

The Calcutta Stock Exchange Association Ltd.

BOARD OF DIRECTORS

Shri Udayan Bose	-	Public Interest Director (Chairman)
Shri Satyabrata Ganguly	-	-Do-
Shri Shyamal Datta	-	-Do-
Shri Dipankar Chatterji	-	Shareholder Director
Shri Ravi Poddar	-	-Do-
Shri Rajnikant Patel	-	-Do- (Up to 30 th August 2008)
Shri Sanjay Budhia	-	-Do-
Shri Sunil Mitra	-	-Do-
Shri Jhabarmall Choudhary	-	Trading Member Director
Shri Ajit Khandelwal	-	-Do-
Shri Binay Kumar Agarwal	-	-Do-

ACTING CHIEF EXECUTIVE OFFICER

Shri T.V. Rangaswami (Up to 30th August 2008)

SECRETARY

Shri P. K. Ray

BANKERS

United Bank of India
HDFC Bank Limited
American Express Bank Limited

ADVOCATES

Sandersons & Morgans
Khaitan & Co.

AUDITORS

S. S. Kothari & Associates
(Chartered Accountants)

REGISTRAR & TRANSFER AGENT

C.B. Management Services (P) Ltd.



Directors' Report to the Shareholders

I. YEAR IN RETROSPECT :

The Directors have pleasure in presenting the 85th Annual Report together with the Audited Balance Sheet and Profit & Loss Account and the Auditor's Report for the year ended 31st March, 2008.

As we write, the western markets are in a state of extreme nervousness. During the week of 15th September, several banks of repute collapsed and were either bailed out by Governments or other banks. Lehman Brothers, a 138 year old brokerage house in USA, went bankrupt. Unprecedented and uncertain times and this will naturally put pressure on the Indian economy, which otherwise has remained strong and stable. There has been large scale withdrawals by FIIs and the markets have been volatile and showing a downward trend.

Even if not for these recent troubles, it has been a challenging year for us at the Exchange. After the completion of the demutualization, a new Board of Directors took charge. The trading started in slow steps, at the beginning only Rs 1-2 crores per day and now a steady Rs 10-12 crores per day, which given the current market conditions is a long way from where we had started. As of now, 88 members of this Exchange have availed themselves of the opportunity to trade on BSE platform and several others are in the process of taking up connectivity.

In more ways than one it has also been a year of solutions, of possibilities, of strengths coming to the fore. The Exchange that was set up more than 100 years ago to meet the aspiration of a handful of persons has evinced unique resilience to regain its place in the economic upturn. It is probably not necessary to elaborate on the Exchange's illustrious history which was ably demonstrated at the magnificent event organized for celebrating the centenary of the Exchange. To complete 100 years of uninterrupted business is a momentous occasion for any institution and it can be stated with confidence that with your support and cooperation the Exchange will have many such occasions to celebrate in the years ahead. The commemorative publication entitled 'Down Lyons Range' written by Ms. Aditi Roy Ghatak and unveiled by Shri Buddhadeb Bhattacharjee, Hon'ble Chief Minister of West Bengal on 24th June this year, upon the completion of centenary at a glittering ceremony has been well received by all concerned.

We take pleasure in reporting that many of the legacy issues, which had been obstacles for the trading members for a considerable period of time, have been resolved to the satisfaction of all concerned. Yet, there are other issues that have remained unresolved and the Board of Directors is seized with the problem of taking appropriate measures for their resolution. The arrangement with the Bombay Stock Exchange (BSE) for cooperation and giving opportunity to members for expanding their trading horizon has stabilized and we have received very constructive cooperation from them. The co-operation and understanding displayed so far by members for initiating new measures has been of very high order and we thank the members for their support.

CSE continues to be one of the few Stock Exchanges in the country, which is still fully operational, trading and back-end processes fully functional and with planning can be readily scaled up. Added to this is the advantage of existing facilities for expansion and/or diversification – existing good infrastructure and probability of expansion in Rajarhat New Township by way of creating a new financial hub of West Bengal.

The Calcutta Stock Exchange Association Ltd.

