | No Change                      | No Change                        | N.A.     | 20,907                                  | 3.37                             | 20,907  | 3.37                             |
| 6.      | Patton International Ltd                     | 20,907   | 3.37                             | No Change                    | No Change                      | No Change                        | N.A.     | 20,907                                  | 3.37                             | 20,907  | 3.37                             |
| 7       | Deevee Commercials Limited                   | 20,607   | 3.33                             | No Change                    | No Change                      | No Change                        | N.A.     | 20,607                                  | 3.33                             | 20,607  | 3.33                             |
| 8       | Aradhana Investments Ltd                     | 19,907   | 3.22                             | 10/02/2017                   | (500)                          | (0.08)                           | Transfer | 19,407                                  | 3.14                             | 19,407  | 3.14                             |
| 9       | Kesoram Industries Limited                   | 10,455   | 1.69                             | No Change                    | No Change                      | No Change                        | N.A.     | 10,455                                  | 1.69                             | 10,455  | 1.69                             |
| 10      | Savitri Devi Chowdhari                       | 10,454   | 1.69                             | No Change                    | No Change                      | No Change                        | N.A.     | 10,454                                  | 1.69                             | 10,454  | 1.69                             |

**(v). Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | Name of the Share holders | Shareholding at the beginning of the year 01.04.2016 |                                  | Change during the year       |                                |                                  |        | Cumulative Shareholding during the year |                                  | Share holding at the end of the year 31.03.2017 |                                  |
|---------|---------------------------|--|----------------------------------|------------------------------|--------------------------------|----------------------------------|--------|---|----------------------------------|---|----------------------------------|
|         |                           | No. of shares  | % of total shares of the company | Date of increase or Decrease | Amount of increase or decrease | % of total shares of the company | reason | No. of shares                           | % of total shares of the company | No. of shares                                   | % of total shares of the company |
| 1       | Mr. Ravi Poddar           | 5000   | 0.80                             | No Change                    | No Change                      | No Change                        | N.A.   | 5000                                    | 0.80                             | 5000  | 0.80                             |



## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|--|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning<br/>of the financial year</b> |  |                    |          |                       |
| i) Principal Amount  | -                                      | -                  | -        | -                     |
| ii) Interest due but not paid                                  | -                                      | -                  | -        | -                     |
| iii) Interest accrued but not due                              | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>  | -                                      | -                  | -        | -                     |
| <b>Change in Indebtedness during<br/>the financial year</b>    |  |                    |          |                       |
| • Addition   | -                                      | -                  | -        | -                     |
| • Reduction  | -                                      | -                  | -        | -                     |
| <b>Net Change</b>  | -                                      | -                  | -        | -                     |
| <b>Indebtedness at the<br/>end of the financial year</b>       |  |                    |          |                       |
| i) Principal Amount  | -                                      | -                  | -        | -                     |
| ii) Interest due but not paid                                  | -                                      | -                  | -        | -                     |
| iii) Interest accrued but not due                              | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>  | -                                      | -                  | -        | -                     |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in Rs.

| Sl.<br>No. | Particulars of Remuneration   | Name of MD/WTM/Manager |                  | Total<br>Amount |
|------------|---|------------------------|------------------|-----------------|
|            |   | Subrato Das*           | B Madhav Reddy** |                 |
| 1.         | Gross salary  |                        |                  |                 |
|            | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 53,65,405              | 31,49,077        | 85,14,482       |
|            | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 3,00,000               | 16,40,362        | 19,40,362       |
|            | (c) Profits in lieu of salary under   |                        |                  |                 |
| 2.         | Stock Option  |                        |                  |                 |
| 3.         | Sweat Equity  |                        |                  |                 |
| 4.         | . Commission<br>- as % of profit<br>- others, specify...                            |                        |                  |                 |
| 5.         | Others, please specify<br>-Provident Fund<br>-Bonus                                 |                        |                  |                 |
|            | <b>Total (A)</b>  | 56,65,405              | 47,89,439        | 1,04,54,844     |
|            | <b>Ceiling as per the Act</b>   | Within limit           | Within limit     |                 |

\*Mr. Subrato Das joined the Company as Managing Director and CEO on 20<sup>th</sup> May 2016.

\*\* Mr. B. Madhav Reddy was employed for the part of the year as President and left the Company on 31<sup>st</sup> August 2016. Rs 16,40,362 includes Rs 16,25,812 received as leave encashment from funded balance of M/s India First Life insurance Co Ltd.

## B. Remuneration to other directors:

Amount in Rs.

| Sl. No. | Particulars of Remuneration                             | Name of Directors |                     |                  |             |               |              |                             | TOTAL    |
|---------|---|-------------------|---------------------|------------------|-------------|---------------|--------------|-----------------------------|----------|
|         | <u>Independent Directors</u>                            | N.A.              | N.A.                | N.A.             | N.A.        | N.A.          | N.A.         | N.A.                        | N.A.     |
|         | · Fee for attending board /committee meetings           | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | · Commission  | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | · Others, please specify                                | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | Total(1)  | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | <u>Other Non-Executive Directors</u>                    | Bhaskar Sen       | Dr.Bhaskar Banerjee | Prof. Partha Ray | Ravi Poddar | Sanjay Budhia | Mohan Goenka | Purushottam Saraf (BSE Ltd) | TOTAL    |
|         | · Sitting Fees for attending board / committee meetings | 2,47,500          | 2,40,000            | 1,07,500         | 1,05,000    | 77,500        | 60,000       | 1,05,000                    | 9,42,500 |
|         | · Commission  | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | · Others, please specify                                | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | Total(2)  | 2,47,500          | 2,40,000            | 1,07,500         | 1,05,000    | 77,500        | 60,000       | 1,05,000                    | 9,42,500 |
|         | Total(B)=(1+2)  | 2,47,500          | 2,40,000            | 1,07,500         | 1,05,000    | 77,500        | 60,000       | 1,05,000                    | 9,42,500 |
|         | Total Managerial Remuneration                           | -                 | -                   | -                | -           | -             | -            | -                           | -        |
|         | Overall Ceiling as per the Act                          | N/A               | N/A                 | N/A              | N/A         | N/A           | -            | -                           | -        |

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/ WTD

| Sl. No.  | Particulars of Remuneration  | Key Managerial Personnel   |                   |     |       |
|----------|--|--|-------------------|-----|-------|
|          |  | CEO  | Company Secretary | CFO | Total |
| <b>1</b> | <b>Gross salary</b><br><b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b><br><br><b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b><br><br><b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b> | The Company does not have any Key Managerial Personnel as per Companies Act, 2013. |                   |     |       |
| <b>2</b> | <b>Stock Option</b>  |  |                   |     |       |
| <b>3</b> | <b>Sweat Equity</b>  |  |                   |     |       |
| <b>4</b> | <b>Commission</b><br><b>- as % of profit</b><br><b>- others, specify...</b>  |  |                   |     |       |
| <b>5</b> | <b>Others, please specify</b>  |  |                   |     |       |
|          | <b>Total</b>   |  |                   |     |       |



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/ NCLT / COURT] | Appeal made, if any (give Details) |
|------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A.COMPANY                    |                              |                   |   |                              |                                    |
| Penalty                      | None                         |                   |   |                              |                                    |
| Punishment                   |                              |                   |   |                              |                                    |
| Compounding                  |                              |                   |   |                              |                                    |
| B. DIRECTORS                 |                              |                   |   |                              |                                    |
| Penalty                      | None                         |                   |   |                              |                                    |
| Punishment                   |                              |                   |   |                              |                                    |
| Compounding                  |                              |                   |   |                              |                                    |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |   |                              |                                    |
| Penalty                      | None                         |                   |   |                              |                                    |
| Punishment                   |                              |                   |   |                              |                                    |
| Compounding                  |                              |                   |   |                              |                                    |

For and on behalf of the Board

Place: Kolkata  
Date: 30<sup>th</sup> August, 2017

Bhaskar Sen  
Director  
DIN - 03193003

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201

## Annexure 4

### Annual Report on CSR Activities of the Company for the financial year ended 31<sup>st</sup> March, 2017 (Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)

|    |  |   |
|----|--|---|
| 1. | A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. | The Calcutta Stock Exchange Ltd formulated its Corporate Social Responsibility as an integral part of our vision. It is the endeavor of the company to function as a responsible corporate entity and work for the communities and society at large in and around its area of operations with an objective to energize, involve and enable them to realise their potential. |
| 2. | Composition of CSR committee   | Dr. Bhaskar Banerjee - Public Interest Director<br><br>Prof. Partha Ray - Public Interest Director<br><br>Mr. Ravi Poddar - Shareholder Director  |
| 3. | Average net profit of Company for last 3 financial years   | Rs. 490.79 lakhs  |
| 4. | Prescribed CSR expenditure (2% of the amount as in item 3 above)   | Rs. 9.81 lakhs  |
| 5. | a) Total amount to be spent during the financial year  | Nil   |
|    | b) Amount unspent, if any  | Rs. 9.81 lakhs  |
|    | c) Manner in which the amount spent during the financial year is detailed below in the prescribed format   |   |



## The Calcutta Stock Exchange Limited

| Sl No | CSR Project or activity identified   | Sector in which the project is covered   | Projects or programmes<br>(i) Local area or other<br><br>(ii) Specify the State and district where projects or programmes were undertaken | Amount outlay (Budget) projects or programme wise | Amount spent on the projects or programmes<br><br><b>Sub heads:</b><br>1. Direct expenditure on projects or programmes<br><br>2. Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|-------|--|--|---|---|--|---|---|
|       | None   |  |   |   |  |   |   |
|       | <b>Total</b>   |  |   |   |  |   |   |
| 6.    | Reasons for not spending the prescribed amount (in case the Company has failed to spend amount specified under item 4) | As no expenditure in this account could be spend during the year, the same shall be spend in the next financial year for the purposes specified in these Rules |   |   |  |   |   |
| 7.    | Responsibility statement of CSR Committee  | The CSR Committee has confirmed that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company    |   |   |  |   |   |

For The Calcutta Stock Exchange Limited

Place: Kolkata  
Dated: 30th August, 2017

Dr. Bhaskar Banerjee  
Chairman of CSR Committee

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Economic Environment:**

The Financial Year 2016-17 has witnessed a number of impactful developments both on the international and domestic fronts. While Brexit in U.K. and political changes in other advanced economies like the USA left a big footprint on global economy, domestically demonetisation of high denomination currency notes has been a major talking point.

There has been a nationwide debate on the effects of demonetisation on the economic growth. The potential positive effects of demonetisations are manifold - greater digitisation and formalisation of economy, a check on corruption, increased flow of financial savings and so forth. Further policy actions of the Government of India such as demand based remonetisation, implementation of unified Goods and Services Tax (GST) and other major tax reforms including reduction of tax rates and stamp duty are reasonably expected to provide an impetus to investment and growth in the country.

### **Industry Structure & Development:**

Capital Market is the backbone of the economy of any country. It helps to channelize surplus funds into productive use. It is a market from where companies and Government can raise long term funds. Stock Exchanges, Banks, Insurance Companies, other Intermediaries and the Government are the important participants of capital market. In India the capital market participants operate within the regulatory framework under close monitoring by the Securities and Exchange Board of India (SEBI).

During the last couple of decades the Indian capital market has grown in terms of volume of transactions as well as funds raised. After the Government of India adopted the economic liberalisation policy in the 1990s, India's economic growth has been significant which in turn raised the interests of Indian and Foreign Institutional Investors in the Indian capital market.

SEBI, India's market watchdog has constantly and consistently endeavoured to ensure transparency, efficiency, competitiveness and world class standards in the . In fact, on almost all operational and systematic risk management parameters, settlement system,

disclosure requirements, accounting and other standards, Indian capital market has been at par with the global standards.

Financial Year 2016-17 was a good year for equity markets with Nifty making its all time high with a return of 19% as compared to decline of 9% in the Financial Year 2015-16. Indian markets have outperformed emerging markets in dollar terms by 230 bps. The momentum is likely to continue with an expectation of improvement in corporate earnings going forward. As regards debt markets, RBI set the ball rolling on corporate bond reforms with a comprehensive set of guidelines and other measures. These measures once fully implemented will deepen the corporate bond markets and enhance liquidity. The process is already underway as the Financial Year 2016-17 saw a sharp increase in primary market issuance and corporate bond turnover. We expect this trend to gain further momentum in the Financial Year 2017-18.

### **Outlook:**

The International Monetary Fund (IMF) estimates that India's GDP growth in 2017-18 and 2018-19 will be 7.2% and 7.7% respectively whereas the world GDP growth for the same period is being projected at 3.5% and 3.6% respectively. The capital market in India has been and is likely to play a pivotal role in the growth of Indian economy. Strangely enough, the investing population in India is only 2.15% of its total population even as India celebrates 70 years of independence.

The story of Eastern and North Eastern parts of the country is even worse in the investment map of India. Although, the total population of West Bengal, Bihar, Jharkhand, Odisha, Sikkim and the 7 sister states constitutes about 26.56% of total population of India, the actual investor population in India from these 12 states is less than 10% of national aggregate.

The city of Kolkata, however, has been an exception to this trend. Kolkata proudly features in the list of T-15 cities as the only representative in the group from Eastern and North Eastern India. The investment culture of Kolkata is largely attributable to CSE which has been relentlessly operating since 1908, albeit in a limited role since 2013.



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Even today, when its trading platform is not operational since 2013, CSE is providing its members with facilities to trade in NSE and BSE with a single membership of CSE through its unique tie ups with the nation-wide bourses. CSE also allows its eligible listed companies to be traded in NSE and BSE without being required to be listed in the said stock exchanges.

CSE's investor awareness programs and contributions in the field of research in the securities markets in association with premier institutions like Centre for Social Studies, University of Calcutta and Indian Institute of Management, Calcutta have been path breaking.

With all other remaining recognised stock exchanges in India being located in Mumbai, the need to revitalise CSE is now more than ever before. CSE's geographical proximity with the vast unexplored territory of Eastern and North Eastern states can be an added impetus for 'collective efforts, inclusive growth' mantra of the Government of India.

In fact, the National Institute of Securities Markets (NISM), an educational initiative of SEBI, in its "CSE Business Plan" has stressed on the importance of the continuation of Regional Stock Exchange like CSE in the context of India, while citing the numbers of stock exchanges operating in both developing and developed economies. Internationally, the number of stock exchanges vary from 3 (Australia) to 22 (United States). There is a need to strike a balance in the number of exchanges, based on technical and financial considerations in each country. Considering that Turkey has 6 and UK has 5 exchanges, India needs more exchanges beyond BSE, NSE, and MSE, all are located in Mumbai, to increase the penetration and depth of its securities markets for ensuring a balanced financial inclusion.

The NISM study further observed that despite the best efforts of BSE and NSE, penetration of financial products has not taken place effectively beyond Western India, while CSE has the potential to play a significant role in the development of financial markets, with its relatively lower cost of transaction (with its lower Listing Fee for the company's especially in SME/MSME sector and lower Trading Membership Fee for promoting retail investors) while compared with BSE and NSE, both in the eastern states and also act as a gateway to the neighbouring nations,

especially under the "Act East" policy of the Government. On a Social Cost Benefit Analysis (SCBA) basis also, the logic for continuance of CSE far outweighs its discontinuance. CSE will have a beneficial impact on investors, intermediaries and issuers with the consequent benefits flowing to a larger ecosystem.

NISM studies have concluded, with an exhaustive list of pointers, for the rationale of business continuance of CSE and stressed on its larger role playing than its perceived role of a regional exchange for financial inclusion in this large country with varied demographics.

### **Competitive Strength and Opportunities:**

CSE being one of India's oldest stock exchanges, set up in 1908, is a respected brand throughout the country. With 2436 listed companies and over 700 registered trading members, CSE is a formidable force in Indian capital market scene. Despite no trading in its C-Star platform since 2013, CSE continues to be a profit making and dividend distributing entity, maintaining net worth well above the regulatory requirement.

CSE's Governing Board is filled with experts in diverse fields such as economy, banking, management and accountancy. It also has leading entrepreneurs of Kolkata as its members. BSE itself is represented in CSE's governing board.

Although the trading platform of CSE, C-Star remains in suspension since 2013, CSE has retained its team of experienced workforce specialising in running an operational stock exchange while managing the special trading arrangements with NSE and BSE under Sec 13 of SCRA, 1956. Now, CSE is geared to promote a Clearing Corporation of its own to compete at par with its counterparts in the financial capital of India.

Moreover, A Financial Hub is being established by West Bengal Government in New Town, Rajarhat - Kolkata. CSE will have a vital role to play in the ecosystem of Financial Hub with 21 participating banks and FI's to attract the potential investors to the second commercial capital of India, as envisaged. Incidentally, the infrastructure financing enterprise of West Bengal Government, WBIDFC is a major shareholder of CSE. And, business continuity of CSE will help channeling the investment in capital market

from the retail investors to tap the potential investments, who lost heavily under mushrooming growth of Ponzi schemes in Eastern India.

NISM has also observed that CSE has the financial capability and technical expertise to operate efficiently and has the potential to play a significant role in the development of financial markets both in the Eastern and North-eastern States and also act as a gateway to the neighbouring nations.

In view of the above and keeping in mind the aspirations of CSE's stakeholders as well as the investing public, the Governing Board the Company has already decided to form a new company as clearing corporation for clearing and settling the trades executed on its own online trading platform, C-Star. CSE has already approached the regulatory authority for obtaining the preliminary in-principle authority for this purpose.

### **Threats:**

CSE's business and operational performance is dependent upon SEBI's policy on Regional Stock Exchanges. CSE could not restart the trading in its own trading platform since 4<sup>th</sup> April, 2013 as it was not able to transfer its function relating to clearing and settlement of trades to a recognized clearing corporation. CSE, however, has now initiated the process of incorporating its own clearing corporation.

The suspension of trading on C-Star has resulted in constant and consistent revenue plunge at CSE. One of the major sources of operational revenue for any stock exchange is the income from its listed companies apart from the turnover charges on trading activities. Since, the trading platform of CSE is suspended since 4<sup>th</sup> April, 2013, a number of its listed companies have applied for delisting. Hence, CSE is facing the double blow on decreasing revenue both from its trading operation and collection of listing fees.

Presently, CSE's performance is dependent upon the volume and value of trades executed by its trading members in both BSE & NSE trading platforms under Section 13 of the Securities Contracts (Regulation) Act, 1956, the restricted role in its listing functions in absence of new listing facilities through IPO or Direct Listing norms, the limited role in processing new Membership applications and the number of active

traders under Section 13 arrangements, etc. While CSE has been operating in its limited role in absence of extending the full business opportunities as a capital market intermediary, there are external factors which may have further impacts on its activities. In particular, adverse macroeconomic developments, geo-political uncertainties, and role of market regulator may dampen the sentiments of the capital markets and negatively affect CSE's business performance.

### **Key Strategies:**

Direct investments in the equity cash markets are dominated by Western India at 64.7%, as against 7.9% in Eastern India again demonstrating low penetration of securities markets. CSE has seriously undertaken Investor Research programs viz. "The State of Capital Market and Household Saving", "Investor Attention and Sentiment" etc. in collaboration with premier academic institutions like Centre for Studies in Social Sciences, Indian Institute of Management – Calcutta, to discover the reasons behind the lopsided distribution of investor population especially in Eastern India and also set up a Centre of Excellence on Financial Market (CUCSE-CEFM) at Calcutta University focusing on inter-disciplinary research initiatives on three thrust areas: capital markets, financial inclusiveness, and ethics in financial markets, with its endowment fund.

CSE, in its endeavor of generating fund for augmenting its business operations like technical refresh of its own trading platform, *C-Star*, formation of its own clearing corporation, *Lyons Range Securities Clearing Corporation Ltd* etc., has obtained necessary permission of SEBI for commercial exploitation of its 3 Acre land parcel available in the prime location at EM Bye pass and is actively engaged in discussion with internationally renowned property consultants.

CSE, is also having a 5 Acre land in the financial hub of Kolkata in Rajarhat, is ready to extend a vibrant and major role in the growing economy of West Bengal and also to act as an enabler in establishing linkages with investors, intermediaries and issuers. At this point in time, when India is pursuing its Act East policy, CSE and Kolkata will have an increasingly important economic role to play in the national perspective.

The appeals relating to maintaining its operational and



trading status filed by Company before the Hon'ble High Court at Calcutta against the Single Bench Orders dated April 12, 2016 passed in the Writ Petitions filed by it against Securities and Exchange Board of India (SEBI) have been admitted by the Division Bench and the matters are pending adjudication. The Hon'ble Division Bench has also been pleased to pass an interim order till the said appeals are heard. Besides obtaining interim relief, CSE is taking all necessary steps to recommence trading on its own platform C-Star, promoting its own clearing corporation being one of them.

### **Risks and Concerns:**

At this juncture CSE's financial performance is dependent upon the volume and value of trades executed on the trading platform of BSE and NSE, the number of active traders in the market and the limited listing operations as permitted by the market regulator. Adverse macroeconomic conditions and regulatory actions could negatively affect our business, financial condition and results of operations.

### **Internal Control System and Adequacy:**

CSE identifies a risk based internal audit scope and assesses the inherent risk in the processes and activities of the department within the company and ensures that appropriate risk management limits, control mechanisms and mitigation strategies are in place. CSE 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.

### **Material Developments in Human Resources/Industrial Relations Front, including Number of People Employed:**

There has been some value addition in the Legal, Listing, Secretarial, Market Operations and IT departments in the wake CSE's attempts to better prepare itself under the evolving statutory and regulatory framework. The experienced work force of CSE has been mostly retained with an optimism of regaining its lost glory while resuming the trading

## **The Calcutta Stock Exchange Limited**

operation in its own platform with clearing corporation in place, subject to the support and cooperation received from the market regulator.

Moreover, based on identified needs, training and development of all employees is undertaken to increase effectiveness. We have an internal union representing the aspirations clerical and sub-staff.

### **Material Development after Balance Sheet date:**

CSE has reserved the name "*Lyons Range Securities Clearing Corporation Limited*" with the Ministry of Corporate Affairs, Government of India and is taking advance preparatory steps to incorporate the proposed clearing corporation.

### **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 "Risks and Concerns" hereinabove and subsequent developments, information or events.

### **Acknowledgement:**

Your 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

Bhaskar Sen  
Director

Dr. Bhaskar Banerjee  
Director

Place: Kolkata

Date: 30<sup>th</sup> August, 2017

## REPORT ON CORPORATE GOVERNANCE :

Regulation 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 The Calcutta Stock Exchange Limited.

### 1. The Company's philosophy on Code of 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 & CEO
- Public Interest Directors
- Shareholder Directors

The SCRA (Stock Exchange and Clearing Corporation) Regulations defines Public Interest Director as an Independent Director representing the interests of investors in securities market and who is not having any association directly or indirectly, which in the opinion of SEBI, is in conflict with the role.

As on 31<sup>st</sup> March 2017, the Chairman of the Exchange was a Public Interest Director, and the Board comprised of Three Public Interest Directors, Four Shareholders Directors and Managing Director & CEO. The Chairman was a Non-executive Director. The Company's day to day affairs are being managed by the Managing Director & CEO from 20<sup>th</sup> May 2016. Public Interest Directors are Mr. Bhaskar Sen, Dr. Bhaskar Banerjee and Mr. Partha Ray. Shareholders Directors are Mr. Ravi Poddar, Mr. Sanjay Budhia, Mr. Mohan Goenka and Mr. Purushottam Saraf.

### 2.1 Details of Board and Annual General Meetings held during FY 2016-17:

During the Financial Year 2016-2017, seven Board Meetings were held on 8<sup>th</sup> April, 2016, 15<sup>th</sup> April, 2016, 16<sup>th</sup> June, 2016, 27<sup>th</sup> August 2016, 26<sup>th</sup> September 2016, 22<sup>nd</sup> November 2016 and 3<sup>rd</sup> March, 2017 respectively. The previous Annual General Meeting was held on 29<sup>th</sup> September 2016.

### 2.2 Board Composition and attendance at Board meetings and last Annual General Meeting and particulars of other Directorships, Chairmanships / Memberships:

| Sl No | Name and designation of Director | Status / Category | Board Meetings in 2016-17 |          | Attendance in last AGM | Other Indian public companies (number) |                        |                      |
|-------|----------------------------------|-------------------|---------------------------|----------|------------------------|--|------------------------|----------------------|
|       |                                  |                   | Held                      | Attended |                        | Directorship                           | Committee Chairmanship | Committee Membership |
| 1     | Bhaskar Sen                      | PID               | 7                         | 7        | YES                    | 2                                      |                        | 2                    |
| 2     | Dr. Bhaskar Banerjee             | PID               | 7                         | 7        | YES                    |  | -                      | -                    |
| 3     | Prof. Partha Ray                 | PID               | 7                         | 4        | YES                    | -                                      |                        |                      |
| 4     | Ravi Poddar                      | SHD               | 7                         | 5        | YES                    | 1                                      |                        |                      |
| 5     | Sanjay Budhia                    | SHD               | 7                         | 5        | YES                    | 3                                      |                        |                      |
| 6     | Mohan Goenka                     | SHD               | 7                         | 4        | NO                     | 3                                      |                        | 1                    |
| 7     | Purushottam Saraf                | SHD               | 7                         | 7        | YES                    | -                                      | -                      | -                    |
| 8     | Subrato Das                      | MD & CEO          | 7                         | 7        | YES                    | -                                      |                        |                      |



## 2.3 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 behaviour, 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 on March 31, 2017. A copy of the Code has been put on the Company's website: [www.cse-india.com](http://www.cse-india.com)

## 3. Audit Committee

The present terms of reference of Audit Committee includes the power as laid down in Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 [SEBI (LODR) Regulations, 2015]. The Audit Committee also reviews information as per the requirement of Part C of Schedule II of the Listing Regulations 2015.