Your Directors are engaged in identifying alternative avenues of generating revenue for the Exchange in addition to its traditional business activities. In this context, it seems that given the brand equity of CSE, its recent re-start of operations post-demutualisation and commitment of the State Government to support the Exchange's initiative into foraying in new business areas, CSE may be an ideal entity to own foster and operate an Exchange solely catering to Small & Medium Enterprises (SME). This would not only help in raising revenue but also help in imparting a national identity to CSE. In order to usher in development for future road map for CSE it is felt necessary to take the matter forward. With this end in view your Directors appreciate the commitment of the members for continued growth of the institution. It is expected that CSE will continue to display similar vigour and the same sense of spirit as it has in the past, to face challenges, excel and lead by example in the years ahead.

2. FINANCIAL RESULTS :

Rupees in Lacs

	2008	2007
Profit / Surplus before Depreciation	336.72	164.24
Depreciation	58.10	71.56
Profit / Surplus before Tax	278.62	92.68
Provision for Tax	86.36	—
Profit / Surplus after Tax	192.26	92.68
Add : Investors' Service Fund written back	25.68	21.63
Settlement Guarantee Fund written back	38.43	25.64
Loss on sale of Assets of Pre-demutualisation period	1.48	—
Appropriated to :	257.85	139.95
Investors' Service Fund	43.91	48.77
Reserve for Establishment of Center for Training, Statistical Information and Setting up a Library	—	91.50
Settlement Guarantee Fund Expenses	38.43	25.64
Provision for Leave encashment of Pre-demutualisation period adjusted with General Reserve	50.15	—
Fines pertaining to earlier years transferred for adjustment against BSE-TOT	28.92	—
Retained Surplus/(Deficit) carried forward to General Reserve A/c.	—	(25.96)
Adjusted with General Reserve	(53.38)	—
Surplus / (Deficit) Carried to Balance Sheet	149.82	—
	257.85	139.95



3. CUSTOMERS' PROTECTION FUND & INVESTORS SERVICE CELL :

During the year the Exchange has contributed a sum of Rs.9,84,615 to the Customers' Protection Fund comprising Rs.2,19,532 being 1% of the listing fees collected during the year by the Exchange, Rs.7,65,083 being interest earned on deposits made by companies under Clause-42 of the Listing Agreement after adjusting Rs.9,33,850 comprising of expenses of the fund relating to the financial year 2007-08 on account of salary, staff welfare, rent, telephone, computer service and electricity charges.

In order to render various services to investors, e.g. publication of Official Report & Quotations and attending investors' complaints, etc. the Exchange has spent an amount of Rs.25,68,289 during the year under review from the Investor Service Fund.

4. STOCK EXCHANGE COMPLEX IN NEW RAJARHAT TOWNSHIP AND STATUS OF LAND ON EASTERN METROPOLITAN BYPASS:

Members are aware that in pursuance to an unanimous approval given by shareholders for surrendering 10 acres of plot of land on E. M. Bypass held on lease from the Kolkata Municipal Corporation (KMC) on the condition of allotment of 5 acres of land in Central Business District Area of Rajarhat New Township Project (at a price fixed by West Bengal Housing Infrastructure Development Corporation Ltd (WBHIDCO) and remaining 5 acres of land elsewhere along with receipt of 60% of sale proceeds of 5 acres of land out of the surrender of 10 acres of land), an agreement was executed with KMC on 4th July,2008 to implement the aforesaid decision. Accordingly, WBHIDCO vide its letter dated 13th June,2008 has allotted 5 acres of land in Central Business District-II of Rajarhat New Township Project and the Exchange has made payment of Rs.25 Crores at Rs.5 Crore per acre to WBHIDCO. The residual work of final demarcation of the land and execution of the Deed of Conveyance is under process. The draft Deed of Surrender in respect of 5 acres of plot of land on the E. M. Bypass has also been submitted to KMC for further action.

5. RESPONSIBILITY STATEMENT :

As required under Section 217(2AA) of the Companies Act,1956, we state that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation to material departures ;
- (ii) such accounting policies selected and applied are consistent and the judgments and estimates made 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 Exchange for that period ;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of the Company;
- (iv) the annual accounts have been prepared on a going concern basis.