### 3.1 Composition of Audit Committee and attendance of members:

The composition of the Audit Committee is in accordance with the requirements of Regulation 18(1) of the Listing Regulations 2015. As on 31<sup>st</sup> March 2017, the Committee comprised of three Public Interest Directors and one Shareholder Director. The Chairman of the Committee is a Public Interest Director. All the members of the Audit Committee are financially literate and have relevant finance or audit exposure. Four Audit Committee Meetings were held on 30<sup>th</sup> June 2016, 26<sup>th</sup> August 2016, 16<sup>th</sup> December 2016 and 18<sup>th</sup> March 2017 respectively.

### 3.2 Attendance Details of Audit Committee is as under:

| Sl. No. | Name of the Director | No. of Meetings Attended |
|---------|----------------------|--------------------------|
| 1.      | Dr. Bhaskar Banerjee | 4                        |
| 2.      | Bhaskar Sen          | 4                        |
| 3.      | Prof. Partha Ray     | 2                        |
| 4.      | Purushottam Saraf    | 3                        |
| 5.      | Subrato Das          | 4                        |

Representatives of Statutory Auditors and Internal Auditors attended the meetings of Audit Committee from time to time.

### 3.3 Terms of Reference:

The terms of reference of the Audit Committee are as

per the terms laid down in the Companies Act, 2013 and Regulation 18 of the Listing Regulations 2015. The terms of reference of Audit Committee are as follows:

1. Review and monitor the auditors' independence and performance and effectiveness of audit process.
2. Approval or any subsequent modification of transactions of the company with related parties.
3. Scrutiny of inter-corporate loans and investments.
4. Valuation of undertakings or assets of the company wherever it is necessary.
5. Evaluation of internal financial control and risk management system.
6. Monitoring the end use of the funds raised through public offer and related matters.
7. The Audit Committee has authority to investigate into any matter in relation to the items above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information containing the records of the company.

## 4. Compensation and HR Committee (CHRC):

### 4.1 Composition of Compensation and HR Committee and attendance of members:

As at 31<sup>st</sup> March, 2017, the Committee consisted of Five Directors (three Public Interest Directors, one Shareholder Director and Managing Director and CEO) viz. Mr. Bhaskar Sen, Dr. Bhaskar Banerjee, Prof. Partha Ray, Mr. Ravi Poddar and Mr. Subrato Das. During the financial year 2016-17, three meetings of the Compensation & HR Committee were held on 13<sup>th</sup> July 2016, 27<sup>th</sup> October 2016, and 27<sup>th</sup> January 2017 (adjourned and continued on 6<sup>th</sup> February 2017). The attendance of various members of the Compensation & HR Committee as the then constituted are given below:-

| Name of the Members  | Status                   | No. of Meeting Attended |
|----------------------|--------------------------|-------------------------|
| Bhaskar Sen          | Public Interest Director | 3                       |
| Dr. Bhaskar Banerjee | Public Interest Director | 3                       |
| Prof. Partha Ray     | Public Interest Director | 2                       |
| Ravi Poddar          | Shareholder Director     | 3                       |
| Subrato Das          | MD & CEO                 | 3                       |

## 4.2 Details of remuneration and sitting fees of Directors & KMPs:

None of the Non-Executive Directors received any remuneration from the Company except the sitting fees. The remuneration paid during the Financial Year 2016-17 to the Managing Director, manager and other non-executive Directors are given below:

### A. Remuneration to Managing Director, Whole-time Directors, Manager and Key Management Personnel

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/Manager |                  | Total Amount |
|---------|---|------------------------|------------------|--------------|
|         |   | Subrato Das*           | B Madhav Reddy** |              |
| 1.      | Gross salary  |                        |                  |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 53,65,405              | 31,49,077        | 85,14,482    |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 3,00,000               | 16,40,362        | 19,40,362    |
|         | (c) Profits in lieu of salary under   |                        |                  |              |
| 2.      | Stock Option  |                        |                  |              |
| 3.      | Sweat Equity  |                        |                  |              |
| 4.      | . Commission<br>- as % of profit<br>- others, specify...                            |                        |                  |              |
| 5.      | Others, please specify<br>- Provident Fund<br>- Bonus                               |                        |                  |              |
|         | Total (A)   | 56,65,405              | 47,89,439        | 1,04,54,844  |
|         | Ceiling as per the Act  | Within limit           | Within limit     |              |

\*Mr. Subrato Das joined the Company as Managing Director and CEO on 20<sup>th</sup> May 2016.

\*\* Mr. B. Madhav Reddy was employed for the part of the year as President and left the Company on 31<sup>st</sup> August 2016. Rs 16,40,362 includes Rs 16,25,812 received as leave encashment from funded balance of M/s India First Life insurance Co Ltd.

### B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration                             | Name of Directors |                      |                  |             |               |              |                             | TOTAL    |
|---------|---|-------------------|----------------------|------------------|-------------|---------------|--------------|-----------------------------|----------|
| 1.      | <u>Non-Executive Directors</u>                          | Bhaskar Sen       | Dr. Bhaskar Banerjee | Prof. Partha Ray | Ravi Poddar | Sanjay Budhia | Mohan Goenka | Purushottam Saraf (BSE Ltd) | TOTAL    |
|         | - Sitting Fees for attending board / committee meetings | 2,47,500          | 2,40,000             | 1,07,500         | 1,05,000    | 77,500        | 60,000       | 1,05,000                    | 9,42,500 |
|         | - Commission  | -                 | -                    | -                | -           | -             | -            | -                           | -        |
|         | - Others, please specify                                | -                 | -                    | -                | -           | -             | -            | -                           | -        |
|         | Total   | 2,47,500          | 2,40,000             | 1,07,500         | 1,05,000    | 77,500        | 60,000       | 1,05,000                    | 9,42,500 |

## 4.3 Terms of Reference of Compensation & HR Committee:

The terms of the Compensation and HR Committee are as under.

- 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

- To frame suitable policy and system to ensure that there is no violation of SEBI regulations

## 4.4 Details of shareholding of Directors:

| Name of the Directors | No. of Equity Shares | No. of convertible instrument |
|-----------------------|----------------------|-------------------------------|
| Ravi Poddar           | 5,000                | Not applicable                |

## 5. Investor Grievance & Redressal Committee:

The Investor Grievance & Redressal Committee had been constituted to resolve and oversee the investors' related problems and improvement of the quality of investor services.



## The Calcutta Stock Exchange Limited

### 5.1 Composition of Investor Grievance & Redressal Committee and attendance of members:

As at 31<sup>st</sup> March, 2017 the committee consisted of five directors (consisting of two Public Interest Directors namely Dr. Bhaskar Banerjee and Mr. Bhaskar Sen), Two Shareholder Directors (namely Mr. Purushottam Saraf and Mr. Sanjay Budhia) and Managing Director and CEO. One meeting of the Investor Grievance & Redressal Committee was held on 27<sup>th</sup> October 2016. The attendance of members of the Investor Grievance & Redressal Committee as the then constituted are given below:-

| Name of the Members  | Status                    | No. of Meeting Attended |
|----------------------|---------------------------|-------------------------|
| Dr. Bhaskar Banerjee | Public Interest Director  | 1                       |
| Bhaskar Sen          | Public Interest Director  | 1                       |
| Sanjay Budhia        | Shareholder Director      | -                       |
| Purushottam Saraf    | Shareholder Director      | -                       |
| Subrato Das          | Managing Director and CEO | 1                       |

### 5.2 Terms of Reference of Investor Grievance & Redressal Committee:

To attend and resolve difficulties/problems faced by shareholders, to ensure prompt redressal of 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.

## 6. Corporate Social Responsibility Committee:

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

The Corporate Social Responsibility Committee has been reconstituted with Three Directors (two Public Interest Directors namely Dr. Bhaskar Banerjee and Prof. Partha Ray and one Shareholder Director viz. Mr. Ravi Poddar. During the financial year 2016-17, no meeting of the Corporate Social Responsibility Committee was held.

### 6.2 Terms of Reference of Corporate Social Responsibility Committee:

- Review of the CSR activities to be undertaken by CSE. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Appendix I.

- Formulate and recommend to the Board the CSR activities/programs to be undertaken by CSE.
- Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- Identify the agency, in case CSR is to be implemented through approved external agency.
- Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- Prepare an annual report of the CSR activities undertaken for CSE and submit such report to the Board.

Details relating to Corporate Social Responsibility Committee have been given in Annexure to the Directors Report.

## 7. Other Committees:

In addition to the above, the Exchange also has also various other statutory & Non-statutory committees constituted pursuant to SEBI Circular dated 13<sup>th</sup> December, 2012 as under:

- 1) Membership Selection Committee
- 2) Defaulters' Committee
- 3) Disciplinary Action Committee
- 4) Standing Committee on Technology
- 5) Investor Service Committee
- 6) Ethics Committee
- 7) Legal Committee
- 8) Independent Oversight Committee of the Governing Board for Listing Functions
- 9) Independent Oversight Committee of the Governing Board for Trading & Surveillance Functions
- 10) Advisory Committee
- 11) Sub-Committee for monitoring compliances of suggestions in SEBI Inspection Report
- 12) Independent Oversight Committee of the Governing Board for Member Regulation
- 13) Premises Committee
- 14) Arbitration Committee
- 15) Public Interest Directors' Committee
- 16) Stock Exchange Investors' Protection Fund

## 8. General Meeting:

The last three Annual General Meetings with details of special resolutions passed:

## 8.1 General Body Meetings:

| Details of General Meeting     | Date                             | Time       | Venue                    |
|--------------------------------|----------------------------------|------------|--------------------------|
| Annual General Meeting 2013-14 | 29 <sup>th</sup> September, 2014 | 4.30 P.M.  | 7, LyonsRange, Kolkata-1 |
| Annual General Meeting 2014-15 | 7 <sup>th</sup> November, 2015   | 11.00 A.M. | 7, LyonsRange, Kolkata-1 |
| Annual General Meeting 2015-16 | 29 <sup>th</sup> September, 2016 | 4.30 P.M.  | 7, LyonsRange, Kolkata-1 |

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

1) Consent of the company was accorded to the variation in remuneration of Mr. B. Madhav Reddy, Managing Director as set out in the Statement under Section 102 of the Act annexed to the Notice dated 28<sup>th</sup> August 2014 covering the Annual General Meeting held on 29<sup>th</sup> September 2014.

2) Consent of the company was accorded to the reappointment of Mr. B. Madhav Reddy, as the Managing Director of the Exchange for a period of one year w.e.f. 6<sup>th</sup> June 2014 on the terms and conditions including remuneration as set out in the Statement under Section 102 of the Act annexed to the Notice dated 28<sup>th</sup> August 2014 covering the Annual General Meeting held on 29<sup>th</sup> September 2014.

3) Consent of the company was accorded to the appointment of Mr. Subrato Das, as the Managing Director of the Exchange for a period of three years w.e.f. 20<sup>th</sup> May 2016 on the terms and conditions including remuneration as set out in the Statement under Section 102 of the Act annexed to the Notice dated 27<sup>th</sup> August 2016 covering the Annual General Meeting held on 29<sup>th</sup> September 2016.

## 8.3 Passing of Resolution by Postal Ballot:

Neither any resolution was put through postal ballot last year nor any resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

## 9. Disclosures:

a. Disclosure on materially-significant related party transactions of the Company that may have potential conflict with the interests of the Company at large:

The Company does not have any material-related party

transactions, which may have potential conflict with its interests at large. In any case, disclosures regarding the transactions with related parties are given in the notes to the Accounts.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years:

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.

c. Whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company's code of conduct encourages all its employees who have concerns about their work or the business of the Company, to discuss these issues with their line managers. The employees also have free access to Human Resource and Internal Audit for resolving their concerns.

Your Company has in place a whistle blower policy with a view to provide a mechanism for its Directors/employees/customers to approach the Chairman of Audit Committee, in case of any grievance or concern. The Whistle Blower policy can be accessed on your Company's website.

## Disclosure on non-mandatory requirements:

a. The Board has a Non-Executive Chairman. The Chairman is only receiving sitting fees for attending meetings.

b. Shareholders Rights: Annual Accounts are circulated to all the shareholders and also published in the website of the company after passing by the shareholders in the Annual General Meeting.

c. Audit qualifications: The qualifications contained in the Auditor's Report on the standalone financial statement for the year ended 31<sup>st</sup> March, 2017 have been duly addressed in the Directors Report.

d. Training of Board members: Presentations are made by the Management team giving an overview of the CSE's operations and business model. The Directors are also appraised of all important changes in applicable legislation, enactment, guidelines,



accounting standards, etc. to enable them to take informed decisions.

#### 10. Means of Communication:

1. Information and details of the Company in all respects are posted on the Company's website: [www.cse-india.com](http://www.cse-india.com)

2. Whenever the Company issues any notice it is posted on the Company's website.

3. Management Discussion and Analysis forms a part of the Directors' Report.

#### 11. General Shareholder Information:

##### (A) 94<sup>th</sup> Annual General Meeting

|                     |  |
|---------------------|--|
| Day & Date          | Tuesday, the 10 <sup>th</sup> October 2017   |
| Time                | 4.00 P.M.  |
| Venue               | Trading Hall, The Calcutta Stock Exchange Limited,<br>7, Lyons Range, Kolkata-700001, Ground Floor |
| Financial Year      | 31 <sup>st</sup> March, 2017   |
| Book Closure        | 4 <sup>th</sup> October, 2017 to 10 <sup>th</sup> October, 2017 (Both days inclusive)              |
| Payment of Dividend | Dividend if declared at the 94 <sup>th</sup> AGM will be paid within 30 days from the date of AGM  |

##### (B) Distribution of Shareholding as on 31<sup>st</sup> March, 2017

| Range of shares        | Shares   | Folios | %Shares | %Folios |
|------------------------|----------|--------|---------|---------|
| 1-500                  | 2,68,955 | 1,272  | 44.00   | 95.07   |
| 501-1000               | 23,920   | 29     | 3.91    | 2.17    |
| 1001-2000              | 11,075   | 8      | 1.81    | 0.60    |
| 2001-3000              | 5,526    | 2      | 0.90    | 0.15    |
| 3001-4000              | 10,218   | 3      | 1.67    | 0.22    |
| 4001-5000              | 13,976   | 3      | 2.29    | 0.22    |
| 5001-10000             | 81,247   | 11     | 13.30   | 0.82    |
| 10001-50000            | 1,96,333 | 10     | 32.12   | 0.75    |
| 50001-100000 and Above | -        | -      | -       | -       |
| TOTAL                  | 6,11,250 | 1,338  | 100.00  | 100.00  |

## The Calcutta Stock Exchange Limited

##### (C) Category of Shareholders as on 31<sup>st</sup> March, 2017

| CATEGORY                       | No of Shareholders | %      | No. of Shares | %      |
|--------------------------------|--------------------|--------|---------------|--------|
| Resident individual            | 1,102              | 82.36  | 2,66,667      | 43.63  |
| Bodies corporate               | 232                | 17.34  | 3,22,771      | 52.80  |
| HUF                            | -                  | -      | -             | -      |
| Trust                          | -                  | -      | -             | -      |
| Bank/financial institutions    | 2                  | 0.15   | 21,157        | 3.47   |
| Non-resident Indians           | 2                  | 0.15   | 655           | 0.10   |
| Foreign bodies corporate       | -                  | -      | -             | -      |
| Foreign institutional investor | -                  | -      | -             | -      |
| Venture capital                | -                  | -      | -             | -      |
| Total                          | 1,338              | 100.00 | 6,11,250      | 100.00 |

##### (D) List of top 20 Shareholders as on 31<sup>st</sup> March, 2017

| SR NO | FOLIO_NO         | NAME   | SHARES | %    |
|-------|------------------|--|--------|------|
| 1     | 1301190300069932 | BSE Limited                                  | 30,875 | 4.99 |
| 2     | IN30032710224535 | East India Securities Ltd.                   | 20,907 | 3.37 |
| 3     | IN30002011740499 | Kirtivardhan Finvest Services Limited        | 20,907 | 3.37 |
| 4     | IN30302852108896 | Mannakrishna Investments Pvt Ltd             | 20,907 | 3.37 |
| 5     | 0001090          | West Bengal Infrastructure Dev Fin Corpn Ltd | 20,907 | 3.37 |
| 6     | IN30125028422773 | Patton International Ltd                     | 20,907 | 3.37 |
| 7     | IN30297810029846 | Deevee Commercials Limited                   | 20,607 | 3.33 |
| 8     | IN30292710025324 | Aradhana Investments Ltd                     | 19,407 | 3.14 |
| 9     | IN30009510125005 | Kesoram Industries Limited                   | 10,455 | 1.69 |
| 10    | IN30125028025639 | Savitri Devi Chowdhari                       | 10,454 | 1.69 |
| 11    | IN30045011288247 | Maryada Barter Private Limited               | 10,000 | 1.62 |
| 12    | IN30149310023848 | Mani Square Limited                          | 8,494  | 1.37 |
| 13    | 0001077          | Hindusthan National Glass & Industries Ltd   | 8,364  | 1.35 |
| 14    | IN30355910021660 | Greatwall Vanijya Limited                    | 8,364  | 1.35 |
| 15    | IN30125028305012 | Nagreena Synthetics Private Limited          | 8,364  | 1.35 |
| 16    | IN30137210185616 | Jai Balaji Industries Limited                | 6,726  | 1.09 |
| 17    | IN30015910091044 | The Property Company Private Limited         | 6,187  | 1.00 |
| 18    | IN30105510822814 | Texmaco Infrastructure & Holdings Limited    | 6,187  | 1.00 |
| 19    | IN30149310001914 | Indian Chain Pvt. Ltd.                       | 6,187  | 1.00 |
| 20    | IN30125010121668 | Meenakshi Tea Company Limited                | 6,187  | 1.00 |

**(E) Category of Shares in Physical and Electronic mode as on 31.03.2017**

| Category | No. of holders | No. of Shares | %      |
|----------|----------------|---------------|--------|
| Physical | 508            | 1,71,399      | 28.04  |
| NSDL     | 635            | 3,70,972      | 60.69  |
| CDSL     | 195            | 68,879        | 11.27  |
| Total    | 1,338          | 6,11,250      | 100.00 |

(G) Share Transfer: 80.96% of equity shares (4,39,851 nos.) of the company are in electronic form. Transfer of the shares is done through depository with no involvement of the company. As regards transfer of shares held in physical form, the transfer deed can be lodged with the Registrar & Share Transfer Agent at the address mentioned above and the company processes the transfer within the prescribed time limit.

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

C. B. Management Services Pvt. Limited,  
P-22, Bondel Road, Kolkata-700019  
Ph.No.: 033-40116726  
Email – rta@cbmsl.com

For and on behalf of the Board

Bhaskar Sen  
Director  
DIN - 03193003

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201

Place: Kolkata  
Date: 30<sup>th</sup> August, 2017

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**Declaration by the 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, 2017.

For and on behalf of the Board

Place: Kolkata  
Date: 30<sup>th</sup> August, 2017

Bhaskar Sen  
Director  
DIN - 03193003

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201

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 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 2017 as stipulated in Regulation 34(3) Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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, as applicable.

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 procedures and implementations thereof, adopted by the Company for ensuring compliance of 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 Regulation 34(3) Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable.

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.

Place: Kolkata

Date: 30<sup>th</sup> August, 2017

For Rakesh Agrawal & CO.  
Company Secretaries

(RAKESH AGRAWAL)

Proprietor  
FCS-8792  
C.P. No.-9014

### INDEPENDENT AUDITOR'S REPORT

#### To the Members of The Calcutta Stock Exchange Limited Report on the Financial Statements

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We have audited the accompanying standalone financial statements of The Calcutta Stock Exchange Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India,

as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion on the standalone financial statements.

#### Basis for qualified opinion

Attention is drawn to Note 30 (i) regarding recoverability of Rs. 94,96,16,925 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 as carried forward in these financial statements is not ascertainable.

#### Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, of its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to Note 35 to the financial statements regarding the uncertainty related to the



outcome of the appeal and stay petition filed by the Company which is 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

(a) We have sought and 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 the effects of the matter described in the 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of the

internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(I) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 25, 30(i) and 35 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 14 to these standalone

financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**perBhaswar Sarkar**

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2017

## Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

To

the members of The Calcutta Stock Exchange Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments/fixed assets.
- (b) Property, plant and equipments/Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the Company. There are no loans, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company. Further, the Company is not in the business of sale of any goods.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. During the year, the Company did not have any dues towards employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, 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 on account of any dispute, are as follows:

| 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 | Certain receipts considered by the Company as capital receipt but treated as revenue receipt by Income Tax Department | 3,66,74,684 | AY - 1991-92 & 1992-93             | Hon'ble High Court of Calcutta |



## The Calcutta Stock Exchange Limited

- (viii) In our opinion and according to the information and explanations given by the management, the Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to Government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans. Accordingly, the provisions of clause (ix) are not applicable to the Company and hence not commented upon.
- (x) Based upon 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 by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) Based on our 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 by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**perBhaswar Sarkar**

Partner

Membership Number: 55596

Place: Kolkata

Date: August 30, 2017

### **Annexure 2 to the Independent Auditor's report of even date on the standalone financial statements of The Calcutta Stock Exchange Limited ('the Company')**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of The Calcutta Stock Exchange Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting,



including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

- (a) The Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Company not recognising sufficient provision there against.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and, except for the effect/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of The Calcutta Stock Exchange Limited, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Above mentioned material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of The Calcutta Stock Exchange Limited and this report affect our report dated August 30, 2017, which expressed a qualified opinion on those financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2017

# Annual Report 2016-17

## BALANCE SHEET AS AT 31st MARCH 2017

|  | Notes | As at 31st MARCH 2017 |                       | As at 31st MARCH 2016 |                       |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |       | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>I. EQUITIES AND LIABILITIES</b>   |       |                       |                       |                       |                       |
| <b>1. SHAREHOLDERS' FUND</b>   |       |                       |                       |                       |                       |
| Share Capital  | 3     |                       | 6,18,750              |                       | 6,18,750              |
| Reserves and Surplus   | 4     |                       | 1,63,36,07,580        |                       | 1,60,46,38,632        |
| <b>2. NON CURRENT LIABILITIES</b>  |       |                       |                       |                       |                       |
| Long Term Liabilities  | 5     |                       | 1,18,69,09,523        |                       | 1,19,23,81,016        |
| <b>3. CURRENT LIABILITIES</b>  |       |                       |                       |                       |                       |
| Trade Payables   |       |                       |                       |                       |                       |
| Total outstanding dues of micro enterprises and small enterprises                      | 6     |                       | -                     |                       | -                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6     |                       | 1,39,48,276           |                       | 1,29,78,342           |
| Other current Liabilities  | 6     |                       | 14,68,74,376          |                       | 12,94,29,176          |
| Short Term Provisions  | 7     |                       | 2,16,353              |                       | 1,89,15,074           |
|  |       |                       | <b>2,98,21,74,858</b> |                       | <b>2,95,89,60,990</b> |
| <b>II. ASSETS</b>  |       |                       |                       |                       |                       |
| <b>1. NON CURRENT ASSETS</b>   |       |                       |                       |                       |                       |
| Property, Plant and Equipment  | 8     | 28,73,24,589          |                       | 28,99,93,151          |                       |
| Intangible Assets  | 8A    | 5,42,083              | 28,78,66,672          | 8,96,687              | 29,08,89,838          |
| Non Current Investments  | 9     |                       | 14,68,14,776          |                       | 12,73,18,935          |
| Deferred Tax Assets (Net)  | 10    |                       | 15,67,712             |                       | 25,48,970             |
| Long term Loans & Advances   | 11    |                       | 1,16,75,78,425        |                       | 1,16,95,23,225        |
| Other Non-Current Assets   | 15    |                       | 73,61,99,904          |                       | 84,83,67,987          |
| <b>2. CURRENT ASSETS</b>   |       |                       |                       |                       |                       |
| Current Investments  | 12    |                       | 1,44,00,000           |                       | 5,26,00,000           |
| Trade Receivables  | 13    |                       | 1,38,88,185           |                       | 1,08,18,598           |
| Cash and Bank Balances   | 14    |                       | 59,34,28,849          |                       | 43,46,07,181          |
| Short Term Loans & Advances  | 11    |                       | 89,36,293             |                       | 95,30,002             |
| Other Current Assets   | 15    |                       | 1,14,94,042           |                       | 1,27,56,254           |
|  |       |                       | <b>2,98,21,74,858</b> |                       | <b>2,95,89,60,990</b> |
| Summary of significant accounting policies   | 1 & 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 Batliboi & Co LLP