6. CONSTITUTION OF THE GOVERNING BOARD :

The Board of Directors post-demutualisation was constituted on 24th December, 2007 in line with SEBI's letter No.MRD/DSA/C&D/50049/05 dated September 21, 2005 read with Letter No.MRD/DSA/CSE/BKG/104532/07 dated September 21, 2007. In terms of Section-255 of the Companies Act, 1956, SEBI's directive No.MRD/DSA/C&D/50049/05 dated September 21, 2005 and the Articles of Association of the Exchange, 1/3rd of the

The Calcutta Stock Exchange Association Ltd.

total strength of the Board i.e., four Directors, one from the category of Public Interest Director, two from the category of Shareholder Director and one from the category of Trading Member Director shall retire by rotation at the ensuing Annual General Meeting, names of which have been mentioned in the notice of the AGM for the year 2007-08. During the period under review, Shri Rajnikant Patel, MD & CEO of Bombay Stock Exchange Limited who was a Shareholder Director on the Board of the Exchange has resigned with effect from 30th August, 2008 and Shri M. L. Soneji, Chief Operating Officer, Bombay Stock Exchange Limited was appointed as a Director in the casual vacancy caused by the resignation of Shri Patel pursuant to Article-13.5 of the Articles of Association of the Exchange. The aforesaid letters of SEBI are available for inspection at the office of the Secretary during office hours on any working day.

7. APPOINTMENT OF CEO :

Members would recall that at the last AGM it was reported that Shri T. V. Rangaswami who was deputed by Bombay Stock Exchange Limited (BSE) took over provisionally as Acting Chief Executive Officer (CEO) of the Exchange pending appointment of a regular CEO by the Exchange. Shri Rangaswami has laid down his office in BSE on 31st July, 2008 and consequently ceased to hold the position of Acting CEO of the Exchange. Your Directors are pleased to report that the Board has since identified a suitable candidate for the post of CEO who shall be appointed on receipt of SEBI's approval in this respect and action has already been initiated to take the matter forward.

8. EXTENSION OF TIME FOR HOLDING THE AGM :

Consequent upon Demutualisation of the Exchange the compilation of accounts for the financial year 2007-08 had to be bifurcated into two segments i.e., one relating to the period prior to demutualisation and the remaining period relating to post-demutualisation of the Exchange. This was necessary as for the initial part of the financial year, the Exchange was a non-profit making entity and for the remaining period it was converted into a for-profit organization. In order to complete the aforesaid activities relating to segregation of accounts and also ensure regulatory compliance of trading activities under BSE-CSE arrangement, the Exchange could not complete steps required for convening Annual General meeting (AGM) within the due date i.e., 30th September, 2008. Accordingly, the Exchange had applied to the Registrar of Companies, West Bengal for extension of time for holding the AGM and the Registrar of Companies vide his letter 17th September, 2008 has extended the date for holding the AGM by 90 days upto 31st December, 2008.

9. APPOINTMENT OF AUDITORS :

The Auditors M/s. S. S. Kothari & Associates hold office until the conclusion of the ensuing AGM but being eligible, offer themselves for reappointment.

10. STANDING COMMITTEES :

The following three Standing Committees have been functioning during the period under review :

- 1) Disciplinary Action Committee
- 2) Arbitration Committee
- 3) Defaulters' Committee

Apart from three Standing Committees, three other Committees are also functioning :-



- 1) Finance, Business Development & Technology Committee
- 2) Listing, Membership & Grievance Committee
- 3) Human Resource Committee

II. **ACKNOWLEDGEMENT :**

Your Directors would like to express their grateful appreciation for the continued assistance, cooperation and guidance received from SEBI, Ministry of Finance, Govt. of India, Govt. of West Bengal, Kolkata Municipal Corporation, Registrar of Companies, Bombay Stock Exchange Limited and several other business associates during the year under review.

The Directors wish to put on record their thanks to all trading members of the Exchange for their unstinted support and cooperation. The new non-trading shareholders of the Exchange who made the Demutualisation Scheme a success deserve a special word of appreciation.