Chartered Accountants

Firm Registration Number. 301003E/E300005

Bhaskar Sen

Director

Bhaskar Banerjee

Director

per Bhaswar Sarkar

Partner

Membership No. 55596

Place: Kolkata

Date: 30<sup>th</sup> August 2017

Subrato Das

MD & CEO

Prosenjit Dutta

Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

| Particulars   | Notes | 2016-17             | 2015-16             |
|---|-------|---------------------|---------------------|
| <b>Income :</b>   |       | <b>Rupees</b>       | <b>Rupees</b>       |
| Revenue from Operations                                   | 16    | 4,77,08,516         | 5,69,58,233         |
| Other Income  | 17    | 11,77,98,536        | 13,26,25,305        |
|   |       | <b>16,55,07,052</b> | <b>18,95,83,538</b> |
| <b>Expenses :</b>   |       |                     |                     |
| Employees Benefit Expense                                 | 18    | 7,42,72,940         | 7,85,54,403         |
| Other Expenses  | 19    | 3,74,65,923         | 5,34,42,637         |
| Depreciation and Amortization Expense                     | 20    | 51,60,776           | 64,19,549           |
| Contribution to SEBI                                      |       | 31,29,850           | 34,17,791           |
| Contribution to Stock Exchange Investors' Protection Fund |       | 32,06,410           | 38,39,048           |
|   |       | <b>12,32,35,899</b> | <b>14,56,73,428</b> |
| <b>Profit before Tax</b>                                  |       | <b>4,22,71,153</b>  | <b>4,39,10,110</b>  |
| <b>Tax Expenses :</b>                                     |       |                     |                     |
| Current Tax   |       | 1,24,14,875         | 1,31,25,468         |
| Adjustment to Tax provision relating to earlier year      |       | 2,411               | -                   |
| Deferred Tax  |       | 9,81,258            | (41,184)            |
|   |       | <b>1,33,98,544</b>  | <b>1,30,84,284</b>  |
| <b>Profit after Tax</b>                                   |       | <b>2,88,72,609</b>  | <b>3,08,25,826</b>  |
| <b>Earnings per equity share</b>                          |       |                     |                     |
| Basic & Diluted (Rs.)                                     | 21    | 6.71                | 11.91               |
| Nominal Value of Share (Re.)                              |       | 1                   | 1                   |
| Summary of significant accounting policies                | 1 & 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 Batliboi & Co LLP**

Chartered Accountants

Firm Registration Number. 301003E/E300005

**Bhaskar Sen**

Director

**Bhaskar Banerjee**

Director

per **Bhaswar Sarkar**

Partner

Membership No. 55596

**Subrato Das**

MD & CEO

**Prosenjit Dutta**

Chief Financial Officer

Place: Kolkata

Date: 30<sup>th</sup> August 2017

CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2017

|           | Particulars  | 2016-17<br>(Rupees)  | 2015-16<br>(Rupees)   |
|-----------|--|----------------------|-----------------------|
| <b>A.</b> | <b>Cash Flow from Operating Activities</b>                       |                      |                       |
|           | Profit before tax  | 4,22,71,153          | 4,39,10,110           |
|           | Adjustments for :-   |                      |                       |
|           | Depreciation and Amortization expense                            | 51,60,776            | 64,19,549             |
|           | (Profit)/Loss on sale/discard of property, plant and equipment   | (1,43,868)           | 1,57,057              |
|           | Provision for Doubtful Debts and Advances                        | 13,33,600            | 34,43,683             |
|           | Bad Debts  | 13,022               | 2,84,232              |
|           | Sundry balance written off                                       | 3,297                | 2,62,839              |
|           | Liabilities/Provisions no longer required, written back          | (11,586)             | (25,36,115)           |
|           | Settlement Guarantee Fund Contribution                           | 1,40,777             | 1,33,564              |
|           | Interest on Fixed Deposits                                       | (10,81,66,804)       | (11,36,10,380)        |
|           | Interest on Bonds  | (8,72,480)           | (8,72,480)            |
|           | Interest on Income Tax Refunds                                   | (1,97,362)           | -                     |
|           | Dividend Income from Investments                                 | (29,76,344)          | (35,36,604)           |
|           | Profit on sale of Investments                                    | (3,54,102)           | (27,84,108)           |
|           | <b>Operating profit before working capital changes</b>           | <b>(6,37,99,921)</b> | <b>(6,87,28,653)</b>  |
|           | <b>Movements in working capital:</b>                             |                      |                       |
|           | Decrease in Long Term Liabilities                                | (54,59,907)          | (1,01,30,947)         |
|           | Decrease in Short Term Provisions                                | (32,91,209)          | (99,83,614)           |
|           | Increase/(Decrease) in Trade Payables                            | 9,69,934             | (49,81,986)           |
|           | Decrease in Other Current Liabilities                            | 1,67,65,200          | (3,95,79,910)         |
|           | Increase in Trade Receivables                                    | (44,16,209)          | (64,09,332)           |
|           | Decrease in Long Term Loans & Advances                           | 94,449               | 13,35,872             |
|           | Decrease in Short Term Loans & Advances                          | 5,93,709             | 1,84,42,033           |
|           | (Increase)/Decrease in Other Current Assets                      | (1,46,796)           | 6,13,786              |
|           | <b>Cash used in operations</b>                                   | <b>(5,86,90,750)</b> | <b>(11,94,22,751)</b> |
|           | Direct taxes paid (net of refunds)                               | (1,12,63,978)        | (1,22,15,369)         |
|           | <b>Net Cash used in Operating Activities</b>                     | <b>(6,99,54,728)</b> | <b>(13,16,38,120)</b> |
| <b>B.</b> | <b>Cash Flow from Investing Activities</b>                       |                      |                       |
|           | Sale of property, plant and equipment                            | 2,61,459             | -                     |
|           | Purchase of property, plant and equipment                        | (17,51,042)          | (15,96,639)           |
|           | Purchase of Non Current Investments                              | (3,00,00,000)        | (2,95,75,000)         |
|           | Proceeds from Purchase and Sale of Current Investments (net)     | 4,85,54,102          | 3,12,84,108           |
|           | Dividend income from Investments                                 | 29,76,344            | 35,36,604             |
|           | Investment in Fixed Deposits                                     | (45,06,00,000)       | (91,54,85,377)        |
|           | Encashment of Fixed Deposits                                     | 42,59,17,390         | 88,90,17,990          |
|           | Interest on Fixed Deposits                                       | 10,91,75,908         | 11,79,60,298          |
|           | Interest on Income Tax Refund                                    | 1,97,362             | -                     |
|           | Interest on Bonds  | 8,72,480             | 8,72,480              |
|           | <b>Net Cash generated from Investing Activities</b>              | <b>10,56,04,003</b>  | <b>9,60,14,464</b>    |
| <b>C.</b> | <b>Cash Flow from Financing Activities</b>                       |                      |                       |
|           | Dividend Paid on equity shares                                   | (1,22,25,000)        | (1,22,20,000)         |
|           | Tax on equity dividend paid                                      | (25,33,204)          | (24,43,267)           |
|           | <b>Net Cash used in Financing Activities</b>                     | <b>(1,47,58,204)</b> | <b>(1,46,63,267)</b>  |
|           | <b>Net decrease in Cash and Cash Equivalents (A+B+C)</b>         | <b>2,08,91,071</b>   | <b>(5,02,86,923)</b>  |
|           | <b>Cash and Cash Equivalents as at the beginning of the year</b> | <b>3,29,16,586</b>   | <b>8,32,03,509</b>    |
|           | <b>Cash and Cash equivalents as at the end of the year</b>       | <b>5,38,07,657</b>   | <b>3,29,16,586</b>    |

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| <b>Components of Cash &amp; Cash Equivalents*</b> | <b>2016-17</b>     | <b>2015-16</b>     |
|---|--------------------|--------------------|
| Cash on hand                                      | 30,990             | 34,125             |
| Cheques / Drafts on hand                          | 7,26,122           | 4,85,025           |
| Balance with Scheduled Banks on Current Account   |                    |                    |
| Own Fund  | 4,51,55,249        | 2,50,42,865        |
| Investors' Service Fund                           | 50,13,914          | 20,29,924          |
| Settlement Guarantee Fund                         | 28,81,382          | 53,24,647          |
|   | <b>5,38,07,657</b> | <b>3,29,16,586</b> |

\* Excludes the balance of Rs.64,53,205 (2015: Rs.57,73,205) which the Company can utilize only towards settlement of the respective unpaid dividend.

Summary of significant accounting policies (Refer Note 1 and 2)

As per our report of even date

**For S R Batliboi & Co LLP**

Chartered Accountants

Firm Registration Number. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 30<sup>th</sup> August 2017

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

**Bhaskar Sen**

Director

**Bhaskar Banerjee**

Director

**Subrato Das**

MD & CEO

**Prosenjit Dutta**

Chief Financial Officer

## Notes to Financial Statements as at and for the year ended March 31, 2017

### NOTE - 1: Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. 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

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises 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 Property, Plant and Equipment

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 Property, Plant and Equipment**

Depreciation on Property, Plant and Equipment has been provided on the written down value method as per the rates prescribe under Schedule - II of the Companies Act, 2013 which is in accordance with management estimates for the useful life of the underlying assets. Depreciation on Property, Plant and Equipment added/discharged-off during the year is provided on pro rata basis with reference to the date of addition/disposal.

### **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 amortized on straight line basis over a period of three years from the date the asset becomes available for use.

### **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. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The leasehold land is amortized over the period of lease, i.e. 99 years.

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

### **viii) Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and. 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, it is probable that an outflow of

resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect to current best estimates.

### **xii) 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 statements.

### **xiii) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Note to the financial statements as at and for the year ended 31st March 2017

## NOTE - 3 : Share Capital

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>a) AUTHORISED SHARES :</b>  |                       |                       |
| 10,00,00,000 (31 March 2016 : 10,00,00,000) Equity Shares of Re.1 each       | 10,00,00,000          | 10,00,00,000          |
| <b>b) ISSUED SHARES :</b>  |                       |                       |
| 6,18,750 (31 March 2016 : 6,18,750) Equity Shares of Re.1 each               | 6,18,750              | 6,18,750              |
| <b>c) SUBSCRIBED &amp; PAID UP SHARES :</b>                                  |                       |                       |
| 6,11,250 (31 March 2016 : 6,11,250) Equity Shares of Re.1 each fully paid up | 6,11,250              | 6,11,250              |
| <b>Add : Forfeited Shares:</b>   | 7,500                 | 7,500                 |
| 7,500 (31 March 2016 : 7,500) Equity Shares paid up of Re.1 each             |                       |                       |
|  | <b>6,18,750</b>       | <b>6,18,750</b>       |

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

|   | 31st March 2017 |          | 31st March 2016 |          |
|---|-----------------|----------|-----------------|----------|
|   | Number          | Rs.      | Number          | Rs.      |
| Equity Shares                             | 6,11,250        | 6,11,250 | 6,11,000        | 6,11,000 |
| Issued during the year                    | -               | -        | 250             | 250      |
| Shares outstanding at the end of the year | 6,11,250        | 6,11,250 | 6,11,250        | 6,11,250 |

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

The Company has only one class of equity shares having 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.

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

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



## Note to the financial statements as at and for the year ended 31st March 2017

### NOTE - 4: Reserves and Surplus

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>I. Own Fund</b>   |                       |                       |
| <b>Capital Reserve</b>   |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 6,18,860              | 6,18,860              |
| <b>Securities Premium Account</b>  |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 30,14,597             | 30,14,597             |
| Closing Balance  | 30,14,597             | 30,14,597             |
| <b>Post-Demutualisation Period</b>   |                       |                       |
| Balance as per last financial statements   | 63,17,78,051          | 63,17,78,051          |
| Closing Balance  | 63,17,78,051          | 63,17,78,051          |
| <b>Total Securities Premium Account</b>  | 63,47,92,648          | 63,47,92,648          |
| <b>Reserve for Establishment of Centre for Training and Statistical Information &amp; Setting up a Library</b>                       |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 3,88,41,547           | 3,88,41,547           |
| <b>Development Fee Fund</b>  |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 13,40,50,000          | 13,40,50,000          |
| <b>General Reserve</b>   |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 35,00,89,988          | 35,03,37,461          |
| Addition during the year   | -                     | -                     |
| Deductions/ Adjustments during the year  | (25,928)              | (2,47,473)            |
| Closing Balance  | 35,00,64,060          | 35,00,89,988          |
| <b>Post-Demutualisation Period</b>   |                       |                       |
| Balance as per last financial statements   | 5,50,15,205           | 5,20,15,205           |
| Addition during the year   | 10,00,000             | 30,00,000             |
| Deductions/ Adjustments during the year  | -                     | -                     |
| Closing Balance  | 5,60,15,205           | 5,50,15,205           |
| <b>Total General Reserve</b>   | 40,60,79,265          | 40,51,05,193          |
| <b>Surplus in the Statement of Profit and Loss</b>   | 2,01,68,309           | 3,06,02,244           |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Profit for the year  | 2,88,72,609           | 3,08,25,826           |
| Appropriations   |                       |                       |
| Less : Transferred to General Reserve  | (10,00,000)           | (30,00,000)           |
| Less : Income of Investor's Service Fund transferred   | (73,71,701)           | (73,59,281)           |
| Less : Income of Settlement Guarantee Fund transferred   | (2,14,26,791)         | (2,51,01,946)         |
| Less : Profit on sale of Fixed Assets of Pre-Demutualisation period transferred to General Reserve                                   | -                     | -                     |
| Less : Unspent Liabilities no longer required, written back related to the Pre-Demutualisation period transferred to General Reserve | -                     | -                     |
| Less : Proposed final equity dividend  | -                     | (1,22,25,000)         |
| Less : Tax on proposed equity dividend   | -                     | (24,88,766)           |
| Less : Tax on proposed equity dividend relating to prior year  | (44,438)              | -                     |
| Add : Expenses of Investor's Service Fund transferred  | 88,215                | 2,76,904              |
| Add : Expenses of Settlement Guarantee Fund transferred  | 39,56,640             | 83,90,852             |
| Add : Loss on discard of Fixed Assets of Pre-Demutualisation period adjusted with General Reserve                                    | 25,928                | -                     |
| Add : Expenses related to Pre-Demutualisation period adjusted with General Reserve   | -                     | 2,47,476              |
| Total appropriations   | (2,57,72,147)         | (4,12,59,761)         |
| <b>Net Surplus in the Statement of Profit and Loss</b>   | 2,32,68,771           | 2,01,68,309           |
| <b>Total of Own Fund</b>   | 1,23,76,51,091        | 1,23,35,76,557        |
| <b>II. Investors' Service Fund</b>   |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 6,60,10,026           | 5,89,27,649           |
| Addition during the year   | 73,71,701             | 73,59,281             |
| Deductions/ Adjustments during the year  | (88,215)              | (2,76,904)            |
| <b>Total of Investors' Service Fund</b>  | 7,32,93,512           | 6,60,10,026           |

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**NOTE - 4: Reserves and Surplus**

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>III. Settlement Guarantee Fund</b>  |                       |                       |
| <b>Settlement Guarantee Fund for CSE-NSE Cash Segment<br/>(Post-Demutualisation Period)</b>  |                       |                       |
| Balance as per last financial statements   | 1,01,03,154           | 1,00,75,619           |
| Addition during the year   | 39,349                | 27,535                |
| Closing Balance  | <b>1,01,42,503</b>    | <b>1,01,03,154</b>    |
| <b>Settlement Guarantee Fund for CSE-NSE Future and Option Segment<br/>(Post-Demutualisation Period)</b>                                       |                       |                       |
| Balance as per last financial statements   | 1,01,48,400           | 1,00,90,539           |
| Addition during the year   | 56,099                | 57,861                |
| Closing Balance  | <b>1,02,04,499</b>    | <b>1,01,48,400</b>    |
| <b>Settlement Guarantee Fund for CSE-BSE Cash Segment<br/>(Post-Demutualisation Period)</b>  |                       |                       |
| Balance as per last financial statements   | 1,01,81,035           | 1,01,47,631           |
| Addition during the year   | 22,804                | 33,404                |
| Closing Balance  | <b>1,02,03,839</b>    | <b>1,01,81,035</b>    |
| <b>Settlement Guarantee Fund for CSE-BSE Future and Option Segment<br/>(Post-Demutualisation Period)</b>                                       |                       |                       |
| Balance as per last financial statements   | 1,00,07,564           | 1,00,02,800           |
| Addition during the year   | 4                     | 4,764                 |
| Closing Balance  | <b>1,00,07,568</b>    | <b>1,00,07,564</b>    |
| <b>Settlement Guarantee Fund Initial Membership Fees<br/>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 2,50,000              | 2,40,000              |
| Addition during the year   | 10,000                | 10,000                |
| Closing Balance  | <b>2,60,000</b>       | <b>2,50,000</b>       |
| <b>Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the exchange)<br/>(Post-Demutualisation Period)</b> |                       |                       |
| Balance as per last financial statements   | 26,43,61,896          | 24,76,50,802          |
| Addition during the year   | 2,14,39,312           | 2,51,01,946           |
| Deductions / Adjustments during the year   | (39,56,640)           | (83,90,852)           |
| Closing Balance  | <b>28,18,44,568</b>   | <b>26,43,61,896</b>   |
| <b>Total of Settlement Guarantee Fund</b>  | <b>32,26,62,977</b>   | <b>30,50,52,049</b>   |
| <b>Total of I+II+III</b>   | <b>1,63,36,07,580</b> | <b>1,60,46,38,632</b> |



## Notes to the financial statements as at and for the year ended 31st March 2017

### NOTE - 5 : Long Term Liabilities

| Particulars                            | As at 31st March 2017      |                             |                | As at 31st March 2016      |                             |                |
|--|----------------------------|-----------------------------|----------------|----------------------------|-----------------------------|----------------|
|  | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL          | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL          |
|  | Rupees                     | Rupees                      | Rupees         | Rupees                     | Rupees                      | Rupees         |
| Sundry Deposits [Refer Note no.30(ii)] | 96,92,94,037               | -                           | 96,92,94,037   | 96,92,94,037               | -                           | 96,92,94,037   |
| Members' Security Deposits             |                            |                             |                |                            |                             |                |
| - Own Fund                             | -                          | 9,61,42,891                 | 9,61,42,891    | -                          | 9,76,73,377                 | 9,76,73,377    |
| - Settlement Guarantee Fund            | -                          | 12,14,72,595                | 12,14,72,595   | -                          | 12,54,13,602                | 12,54,13,602   |
|  | 96,92,94,037               | 21,76,15,486                | 1,18,69,09,523 | 96,92,94,037               | 22,30,86,979                | 1,19,23,81,016 |

### NOTE - 6 : Trade Payables and Other Current Liabilities

| Particulars  | As at 31st March 2017      |                             |              | As at 31st March 2016      |                             |              |
|--|----------------------------|-----------------------------|--------------|----------------------------|-----------------------------|--------------|
|  | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL        | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL        |
|  | Rupees                     | Rupees                      | Rupees       | Rupees                     | Rupees                      | Rupees       |
| <b>Trade payables</b>  |                            |                             |              |                            |                             |              |
| Total outstanding dues of micro enterprises and small enterprises                              | -                          | -                           | -            | -                          | -                           | -            |
| Total outstanding dues of creditors other than micro enterprises and small enterprises         | -                          | 1,39,48,276                 | 1,39,48,276  | -                          | 1,29,78,342                 | 1,29,78,342  |
| <b>Other Liabilities :</b>   |                            |                             |              |                            |                             |              |
| Sundry Deposits  | 1,59,13,275                | 3,74,77,105                 | 5,33,90,380  | 1,60,85,459                | 3,38,20,382                 | 4,99,05,841  |
| <b>Payable to related party:</b> [Refer Note no.33]  |                            |                             |              |                            |                             |              |
| CSE Capital Markets Pvt Ltd  | -                          | 52,899                      | 52,899       | -                          | 4,16,658                    | 4,16,658     |
| Statutory Dues   | -                          | 30,41,689                   | 30,41,689    | -                          | 31,52,102                   | 31,52,102    |
| Unclaimed Dividend   | -                          | 64,53,205                   | 64,53,205    | -                          | 57,73,205                   | 57,73,205    |
| Members' deposit including deposits for additional base capital requirement and margin in Cash | -                          | 8,39,36,203                 | 8,39,36,203  | -                          | 7,01,81,370                 | 7,01,81,370  |
|  | 1,59,13,275                | 14,49,09,377                | 16,08,22,652 | 1,60,85,459                | 12,63,22,059                | 14,24,07,518 |

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 required to be made.

### NOTE - 7 : Short Term Provisions

| Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|---|-----------------------|-----------------------|
|   | Rupees                | Rupees                |
| <b>Provision for Employee Benefits:</b>   |                       |                       |
| Leave   | -                     | 32,91,209             |
| <b>Other Provisions:</b>  |                       |                       |
| Proposed Dividend   | -                     | 1,22,25,000           |
| Tax on Dividend   | -                     | 24,88,766             |
| Income Tax [net of advance tax of Rs.1,21,98,522]<br>(31 March 2016 : Rs. 1,22,15,369)] | 2,16,353              | 9,10,099              |
|   | 2,16,353              | 1,89,15,074           |

## Note to the financial statements as at and for the year ended 31st March 2017

## NOTE - 8 : Property, Plant and Equipment

| Cost or Valuation                              |               | (Amount in Rs.) |                       |                      |                   |            |               |                 |
|--|---------------|-----------------|-----------------------|----------------------|-------------------|------------|---------------|-----------------|
|  | Freehold Land | Building        | Electrical Equipments | Furniture & Fixtures | Office Equipments | Vehicles   | Computers     | Total           |
| <b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>  |               |                 |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | 4,15,300      | 21,57,399       | 1,27,00,896           | 91,90,991            | 96,43,505         | -          | 18,62,96,242  | 22,04,04,333    |
| Additions                                      | -             | -               | -                     | -                    | -                 | -          | -             | -               |
| Disposals/ Adjustment                          | -             | -               | -                     | (23,63,076)          | (11,64,720)       | -          | (1,35,51,771) | (1,70,79,567)   |
| At 31st March 2016                             | 4,15,300      | 21,57,399       | 1,27,00,896           | 68,27,915            | 84,78,785         | -          | 17,27,44,471  | 20,33,24,766    |
| Additions                                      | -             | -               | -                     | -                    | -                 | -          | -             | -               |
| Disposals/ Adjustment                          | -             | -               | -                     | (14,445)             | (90,000)          | -          | (1,04,65,216) | (1,05,69,661)   |
| At 31st March 2017                             | 4,15,300      | 21,57,399       | 1,27,00,896           | 68,13,470            | 83,88,785         | -          | 16,22,79,255  | 19,27,55,105    |
| <b>Depreciation</b>                            |               |                 |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | -             | 15,25,573       | 1,20,82,390           | 87,83,883            | 92,69,242         | -          | 18,55,37,881  | 21,71,98,969    |
| Charge For the Year                            | -             | 27,725          | 1,631                 | -                    | -                 | -          | -             | 29,356          |
| Disposals/ Adjustment                          | -             | -               | -                     | (22,48,618)          | (11,49,446)       | -          | (1,35,34,026) | (1,69,32,090)   |
| At 31st March 2016                             | -             | 15,53,298       | 1,20,84,021           | 65,35,265            | 81,19,796         | -          | 17,20,03,855  | 20,02,96,235    |
| Charge For the Year                            | -             | 26,508          | 806                   | -                    | -                 | -          | -             | 27,314          |
| Disposals/ Adjustment                          | -             | -               | -                     | (14,400)             | (85,500)          | -          | (1,04,43,833) | (1,05,43,733)   |
| At 31st March 2017                             | -             | 15,79,806       | 1,20,84,827           | 65,20,865            | 80,34,296         | -          | 16,15,60,022  | 18,97,79,816.00 |
| <b>Net Block</b>                               |               |                 |                       |                      |                   |            |               |                 |
| At 31st March 2016                             | 4,15,300      | 6,04,101        | 6,16,875              | 2,92,650             | 3,58,989          | -          | 7,40,616      | 30,28,531       |
| At 31st March 2017                             | 4,15,300      | 5,77,593        | 6,16,069              | 2,92,605             | 3,54,489          | -          | 7,19,233      | 29,75,289       |
| <b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b> |               |                 |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | 26,90,00,023  | 1,17,28,629     | 66,60,394             | 53,81,103            | 29,95,560         | 13,93,530  | 1,85,93,335   | 31,57,52,574    |
| Additions                                      | -             | -               | 2,43,720              | 1,48,679             | 1,08,089          | -          | 10,96,151     | 15,96,639       |
| Disposals/ Adjustment                          | -             | -               | -                     | -                    | -                 | -          | (1,28,112)    | (1,28,112)      |
| At 31st March 2016                             | 26,90,00,023  | 1,17,28,629     | 69,04,114             | 55,29,782            | 31,03,649         | 13,93,530  | 1,95,61,374   | 31,72,21,101    |
| Additions                                      | -             | -               | 55,247                | -                    | 57,055            | 13,29,080  | 3,09,660      | 17,51,042       |
| Disposals/ Adjustment                          | -             | -               | (12,131)              | -                    | (1,45,116)        | (8,73,530) | (2,78,684)    | (13,09,461)     |
| At 31st March 2017                             | 26,90,00,023  | 1,17,28,629     | 69,47,230             | 55,29,782            | 30,15,588         | 18,49,080  | 1,95,92,350   | 31,76,62,682    |
| <b>Depreciation</b>                            |               |                 |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | -             | 19,47,245       | 19,54,037             | 29,76,551            | 23,36,393         | 10,91,648  | 1,49,83,210   | 2,52,89,084     |
| Charge For the Year                            | -             | 9,52,897        | 12,86,902             | 7,46,522             | 3,83,631          | 1,09,983   | 16,05,993     | 50,85,928       |
| Disposals/ Adjustment                          | -             | -               | -                     | -                    | -                 | -          | (1,18,531)    | (1,18,531)      |
| At 31st March 2016                             | -             | 29,00,142       | 32,40,939             | 37,23,073            | 27,20,024         | 12,01,631  | 1,64,70,672   | 3,02,56,481     |
| Charge For the Year                            | -             | 8,60,063        | 9,68,594              | 4,94,656             | 1,87,417          | 3,66,598   | 13,97,371     | 42,74,699       |
| Disposals/ Adjustment                          | -             | -               | (10,885)              | -                    | (1,17,120)        | (8,29,853) | (2,59,940)    | (12,17,798)     |
| At 31st March 2017                             | -             | 37,60,205       | 41,98,648             | 42,17,729            | 27,90,321         | 7,38,376   | 1,76,08,103   | 3,33,13,382     |
| <b>Net Block</b>                               |               |                 |                       |                      |                   |            |               |                 |
| At 31st March 2016                             | 26,90,00,023  | 88,28,487       | 36,63,175             | 18,06,709            | 3,83,625          | 1,91,899   | 30,90,702     | 28,69,64,620    |
| At 31st March 2017                             | 26,90,00,023  | 79,68,424       | 27,48,582             | 13,12,053            | 2,25,267          | 11,10,704  | 19,84,247     | 28,43,49,300    |
| <b>Net Block of Tangible Assets</b>            |               |                 |                       |                      |                   |            |               |                 |
| At 31st March 2016                             | 26,94,15,323  | 94,32,588       | 42,80,050             | 20,99,359            | 7,42,614          | 1,91,899   | 38,31,318     | 28,99,93,151    |
| At 31st March 2017                             | 26,94,15,323  | 85,46,017       | 33,64,651             | 16,04,658            | 5,79,756          | 11,10,704  | 27,03,480     | 28,75,24,589    |