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

Udayan Bose
Chairman

Dated the 20th October, 2008

Auditors' Report

We have audited the annexed

- a) Balance Sheet as at 31st March, 2008, which also identifies and indicates the balances as on 27th August, 2007
- b) The Income and Expenditure Account for the period from 1st April to 27th August, 2007, and
- c) The Profit and Loss Account for the period from 28th August, 2007 to 31st March, 2008, of **THE CALCUTTA STOCK EXCHANGE ASSOCIATION LIMITED** (the Exchange).

These financial statements are the responsibility of the management of the Exchange. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by the Exchange so far as appears from our examination of the books of account.
3. The Balance Sheet, the Income and Expenditure Account and the Profit and Loss Account referred to above are in agreement with the books of account and, in our opinion, comply with Accounting Standards referred in Sub-section (3C) of Section 211 of the Companies Act, 1956.
4. On the basis of written representations received from the directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
5. We further report that:
 - (I) *Adhoc contributions of Rs.28,06,89,708 to Settlement Guarantee Fund are subject to conditions stated in Note No. 4(b) of Part B in Schedule "O".*
 - (II) *Contributions made by certain members to Settlement Guarantee Fund Rs.3,23,02,700 are subject to certain conditions as stated in Notes No. 4(c) & 4(d) of Part B in Schedule "O".*
 - (III) *Annual contributions payable to Settlement Guarantee Fund up to 31st March, 2008 Rs.90,61,677 (including Rs.58,676 for the period from 1st April to 27th August, 2007 and Rs.54,473 for the period from 28th August, 2007 to 31st March, 2008) have not been charged to Income and Expenditure Accounts and Profit and Loss Account, as the case may be, of respective years and also no provision is considered necessary for the same due to reasons stated in Note No. 5 of Part B in Schedule "O".*
 - (IV) *Dividends and Interests on Members' Deposits for Security and Base Capital Requirements from 1st November, 2007 Rs.3,52,95,321 as also amount of tax deducted at source up to 31st March, 2008 Rs.2,40,42,682, which*



had been accounted for by the Exchange on the basis of Tax Deduction Certificates available with the Exchange, remain accumulated under Settlement Guarantee Fund as stated in Note No.6(c) of Part B in Schedule "O".

- (V) The balances under various heads of account pertaining to members are subject to adjustments, if any, on completion of reconciliations of Departmental records, the extent and resultant effects of which are presently indeterminate, as stated in Note No. 8(a) of Part B in Schedule "O".
- (VI) Advances include Rs.1.89 crores recoverable from an erstwhile trading member, accounted for by the Exchange on the basis of reconciliation of Departmental records as stated in Note No. 8(b) of Part B in Schedule "O", the realisability of which is presently indeterminate. However the management considers the same as fully recoverable and hence no provision is made for the same.
- (VII) Sundry debtors include Rs.43,08,146 remaining unrealised for a prolonged period, not provided for as stated in Note No. 9 of Part B in Schedule "O".
- (VIII) Advances include Rs.91,17,68,941 due from defaulting members, under litigation, the extent of recoverability of which is not presently ascertainable and not provided for as stated in Note No. 11(b) of Part B in Schedule "O".
- (IX) Advance to Others include Rs.38,33,958 under litigation and Rs.1,28,47,819 due for prolonged period, not provided for in view of the reason stated in Note No. 11(c) of Part B in Schedule "O".
6. Subject to paragraph 5 above, in our opinion and according to the explanations given to us, the accounts, read together with Significant Accounting Policies and Notes appearing in Schedule – "O", give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (a) In the case of Balance Sheet, of the state of affairs of the Exchange as on 31st March, 2008 as also that as on 27th August, 2007;
- (b) In the case of Income and Expenditure Account for the period ended 27th August, 2007 of the excess of Income over Expenditure for the period ended on that date; and
- (c) In the case Profit and Loss Account for the period ended 31st March, 2008 of the profit for the period ended on that date.