Note to the financial statements as at and for the year ended 31st March 2017

**NOTE - 8A : Intangible Assets**

(Amount in Rs.)

| Particulars                                    | Computer Softwares | Total       |
|--|--------------------|-------------|
| <b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>  |                    |             |
| <b>Gross Block</b>                             |                    |             |
| At 1st April 2015                              | 3,00,36,144        | 3,00,36,144 |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 3,00,36,144        | 3,00,36,144 |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 3,00,36,144        | 3,00,36,144 |
| <b>Amortization</b>                            |                    |             |
| At 1st April 2015                              | 3,00,36,108        | 3,00,36,108 |
| Charge For the Year                            | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 3,00,36,108        | 3,00,36,108 |
| Charge For the Year                            | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 3,00,36,108        | 3,00,36,108 |
| <b>Net Block</b>                               |                    |             |
| At 31st March 2016                             | 36                 | 36          |
| At 31st March 2017                             | 36                 | 36          |
| <b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b> |                    |             |
| <b>Gross Block</b>                             |                    |             |
| At 1st April 2015                              | 51,00,533          | 51,00,533   |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 51,00,533          | 51,00,533   |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 51,00,533          | 51,00,533   |
| <b>Amortization</b>                            |                    |             |
| At 1st April 2015                              | 35,88,320          | 35,88,320   |
| Charge For the Year                            | 6,15,562           | 6,15,562    |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 42,03,882          | 42,03,882   |
| Charge For the Year                            | 3,54,604           | 3,54,604    |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 45,58,486          | 45,58,486   |
| <b>Net Block</b>                               |                    |             |
| At 31st March 2016                             | 8,96,651           | 8,96,651    |
| At 31st March 2017                             | 5,42,047           | 5,42,047    |
| <b>Net Block of Intangible Assets</b>          |                    |             |
| At 31st March 2016                             | 8,96,687           | 8,96,687    |
| At 31st March 2017                             | 5,42,083           | 5,42,083    |

## Note to the financial statements as at and for the year ended 31st March 2017

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

| Particulars   | As at 31st March 2017 |              | As at 31st March 2016 |              |
|---|-----------------------|--------------|-----------------------|--------------|
|   | Rupees                | Rupees       | Rupees                | Rupees       |
| <b>INVESTMENT PROPERTY</b>  |                       |              |                       |              |
| <b>Pre-Demutualisation Period</b>   |                       |              |                       |              |
| Cost of leasehold land  | 4,96,67,291           |              | 4,96,67,291           |              |
| Less : Accumulated depreciation   | (80,74,190)           | 4,15,93,101  | (75,70,031)           | 4,20,97,260  |
|   |                       | 4,15,93,101  |                       | 4,20,97,260  |
| <b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b>  |                       |              |                       |              |
| <b>Non-trade</b>  |                       |              |                       |              |
| <b>Debentures- Quoted</b>   |                       |              |                       |              |
| 117 (31st March 2016 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *  |                       | 1            |                       | 1            |
| <b>Trade</b>  |                       |              |                       |              |
| <b>Equity shares- Unquoted</b>  |                       |              |                       |              |
| Nil (31st March 2016: 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) |                       | -            |                       | 1,00,00,000  |
|   |                       | 1            |                       | 1,00,00,001  |
| <b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>   |                       |              |                       |              |
| <b>Trade</b>  |                       |              |                       |              |
| <b>Equity shares- Unquoted</b>  |                       |              |                       |              |
| <b>Subsidiary Company</b>   |                       |              |                       |              |
| 57,75,000 (31st March 2016: 57,75,000) equity shares of Rs.10 each fully paid up of CSE Capital Markets Pvt Ltd   |                       | 6,45,75,000  |                       | 6,45,75,000  |
| <b>Non-Trade</b>  |                       |              |                       |              |
| <b>Equity shares- Quoted</b>  |                       |              |                       |              |
| 400 (31st March 2016: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd   |                       | 6,674        |                       | 6,674        |
| <b>Bonds- Quoted</b>  |                       |              |                       |              |
| 5,696 (31st March 2016: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation of India   |                       | 56,96,000    |                       | 56,96,000    |
| 4,944 (31st March 2016: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highway Securities Authority of India (N1 Series)                         |                       | 49,44,000    |                       | 49,44,000    |
| <b>Financial Institution</b>  |                       |              |                       |              |
| <b>Own Funds</b>  |                       |              |                       |              |
| Fixed Deposit with PNB Housing Finance Ltd  |                       | 1,00,00,000  |                       | -            |
| Fixed Deposit with LIC Housing Finance Ltd  |                       | 1,50,00,000  |                       | -            |
| <b>Settlement Guarantee Fund</b>  |                       |              |                       |              |
| Fixed Deposit with PNB Housing Finance Ltd  |                       | 50,00,000    |                       | -            |
|   |                       | 10,52,21,674 |                       | 7,52,21,674  |
|   |                       | 14,68,14,776 |                       | 12,73,18,935 |

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

## Aggregate cost of Investments:

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Quoted                             | 1,06,46,674 | 1,06,46,674 |
| Unquoted                           | 9,45,75,000 | 7,45,75,000 |
| Value of investment property       | 4,15,93,101 | 4,20,97,260 |
| Market value of quoted investments | 1,19,28,000 | 1,17,50,072 |



Notes to the financial statements as at and for the year ended 31st March 2017

NOTE - 10 : Deferred Tax Assets (Net)

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>Deferred Tax Liability</b>  |                       |                       |
| Impact of expenditure allowed for tax purposes on payment basis in the current year  | 9,92,115              | -                     |
| <b>Deferred Tax Asset</b>  |                       |                       |
| Provision for doubtful debts and advances  | 22,12,115             | 22,13,562             |
| Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting | 3,47,712              | 57,962                |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis              | -                     | 2,77,446              |
| <b>Gross Deferred Tax Asset</b>  | <b>25,59,827</b>      | <b>25,48,970</b>      |
| <b>Net Deferred Tax Asset</b>  | <b>15,67,712</b>      | <b>25,48,970</b>      |

NOTE - 11 : Loans & Advances

| Particulars   | Non-Current           |                       | Current               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|   | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>Unsecured, considered good (unless stated otherwise):</b>  |                       |                       |                       |                       |
| <b>Security Deposits</b>  |                       |                       |                       |                       |
| Considered good   | 4,09,21,633           | 4,09,24,483           | -                     | -                     |
| Considered doubtful   | 5,06,000              | 5,06,000              | -                     | -                     |
|   | 4,14,27,633           | 4,14,30,483           | -                     | -                     |
| Less : Provision for doubtful deposits  | (5,06,000)            | (5,06,000)            | -                     | -                     |
|   | 4,09,21,633           | 4,09,24,483           | -                     | -                     |
| Deposit with BSE Ltd - Settlement Guarantee Fund  | 5,81,25,000           | 5,81,25,000           | -                     | -                     |
| Deposit with Indian Clearing Corporation Ltd  | 10,10,000             | 10,10,000             | -                     | -                     |
| Deposit with Indian Clearing Corporation Ltd - Settlement Guarantee Fund  | 18,75,000             | 18,75,000             | -                     | -                     |
|   | <b>10,19,31,633</b>   | <b>10,19,34,483</b>   | <b>-</b>              | <b>-</b>              |
| <b>Advances recoverable in cash or in kind</b>  |                       |                       |                       |                       |
| Settlement Guarantee Fund   | 24,39,882             | 24,39,882             | -                     | -                     |
|   | <b>24,39,882</b>      | <b>24,39,882</b>      | <b>-</b>              | <b>-</b>              |
| Other parties   | 87,92,900             | 85,15,400             | 12,33,372             | 20,74,001             |
| Receivable from defaulting members  | 94,96,16,925          | 94,96,16,925          | -                     | -                     |
| <b>Receivable from related party:</b>   |                       |                       |                       |                       |
| Stock Exchange Investors' Protection Fund   | -                     | -                     | 2,07,260              | 9,13,598              |
|   | <b>95,84,09,825</b>   | <b>95,81,32,325</b>   | <b>14,40,632</b>      | <b>29,87,599</b>      |
| <b>Other Loans &amp; Advances:</b>  |                       |                       |                       |                       |
| Advance Income Tax and Tax Deducted at Source [Net of provision Rs. 5,96,47,400 (31 March 2016 : Rs.7,07,17,316)] | 9,61,66,191           | 9,80,13,245           | -                     | -                     |
| Prepaid expenses  | -                     | -                     | 39,84,050             | 44,99,072             |
| Gratuity plan assets (net)  | 6,67,785              | 8,09,049              | -                     | -                     |
| Leave encashment fund assets (net)  | 12,12,383             | -                     | -                     | -                     |
| Loan to employees   |                       |                       |                       |                       |
| - Interest bearing  | 67,50,726             | 81,94,241             | 18,25,575             | 16,51,631             |
| - Non interest bearing  | -                     | -                     | -                     | 16,250                |
| Service Tax recoverable   | -                     | -                     | 16,86,036             | 3,75,450              |
|   | <b>10,47,97,085</b>   | <b>10,70,16,535</b>   | <b>74,95,661</b>      | <b>65,42,403</b>      |
|   | <b>1,16,75,78,425</b> | <b>1,16,95,23,225</b> | <b>89,36,293</b>      | <b>95,30,002</b>      |

## Note to the financial statements as at and for the year ended 31st March 2017

### NOTE - 12 : Current Investments

| Particulars   | As at 31st March 2017 | As at 31st March 2016    |
|---|-----------------------|--------------------------|
|   | Rupees                | Rupees                   |
| <b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b><br>(Valued at lower of cost and net realisable value)<br><b>Non- Trade</b><br><b>Equity shares- Unquoted</b><br>10,00,000 (31st March 2016: Nil) equity shares of Rs. 10 each fully paid up of Central Depository Services (India) Ltd<br>(by way of equity participation as a co-sponsor) | 1,00,00,000           | -                        |
|   | 1,00,00,000           | -                        |
| <b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b><br>(Valued at lower of cost and net realisable value)<br><b>Non- Trade</b><br><b>Investments in fixed deposit with financial institution</b><br>PNB Housing Finance Ltd - Own Fund<br>PNB Housing Finance Ltd - Settlement Guarantee Fund   | -<br>-                | 4,46,00,000<br>50,00,000 |
| <b>Investments in fixed maturity mutual funds- Unquoted</b><br>1,00,000 (31st March 2016 : Nil) units of Rs.10 each fully paid up of HDFC Charity Fund for Cancer Cure - Debt plan - Direct<br>Option - 50% Dividend Donation - Fixed maturity plan   | 10,00,000             | -                        |
|   | 10,00,000             | 4,96,00,000              |
| <b>Investments in mutual funds- Unquoted</b><br>76,368 (31st March 2016: 76,368) units of Rs.10 each fully paid up of Birla Mutual Fund - Daily Dividend *  | 15,00,000             | 15,00,000                |
| Nil (31st March 2016: 1,044) units of Rs.1000 each fully paid up of Baroda Pioneer Liquid Fund - Plan B Growth *  | -                     | 15,00,000                |
| 1,968 (31st March 2016: Nil) units of Rs.1000 each fully paid up of Baroda Pioneer Treasury Advantage Fund - Plan B Daily<br>Dividend- Re-investment *  | 19,00,000             | -                        |
|   | 34,00,000             | 30,00,000                |
|   | 1,44,00,000           | 5,26,00,000              |

\* Investment out of Investors' Service Fund

#### Aggregate cost of Investments:

|  |             |             |
|--|-------------|-------------|
| Unquoted                               | 1,44,00,000 | 5,26,00,000 |
| Net asset value of fixed maturity plan | 10,02,650   | -           |
| Net asset value of mutual fund units   | 36,00,830   | 33,27,161   |



# The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31st March 2017

## NOTE - 13 : Trade Receivables

| Particulars  | As at 31st March 2017 |             | As at 31st March 2016 |             |
|--|-----------------------|-------------|-----------------------|-------------|
|  | Rupees                | Rupees      | Rupees                | Rupees      |
| Outstanding for a period exceeding six months from the date they became due for payment: |                       |             |                       |             |
| Secured, Considered good   | 7,55,262              |             | 13,10,523             |             |
| Unsecured  |                       |             |                       |             |
| - Considered good  | 1,18,71,108           |             | 59,25,155             |             |
| - Considered doubtful  | 75,22,582             | 2,01,48,952 | 61,88,982             | 1,34,24,660 |
| Other Receivables:   |                       |             |                       |             |
| Secured, Considered good   |                       | 5,50,310    |                       | 12,63,361   |
| Unsecured, Considered good   |                       | 7,11,505    |                       | 23,19,559   |
|  |                       | 2,14,10,767 |                       | 1,70,07,580 |
| Less: Provision for Doubtful Debts   |                       | (75,22,582) |                       | (61,88,982) |
|  |                       | 1,38,88,185 |                       | 1,08,18,598 |

# Annual Report 2016-17

Note to the financial statements as at and for the year ended 31st March 2017

## NOTE - 14 : Cash and Bank Balances

| Particulars  | Non-Current           |                       | Current               |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|  | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>a. CASH AND CASH EQUIVALENTS</b>  |                       |                       |                       |                       |
| Cash on hand   | -                     | -                     | 30,990                | 34,125                |
| Cheques / Drafts on hand   | -                     | -                     | 7,26,122              | 4,85,025              |
| Balance with Scheduled Banks on:   |                       |                       |                       |                       |
| <b>Current Account</b>   |                       |                       |                       |                       |
| Own Fund   | -                     | -                     | 4,51,55,249           | 2,50,42,865           |
| Investors' Service Fund  | -                     | -                     | 50,13,914             | 20,29,924             |
| Settlement Guarantee Fund  | -                     | -                     | 28,81,382             | 53,24,647             |
| Unpaid Dividend Account  | -                     | -                     | 64,53,205             | 57,73,205             |
|  | -                     | -                     | 6,02,60,862           | 3,86,89,791           |
| <b>b. OTHER BANK BALANCES</b>  |                       |                       |                       |                       |
| <b>Deposits with remaining maturity of not less than 12 months :</b>                             |                       |                       |                       |                       |
| Own Funds  | 45,99,00,000          | 57,02,67,987          | -                     | -                     |
| Earmarked Funds:   |                       |                       |                       |                       |
| Settlement Guarantee Fund  | 21,39,00,000          | 23,41,00,000          | -                     | -                     |
| Investors' Service Fund  | 6,20,00,000           | 4,40,00,000           | -                     | -                     |
| <b>Deposits with remaining maturity for less than 12 months :</b>                                |                       |                       |                       |                       |
| Own Funds  | -                     | -                     | 33,33,26,440          | 22,15,58,453          |
| Earmarked Funds:   |                       |                       |                       |                       |
| Settlement Guarantee Fund  | -                     | -                     | 15,80,00,000          | 11,80,00,000          |
| Investors' Service Fund  | -                     | -                     | 30,00,000             | 1,75,17,390           |
| Fund for Establishment of Centre for Training and Statistical Information & Setting up a Library | -                     | -                     | 3,88,41,547           | 3,88,41,547           |
|  | 73,58,00,000          | 84,83,67,987          | 53,31,67,987          | 39,59,17,390          |
| Amount disclosed under Non-current assets (Refer Note 15)  | (73,58,00,000)        | (84,83,67,987)        | -                     | -                     |
|  | -                     | -                     | 59,34,28,849          | 43,46,07,181          |

Contd. in next page



# The Calcutta Stock Exchange Limited

Note to the financial statements as at and for the year ended 31st March 2017

Contd. from previous page

## NOTE - 14 : Cash and Bank Balances

### Details of fixed deposits lien marked (included above)

| Particulars   | Non-Current           |                       | Current               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|   | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>Deposits with remaining maturity for more than 12 months : *</b>   |                       |                       |                       |                       |
| with ICCL   | 9,60,00,000           | 27,97,00,000          |                       |                       |
| with NSCCL  | 16,28,00,000          | 21,44,00,000          |                       |                       |
| with HDFC Bank Ltd  | 5,99,00,000           | -                     |                       |                       |
| <b>Deposits with remaining maturity for less than 12 months : *</b>   |                       |                       |                       |                       |
| with ICCL   |                       |                       | 26,19,00,000          | 12,88,00,000          |
| with NSCCL  |                       |                       | 12,69,00,000          | -                     |
| with HDFC Bank Ltd  |                       |                       | 4,95,00,000           | 10,94,00,000          |
|   | <b>31,87,00,000</b>   | <b>49,41,00,000</b>   | <b>43,83,00,000</b>   | <b>23,82,00,000</b>   |
| * The aforesaid fixed deposits is lien marked as margin for utilization of their Trading Platform by the members of the Company |                       |                       |                       |                       |
| <b>Deposits with remaining maturity for more than 12 months :</b>   |                       |                       |                       |                       |
| Deposit with Victor Moses & Co  | 35,00,000             | 1,39,17,987           |                       |                       |
| <b>Deposits with remaining maturity for less than 12 months :</b>   |                       |                       |                       |                       |
| Deposit with Victor Moses & Co  |                       |                       | 1,39,17,987           | 35,00,000             |
|   | <b>35,00,000</b>      | <b>1,39,17,987</b>    | <b>1,39,17,987</b>    | <b>35,00,000</b>      |

The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as below:

| Particulars                           | Specified Bank Notes | Other denomination notes | Total    |
|---------------------------------------|----------------------|--------------------------|----------|
| Closing Cash in hand as on 08.11.2016 | 17,000               | 496                      | 17,496   |
| (+) Permitted receipts                | -                    | 4,51,319                 | 4,51,319 |
| (-) Permitted payments                | -                    | 3,23,451                 | 3,23,451 |
| (-) Amount deposited in Banks         | 17,000               | 1,12,619                 | 1,29,619 |
| Closing Cash in hand as on 30.12.2016 | -                    | 15,745                   | 15,745   |

The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

Note to the financial statements as at and for the year ended 31st March 2017

## NOTE - 15 : Other Assets

| Particulars  | Non-Current           |                       | Current               |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|  | Rupees                | Rupees                | Rupees                | Rupees                |
| Unsecured, considered good unless stated otherwise |                       |                       |                       |                       |
| Non-current bank balances (Refer Note no. 14)      | 73,58,00,000          | 84,83,67,987          | -                     | -                     |
| Other receivables                                  |                       |                       |                       |                       |
| Secured, Considered good                           |                       |                       |                       |                       |
| Others   |                       |                       | 1,10,375              | 1,10,375              |
| Unsecured, Considered good                         |                       |                       |                       |                       |
| Rent & Electricity                                 | -                     | -                     | 15,38,553             | 13,91,757             |
| Interest accrued on fixed deposits:                |                       |                       |                       |                       |
| Own Funds  | 3,99,904              | -                     | 69,85,294             | 82,31,660             |
| Settlement Guarantee Fund                          | -                     | -                     | 21,35,694             | 24,05,907             |
| Investors' Service Fund                            | -                     |                       | 3,09,387              | 2,01,816              |
| Interest accrued on investments in bonds:          |                       |                       |                       |                       |
| Own Funds  | -                     | -                     | 4,14,739              | 4,14,739              |
|  | 73,61,99,904          | 84,83,67,987          | 1,14,94,042           | 1,27,56,254           |



Note to the financial statements as at and for the year ended 31st March 2017

**NOTE - 16 : Revenue from Operations**

| Particulars                                  | 2016-17            | 2015-16            |
|--|--------------------|--------------------|
|  | Rupees             | Rupees             |
| <b>SALE OF SERVICES :</b>                    |                    |                    |
| Turnover charges on other trading platform : |                    |                    |
| - BSE  | 23,64,773          | 35,77,383          |
| - NSE  | 27,02,626          | 22,06,109          |
| Listing fees                                 | 2,76,41,750        | 2,83,62,250        |
| Subscriptions                                | 14,78,500          | 21,18,000          |
| Processing charges                           | 86,63,000          | 1,19,80,200        |
| Income from depository participant operation | 37,998             | 6,61,413           |
| Commission on PAN services                   | 83,725             | 86,895             |
| <b>Other operating revenue :</b>             |                    |                    |
| Bad debts recovered                          | 21,89,161          | 48,15,655          |
| Recovery of penal charges from clients       | 12,58,147          | 26,84,993          |
| Income from NISM Operation                   | 12,71,436          | 4,34,952           |
| Technology charges from new members          | -                  | 20,000             |
| Miscellaneous operating income               | 17,400             | 10,383             |
|  | <b>4,77,08,516</b> | <b>5,69,58,233</b> |

Note to the financial statements as at and for the year ended 31st March 2017

**NOTE - 17 : Other Income**

| Particulars   | 2016-17             | 2015-16             |
|---|---------------------|---------------------|
|   | Rupees              | Rupees              |
| Interest on investments of Investors' Service Fund      | 55,52,326           | 50,64,281           |
| Interest on investments of Settlement Guarantee Fund    | 3,00,56,033         | 2,97,11,217         |
|   | <b>3,56,08,359</b>  | <b>3,47,75,498</b>  |
| Interest income on own fund:                            |                     |                     |
| Fixed deposits  | 7,25,58,445         | 7,88,34,882         |
| Tax Free PSU bonds                                      | 8,72,480            | 8,72,480            |
| Security deposit with CESC Ltd                          | 1,30,780            | 1,30,679            |
| Income Tax refunds                                      | 1,97,362            | -                   |
| Interest on delayed payment of listing fees             | 17,66,263           | 32,37,075           |
| Others  | 9,98,235            | 9,27,101            |
|   | <b>7,65,23,565</b>  | <b>8,40,02,217</b>  |
| Profit on sale of Current investments                   | -                   | 20,833              |
| Profit on sale of Current investments of ISF            | 3,54,102            | -                   |
| Profit on sale of Long term investments                 | -                   | 27,63,275           |
|   | <b>3,54,102</b>     | <b>27,84,108</b>    |
| Dividend income from investments on own fund:           |                     |                     |
| Long term investments                                   | 25,00,000           | 22,00,000           |
| Current investments                                     | 4,76,344            | 13,36,604           |
|   | <b>29,76,344</b>    | <b>35,36,604</b>    |
| Other non-operating Income:                             |                     |                     |
| Rent  | 10,65,242           | 9,60,766            |
| Prior Period Income (Net)                               | -                   | 21,16,705           |
| Miscellaneous receipts                                  | 11,15,470           | 19,13,292           |
| Profit on sale of property, plant and equipment         | 1,43,868            | -                   |
| Liabilities/Provisions no longer required, written back | 11,586              | 25,36,115           |
|   | <b>23,36,166</b>    | <b>75,26,878</b>    |
|   | <b>11,77,98,536</b> | <b>13,26,25,305</b> |



Note to the financial statements as at and for the year ended 31st March 2017

**NOTE - 18 : Employees Benefit Expense**

| Particulars                                | 2016-17   |                    | 2015-16   |                    |
|--|-----------|--------------------|-----------|--------------------|
|  | Rupees    | Rupees             | Rupees    | Rupees             |
| Salaries, bonus etc.                       |           | 6,14,96,881        |           | 6,46,40,598        |
| Contribution to provident and other funds: |           |                    |           |                    |
| Provident Fund                             | 54,36,736 |                    | 55,54,363 |                    |
| Superannuation Fund                        | 24,66,607 |                    | 23,78,155 |                    |
| National Pension Scheme                    | 6,50,083  | 85,53,426          | 6,43,162  | 85,75,680          |
| Gratuity [Refer Note no.32]                |           | 6,89,990           |           | 16,77,633          |
| Staff welfare                              |           | 35,32,643          |           | 36,60,492          |
|  |           | <b>7,42,72,940</b> |           | <b>7,85,54,403</b> |

**Note to the financial statements as at and for the year ended 31st March 2017**

**NOTE - 19 : Other Expenses**

| Particulars   | 2016-17     |                    | 2015-16     |                    |
|---|-------------|--------------------|-------------|--------------------|
|   | Rupees      | Rupees             | Rupees      | Rupees             |
| Advertisement   |             | 4,98,932           |             | 5,83,255           |
| Rent  |             | 16,712             |             | 16,712             |
| Electricity charges   | 73,38,498   |                    | 86,04,778   |                    |
| Less : recovered from tenants                                 | (14,99,795) | 58,38,703          | (16,98,247) | 69,06,531          |
| Rates & Taxes   |             | 3,86,605           |             | 4,96,913           |
| Insurance   |             | 2,63,536           |             | 2,98,423           |
| Printing & Stationary   |             | 5,64,738           |             | 5,90,637           |
| Telephone charges   |             | 12,89,202          |             | 13,41,986          |
| Travelling & Conveyance                                       |             | 8,60,646           |             | 13,50,173          |
| Motor car expenses  |             | 2,90,223           |             | 4,13,946           |
| Repairs & Maintenance:  |             |                    |             |                    |
| Building  | 2,19,843    |                    | 6,91,810    |                    |
| Others *  | 1,23,24,671 | 1,25,44,514        | 1,45,16,688 | 1,52,08,498        |
| Expenses for Other Trading Platform:                          |             |                    |             |                    |
| BSE   |             | 3,49,980           |             | 3,67,689           |
| NSE   |             | 2,04,862           |             | 1,70,115           |
| Interest on delayed payment of statutory dues                 |             | 10,914             |             | 19,020             |
| Security Expenses   |             | 9,51,024           |             | 9,49,609           |
| Miscellaneous Expenses  |             | 18,14,943          |             | 16,37,292          |
| Expenses for Depository Services                              |             | 29,171             |             | 7,76,336           |
| Legal & Professional Fees                                     |             | 73,29,882          |             | 1,37,31,523        |
| Auditor's Remuneration  |             |                    |             |                    |
| As Audit Fees   | 14,00,000   |                    | 16,00,000   |                    |
| Tax Audit   | 2,00,000    |                    | 2,00,000    |                    |
| In other capacity   | 50,000      |                    | -           |                    |
| Reimbursement of Expenses                                     | 72,446      | 17,22,446          | 40,700      | 18,40,700          |
| Investors' Service Expenses                                   |             | 88,215             |             | 2,76,904           |
| Directors Sitting Fee   |             | 9,42,500           |             | 11,20,000          |
| CSR Expenditure   |             | -                  |             | 10,75,000          |
| Provision for Doubtful Debts and Advances                     |             | 13,33,600          |             | 34,43,683          |
| Bad Debts   | 13,022      |                    | 2,84,232    |                    |
| Less : Adjusted against Provision for Doubtful Debts          | -           | 13,022             | -           | 2,84,232           |
| Contribution to Settlement Guarantee Fund on CSE-NSE Turnover |             | 95,448             |             | 85,396             |
| Contribution to Settlement Guarantee Fund on CSE-BSE Turnover |             | 22,808             |             | 38,168             |
| Loss on sale/ discard of property, plant and equipment        |             | -                  |             | 1,57,057           |
| Sundry Balances Written Off                                   |             | 3,297              |             | 2,62,839           |
|   |             | <b>3,74,65,923</b> |             | <b>5,34,42,637</b> |

\* Including Rs.1,08,57,884 (31st March 2016 : Rs.1,28,20,998) for computer maintenance and service charges.



Notes to the financial statements as at and for the year ended 31st March 2017

**NOTE - 20 : Depreciation and Amortization Expense**

| Particulars                                   | 2016-17          | 2015-16          |
|---|------------------|------------------|
|   | Rupees           | Rupees           |
| Depreciation of Property, Plant and Equipment | 43,02,013        | 51,15,284        |
| Amortization of Intangible Assets             | 3,54,604         | 6,15,562         |
| Depreciation on Investment Property           | 5,04,159         | 6,88,703         |
|   | <b>51,60,776</b> | <b>64,19,549</b> |

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

| Particulars   | 2016-17          | 2015-16          |
|---|------------------|------------------|
|   | Rupees           | Rupees           |
| Net Profit after Tax as per Statement of Profit and Loss                  | 2,88,72,609      | 3,08,25,826      |
| Add : Adjustment with General Reserve of Pre-demutualisation period       | 25,928           | 2,47,476         |
| Less : Tax on Equity Dividend paid during the year relating to prior year | (44,438)         | -                |
| Less : Transferred to Investors' Service Fund                             | (72,83,486)      | (70,82,377)      |
| Less : Transferred to Settlement Guarantee Fund                           | (1,74,70,151)    | (1,67,11,094)    |
| <b>Profit attributable to equity shareholders</b>                         | <b>41,00,462</b> | <b>72,79,831</b> |
| <b>Weighted average number of equity shares</b>                           | <b>6,11,250</b>  | <b>6,11,023</b>  |
| <b>Earnings per share - Basic &amp; Diluted (Rs.)</b>                     | <b>6.71</b>      | <b>11.91</b>     |
| <b>Nominal Value of share (Re.)</b>                                       | <b>1</b>         | <b>1</b>         |

## Notes to Financial Statements as at and for the year ended March 31, 2017

22. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards specified under section 133 of the Act, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized company. In particular, 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 29.08.2005, 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, property, plant and equipment 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. Nil (Rs. Nil).

### 25. Contingent Liabilities not provided for:

Claims against the Company not acknowledged as debts.

#### Taxation 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 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. The Company has received the refund from the office of the Deputy Commissioner of Income Tax, for the aforesaid amount along with applicable interest in June 2017.

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 filed an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid demand by the Income Tax Authorities, however the same was dismissed on July 19, 2016 due to technical ground. The Company has further filed an application to the Assessing Officer on



June 21, 2017 to reconsider the case.

- d) In respect of Assessment Year 2010-11, the Commissioner of Income Tax had passed an order under section 263 of the Income Tax Act, 1961 to re-assess the income of the said Assessment Year on the ground of allowability of the contribution to Settlement Guarantee Fund amounting to Rs.5,76,07,622. The Exchange has filed an appeal before the Income Tax Appellate Tribunal against the aforesaid order. The Company has received a favourable order on February 24, 2016 by Income Tax Appellate Tribunal against the appeal filed.

**Other matters:**

- e) The Company has received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Company. The Company has filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.
- f) Stock Holding Corporation of India Ltd. (SHCIL) was registered on the online trading system of the Calcutta Stock Exchange (CSE) as a "Custodian" for settling the Institutional Trades. In 2001, SHCIL introduced a scheme "Sell n Cash" (payment on sale of securities) Scheme for the benefit of investors. The "Sell n Cash" scheme allowed a seller to receive payment on the day of sale through SHCIL's registered broker after delivering the shares to SHCIL. On 2<sup>nd</sup> March 2001 Harish Chandra Biyani, a CSE Broker, sold certain shares of DSQ Industries Ltd., amounting to Rs.24,45,48,000/- through Biyani Securities Pvt. Ltd. (another broker of CSE). On finding that the transaction between Harish Chandra Biyani and Biyani Securities Pvt. Ltd., was a malafide and fund accommodation in nature and was at an artificial price created through circular trading, CSE expunged/annulled the

trade and informed the same. SHCIL, being aggrieved by the decision of the CSE for expunge of those transactions for which the consideration was already paid to Harish Chandra Biyani, filed the instant Civil Suit in Hon'ble High Court of Calcutta against CSE and Harish Chandra Biyani. The principal sum of such claim is Rs.24,45,48,000 and interest of Rs.16,14,01,680/-, which is pending disposal at Hon'ble High Court of Calcutta.

- g) The office premises taken by the Company on rental together with furniture fixtures etc., from Turner Morrison Limited was vacated by the Company on 31.01.2013. There is a disputed amount of property taxes related to the rental property amounting to Rs. 2,74,17,987. During the earlier year, the Division Bench of High Court of Calcutta directed the company to pay a sum of Rs.1,00,00,000 to Turner Morrison Limited on account of property tax in respect of 5100 sq. ft. and to reinvest the amount of Rs.1,74,17,987 by way of fixed deposit to be kept with Messrs Victor Moses & Co. till further order or disposal of the case. The fixed deposits are separately disclosed as part of the Cash and bank balance in the Note 14.
- h) Other miscellaneous claims not acknowledged as debts—

i) Corporation Tax demand from Kolkata Municipal Corporation - Rs.1,43,67,400

ii) Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata - Rs.5,00,00,000

iii) Others- Rs.1,74,928.

**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 the Settlement Guarantee Fund during 2000-01 was charged off to the Profit and

Loss Account in the said year in accordance with the decision of the erstwhile Board of Directors taken at its meeting dated 03.10.2001. In the same meeting it was also decided to adjust the additional contribution against the future contribution payable to Settlement Guarantee Fund. Accordingly, a sum of Rs.1,30,34,622/- which would have accrued since 2001-02 to 2013-14 towards annual contribution payable by the Company to its Settlement Guarantee Fund has not been recognized in these financial statements for year commencing after March 31, 2001.

Similarly, the balance additional contribution of Rs.18,63,20,758/- has not been carried forward towards adjustment against annual contribution in subsequent year since the aforesaid amount has already been charged off to Statement of Profit and Loss.

As directed by the Securities and Exchange Board of India, the Company had suspended trading operation w.e.f. April 3, 2013. In view of all trading transactions being settled till that date in accordance with the applicable regulations of the Company, no additional contributions to the Settlement Guarantee Fund after the aforesaid date was considered necessary.

© Settlement Guarantee Fund at the year-end comprises of the following:

( Amount in Rupees )

| Sl No | Particulars  | As at March 31, 2017 | As at March 31, 2016 |
|-------|--|----------------------|----------------------|
|       | <b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b> |                      |                      |
| I     | Settlement Guarantee Fund of the Exchange                        | 27,70,14,794         | 25,94,03,866         |
| 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>32,26,62,977</b>  | <b>30,50,52,049</b>  |
|       | <b>Under Long Term Liabilities (Settlement Guarantee Fund):</b>  |                      |                      |
| IV    | Members BMC/SGF in Cash  | 10,93,73,099         | 11,30,94,106         |
| V     | Interest Adjustable with BMC/ABMC                                | 99,26,715            | 99,26,715            |
| VI    | Members' deposit towards BSE/NSE-SGF                             | 21,72,781            | 23,92,781            |
|       | <b>Total</b>   | <b>12,14,72,595</b>  | <b>12,54,13,602</b>  |
|       | <b>Grand Total</b>   | <b>44,41,35,572</b>  | <b>43,04,65,651</b>  |



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

(Amount in Rupees)

| Sl No | Particulars   | As at March 31, 2017 | As at March 31, 2016 |
|-------|---|----------------------|----------------------|
| I     | Investments in Fixed Deposits                           | 37,19,00,000         | 35,21,00,000         |
| II    | Investments in Fixed Deposit with Financial Institution | 50,00,000            | 50,00,000            |
| III   | Balances in Current Account                             | 28,81,382            | 53,24,647            |
| IV    | Interest accrued on Fixed Deposits                      | 21,35,694            | 24,05,907            |
| V     | Deposit with BSE Ltd                                    | 5,81,25,000          | 5,81,25,000          |
| VI    | Deposit with Indian Clearing Corporation Ltd            | 18,75,000            | 18,75,000            |
| VII   | BMC Receivable from Members (Net of Liability)          | 24,39,882            | 24,39,882            |
| VIII  | Receivable from/ (Payable to) the Exchange              | (2,21,386)           | 31,95,215            |
|       | <b>Total</b>  | <b>44,41,35,572</b>  | <b>43,04,65,651</b>  |

- (e) Dividend on Members' security Deposits as stated in (c)(III) above represents dividend received from 01.11.2007 to 30.06.2010 in respect of shares/securities lodged with the Company by members towards security deposit. In terms of the decision taken by the erstwhile administrator, appointed by the Securities and Exchange Board of India in a prior year such dividend was not required to be distributed to the members and hence was recognized as the Company's income in a prior year. However, the Board of Directors, in their meeting dated 20.11.2012, approved a scheme for distribution of dividend received during the period 01.07.2010 to 31.03.2013, subject to fulfilment of other criteria of the said scheme. Accordingly Rs.94,84,820 had been transferred from "Reserves & Surplus" to "Current Liabilities" in the year 2012-13 and the dividend received during the period 01.11.2007 till 30.06.2010 continues to be included in the "Settlement Guarantee Fund" under the head "Reserve & Surplus". Further, the dividend received on Members' Security Deposits from 01.04.2013 is also being carried in the books of accounts as current liabilities.

**27. Transfer of Profit:**

As per the notification issued by the Securities and Exchange Board of India (SEBI) dated June 20, 2012, every stock exchange is required to credit twenty five percent of its profit every year to the fund of a recognized clearing corporation(s), which clears and settles trade executed on that stock exchange.

As directed by SEBI, the Company had suspended trading operations w.e.f. April 3, 2013. Till then the Company had settled all trading transactions through its own clearing/settlement mechanism.

Consequently, the aforesaid order of SEBI is not applicable to the Company after April 3, 2013 and hence no charge had been recognized in the financial statements till date.

**28. 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 fee collections 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.

- 29.** As per the policy framed by the Company in accordance with the requirement of SEBI, expenses are allocated to Settlement Guarantee Fund and

Investors' Service Fund as stated below:

(Amount in Rupees)

| Particulars                                | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Settlement Guarantee Fund Expenses:</b> |                      |                      |
| - Staff Cost                               | 22,61,494            | 29,05,592            |
| - Telephone Charges                        | 25,000               | 25,000               |
| - Computer Maintenance and Service Charges | 3,600                | 3,600                |
| - Audit Expenses                           | 2,50,000             | 2,50,000             |
| - Miscellaneous Expenses                   | 1,07,000             | 2,25,675             |
| - Legal & Professional Fees                | 13,09,546            | 49,80,985            |
|  | <b>39,56,640</b>     | <b>83,90,852</b>     |
| <b>Investors' Service Expenses</b>         | <b>88,215</b>        | <b>2,76,904</b>      |

30. i) Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.94,96,16,925 (Rs.94,96,16,925) due from Members on account of settlements in prior years comprising Rs.94,22,58,636 (Rs.94,22,58,636) towards Hand Delivery Settlement, Rs.26,36,540 (Rs.26,36,540) for Cash Settlement and Rs.47,21,749 (Rs.47,21,749) on account of Demat Settlement as on 31.03.2017. Out of the above, the Company has filed recovery suits amounting to Rs.93,00,50,704 (Rs.93,00,50,704) from 14 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 31.03.2017, 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 ad-hoc contributions aggregating Rs.28,06,89,708 to the Settlement Guarantee Fund in the financial year 2000-01. The aforesaid funds were provided to the Company for settling certain transactions where the transacting members had defaulted. Such contributions are to be refunded only when the Company recovers money from the defaulters.

iv) The Company had further received ad-hoc non-refundable contributions aggregating Rs.3,10,92,390 to the Settlement Guarantee

Fund from certain members in earlier years. As the amount had not been utilized for any purpose until date, the amount so contributed is lying in reserves and surplus of Settlement Guarantee Fund.

31. 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.25,02,71,266 (Rs.20,61,76,670) and fixed deposits of Rs.17,96,68,025 (Rs.18,50,70,804) as at 31.03.2017, have not been included in the financial statements and has been disclosed by way of Notes to the financial statements.

## 32. 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                             | 2016-17       | 2015-16       |
|---|---------------|---------------|
| Discount rate                           | 7.50%         | 8.00%         |
| Salary escalation rate (Inflation rate) | 7.50%         | 8.50%         |
| Withdrawal rates                        | 1.00% - 3.00% | 1.00% - 3.00% |

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: (Amount in Rupees)

| Particulars                             | 2016-17   | 2015-16   |
|---|-----------|-----------|
| Contribution to Provident/Pension Fund  | 54,36,736 | 55,54,363 |
| Contribution to Superannuation Fund     | 24,66,607 | 23,78,155 |
| Contribution to National Pension Scheme | 6,50,083  | 6,43,162  |

### 33. Related Party Transactions:

Aggregated Related Party disclosure as at and for the year ended 31.03.2017:

a) Entities under common control:

Name: Stock Exchange Investors' Protection Fund

Transactions with the entity under common control: (Amount in Rupees)

| Name                                      | Particulars   | 2016-17   | 2015-16   |
|---|---|-----------|-----------|
| Stock Exchange Investors' Protection Fund | Contribution to Stock Exchange Investors' Protection Fund | 32,78,410 | 39,15,798 |
|   | Expenses Recoverable / incurred on behalf related party   | 19,16,124 | 31,61,265 |
|   | Income earned on behalf of related party                  | 13,84,285 | 12,44,321 |
|   | Amount paid   | 20,40,233 | 34,24,148 |
|   | Amount Receivable outstanding                             | 2,07,260  | 9,13,598  |

Transactions with the wholly owned Subsidiary: (Amount in Rupees)

| Name                                | Particulars   | 2016-17  | 2015-16   |
|-------------------------------------|---|----------|-----------|
| CSE Capital Markets Private Limited | Expenses incurred on behalf of Subsidiary                             | 9,40,908 | 16,38,642 |
|                                     | Amount paid   | -        | 2,78,800  |
|                                     | Income earned on behalf of Subsidiary                                 | 7,623    | 34,000    |
|                                     | Interest on fixed deposits received from bank on behalf of subsidiary | -        | 6,15,272  |
|                                     | Expenses payable to subsidiary  | 5,69,526 | 6,58,675  |
|                                     | Amount payable outstanding  | 52,899   | 4,16,658  |

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

(Amount in Rupees)

| Name                           | Particulars  | 2016-17   | 2015-16   |
|--------------------------------|--|-----------|-----------|
| Mr. Subrato Das (MD & CEO)     | Remuneration and other allowances (From May 9, 2016)     | 56,65,405 | -         |
| Mr. B Madhav Reddy (MD & CEO)  | Remuneration and other allowances (Till June 5, 2015)    | -         | 10,10,738 |
| Mr. B Madhav Reddy (President) | Remuneration and other allowances (Till August 31, 2016) | 31,63,627 | 45,94,262 |

## 34. Reclassification of Property, Plant and Equipment to Investment Property:

The Company in an earlier year had 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 had been reclassified from "Property, Plant and Equipment" disclosed under Note 8 to "Non-Current Investment" as investment property disclosed under Note 9 of these financial statements in an earlier year, in terms of AS-13: Accounting for Investments.

35. The Company has, during the earlier year, filed a writ petition in the Hon'ble High Court of Calcutta against the intimation dated November 3, 2014 from SEBI initiating the process of compulsory exit as a stock exchange. The Hon'ble High Court had directed both the parties to hold a meeting for working out the issue that has arisen between the parties. On December 22, 2014 the representatives of the Company attended a meeting with the SEBI and submitted a "proposal for consideration" which was rejected by SEBI without attributing any reason for such rejection. On May 18, 2015 SEBI again issued a letter stating that it has initiated the process of compulsory exit and that a valuation agency would be appointed by SEBI for the purpose of verification and valuation of the assets and liabilities of the stock exchange; SEBI had also asked the Company to co-ordinate with nationwide stock exchange and place the listed companies in dissemination board of nationwide stock exchange within 15 days of the receipt of the said letter and also settle outstanding dues of the brokers and sub-brokers in a time bound manner.

Pursuant to the above, the Company filed a

supplementary petition with the Hon'ble High Court to hear the writ petition since the previous meeting did not yield any result due to non-cooperation from SEBI. The Hon'ble High court, after hearing the matter, issued an order on April 12, 2016 dismissing the writ petition of the Company without giving any relief.

Being aggrieved with the Orders of Hon'ble High Court, the Company has filed appeals and stay petition before the Hon'ble Division Bench, High Court Calcutta. The Division Bench has stayed the exit process of the Company initiated by SEBI till further hearing. The appeal filed by the Company is yet to be disposed of by the Hon'ble Division Bench, High Court of Calcutta. The management believes the outcome of the above litigation will depend on the judgement of the Hon'ble Division Bench, High Court of Calcutta which is currently pending. In the meantime, as an alternative source for augmentation of its revenue and networth, the Company is also contemplating to develop its freehold land at Rajarhat and is in talks for evaluating the commercialisation of its leasehold land at EM Bypass in Kolkata. Consequently, the management has considered it appropriate to prepare the financial statements on the going concern assumption.

36. As per the Company's (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to incur expenditure towards CSR activities to the extent of Rs.9.81 Lacs for the financial year 2016-17. As expenditure in this account could not be incurred during the year the same shall be incurred in the next financial year for the purposes specified in this rules
37. Previous year's figures including those given in brackets, have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

As per our report of even date

### For S.R.Batliboi & Co. LLP

Firm Registration Number: 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number: 55596

Place : Kolkata

Date : 30<sup>th</sup> August 2017

### For and on behalf of the board of directors of The Calcutta Stock Exchange Limited

**Bhaskar Sen**  
Director

**Bhaskar Banerjee**  
Director

**Subrato Das**  
MD & CEO

**Prosenjit Dutta**  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To

### The Members of The Calcutta Stock Exchange Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Calcutta Stock Exchange Limited (hereinafter referred to as "the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### Basis for qualified opinion

Attention is drawn to Note 30 (i) regarding recoverability of Rs. 94,96,16,925 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 Holding Company's profit for the year and year end loans and advances as carried forward in these financial statements is not ascertainable.

#### Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of consolidated the state of affairs of the Group as at March 31, 2017, of their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to Note 35 to the financial statements regarding the uncertainty related to the outcome of the appeal and stay petition filed by the Holding Company which is 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 section 143(3) of the Act, to the extent applicable, we report that:
  - (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- (b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, refer to our separate report in "Annexure 1" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group– Refer Notes 25, 30(i) and 35 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary during the year ended March 31, 2017.
- iv. The Holding Company and its subsidiary have provided requisite disclosures in Note 14 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Group and as produced to us by the management of the Holding Company.