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

1. (a) The Exchange has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) We are informed that the Exchange has adopted a program for physical verification of fixed assets in a phased manner to cover physical verification of all the assets over a period of three years and accordingly certain fixed assets have been physically verified by the management at the end of the year. We are of the opinion that the frequency of physical verification of fixed assets should be improved so as to cover major part of fixed assets by way of perpetual system of physical verification. We are also informed that no discrepancy has been noticed on the physical verification conducted at the end of the year.
- (c) The Exchange has not disposed off substantial part of fixed assets during the year.
2. The nature of activities of the Exchange does not require it to hold inventories and as such clauses (ii)

The Calcutta Stock Exchange Association Ltd.

- (a) to (ii)(c) of paragraph 4 of the Order are not applicable.
3. (a) The Exchange has not granted any loan, secured and unsecured, to any company, firm or other party. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable.
 (b) The Exchange has not taken any loan, secured or unsecured, from any company, firm or other party. Accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Exchange and the nature of its business with regard to purchase of fixed assets. There has not been any continuing failure to correct major weaknesses in control. The nature of activities of the Exchange does not require any purchase of inventory and sale of goods. However, in our opinion the overall internal control in respect of inter-departmental records should be adequately strengthened particularly in view of changed operating status of the Exchange.
 5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register maintained under section 301 of the Companies Act, 1956. Accordingly clause (v)(b) of paragraph 4 of the Order is not applicable.
 6. The Exchange has not accepted any deposit from the public under the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
 7. The Exchange has appointed a firm of Chartered Accountants to do internal audits periodically. In our opinion, the internal audit system is commensurate with the size and nature of business of the Exchange.
 8. The Central Government has not prescribed maintenance of cost records under clause (d) of Section 209(1) of the Companies Act, 1956.
 9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Exchange has been regular in depositing undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and any other material statutory dues, as applicable to the Exchange, with the appropriate authorities. As on 31st March, 2008 there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.
 (b) According to the information and explanations given to us and as per the records of the Exchange, the dues in respect of income tax as on 31st March, 2008 that have not been deposited with the appropriate authorities on account of disputes and the forum where the disputes are pending are given below:

Name of the Statute	Nature of Dues	Years	Amount (Rs.)	Forum where dispute in pending
Income Tax Act, 1961	Income Tax	Assessment Year, 1990-91	3,05,394	Assessing Officer for re-assessment
Income Tax Act, 1961	Income Tax	Assessment Year, 1993-94	1,08,45,085	Assessing Officer for re-assessment
Income Tax Act, 1961	Income Tax	Assessment Year, 1995-96	41,72,298	Assessing Officer for re-assessment



10. The Exchange does not have accumulated losses as at 31st March, 2008 and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. The Exchange has not taken any loan from bank or financial institution and has not issued any debenture.
12. According to the information and explanations given to us, the Exchange has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Exchange is not a chit fund or a nidhi/mutual benefit fund/society; therefore clause (xiii) of paragraph 4 of the Order is not applicable to the Exchange.
14. In our opinion and according to the information and explanations given to us, the Exchange is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Exchange has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Exchange has not obtained any term loan.
17. According to the information and explanations given to us and on the basis of our overall examination of the Balance Sheet of the Exchange, no funds raised on short-term basis have been used for long-term investments.
18. The Exchange has not made any preferential allotment of shares during the year.
19. The Exchange has not issued any debentures.
20. The Exchange has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud on or by the Exchange has been noticed or reported during the year, except in the case indicated hereinunder:
One of the employees of the Exchange has made irregular withholding of fund of the Exchange to the tune of Rs. 5,14,325. However the management has taken appropriate punitive action against the delinquent employee and also entire amount has since been recovered.

For **S. S. Kothari & Associates**
Chartered Accountants

Centre Point,
21, Old Court House Street,
Kolkata – 700 001
Dated the 20th October, 2008

(P K Bhattacharya)
Partner
Membership No.: 15899

The Calcutta Stock Exchange Association Ltd.