## Other Matter

(a) We did not audit the financial statements and other financial information, in respect of a subsidiary, whose financial statements include total assets of Rs 8,46,52,692 and net assets of Rs 8,20,26,133 as at March 31, 2017, total revenues of Rs 81,29,716 and net cash inflows of Rs 30,61,577 for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements and other financial information certified by the Management.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar  
Partner Membership Number: 55596  
Place of Signature: Kolkata  
Date: August 30, 2017



**Annexure 1**

**To the Independent Auditor's report of even date on the consolidated financial statements of The Calcutta Stock Exchange Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of The Calcutta Stock Exchange Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of The Calcutta Stock Exchange Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in

all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of subsidiary company, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2017:

- a) The Holding Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Holding Company not recognising sufficient provision there against.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Holding Company and its subsidiary company which are companies incorporated in India as of March 31, 2017.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated August 30, 2017 expressed a qualified opinion.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2017



# The Calcutta Stock Exchange Limited

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

|  | Notes | As at 31st MARCH 2017 |                       | As at 31st MARCH 2016 |                       |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |       | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>I. EQUITIES AND LIABILITIES</b>   |       |                       |                       |                       |                       |
| <b>1. SHAREHOLDERS' FUND</b>   |       |                       |                       |                       |                       |
| Share Capital  | 3     |                       | 6,18,750              |                       | 6,18,750              |
| Reserves and Surplus   | 4     |                       | 1,65,10,58,693        |                       | 1,61,75,71,425        |
| <b>2. NON CURRENT LIABILITIES</b>  |       |                       |                       |                       |                       |
| Long Term Liabilities  | 5     |                       | 1,18,69,09,523        |                       | 1,19,23,81,016        |
| <b>3. CURRENT LIABILITIES</b>  |       |                       |                       |                       |                       |
| Trade Payables   |       |                       |                       |                       |                       |
| Total outstanding dues of micro enterprises and small enterprises                      | 6     |                       | -                     |                       | -                     |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6     |                       | 1,44,45,385           |                       | 1,30,64,932           |
| Other current Liabilities  | 6     |                       | 14,79,46,781          |                       | 12,91,15,893          |
| Short Term Provisions  | 7     |                       | 12,00,001             |                       | 1,89,15,074           |
|  |       |                       | <b>3,00,21,79,133</b> |                       | <b>2,97,16,67,090</b> |
| <b>II. ASSETS</b>  |       |                       |                       |                       |                       |
| <b>1. NON CURRENT ASSETS</b>   |       |                       |                       |                       |                       |
| Property, Plant and Equipment  | 8     | 28,74,29,509          |                       | 29,01,83,555          |                       |
| Intangible Assets  | 8A    | 5,95,594              | 28,80,25,103          | 10,22,794             | 29,12,06,349          |
| Non Current Investments  | 9     |                       | 8,22,39,776           |                       | 6,27,43,935           |
| Deferred Tax Assets (Net)  | 10    |                       | 15,47,194             |                       | 25,23,189             |
| Long term Loans & Advances   | 11    |                       | 1,16,90,89,471        |                       | 1,17,11,43,813        |
| Other Non-Current Assets   | 15    |                       | 80,75,99,904          |                       | 91,57,67,987          |
| <b>2. CURRENT ASSETS</b>   |       |                       |                       |                       |                       |
| Current Investments  | 12    |                       | 2,04,93,724           |                       | 5,83,24,517           |
| Trade Receivables  | 13    |                       | 1,48,26,839           |                       | 1,12,57,490           |
| Cash and Bank Balances   | 14    |                       | 59,69,63,929          |                       | 43,50,80,684          |
| Short Term Loans & Advances  | 11    |                       | 89,92,726             |                       | 99,70,672             |
| Other Current Assets   | 15    |                       | 1,24,00,467           |                       | 1,36,48,454           |
|  |       |                       | <b>3,00,21,79,133</b> |                       | <b>2,97,16,67,090</b> |
| Summary of significant accounting policies   | 1 & 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 Batliboi & Co LLP

Chartered Accountants

Firm Registration Number. 301003E/E300005

**Bhaskar Sen**

Director

**Bhaskar Banerjee**

Director

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 30th August 2017

**Subrato Das**

MD & CEO

**Prosenjit Dutta**

Chief Financial Officer

# Annual Report 2016-17

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

| Particulars   | Notes | 2016-17             | 2015-16             |
|---|-------|---------------------|---------------------|
| <b>Income :</b>   |       | <b>Rupees</b>       | <b>Rupees</b>       |
| Revenue from Operations                                   | 16    | 4,94,61,597         | 5,75,66,068         |
| Other Income  | 17    | 12,40,66,994        | 13,72,47,975        |
|   |       | <b>17,35,28,591</b> | <b>19,48,14,043</b> |
| <b>Expenses :</b>   |       |                     |                     |
| Employees Benefit Expense                                 | 18    | 7,42,72,940         | 7,85,54,403         |
| Other Expenses  | 19    | 3,90,43,403         | 5,48,60,462         |
| Depreciation and Amortization Expense                     | 20    | 53,18,856           | 64,36,005           |
| Contribution to SEBI                                      |       | 31,29,850           | 34,17,791           |
| Contribution to Stock Exchange Investors' Protection Fund |       | 32,06,410           | 38,39,048           |
|   |       | <b>12,49,71,459</b> | <b>14,71,07,709</b> |
| <b>Profit before Tax</b>                                  |       | <b>4,85,57,132</b>  | <b>4,77,06,334</b>  |
| <b>Tax Expenses :</b>                                     |       |                     |                     |
| Current Tax   |       | 1,41,87,798         | 1,42,98,720         |
| Adjustment to Tax provision relating to earlier year      |       | 2,411               | 3,001               |
| Deferred Tax charge/(credit)                              |       | 9,75,994            | (15,402)            |
|   |       | <b>1,51,66,203</b>  | <b>1,42,86,319</b>  |
| <b>Profit after Tax</b>                                   |       | <b>3,33,90,929</b>  | <b>3,34,20,015</b>  |
| <b>Earnings per equity share</b>                          |       |                     |                     |
| Basic & Diluted (Rs.)                                     | 21    | 14.10               | 16.16               |
| Nominal Value of Share (Re.)                              |       | 1                   | 1                   |
| Summary of significant accounting policies                | 1 & 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 Batliboi & Co LLP**

Chartered Accountants

Firm Registration Number. 301003E/E300005

**Bhaskar Sen**

Director

**Bhaskar Banerjee**

Director

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 30th August 2017

**Subrato Das**

MD & CEO

**Prosenjit Dutta**

Chief Financial Officer



**THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

|           | Particulars   | 2016-17<br>(Rupees)  | 2015-16<br>(Rupees)   |
|-----------|---|----------------------|-----------------------|
| <b>A.</b> | <b>Cash Flow from Operating Activities</b>                      |                      |                       |
|           | Profit before tax   | 4,85,57,132          | 4,77,06,334           |
|           | Adjustments for :-  |                      |                       |
|           | Depreciation and Amortization expense                           | 53,18,856            | 64,36,005             |
|           | (Profit)/Loss on sale/ discard of property, plant and equipment | (1,43,868)           | 1,57,057              |
|           | Provision for Doubtful Debts and Advances                       | 13,33,600            | 34,43,683             |
|           | Bad Debts   | 13,022               | 2,84,232              |
|           | Sundry balance written off                                      | 3,297                | 2,62,839              |
|           | Liabilities/Provisions no longer required, written back         | (11,586)             | (25,61,870)           |
|           | Settlement Guarantee Fund Contribution                          | 1,40,777             | 1,33,564              |
|           | Interest on Fixed Deposits                                      | (11,38,93,526)       | (11,78,63,485)        |
|           | Interest on Bonds   | (8,72,480)           | (8,72,480)            |
|           | Interest on Income Tax Refunds                                  | (1,97,362)           | (37,373)              |
|           | Dividend Income from Investments                                | (33,45,550)          | (38,34,656)           |
|           | Profit on sale of Investments                                   | (3,54,102)           | (27,84,108)           |
|           | <b>Operating profit before working capital changes</b>          | <b>(6,34,51,790)</b> | <b>(6,95,30,258)</b>  |
|           | <b>Movements in working capital:</b>                            |                      |                       |
|           | Decrease in Long Term Liabilities                               | (54,59,907)          | (1,01,30,947)         |
|           | Decrease in Short Term Provisions                               | (32,91,209)          | (99,83,614)           |
|           | Increase/(Decrease) in Trade Payables                           | 13,80,453            | (49,74,040)           |
|           | Decrease in Other Current Liabilities                           | 1,81,50,888          | (3,90,64,577)         |
|           | Increase in Trade Receivables                                   | (49,15,971)          | (65,88,986)           |
|           | Decrease in Long Term Loans & Advances                          | 94,403               | 13,73,241             |
|           | Decrease in Short Term Loans & Advances                         | 9,77,946             | 1,80,64,487           |
|           | (Increase)/Decrease in Other Current Assets                     | (1,46,796)           | 6,13,786              |
|           | <b>Cash used in operations</b>                                  | <b>(5,66,61,983)</b> | <b>(12,02,20,908)</b> |
|           | Direct taxes paid (net of refunds)                              | (1,19,43,665)        | (1,28,16,012)         |
|           | <b>Net Cash used in Operating Activities</b>                    | <b>(6,86,05,648)</b> | <b>(13,30,36,920)</b> |

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## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

### CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

|   |  |                      |                      |
|---|--|----------------------|----------------------|
| <b>B.</b>   | <b>Cash Flow from Investing Activities</b>                       |                      |                      |
|   | Sale of property, plant and equipment                            | 2,61,459             | -                    |
|   | Purchase of property, plant and equipment                        | (17,51,042)          | (19,29,605)          |
|   | Purchase of Non Current Investments                              | (3,00,00,000)        | -                    |
|   | Proceeds from Purchase and Sale of Current Investments (net)     | 4,81,84,895          | 3,09,86,056          |
|   | Dividend income from Investments                                 | 33,45,550            | 38,34,656            |
|   | Investment in Fixed Deposits                                     | (45,06,00,000)       | (98,28,85,377)       |
|   | Encashment of Fixed Deposits                                     | 42,19,17,390         | 92,50,17,990         |
|   | Interest on Fixed Deposits                                       | 11,48,88,405         | 12,13,22,503         |
|   | Interest on Income Tax Refund                                    | 1,97,362             | -                    |
|   | Interest on Bonds  | 8,72,480             | 8,72,480             |
|   | <b>Net Cash generated from Investing Activities</b>              | <b>10,73,16,499</b>  | <b>9,72,18,703</b>   |
| <b>C.</b>   | <b>Cash Flow from Financing Activities</b>                       |                      |                      |
|   | Dividend Paid on equity shares                                   | (1,22,25,000)        | (1,22,20,000)        |
|   | Tax on equity dividend paid                                      | (25,33,203)          | (24,43,267)          |
|   | <b>Net Cash used in Financing Activities</b>                     | <b>(1,47,58,203)</b> | <b>(1,46,63,267)</b> |
|   | <b>Net decrease in Cash and Cash Equivalents (A+B+C)</b>         | <b>2,39,52,648</b>   | <b>(5,04,81,484)</b> |
|   | <b>Cash and Cash Equivalents as at the beginning of the year</b> | <b>3,33,90,089</b>   | <b>8,38,71,573</b>   |
|   | <b>Cash and Cash equivalents as at the end of the year</b>       | <b>5,73,42,737</b>   | <b>3,33,90,089</b>   |
| <b>Components of Cash &amp; Cash Equivalents*</b> |  | <b>2016-17</b>       | <b>2015-16</b>       |

|   |                    |                    |
|---|--------------------|--------------------|
| Cash on hand                                    | 36,875             | 41,130             |
| Cheques / Drafts on hand                        | 7,26,122           | 4,85,025           |
| Balance with Scheduled Banks on Current Account |                    |                    |
| Own Fund  | 4,86,84,444        | 2,55,09,363        |
| Investors' Service Fund                         | 50,13,914          | 20,29,924          |
| Settlement Guarantee Fund                       | 28,81,382          | 53,24,647          |
|   | <b>5,73,42,737</b> | <b>3,33,90,089</b> |

\* Excludes the balance of Rs.64,53,205 (2015: Rs.57,73,205) which the Company can utilize only towards settlement of the respective unpaid dividend.

Summary of significant accounting policies (Refer Note 1 and 2)

As per our report of even date

For and on behalf of the Board of Directors

For S R Batliboi & Co LLP

Chartered Accountants  
Firm Registration Number. 301003E/E300005

**Bhaskar Sen**  
Director

**Bhaskar Banerjee**  
Director

per **Bhaswar Sarkar**  
Partner  
Membership No. 55596  
Place: Kolkata  
Date: 30th August 2017

**Subrato Das**  
MD & CEO

**Prosenjit Dutta**  
Chief Financial Officer



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2017

### NOTE - 1: Principles of Consolidation

- (i) The Consolidated Financial Statements present the consolidated Accounts of The Calcutta Stock Exchange Limited ("the Company") and its following Subsidiary (collectively the "Group"):

| Name of the Subsidiary              | Country of Incorporation | Proportion of Ownership / interest |                      |
|-------------------------------------|--------------------------|------------------------------------|----------------------|
|                                     |                          | As at March 31, 2017               | As at March 31, 2016 |
| CSE Capital Markets Private Limited | India                    | 100%                               | 100%                 |

- (ii) The financial statements of the Company and its subsidiary have been consolidated in terms of Accounting Standard- 21, "Consolidated Financial Statements" on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profit/loss included therein

- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the Company's separate financial statements.

- (iv) The excess/shortfall of cost to the Company of its investments in the subsidiary companies is recognized in the financial statements as goodwill/ capital reserve as the case may be.

- (v) Minority interest in the net asset of subsidiaries consists of:

- The amount of Equity attributable to minority at the date on which investment in a subsidiary is made.
- Minority's share of movements in equity since the date parent subsidiary relationship came into existence.

#### NOTE - 1.1 : Basis of preparation of Account

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of

the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention and on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

### 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 Group 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 Group collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

### **Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

### **Dividend**

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

### **iii) Tangible Assets**

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises 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 Property, Plant and Equipment**

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 Property,**

### **Plant and Equipment**

Depreciation on Property, Plant and Equipment has been provided on the written down value method as per the rates prescribe under Schedule - II of the Companies Act, 2013 which is in accordance with management estimates for the useful life of the underlying assets. Depreciation on Property, Plant and Equipment added/disposed-off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

### **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 amortized on straight line basis over a period of three years from the date the asset become available for use.

### **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 Group, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The leasehold land is amortized over the period of lease, i.e. 99 years. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **viii) Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. 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 Group 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 Group 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 Group 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 Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group 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 Group 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 Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group 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 Group has no obligation, other than the contribution payable to such funds. The Group 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 Group 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 Group 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 Group 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 Group 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 Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect to current best estimates.

### xii) 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 Group 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 Group does not recognize the contingent liability but discloses its existence in the financial statements.

**xiii) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY**

Note to the consolidated financial statements as at and for the year ended 31st March 2017

**NOTE - 3 : Share Capital**

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>a) AUTHORISED SHARES :</b>  |                       |                       |
| 10,00,00,000 (31 March 2016 : 10,00,00,000) Equity Shares of Re.1 each       | 10,00,00,000          | 10,00,00,000          |
| <b>b) ISSUED SHARES :</b>  |                       |                       |
| 6,18,750 (31 March 2016 : 6,18,750) Equity Shares of Re.1 each               | 6,18,750              | 6,18,750              |
| <b>c) SUBSCRIBED &amp; PAID UP SHARES :</b>                                  |                       |                       |
| 6,11,250 (31 March 2016 : 6,11,250) Equity Shares of Re.1 each fully paid up | 6,11,250              | 6,11,250              |
| <b>Add : Forfeited Shares:</b>   |                       |                       |
| 7,500 (31 March 2016 : 7,500) Equity Shares paid up of Re.1 each             | 7,500                 | 7,500                 |
|  | <b>6,18,750</b>       | <b>6,18,750</b>       |

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

|   | 31st March 2017 |          | 31st March 2016 |          |
|---|-----------------|----------|-----------------|----------|
|   | Number          | Rs.      | Number          | Rs.      |
| Equity Shares                             | 6,11,250        | 6,11,250 | 6,11,000        | 6,11,000 |
| Issued during the year                    | -               | -        | 250             | 250      |
| Shares outstanding at the end of the year | 6,11,250        | 6,11,250 | 6,11,250        | 6,11,250 |

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

The Company has only one class of equity shares having par value of Rs.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

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

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

### NOTE - 4: Reserves and Surplus

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>I. Own Fund</b>   |                       |                       |
| <b>Capital Reserve</b>   |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 6,18,860              | 6,18,860              |
| <b>Securities Premium Account</b>  |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 30,14,597             | 30,14,597             |
| Closing Balance  | 30,14,597             | 30,14,597             |
| <b>Post-Demutualisation Period</b>   |                       |                       |
| Balance as per last financial statements   | 63,17,78,051          | 63,17,78,051          |
| Closing Balance  | 63,17,78,051          | 63,17,78,051          |
| <b>Total Securities Premium Account</b>  | 63,47,92,648          | 63,47,92,648          |
| <b>Reserve for Establishment of Centre for Training and Statistical Information &amp; Setting up a Library</b>                       |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 3,88,41,547           | 3,88,41,547           |
| <b>Development Fee Fund</b>  |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 13,40,50,000          | 13,40,50,000          |
| <b>General Reserve</b>   |                       |                       |
| <b>Pre-Demutualisation Period</b>  |                       |                       |
| Balance as per last financial statements   | 35,00,89,985          | 35,03,37,461          |
| Addition during the year   | -                     | -                     |
| Deductions/Adjustments during the year   | (25,928)              | (2,47,476)            |
| Closing Balance  | 35,00,64,057          | 35,00,89,985          |
| <b>Post-Demutualisation Period</b>   |                       |                       |
| Balance as per last financial statements   | 5,50,15,205           | 5,20,15,205           |
| Addition during the year   | 10,00,000             | 30,00,000             |
| Deductions/Adjustments during the year   | -                     | -                     |
| Closing Balance  | 5,60,15,205           | 5,50,15,205           |
| <b>Total General Reserve</b>   | 40,60,79,262          | 40,51,05,190          |
| <b>Surplus in the Statement of Profit and Loss</b>   | 3,31,01,105           | 4,09,40,851           |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Profit for the year  | 3,33,90,929           | 3,34,20,015           |
| Appropriations   |                       |                       |
| Less : Transferred to General Reserve  | (10,00,000)           | (30,00,000)           |
| Less : Income of Investor's Service Fund transferred   | (73,71,701)           | (73,59,281)           |
| Less : Income of Settlement Guarantee Fund transferred   | (2,14,26,791)         | (2,51,01,946)         |
| Less : Profit on sale of Fixed Assets of Pre-Demutualisation period transferred to General Reserve                                   | -                     | -                     |
| Less : Unspent Liabilities no longer required, written back related to the Pre-Demutualisation period transferred to General Reserve | -                     | -                     |
| Less : Proposed final equity dividend  | -                     | (1,22,25,000)         |
| Less : Tax on proposed equity dividend   | -                     | (24,88,766)           |
| Less : Tax on proposed equity dividend relating to prior year  | (44,438)              | -                     |
| Add : Expenses of Investor's Service Fund transferred  | 88,215                | 2,76,904              |
| Add : Expenses of Settlement Guarantee Fund transferred  | 39,56,640             | 83,90,852             |
| Add : Expenses related to Pre-Demutualisation period adjusted with General Reserve   | 25,928                | 2,47,476              |
| <b>Total appropriations</b>  | <b>(2,57,72,147)</b>  | <b>(4,12,59,761)</b>  |
| <b>Net Surplus in the Statement of Profit and Loss</b>   | <b>4,07,19,887</b>    | <b>3,31,01,105</b>    |
| <b>Total of Own Fund</b>   | <b>1,25,51,02,204</b> | <b>1,24,65,09,350</b> |



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

NOTE - 4: Reserves and Surplus

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>II. Investors' Service Fund</b>   |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 6,60,10,026           | 5,89,27,649           |
| Addition during the year   | 73,71,701             | 73,59,281             |
| Deductions / Adjustments during the year   | (88,215)              | (2,76,904)            |
| <b>Total of Investors' Service Fund</b>  | <b>7,32,93,512</b>    | <b>6,60,10,026</b>    |
| <b>III. Settlement Guarantee Fund</b>  |                       |                       |
| <b>Settlement Guarantee Fund for CSE-NSE Cash Segment</b>  |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 1,01,03,154           | 1,00,75,619           |
| Addition during the year   | 39,349                | 27,535                |
| Closing Balance  | <b>1,01,42,503</b>    | <b>1,01,03,154</b>    |
| <b>Settlement Guarantee Fund for CSE-NSE Future and Option Segment</b>                                       |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 1,01,48,400           | 1,00,90,539           |
| Addition during the year   | 56,099                | 57,861                |
| Closing Balance  | <b>1,02,04,499</b>    | <b>1,01,48,400</b>    |
| <b>Settlement Guarantee Fund for CSE-BSE Cash Segment</b>  |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 1,01,81,035           | 1,01,47,631           |
| Addition during the year   | 22,804                | 33,404                |
| Closing Balance  | <b>1,02,03,839</b>    | <b>1,01,81,035</b>    |
| <b>Settlement Guarantee Fund for CSE-BSE Future and Option Segment</b>                                       |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 1,00,07,564           | 1,00,02,800           |
| Addition during the year   | 4                     | 4,764                 |
| Closing Balance  | <b>1,00,07,568</b>    | <b>1,00,07,564</b>    |
| <b>Settlement Guarantee Fund Initial Membership Fees</b>   |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 2,50,000              | 2,40,000              |
| Addition during the year   | 10,000                | 10,000                |
| Closing Balance  | <b>2,60,000</b>       | <b>2,50,000</b>       |
| <b>Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the exchange)</b> |                       |                       |
| <b>(Post-Demutualisation Period)</b>   |                       |                       |
| Balance as per last financial statements   | 26,43,61,896          | 24,76,50,802          |
| Addition during the year   | 2,14,39,312           | 2,51,01,946           |
| Deductions / Adjustments during the year   | (39,56,640)           | (83,90,852)           |
| Closing Balance  | <b>28,18,44,568</b>   | <b>26,43,61,896</b>   |
| <b>Total of Settlement Guarantee Fund</b>  | <b>32,26,62,977</b>   | <b>30,50,52,049</b>   |
| <b>Total of I+II+III</b>   | <b>1,65,10,58,693</b> | <b>1,61,75,71,425</b> |

**THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY**  
**Note to the consolidated financial statements as at and for the year ended 31st March 2017**

**NOTE - 5 : Long Term Liabilities**

| Particulars                            | As at 31st March 2017      |                             |                | As at 31st March 2016      |                             |                |
|--|----------------------------|-----------------------------|----------------|----------------------------|-----------------------------|----------------|
|  | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL          | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL          |
|  | Rupees                     | Rupees                      | Rupees         | Rupees                     | Rupees                      | Rupees         |
| Sundry Deposits [Refer Note no.30(ii)] | 96,92,94,037               | -                           | 96,92,94,037   | 96,92,94,037               | -                           | 96,92,94,037   |
| Members' Security Deposits             |                            |                             |                |                            |                             |                |
| - Own Fund                             | -                          | 9,61,42,891                 | 9,61,42,891    | -                          | 9,76,73,377                 | 9,76,73,377    |
| - Settlement Guarantee Fund            | -                          | 12,14,72,595                | 12,14,72,595   | -                          | 12,54,13,602                | 12,54,13,602   |
|  | 96,92,94,037               | 21,76,15,486                | 1,18,69,09,523 | 96,92,94,037               | 22,30,86,979                | 1,19,23,81,016 |

**NOTE - 6 : Trade Payables and Other Current Liabilities**

| Particulars  | As at 31st March 2017      |                             |              | As at 31st March 2016      |                             |              |
|--|----------------------------|-----------------------------|--------------|----------------------------|-----------------------------|--------------|
|  | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL        | Pre-Demutualisation Period | Post-Demutualisation Period | TOTAL        |
|  | Rupees                     | Rupees                      | Rupees       | Rupees                     | Rupees                      | Rupees       |
| <b>Trade payables</b>  |                            |                             |              |                            |                             |              |
| Total outstanding dues of micro enterprises and small enterprises                              | -                          | -                           | -            | -                          | -                           | -            |
| Total outstanding dues of creditors other than micro enterprises and small enterprises         | -                          | 1,44,45,385                 | 1,44,45,385  | -                          | 1,30,64,932                 | 1,30,64,932  |
| <b>Other Liabilities :</b>   |                            |                             |              |                            |                             |              |
| Sundry Deposits  | 1,59,13,275                | 3,83,31,926                 | 5,42,45,201  | 1,60,85,459                | 3,39,16,951                 | 5,00,02,410  |
| Statutory Dues   | -                          | 33,12,172                   | 33,12,172    | -                          | 31,58,908                   | 31,58,908    |
| Unclaimed Dividend   | -                          | 64,53,205                   | 64,53,205    | -                          | 57,73,205                   | 57,73,205    |
| Members' deposit including deposits for additional base capital requirement and margin in Cash | -                          | 8,39,36,203                 | 8,39,36,203  | -                          | 7,01,81,370                 | 7,01,81,370  |
|  | 1,59,13,275                | 14,64,78,891                | 16,23,92,166 | 1,60,85,459                | 12,60,95,366                | 14,21,80,825 |

**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 required to be made.



## The Calcutta Stock Exchange Limited

### THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

#### NOTE - 7 : Short Term Provisions

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>Provision for Employee Benefits:</b>  |                       |                       |
| Leave  | -                     | 32,91,209             |
| <b>Other Provisions:</b>   |                       |                       |
| Proposed Dividend  | -                     | 1,22,25,000           |
| Tax on Dividend  | -                     | 24,88,766             |
| Income Tax [net of advance tax of Rs.1,29,87,797<br>(31 March 2016 : Rs. 1,22,15,369)] | 12,00,001             | 9,10,099              |
|  | <b>12,00,001</b>      | <b>1,89,15,074</b>    |

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

### NOTE - 8 : Property, Plant and Equipment

(Amount in Rs.)

| Cost or Valuation                              | Freehold Land | Building    | Electrical Equipments | Furniture & Fixtures | Office Equipments | Vehicles   | Computers     | Total           |
|--|---------------|-------------|-----------------------|----------------------|-------------------|------------|---------------|-----------------|
| <b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>  |               |             |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | 4,15,300      | 21,57,399   | 1,27,00,896           | 91,90,991            | 96,43,505         | -          | 18,62,96,242  | 22,04,04,333    |
| Additions                                      | -             | -           | -                     | -                    | -                 | -          | -             | -               |
| Disposals/ Adjustment                          | -             | -           | -                     | (23,63,076)          | (11,64,720)       | -          | (1,35,51,771) | (1,70,79,567)   |
| At 31st March 2016                             | 4,15,300      | 21,57,399   | 1,27,00,896           | 68,27,915            | 84,78,785         | -          | 17,27,44,471  | 20,33,24,766    |
| Additions                                      | -             | -           | -                     | -                    | -                 | -          | -             | -               |
| Disposals/ Adjustment                          | -             | -           | -                     | (14,445)             | (90,000)          | -          | (1,04,65,216) | (1,05,69,661)   |
| At 31st March 2017                             | 4,15,300      | 21,57,399   | 1,27,00,896           | 68,13,470            | 83,88,785         | -          | 16,22,79,255  | 19,27,55,105    |
| <b>Depreciation</b>                            |               |             |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | -             | 15,25,573   | 1,20,82,390           | 87,83,883            | 92,69,242         | -          | 18,55,37,881  | 21,71,98,969    |
| Charge For the Year                            | -             | 27,725      | 1,631                 | -                    | -                 | -          | -             | 29,356          |
| Disposals/ Adjustment                          | -             | -           | -                     | (22,48,618)          | (11,49,446)       | -          | (1,35,34,026) | (1,69,32,090)   |
| At 31st March 2016                             | -             | 15,53,298   | 1,20,84,021           | 65,35,265            | 81,19,796         | -          | 17,20,03,855  | 20,02,96,235    |
| Charge For the Year                            | -             | 26,508      | 806                   | -                    | -                 | -          | -             | 27,314          |
| Disposals/ Adjustment                          | -             | -           | -                     | (14,400)             | (85,500)          | -          | (1,04,43,833) | (1,05,43,733)   |
| At 31st March 2017                             | -             | 15,79,806   | 1,20,84,827           | 65,20,865            | 80,34,296         | -          | 16,15,60,022  | 18,97,79,816.00 |
| <b>Net Block</b>                               |               |             |                       |                      |                   |            |               |                 |
| At 31st March 2016                             | 4,15,300      | 6,04,101    | 6,16,875              | 2,92,650             | 3,58,989          | -          | 7,40,616      | 30,28,531       |
| At 31st March 2017                             | 4,15,300      | 5,77,593    | 6,16,069              | 2,92,605             | 3,54,489          | -          | 7,19,233      | 29,75,289       |
| <b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b> |               |             |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | 26,90,00,023  | 1,17,28,629 | 66,60,394             | 53,81,103            | 29,95,560         | 13,93,530  | 1,85,93,335   | 31,57,52,574    |
| Additions                                      | -             | -           | 2,43,720              | 1,48,679             | 1,08,089          | -          | 12,94,007     | 17,94,495       |
| Disposals/ Adjustment                          | -             | -           | -                     | -                    | -                 | -          | (1,28,112)    | (1,28,112)      |
| At 31st March 2016                             | 26,90,00,023  | 1,17,28,629 | 69,04,114             | 55,29,782            | 31,03,649         | 13,93,530  | 1,97,59,230   | 31,74,18,957    |
| Additions                                      | -             | -           | 55,247                | -                    | 57,055            | 13,29,080  | 3,09,660      | 17,51,042       |
| Disposals/ Adjustment                          | -             | -           | (12,131)              | -                    | (1,45,116)        | (8,73,530) | (2,78,684)    | (13,09,461)     |
| At 31st March 2017                             | 26,90,00,023  | 1,17,28,629 | 69,47,230             | 55,29,782            | 30,15,588         | 18,49,080  | 1,97,90,206   | 31,78,60,538    |
| <b>Depreciation</b>                            |               |             |                       |                      |                   |            |               |                 |
| At 1st April 2015                              | -             | 19,47,245   | 19,54,037             | 29,76,551            | 23,36,393         | 10,91,648  | 1,49,83,210   | 2,52,89,084     |
| Charge For the Year                            | -             | 9,52,897    | 12,86,902             | 7,46,522             | 3,83,631          | 1,09,983   | 16,13,445     | 50,93,380       |
| Adjusted with General Reserves                 | -             | -           | -                     | -                    | -                 | -          | (1,18,531)    | (1,18,531)      |
| At 31st March 2016                             | -             | 29,00,142   | 32,40,939             | 37,23,073            | 27,20,024         | 12,01,631  | 1,64,78,124   | 3,02,63,933     |
| Charge For the Year                            | -             | 8,60,063    | 9,68,594              | 4,94,656             | 1,87,417          | 3,66,598   | 14,82,855     | 43,60,183       |
| Disposals/ Adjustment                          | -             | -           | (10,885)              | -                    | (1,17,120)        | (8,29,853) | (2,59,940)    | (12,17,798)     |
| At 31st March 2017                             | -             | 37,60,205   | 41,98,648             | 42,17,729            | 27,90,321         | 7,38,376   | 1,77,01,039   | 3,34,06,318     |
| <b>Net Block</b>                               |               |             |                       |                      |                   |            |               |                 |
| At 31st March 2016                             | 26,90,00,023  | 88,28,487   | 36,63,175             | 18,06,709            | 3,83,625          | 1,91,899   | 32,81,106     | 28,71,55,024    |
| At 31st March 2017                             | 26,90,00,023  | 79,68,424   | 27,48,582             | 13,12,053            | 2,25,267          | 11,10,704  | 20,89,167     | 28,44,54,220    |
| <b>Net Block of Tangible Assets</b>            |               |             |                       |                      |                   |            |               |                 |
| At 31st March 2016                             | 26,94,15,323  | 94,32,588   | 42,80,050             | 20,99,359            | 7,42,614          | 1,91,899   | 40,21,722     | 29,01,83,555    |
| At 31st March 2017                             | 26,94,15,323  | 85,46,017   | 33,64,651             | 16,04,658            | 5,79,756          | 11,10,704  | 28,08,400     | 28,74,29,509    |



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

NOTE - 8A : Intangible Assets

(Amount in Rs.)

| Particulars                                    | Computer Softwares | Total       |
|--|--------------------|-------------|
| <b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>  |                    |             |
| <b>Gross Block</b>                             |                    |             |
| At 1st April 2015                              | 3,00,36,144        | 3,00,36,144 |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 3,00,36,144        | 3,00,36,144 |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 3,00,36,144        | 3,00,36,144 |
| <b>Amortization</b>                            |                    |             |
| At 1st April 2015                              | 3,00,36,108        | 3,00,36,108 |
| Charge For the Year                            | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 3,00,36,108        | 3,00,36,108 |
| Charge For the Year                            | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 3,00,36,108        | 3,00,36,108 |
| <b>Net Block</b>                               |                    |             |
| At 31st March 2016                             | 36                 | 36          |
| At 31st March 2017                             | 36                 | 36          |
| <b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b> |                    |             |
| <b>Gross Block</b>                             |                    |             |
| At 1st April 2015                              | 51,00,533          | 51,00,533   |
| Additions                                      | 1,35,110           | 1,35,110    |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 52,35,643          | 52,35,643   |
| Additions                                      | -                  | -           |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 52,35,643          | 52,35,643   |
| <b>Amortization</b>                            |                    |             |
| At 1st April 2015                              | 35,88,320          | 35,88,320   |
| Charge For the Year                            | 6,24,565           | 6,24,565    |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2016                             | 42,12,885          | 42,12,885   |
| Charge For the Year                            | 4,27,200           | 4,27,200    |
| Disposals/ Adjustment                          | -                  | -           |
| At 31st March 2017                             | 46,40,085          | 46,40,085   |
| <b>Net Block</b>                               |                    |             |
| At 31st March 2016                             | 10,22,758          | 10,22,758   |
| At 31st March 2017                             | 5,95,558           | 5,95,558    |
| <b>Net Block of Intangible Assets</b>          |                    |             |
| At 31st March 2016                             | 10,22,794          | 10,22,794   |
| At 31st March 2017                             | 5,95,594           | 5,95,594    |

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## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

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

| Particulars   | As at 31st March 2017 |             | As at 31st March 2016 |             |
|---|-----------------------|-------------|-----------------------|-------------|
|   | Rupees                | Rupees      | Rupees                | Rupees      |
| <b>INVESTMENT PROPERTY</b>  |                       |             |                       |             |
| <b>Pre-Demutualisation Period</b>   |                       |             |                       |             |
| Cost of leasehold land  | 4,96,67,291           |             | 4,96,67,291           |             |
| Less : Accumulated depreciation   | (80,74,190)           | 4,15,93,101 | (75,70,031)           | 4,20,97,260 |
|   |                       | 4,15,93,101 |                       | 4,20,97,260 |
| <b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b>  |                       |             |                       |             |
| <b>Non-trade</b>  |                       |             |                       |             |
| <b>Debentures- Quoted</b>   |                       |             |                       |             |
| 117 (31st March 2016 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *  |                       | 1           |                       | 1           |
| <b>Trade</b>  |                       |             |                       |             |
| <b>Equity shares- Unquoted</b>  |                       |             |                       |             |
| Nil (31st March 2016: 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) |                       | -           |                       | 1,00,00,000 |
|   |                       | 1           |                       | 1,00,00,001 |
| <b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>   |                       |             |                       |             |
| <b>Non-Trade</b>  |                       |             |                       |             |
| <b>Equity shares- Quoted</b>  |                       |             |                       |             |
| 400 (31st March 2016: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd   |                       | 6,674       |                       | 6,674       |
| <b>Bonds- Quoted</b>  |                       |             |                       |             |
| 5,696 (31st March 2016: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation of India   |                       | 56,96,000   |                       | 56,96,000   |
| 4,944 (31st March 2016: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highway Securities Authority of India (N1 Series)                         |                       | 49,44,000   |                       | 49,44,000   |
| <b>Financial Institution</b>  |                       |             |                       |             |
| <b>Own Fund</b>   |                       |             |                       |             |
| Fixed Deposit with PNB Housing Finance Ltd  |                       | 1,00,00,000 |                       | -           |
| Fixed Deposit with LIC Housing Finance Ltd  |                       | 1,50,00,000 |                       | -           |
| <b>Settlement Guarantee Fund</b>  |                       |             |                       |             |
| Fixed Deposit with PNB Housing Finance Ltd  |                       | 50,00,000   |                       | -           |
|   |                       | 4,06,46,674 |                       | 1,06,46,674 |
|   |                       | 8,22,39,776 |                       | 6,27,43,935 |

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

#### Aggregate cost of Investments:

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Quoted                             | 1,06,46,675 | 1,06,46,675 |
| Unquoted                           | 3,00,00,000 | -           |
| Value of investment property       | 4,15,93,101 | 4,20,97,260 |
| Market value of quoted investments | 1,19,28,000 | 1,17,50,072 |



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

### NOTE - 10 : Deferred Tax Assets (Net)

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>Deferred Tax Liability</b>  |                       |                       |
| Impact of expenditure allowed for tax purposes on payment basis in the current year  | 9,92,115              | -                     |
| <b>Deferred Tax Asset</b>  |                       |                       |
| Provision for doubtful debts and advances  | 22,12,115             | 22,13,562             |
| Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting | 3,27,194              | 32,180                |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis              | -                     | 2,77,447              |
| <b>Gross Deferred Tax Asset</b>  | <b>25,39,309</b>      | <b>25,23,189</b>      |
| <b>Net Deferred Tax Asset</b>  | <b>15,47,194</b>      | <b>25,23,189</b>      |

### NOTE - 11 : Loans & Advances

| Particulars  | Non-Current           |                       | Current               |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|  | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>Unsecured, considered good (unless stated otherwise):</b>   |                       |                       |                       |                       |
| <b>Security Deposits</b>   |                       |                       |                       |                       |
| Considered good  | 4,24,32,679           | 4,24,35,483           | -                     | -                     |
| Considered doubtful  | 5,06,000              | 5,06,000              | -                     | -                     |
|  | 4,29,38,679           | 4,29,41,483           | -                     | -                     |
| Less : Provision for doubtful deposits   | (5,06,000)            | (5,06,000)            | -                     | -                     |
|  | 4,24,32,679           | 4,24,35,483           | -                     | -                     |
| Deposit with BSE Ltd - Settlement Guarantee Fund   | 5,81,25,000           | 5,81,25,000           | -                     | -                     |
| Deposit with Indian Clearing Corporation Ltd   | 10,10,000             | 10,10,000             | -                     | -                     |
| Deposit with Indian Clearing Corporation Ltd - Settlement Guarantee Fund   | 18,75,000             | 18,75,000             | -                     | -                     |
|  | <b>10,34,42,679</b>   | <b>10,34,45,483</b>   | <b>-</b>              | <b>-</b>              |
| <b>Advances recoverable in cash or in kind</b>   |                       |                       |                       |                       |
| Settlement Guarantee Fund  | 24,39,882             | 24,39,882             | -                     | -                     |
|  | <b>24,39,882</b>      | <b>24,39,882</b>      | <b>-</b>              | <b>-</b>              |
| Other parties  | 87,92,900             | 85,15,400             | 12,66,472             | 24,75,947             |
| Receivable from defaulting members   | 94,96,16,925          | 94,96,16,925          | -                     | -                     |
| <b>Receivable from related party:</b>  |                       |                       |                       |                       |
| Stock Exchange Investors' Protection Fund  | -                     | -                     | 2,07,260              | 9,13,598              |
|  | <b>95,84,09,825</b>   | <b>95,81,32,325</b>   | <b>14,73,732</b>      | <b>33,89,545</b>      |
| <b>Other Loans &amp; Advances:</b>   |                       |                       |                       |                       |
| Advance Income Tax and Tax Deducted at Source [Net of provision Rs.5,96,47,400 (31 March 2016 : Rs.7,18,50,568)] | 9,61,66,191           | 9,81,22,833           | -                     | -                     |
| Prepaid expenses   | -                     | -                     | 40,07,383             | 44,99,072             |
| Gratuity plan assets (net)   | 6,67,785              | 8,09,049              | -                     | -                     |
| Leave encashment fund assets (net)   | 12,12,383             | -                     | -                     | -                     |
| Loan to employees  |                       |                       |                       |                       |
| - Interest bearing   | 67,50,726             | 81,94,241             | 18,25,575             | 16,51,631             |
| - Non interest bearing   | -                     | -                     | -                     | 16,250                |
| Service Tax recoverable  | -                     | -                     | 16,86,036             | 4,14,174              |
|  | <b>10,47,97,085</b>   | <b>10,71,26,123</b>   | <b>75,18,994</b>      | <b>65,81,127</b>      |
|  | <b>1,16,90,89,471</b> | <b>1,17,11,43,813</b> | <b>89,92,726</b>      | <b>99,70,672</b>      |

**THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY**  
**Note to the consolidated financial statements as at and for the year ended 31st March 2017**

**NOTE - 12 : Current Investments**

| Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|---|-----------------------|-----------------------|
|   | Rupees                | Rupees                |
| <b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b><br>(Valued at lower of cost and net realisable value)  |                       |                       |
| <b>Non- Trade</b>   |                       |                       |
| Equity shares- Unquoted   |                       |                       |
| 10,00,000 (31st March 2016: Nil) equity shares of Rs. 10 each fully paid up of Central Depository Services (India) Ltd (by way of equity participation as a co-sponsor)           | 1,00,00,000           | -                     |
| <b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b><br>(Valued at lower of cost and net realisable value)   |                       |                       |
| <b>Non- Trade</b>   |                       |                       |
| <b>Investments in fixed deposit with financial institution</b>  |                       |                       |
| PNB Housing Finance Ltd - Own Fund  | -                     | 4,46,00,000           |
| PNB Housing Finance Ltd - Settlement Guarantee Fund   | -                     | 50,00,000             |
| <b>Investments in fixed maturity mutual funds- Unquoted</b>   |                       |                       |
| 1,00,000 (31st March 2016 : Nil) units of Rs.10 each fully paid up of HDFC Charity Fund for Cancer Cure - Debt plan - Direct Option - 50% Dividend Donation - Fixed maturity plan | 10,00,000             | -                     |
| <b>Investments in mutual funds- Unquoted</b>  |                       |                       |
| 76,368 (31st March 2016: 76,368) units of Rs.10 each fully paid up of Birla Mutual Fund - Daily Dividend *  | 10,00,000             | 4,96,00,000           |
| Nil (31st March 2016: 1,044) units of Rs.1000 each fully paid up of Baroda Pioneer Liquid Fund - Plan B Growth *  | 15,00,000             | 15,00,000             |
| 1,968 (31st March 2016: Nil) units of Rs.1000 each fully paid up of Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend- Re-investment *                               | -                     | 15,00,000             |
| 6,066,493 (31st March 16: 5,698,747) units of Rs.1,000.79 (31st March 16: Rs.1,000.79) each fully paid up of Invesco India Liquid Fund - Direct Plan Daily Dividend               | 19,00,000             | -                     |
| 22,271 (31st March 16: 21,179) units of Rs.1,007.50 (31st March 16: Rs.1,004.22) each fully paid up of Reliance Money Manager Fund - Daily Dividend Plan Dividend Reinvestment    | 60,71,288             | 57,03,249             |
|   | 22,436                | 21,268                |
|   | <b>94,93,724</b>      | <b>87,24,517</b>      |
|   | <b>2,04,93,724</b>    | <b>5,83,24,517</b>    |

\* Investment out of Investors' Service Fund

**Aggregate cost of Investments:**

|  |             |             |
|--|-------------|-------------|
| Unquoted                               | 2,04,93,724 | 5,83,24,517 |
| Net asset value of fixed maturity plan | 10,02,650   | -           |
| Net asset value of mutual fund units   | 96,94,552   | 33,27,161   |



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

NOTE - 13 : Trade Receivables

| Particulars  | As at 31st March 2017 |             | As at 31st March 2016 |             |
|--|-----------------------|-------------|-----------------------|-------------|
|  | Rupees                | Rupees      | Rupees                | Rupees      |
| Outstanding for a period exceeding six months from the date they became due for payment: |                       |             |                       |             |
| Secured, Considered good   | 7,55,262              |             | 13,10,523             |             |
| Unsecured  |                       |             |                       |             |
| - Considered good  | 1,23,62,267           |             | 60,57,433             |             |
| - Considered doubtful  | 75,22,582             | 2,06,40,111 | 61,88,982             | 1,35,56,938 |
| Other Receivables:   |                       |             |                       |             |
| Secured, Considered good   |                       | 5,50,310    |                       | 15,69,975   |
| Unsecured, Considered good   |                       | 11,59,000   |                       | 23,19,559   |
|  |                       | 2,23,49,421 |                       | 1,74,46,472 |
|  |                       | (75,22,582) |                       | (61,88,982) |
| Less: Provision for Doubtful Debts   |                       | 1,48,26,839 |                       | 1,12,57,490 |

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

### NOTE - 14 : Cash and Bank Balances

| Particulars  | Non-Current           |                       | Current               |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|  | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>a. CASH AND CASH EQUIVALENTS</b>  |                       |                       |                       |                       |
| Cash on hand   | -                     | -                     | 36,875                | 41,130                |
| Cheques / Drafts on hand   | -                     | -                     | 7,26,122              | 4,85,025              |
| Balance with Scheduled Banks on:   |                       |                       |                       |                       |
| <b>Current Account</b>   |                       |                       |                       |                       |
| Own Fund   | -                     | -                     | 4,86,84,444           | 2,55,09,363           |
| Investors' Service Fund  | -                     | -                     | 50,13,914             | 20,29,924             |
| Settlement Guarantee Fund  | -                     | -                     | 28,81,382             | 53,24,647             |
| Unpaid Dividend Account  | -                     | -                     | 64,53,205             | 57,73,205             |
|  | -                     | -                     | <b>6,37,95,942</b>    | <b>3,91,63,294</b>    |
| <b>b. OTHER BANK BALANCES</b>  |                       |                       |                       |                       |
| <b>Deposits with remaining maturity of not less than 12 months :</b>                             |                       |                       |                       |                       |
| Own Funds  | 53,13,00,000          | 63,76,67,987          | -                     | -                     |
| Earmarked Funds:   |                       |                       |                       |                       |
| Settlement Guarantee Fund  | 21,39,00,000          | 23,41,00,000          | -                     | -                     |
| Investors' Service Fund  | 6,20,00,000           | 4,40,00,000           | -                     | -                     |
| <b>Deposits with remaining maturity for less than 12 months :</b>                                |                       |                       |                       |                       |
| Own Funds  | -                     | -                     | 33,33,26,440          | 22,15,58,453          |
| Earmarked Funds:   |                       |                       |                       |                       |
| Settlement Guarantee Fund  | -                     | -                     | 15,80,00,000          | 11,80,00,000          |
| Investors' Service Fund  | -                     | -                     | 30,00,000             | 1,75,17,390           |
| Fund for Establishment of Centre for Training and Statistical Information & Setting up a Library | -                     | -                     | 3,88,41,547           | 3,88,41,547           |
|  | <b>80,72,00,000</b>   | <b>91,57,67,987</b>   | <b>53,31,67,987</b>   | <b>39,59,17,390</b>   |
| Amount disclosed under Non-current assets (Refer Note 15)  | <b>(80,72,00,000)</b> | <b>(91,57,67,987)</b> | -                     | -                     |
|  | -                     | -                     | <b>59,69,63,929</b>   | <b>43,50,80,684</b>   |

### Details of fixed deposits lien marked (included above)

| Particulars   | Non-Current           |                       | Current               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|   | Rupees                | Rupees                | Rupees                | Rupees                |
| <b>Deposits with remaining maturity for more than 12 months : *</b>   |                       |                       |                       |                       |
| with ICCL   | 9,60,00,000           | 27,97,00,000          |                       |                       |
| with NSCCL  | 16,28,00,000          | 21,44,00,000          |                       |                       |
| with HDFC Bank Ltd  | 5,99,00,000           | -                     |                       |                       |
| <b>Deposits with remaining maturity for less than 12 months : *</b>   |                       |                       |                       |                       |
| with ICCL   |                       |                       | 26,19,00,000          | 12,88,00,000          |
| with NSCCL  |                       |                       | 12,69,00,000          | -                     |
| with HDFC Bank Ltd  |                       |                       | 4,95,00,000           | 10,94,00,000          |
|   | <b>31,87,00,000</b>   | <b>49,41,00,000</b>   | <b>43,83,00,000</b>   | <b>23,82,00,000</b>   |
| * The aforesaid fixed deposits is lien marked as margin for utilization of their Trading Platform by the members of the Company |                       |                       |                       |                       |
| <b>Deposits with remaining maturity for more than 12 months :</b>   |                       |                       |                       |                       |
| Deposit with Victor Moses & Co  | 35,00,000             | 1,39,17,987           |                       |                       |
| <b>Deposits with remaining maturity for less than 12 months :</b>   |                       |                       |                       |                       |
| Deposit with Victor Moses & Co  |                       |                       | 1,39,17,987           | 35,00,000             |
|   | <b>35,00,000</b>      | <b>1,39,17,987</b>    | <b>1,39,17,987</b>    | <b>35,00,000</b>      |

The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as below:

| Particulars                           | Specified Bank Notes | Other denomination notes | Total    |
|---------------------------------------|----------------------|--------------------------|----------|
| Closing Cash in hand as on 08.11.2016 | 17,000               | 6,381                    | 23,381   |
| (+) Permitted receipts                | -                    | 4,63,497                 | 4,63,497 |
| (-) Permitted payments                | -                    | 3,23,451                 | 3,23,451 |
| (-) Amount deposited in Banks         | 17,000               | 1,24,797                 | 1,41,797 |
| Closing Cash in hand as on 30.12.2016 | -                    | 21,630                   | 21,630   |

The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.



**THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY**  
**Note to the consolidated financial statements as at and for the year ended 31st March 2017**  
**NOTE - 15 : Other Assets**

| Particulars  | Non-Current           |                       | Current               |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | As at 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 | As at 31st March 2016 |
|  | Rupees                | Rupees                | Rupees                | Rupees                |
| Unsecured, considered good unless stated otherwise |                       |                       |                       |                       |
| Non-current bank balances (Refer Note no. 14)      | 80,72,00,000          | 91,57,67,987          | -                     | -                     |
| Other receivables                                  |                       |                       |                       |                       |
| Secured, Considered good                           |                       |                       |                       |                       |
| Others   | -                     | -                     | 1,10,375              | 1,10,375              |
| Unsecured, Considered good                         |                       |                       |                       |                       |
| Rent & Electricity                                 |                       |                       | 15,38,553             | 13,91,757             |
| Interest accrued on fixed deposits:                |                       |                       |                       |                       |
| Own Funds  | 3,99,904              | -                     | 78,91,719             | 91,23,860             |
| Settlement Guarantee Fund                          | -                     | -                     | 21,35,694             | 24,05,907             |
| Investors' Service Fund                            | -                     |                       | 3,09,387              | 2,01,816              |
| Interest accrued on investments in bonds:          |                       |                       |                       |                       |
| Own Funds  | -                     | -                     | 4,14,739              | 4,14,739              |
|  | 80,75,99,904          | 91,57,67,987          | 1,24,00,467           | 1,36,48,454           |

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THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

**NOTE - 16 : Revenue from Operations**

| Particulars                                  | 2016-17            | 2015-16            |
|--|--------------------|--------------------|
|  | Rupees             | Rupees             |
| <b>SALE OF SERVICES :</b>                    |                    |                    |
| Turnover charges on other trading platform : |                    |                    |
| - BSE  | 23,64,773          | 35,77,383          |
| - NSE  | 27,02,626          | 22,06,109          |
| Listing fees                                 | 2,76,41,750        | 2,83,62,250        |
| Subscriptions                                | 14,78,500          | 21,18,000          |
| Processing charges                           | 86,63,000          | 1,19,80,200        |
| Income from depository participant operation | 17,91,079          | 12,69,248          |
| Commission on PAN services                   | 83,725             | 86,895             |
| <b>Other operating revenue :</b>             |                    |                    |
| Bad debts recovered                          | 21,89,161          | 48,15,655          |
| Recovery of penal charges from clients       | 12,58,147          | 26,84,993          |
| Income from NISM Operation                   | 12,71,436          | 4,34,952           |
| Technology charges from new members          | -                  | 20,000             |
| Miscellaneous operating income               | 17,400             | 10,383             |
|  | <b>4,94,61,597</b> | <b>5,75,66,068</b> |



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

NOTE - 17 : Other Income

| Particulars   | 2016-17             | 2015-16             |
|---|---------------------|---------------------|
|   | Rupees              | Rupees              |
| Interest on investments of Investors' Service Fund      | 55,52,326           | 50,64,281           |
| Interest on investments of Settlement Guarantee Fund    | 3,00,56,033         | 2,97,11,217         |
|   | <b>3,56,08,359</b>  | <b>3,47,75,498</b>  |
| Interest income on own fund:                            |                     |                     |
| Fixed deposits  | 7,82,85,167         | 8,30,87,987         |
| Tax Free PSU bonds                                      | 8,72,480            | 8,72,480            |
| Security deposit with CESC Ltd                          | 1,30,780            | 1,30,679            |
| Income Tax refunds                                      | 1,97,362            | 37,373              |
| Interest on delayed payment of listing fees             | 17,66,263           | 32,37,075           |
| Others  | 9,98,235            | 9,27,101            |
|   | <b>8,22,50,287</b>  | <b>8,82,92,695</b>  |
| Profit on sale of Current investments                   | -                   | 20,833              |
| Profit on sale of Current investments of ISF            | 3,54,102            | -                   |
| Profit on sale of Long term investments                 | -                   | 27,63,275           |
|   | <b>3,54,102</b>     | <b>27,84,108</b>    |
| Dividend income from investments on own fund:           |                     |                     |
| Long term investments                                   | 25,00,000           | 22,00,000           |
| Current investments                                     | 8,45,550            | 16,34,656           |
|   | <b>33,45,550</b>    | <b>38,34,656</b>    |
| Other non-operating Income:                             |                     |                     |
| Rent  | 10,65,242           | 9,60,766            |
| Prior Period Income (Net)                               | -                   | 21,16,705           |
| Miscellaneous receipts                                  | 12,88,000           | 19,21,677           |
| Profit on sale of property, plant and equipment         | 1,43,868            | -                   |
| Liabilities/Provisions no longer required, written back | 11,586              | 25,61,870           |
|   | <b>25,08,696</b>    | <b>75,61,018</b>    |
|   | <b>12,40,66,994</b> | <b>13,72,47,975</b> |

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

### NOTE - 18 : Employees Benefit Expense

| Particulars                                | 2016-17   |                    | 2015-16   |                    |
|--|-----------|--------------------|-----------|--------------------|
|  | Rupees    | Rupees             | Rupees    | Rupees             |
| Salaries, bonus etc.                       |           | 6,14,96,881        |           | 6,46,40,598        |
| Contribution to provident and other funds: |           |                    |           |                    |
| Provident Fund                             | 54,36,736 |                    | 55,54,363 |                    |
| Superannuation Fund                        | 24,66,607 |                    | 23,78,155 |                    |
| National Pension Scheme                    | 6,50,083  | 85,53,426          | 6,43,162  | 85,75,680          |
| Gratuity [Refer Note no.32]                |           | 6,89,990           |           | 16,77,633          |
| Staff welfare                              |           | 35,32,643          |           | 36,60,492          |
|  |           | <b>7,42,72,940</b> |           | <b>7,85,54,403</b> |



## The Calcutta Stock Exchange Limited

### THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

#### NOTE - 19 : Other Expenses

| Particulars   | 2016-17     |                    | 2015-16     |                    |
|---|-------------|--------------------|-------------|--------------------|
|   | Rupees      | Rupees             | Rupees      | Rupees             |
| Advertisement   |             | 4,98,932           |             | 5,83,255           |
| Rent  |             | 16,712             |             | 16,712             |
| Electricity charges   | 73,38,498   |                    | 86,04,778   |                    |
| Less : recovered from tenants                                 | (14,99,795) | 58,38,703          | (16,98,247) | 69,06,531          |
| Rates & Taxes   |             | 3,94,879           |             | 4,98,814           |
| Insurance   |             | 2,63,536           |             | 2,98,423           |
| Printing & Stationary   |             | 6,21,861           |             | 6,09,498           |
| Telephone charges   |             | 12,89,202          |             | 13,41,986          |
| Travelling & Conveyance                                       |             | 8,60,646           |             | 13,50,173          |
| Motor car expenses  |             | 2,90,223           |             | 4,13,946           |
| Repairs & Maintenance:  |             |                    |             |                    |
| Building  | 2,19,843    |                    | 6,91,810    |                    |
| Others *  | 1,24,98,569 | 1,27,18,412        | 1,45,26,558 | 1,52,18,368        |
| Expenses for Other Trading Platform:                          |             |                    |             |                    |
| BSE   |             | 3,49,980           |             | 3,67,689           |
| NSE   |             | 2,04,862           |             | 1,70,115           |
| Interest on delayed payment of statutory dues                 |             | 10,914             |             | 19,020             |
| Security Expenses   |             | 9,51,024           |             | 9,49,609           |
| Miscellaneous Expenses  |             | 17,49,376          |             | 17,20,629          |
| Expenses for Depository Services                              |             | 7,02,756           |             | 11,82,925          |
| Legal & Professional Fees                                     |             | 80,50,049          |             | 1,46,07,290        |
| Auditor's Remuneration  |             |                    |             |                    |
| As Audit Fees   | 14,10,000   |                    | 16,10,000   |                    |
| Tax Audit   | 2,00,000    |                    | 2,00,000    |                    |
| In other capacity   | 50,000      |                    | 10,000      |                    |
| Reimbursement of Expenses                                     | 72,446      | 17,32,446          | 42,200      | 18,62,200          |
| Investors' Service Expenses                                   |             | 88,215             |             | 2,76,904           |
| Directors Sitting Fee   |             | 9,42,500           |             | 11,20,000          |
| CSR Expenditure   |             | -                  |             | 10,75,000          |
| Provision for Doubtful Debts and Advances                     |             | 13,33,600          |             | 34,43,683          |
| Bad Debts   | 13,022      |                    | 2,84,232    |                    |
| Less : Adjusted against Provision for Doubtful Debts          | -           | 13,022             | -           | 2,84,232           |
| Contribution to Settlement Guarantee Fund on CSE-NSE Turnover |             | 95,448             |             | 85,396             |
| Contribution to Settlement Guarantee Fund on CSE-BSE Turnover |             | 22,808             |             | 38,168             |
| Loss on sale/discard of property, plant and equipment         |             | -                  |             | 1,57,057           |
| Sundry Balances Written Off                                   |             | 3,297              |             | 2,62,839           |
|   |             | <b>3,90,43,403</b> |             | <b>5,48,60,462</b> |

\* Including Rs.1,10,31,782 (31st March 2016 : Rs.1,28,30,868) for computer maintenance and service charges.

## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARY

Note to the consolidated financial statements as at and for the year ended 31st March 2017

### NOTE - 20 : Depreciation and Amortization Expense

| Particulars                                   | 2016-17          | 2015-16          |
|---|------------------|------------------|
|   | Rupees           | Rupees           |
| Depreciation of property, plant and equipment | 43,87,497        | 51,15,284        |
| Amortization of Intangible Assets             | 4,27,200         | 6,15,562         |
| Depreciation on Investment Property           | 5,04,159         | 6,88,703         |
|   | <b>53,18,856</b> | <b>64,19,549</b> |

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

| Particulars   | 2016-17          | 2015-16          |
|---|------------------|------------------|
|   | Rupees           | Rupees           |
| Net Profit after Tax as per Statement of Profit and Loss                  | 3,33,90,929      | 3,34,20,015      |
| Add : Adjustment with General Reserve of Pre-demutualisation period       | 25,928           | 2,47,476         |
| Less : Tax on Equity Dividend paid during the year relating to prior year | (44,438)         | -                |
| Less : Transferred to Investors' Service Fund                             | (72,83,486)      | (70,82,377)      |
| Less : Transferred to Settlement Guarantee Fund                           | (1,74,70,151)    | (1,67,11,094)    |
| <b>Profit attributable to equity shareholders</b>                         | <b>86,18,782</b> | <b>98,74,020</b> |
|   |                  |                  |
| <b>Weighted average number of equity shares</b>                           | <b>6,11,250</b>  | <b>6,11,023</b>  |
|   |                  |                  |
| <b>Earnings per share - Basic &amp; Diluted (Rs.)</b>                     | <b>14.10</b>     | <b>16.16</b>     |
|   |                  |                  |
| <b>Nominal Value of share (Re.)</b>                                       | <b>1</b>         | <b>1</b>         |



**The Calcutta Stock Exchange Limited and its Subsidiary**

**Notes to Consolidated Financial Statements as at and for the year ended March 31, 2017**

22. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards specified under section 133 of the Act, read together with Paragraph 7 of the companies (Accounts) Rules, 2014. Accordingly, the Group has complied with the Accounting Standards as applicable to a small and medium sized company. In particular, 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 Group.
23. The Securities and Exchange Board of India (SEBI) vide its order dated 29.08.2005, 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, property, plant and equipment 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. Nil (Rs. Nil).
25. Contingent Liabilities not provided for:  
Claims against the Group not acknowledged as debts.
- Taxation 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 on the Holding Company 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 Holding 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 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. The Holding Company has received the refund from the office of the Deputy Commissioner of Income Tax, for the aforesaid amount along with applicable interest in June 2017.
- 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 Holding Company filed an appeal before the Commissioner of Income

Tax (Appeals) against the aforesaid demand by the Income Tax Authorities, however the same was dismissed on July 19, 2016 due to technical ground. The Holding Company has further filed an application to the Assessing Officer on June 21, 2017 to reconsider the case.

- d) In respect of Assessment Year 2010-11, the Commissioner of Income Tax had passed an order under section 263 of the Income Tax Act, 1961 to re-assess the income of the said Assessment Year on the ground of allow ability of the contribution to Settlement Guarantee Fund amounting to Rs.5,76,07,622. The Exchange has filed an appeal before the Income Tax Appellate Tribunal against the aforesaid Order. The Holding Company has received a favourable order on February 24, 2016 by Income Tax Appellate Tribunal against the appeal filed.

### Other matters:

- e) The Holding 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 Holding Company. The Holding Company has filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.
- f) Stock Holding Corporation of India Ltd. (SHCIL) was registered on the online trading system of the Calcutta Stock Exchange (CSE) as a "Custodian" for settling the Institutional Trades. In 2001, SHCIL introduced a scheme "Sell n Cash" (payment on sale of securities) Scheme for the benefit of investors. The "Sell n Cash" scheme allowed a seller to receive payment on the day of sale through SHCIL's registered broker after delivering the shares to SHCIL. On 2<sup>nd</sup> March 2001 Harish Chandra

Biyani, a CSE Broker, sold certain shares of DSQ Industries Ltd., amounting to Rs.24,45,48,000/- through Biyani Securities Pvt. Ltd. (another broker of CSE). On finding that the transaction between Harish Chandra Biyani and Biyani Securities Pvt. Ltd., was a malafide and fund accommodation in nature and was an artificial price created through circular trading, CSE expunged/annulled the trade and informed the same. SHCIL, being aggrieved by the decision of the CSE for expunge of those transactions for which the consideration was already paid to Harish Chandra Biyani, filed the instant Civil Suit in Hon'ble High Court of Calcutta against CSE and Harish Chandra Biyani. The principal sum of such claim is Rs.24,45,48,000 and interest of Rs.16,14,01,680/-, which is pending disposal at Hon'ble High Court of Calcutta.

- g) The office premises taken by the Holding Company on rental together with furniture fixtures etc., from Turner Morrison Limited was vacated by the Holding Company on 31.01.2013. There is a disputed amount of property taxes related to the rental property amounting to Rs. 2,74,17,987. During the earlier year, the Division Bench of High Court of Calcutta directed the Holding Company to pay a sum of Rs.1,00,00,000 to Turner Morrison Limited on account of property tax in respect of 5100 sq. ft. and to reinvest the amount of Rs.1,74,17,987 by way of fixed deposit to be kept with Messrs Victor Moses & Co. till further order or disposal of the case. The fixed deposits are separately disclosed as part of the Cash and bank balance in the Note 14.
- h) **Other miscellaneous claims not acknowledged as debts by Holding Company—**
- i) Corporation Tax demand from Kolkata Municipal Corporation - Rs.1,43,67,400
  - ii) Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata - Rs.5,00,00,000



iii) Others- Rs.1,74,928.

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

(a) In 1998, the Holding Company had set up Settlement Guarantee Fund (SGF) to guarantee the settlement of bonafide transactions of members of the Holding Company, so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the Holding Company. The Fund and its rules and bye-laws were set up by the Holding 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 Holding 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 indicated in Note 26 (d) below.

(b) Additional contribution of Rs.19,93,55,380/- made by the Company

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

( Amount in Rupees)

| Sl No | Particulars  | As at March 31, 2017 | As at March 31, 2016 |
|-------|--|----------------------|----------------------|
|       | <b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b> |                      |                      |
| I     | Settlement Guarantee Fund of the Exchange                        | 27,70,14,794         | 25,94,03,866         |
| 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>32,26,62,977</b>  | <b>30,50,52,049</b>  |
|       | <b>Under Long Term Liabilities (Settlement Guarantee Fund):</b>  |                      |                      |
| IV    | Members BMC/SGF in Cash  | 10,93,73,099         | 11,30,94,106         |
| V     | Interest Adjustable with BMC/ABMC                                | 99,26,715            | 99,26,715            |
| VI    | Members' deposit towards BSE/NSE-SGF                             | 21,72,781            | 23,92,781            |
|       | <b>Total</b>   | <b>12,14,72,595</b>  | <b>12,54,13,602</b>  |
|       | <b>Grand Total</b>   | <b>44,41,35,572</b>  | <b>43,04,65,651</b>  |

to the Settlement Guarantee Fund during 2000-01 was charged off to the Profit and Loss Account in the said year in accordance with the decision of the erstwhile Board of Directors taken at its meeting dated 03.10.2001. In the same meeting it was also decided to adjust the additional contribution against the future contribution payable to Settlement Guarantee Fund. Accordingly, a sum of Rs.1,30,34,622/- which would have accrued since 2001-02 to 2013-14 towards annual contribution payable by the Company to its Settlement Guarantee Fund has not been recognized in these financial statements for year commencing after March 31, 2001.

Similarly, the balance additional contribution of Rs.18,63,20,758/- has not been carried forward towards adjustment against annual contribution in subsequent year since the aforesaid amount has already been charged off to Statement of Profit and Loss.

As directed by the Securities and Exchange Board of India, the Company had suspended trading operation w.e.f. April 3, 2013. In view of all trading transactions being settled till that date in accordance with the applicable regulations of the Company, no additional contributions to the Settlement Guarantee Fund after the aforesaid date was considered necessary.

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

(Amount in Rupees)

| Sl No | Particulars   | As at March 31, 2017 | As at March 31, 2016 |
|-------|---|----------------------|----------------------|
| I     | Investments in Fixed Deposits                           | 37,19,00,000         | 35,21,00,000         |
| II    | Investments in Fixed Deposit with Financial Institution | 50,00,000            | 50,00,000            |
| III   | Balances in Current Account                             | 28,81,382            | 53,24,647            |
| IV    | Interest accrued on Fixed Deposits                      | 21,35,694            | 24,05,907            |
| V     | Deposit with BSE Ltd                                    | 5,81,25,000          | 5,81,25,000          |
| VI    | Deposit with Indian Clearing Corporation Ltd            | 18,75,000            | 18,75,000            |
| VII   | BMC Receivable from Members (Net of Liability)          | 24,39,882            | 24,39,882            |
| VIII  | Receivable from/ (Payable to) the Exchange              | (2,21,386)           | 31,95,215            |
|       | <b>Total</b>  | <b>44,41,35,572</b>  | <b>43,04,65,651</b>  |

- (e) Dividend on Members' security Deposits as stated in (c)(III) above represents dividend received from 01.11.2007 to 30.06.2010 in respect of shares/securities lodged with the Company by members towards security deposit. In terms of the decision taken by the erstwhile administrator, appointed by the Securities and Exchange Board of India in a prior year such dividend was not required to be distributed to the members and hence was recognized as the Company's income in a prior year. However, the Board of Directors, in their meeting dated 20.11.2012, approved a scheme for distribution of dividend received during the period 01.07.2010 to 31.03.2013, subject to fulfilment of other criteria of the said scheme. Accordingly Rs.94,84,820 had been transferred from "Reserves & Surplus" to "Current Liabilities" in the year 2012-13 and the dividend received during the period 01.11.2007 till 30.06.2010 continues to be included in the "Settlement Guarantee Fund" under the head "Reserve & Surplus". Further, the dividend received on Members' Security Deposits from 01.04.2013 is also being carried in the books of accounts as current liabilities.

## 27. Transfer of Profit:

As per the notification issued by the Securities and Exchange Board of India (SEBI) dated June 20, 2012, every stock

exchange is required to credit twenty five percent of its profit every year to the fund of a recognized clearing corporation(s), which clears and settles trade executed on that stock exchange.

As directed by SEBI, the Company had suspended trading operations w.e.f. April 3, 2013. Till then the Company had settled all trading transactions through its own clearing/settlement mechanism.

Consequently, the aforesaid order of SEBI is not applicable to the Company after April 3, 2013 and hence no charge had been recognized in the financial statements till date.

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

As required by the bye-laws of the Holding 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 fee collections 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.



29. As per the policy framed by the Holding Company in accordance with the requirement of SEBI, expenses are allocated to Settlement Guarantee Fund and Investors' Service Fund as stated below:

(Amount in Rupees)

| Particulars                                | 2016 - 17        | 2015- 16         |
|--|------------------|------------------|
| <b>Settlement Guarantee Fund Expenses:</b> |                  |                  |
| - Staff Cost                               | 22,61,494        | 29,05,592        |
| - Telephone Charges                        | 25,000           | 25,000           |
| - Computer Maintenance and Service Charges | 3,600            | 3,600            |
| - Audit Expenses                           | 2,50,000         | 2,50,000         |
| - Miscellaneous Expenses                   | 1,07,000         | 2,25,675         |
| - Legal & Professional Fees                | 13,09,546        | 49,80,985        |
|  | <b>39,56,640</b> | <b>83,90,852</b> |
| <b>Investors' Service Expenses</b>         | <b>88,215</b>    | <b>2,76,904</b>  |

30. i) Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.94,96,16,925 (Rs.94,96,16,925) due from Members on account of settlements in prior years comprising Rs.94,22,58,636 (Rs.94,22,58,636) towards Hand Delivery Settlement, Rs.26,36,540 (Rs.26,36,540) for Cash Settlement and Rs.47,21,749 (Rs.47,21,749) on account of Demat Settlement as on 31.03.2017. Out of the above, the Company has filed recovery suits amounting to Rs.93,00,50,704 (Rs.93,00,50,704) from 14 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 31.03.2017, 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 ad-hoc contributions aggregating Rs.28,06,89,708 to the Settlement Guarantee Fund in the financial year 2000-01. The aforesaid funds were provided to the Company for settling certain transactions where the transacting members had defaulted. Such contributions are to be refunded only when the Company recovers money from the defaulters.

iv) The Company had further received ad-hoc

non-refundable contributions aggregating Rs.3,10,92,390 to the Settlement Guarantee Fund from certain members in earlier years. As the amount had not been utilized for any purpose until date, the amount so contributed is lying in reserves and surplus of Settlement Guarantee Fund.

31. Fixed Deposits and shares are being received by the Holding 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 Holding Company only as security deposits, the value of such shares of Rs.25,02,71,266 (Rs.20,61,76,670) and fixed deposits of Rs.17,96,68,025 (Rs.18,50,70,804) as at 31.03.2017, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

### 32. Employee Benefits:

The Group 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                             | 2016-17       | 2015-16       |
|---|---------------|---------------|
| Discount rate                           | 7.50%         | 8.00%         |
| Salary escalation rate (Inflation rate) | 7.50%         | 8.50%         |
| Withdrawal rates                        | 1.00% - 3.00% | 1.00% - 3.00% |

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:

(Amount in Rupees)

| Particulars                             | 2016-17   | 2015-16   |
|---|-----------|-----------|
| Contribution to Provident/Pension Fund  | 54,36,736 | 55,54,363 |
| Contribution to Superannuation Fund     | 24,66,607 | 23,78,155 |
| Contribution to National Pension Scheme | 6,50,083  | 6,43,162  |

### 33. Related Party Transactions:

Aggregated Related Party disclosure as at and for the year ended 31.03.2017:

a) Entities under common control:

Name: Stock Exchange Investors' Protection Fund

Transactions with the entity under common control:

(Amount in Rupees)

| Name                                      | Particulars   | 2016-17   | 2015-16   |
|---|---|-----------|-----------|
| Stock Exchange Investors' Protection Fund | Contribution to Stock Exchange Investors' Protection Fund | 32,78,410 | 39,15,798 |
|   | Expenses Recoverable / incurred on behalf related party   | 19,16,124 | 31,61,265 |
|   | Income earned on behalf of related party                  | 13,84,285 | 12,44,321 |
|   | Amount paid   | 20,40,233 | 34,24,148 |
|   | Amount Receivable outstanding                             | 207,260   | 9,13,598  |

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

(Amount in Rupees)

| Name                           | Particulars   | 2016-17   | 2015-16   |
|--------------------------------|---|-----------|-----------|
| Mr. Subrato Das (MD & CEO)     | Remuneration and other allowances<br>(From May 9, 2016)     | 56,65,405 | -         |
| Mr. B Madhav Reddy (MD & CEO)  | Remuneration and other allowances<br>(Till June 5, 2015)    | -         | 10,10,738 |
| Mr. B Madhav Reddy (President) | Remuneration and other allowances<br>(Till August 31, 2016) | 31,63,627 | 45,94,262 |

### 34. Reclassification of Property, Plant and Equipment to Investment Property:

The Group in an earlier year had 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 Group, this had been reclassified from "Property, Plant and Equipment" disclosed under Note 8 to "Non-Current Investment" as investment property disclosed under Note 9 of these financial statements in an earlier year, in terms of AS-13: Accounting for Investments.



35 The Holding Company has, during the earlier year, filed a writ petition in the Hon'ble High Court of Calcutta against the intimation dated November 3, 2014 from SEBI initiating the process of compulsory exit as a stock exchange. The Hon'ble High Court had directed both the parties to hold a meeting for working out the issue that has arisen between the parties. On December 22, 2014 the representatives of the Holding Company attended a meeting with the SEBI and submitted a "proposal for consideration" which was rejected by SEBI without attributing any reason for such rejection. On May 18, 2015 SEBI again issued a letter stating that it has initiated the process of compulsory exit and that a valuation agency would be appointed by SEBI for the purpose of verification and valuation of the assets and liabilities of the stock exchange; SEBI had also asked the Holding Company to co-ordinate with nationwide stock exchange and place the listed companies in dissemination board of nationwide stock exchange within 15 days of the receipt of the said letter and also settle outstanding dues of the brokers and sub-brokers in a time bound manner. Pursuant to the above, the Holding Company filed a supplementary petition with the Hon'ble High Court to hear the writ petition since the previous meeting did not

yield any result due to non-cooperation from SEBI. The Hon'ble High court, after hearing the matter, issued an order on April 12, 2016 dismissing the writ petition of the Holding Company without giving any relief. Being aggrieved with the Orders of Hon'ble High Court, the Holding Company has filed appeals and stay petition before the Hon'ble Division Bench, High Court Calcutta. The Division Bench has stayed the exit process of the Holding Company initiated by SEBI till further hearing. The appeal filed by the Holding Company is yet to be disposed of by the Hon'ble Division Bench, High Court of Calcutta. The management believes the outcome of the above litigation will depend on the judgement of the Hon'ble Division Bench, High Court of Calcutta which is currently pending. In the meantime, as an alternative source for augmentation of its revenue and net worth, the Holding Company is also contemplating to develop its freehold land at Rajarhat and is in talks for evaluating the commercialisation of its leasehold land at EM Bypass in Kolkata. Consequently, the management has considered it appropriate to prepare the financial statements on the going concern assumption.

36. Additional information in respect of net assets and profit/loss of each entity within the Group and their proportionate share of the totals:

| Name of the entity | 2016-17  |                | 2016-17                             |             | 2015-16  |                | 2015-16                             |             |
|--------------------|--|----------------|-------------------------------------|-------------|--|----------------|-------------------------------------|-------------|
|                    | Net Assets, i.e., total assets minus total liabilities |                | Share in Profit or Loss             |             | Net Assets, i.e., total assets minus total liabilities |                | Share in Profit or Loss             |             |
|                    | As % of Consolidated net assets                        | Amount Rs.     | As % of Consolidated Profit or loss | Amount Rs.  | As % of Consolidated net assets                        | Amount Rs.     | As % of Consolidated Profit or loss | Amount Rs.  |
| Parent             |  |                |                                     |             |  |                |                                     |             |
| CSE                | 95%  | 1,56,97,04,229 | 87%                                 | 2,89,80,786 | 95%  | 1,54,10,99,040 | 92%                                 | 3,08,25,826 |
| Indian Subsidiary  |  |                |                                     |             |  |                |                                     |             |
| CCMPL              | 5%   | 8,19,73,214    | 13%                                 | 44,10,143   | 5%   | 7,70,91,135    | 8%                                  | 25,94,187   |

37. As per the Company's (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to incur expenditure towards CSR activities to the extent of Rs.9.81 Lacs for the financial year 2016-17. As expenditure in this account could not be incurred during the year the same shall be incurred in the next financial year for the purposes specified in this rules

38. Previous year's figures including those given in brackets, have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

As per our report of even date

**For S.R.Batliboi & Co. LLP**

Firm Registration Number: 301003E/E300005  
Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership Number: 55596

Place : Kolkata

Date : 30<sup>th</sup> August 2017

**For and on behalf of the board of directors of  
The Calcutta Stock Exchange Limited**

**Bhaskar Sen**  
Director

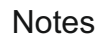
**Bhaskar Banerjee**  
Director

**Subrato Das**  
MD & CEO

**Prosenjit Dutta**  
Chief Financial Officer

## Notes

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## Notes

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