STATEMENT OF ACCOUNTS



BALANCE SHEET AS AT 31st MARCH, 2008

	SCHEDULE	As at 31st March 2008		As at 27th August 2007		As at 31st March 2007	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS							
SHAREHOLDERS' FUND							
Capital	A		6,18,750		2,97,000		2,97,000
Share Application Money			–		103,33,22,000		–
Reserves and Surplus	B		211,09,09,272		131,34,42,536		131,60,77,529
Deferred Tax Liability			2,87,301		–		–
			<u>211,18,15,323</u>		<u>234,70,61,536</u>		<u>131,63,74,529</u>
II. APPLICATION OF FUNDS							
FIXED ASSETS							
Gross Block	C		38,37,32,414		38,36,64,133		38,34,78,347
Less : Depreciation			<u>27,99,37,112</u>		<u>28,09,36,076</u>		<u>27,88,57,632</u>
Net Blocks			10,37,95,302		10,27,28,057		10,46,20,715
Capital Work-in-progress			<u>1,16,39,179</u>	<u>11,54,34,481</u>	<u>1,16,39,179</u>	<u>11,43,67,236</u>	<u>1,16,39,179</u>
							11,62,59,894
INVESTMENTS	D		27,19,24,175		1,21,17,401		1,21,17,401
CURRENT ASSETS, LOANS AND ADVANCES							
Sundry Debtors	E		4,13,63,617		3,83,05,228		4,26,55,583
Cash and Bank Balances			87,30,49,121		154,49,46,935		50,60,84,405
Other Current Assets			1,04,12,940		80,66,469		54,84,274
Loans & Advances			<u>205,19,05,936</u>		<u>183,88,91,209</u>		<u>190,64,73,754</u>
			297,67,31,614		343,02,09,841		246,06,98,016
LESS : CURRENT LIABILITIES & PROVISIONS	F						
Current Liabilities			123,77,39,094		120,46,46,272		126,82,03,969
Provisions			<u>1,51,24,833</u>		<u>99,48,286</u>		<u>83,91,171</u>
			125,28,63,927		121,45,94,558		127,65,95,140
NET CURRENT ASSETS			172,38,67,687		221,56,15,283		118,41,02,876
MISCELLANEOUS EXPENDITURE (To the extent of not written off or adjusted)							
A/Preliminary Expenses : Demutualization Expenses			–		43,23,554		32,21,238
B/ Deffered Revenue Expenditure on Project Appraisal of Commodity Exchange			<u>5,88,980</u>	<u>5,88,980</u>	<u>6,38,062</u>	<u>49,61,616</u>	<u>6,73,120</u>
							38,94,358
			<u>211,18,15,323</u>		<u>234,70,61,536</u>		<u>131,63,74,529</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS							
	O						

For and on behalf of The Calcutta Stock Exchange Association Ltd

UDAYAN BOSE
Chairman

SUNIL MITRA
Director

DIPANKAR CHATTERJI
Director

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

P K RAY
Secretary

D CHAKRABORTY
DGM (Accounts & Administration)

P K Bhattacharya
Partner

Kolkata, the 20th October 2008

The Calcutta Stock Exchange Association Ltd.

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD FROM 1st APRIL 2007 TO 27th AUGUST 2007

PARTICULARS	Schedule	1st April 2007 to 27th August 2007 Rs.	1st April 2006 to 31st March 2007 Rs.
INCOME			
Operating Income	G	1,35,36,123	3,12,76,852
Income from Investments	H	2,84,42,279	4,66,32,500
Other Income	I	17,62,624	68,15,078
		<u>4,37,41,026</u>	<u>8,47,24,430</u>
EXPENDITURE			
Operating Expenses	J	2,81,74,588	6,40,34,972
Investors' Services Expenses		9,98,614	21,63,360
Contribution to SEBI		13,13,536	13,89,074
Contribution to Customers Protection Fund		4,93,092	5,08,571
Interest on Members Security Deposits refunded to Members		1,03,98,188	-
Interest contributed to Settlement Guarantee Fund		1,65,971	-
		<u>4,15,43,989</u>	<u>6,80,95,977</u>
Excess of Income over Expenditure before Depreciation		21,97,037	1,66,28,453
Depreciation		20,78,444	71,56,194
Excess of Income over Expenditure before Tax		<u>1,18,593</u>	<u>94,72,259</u>
Fringe Benefit Tax		77,169	2,03,990
Excess of Income over Expenditure after Tax		<u>41,424</u>	<u>92,68,269</u>
ADD : Expenses incurred on behalf of Investors' Services Fund Written Back		9,98,614	21,63,360
Settlement Guarantee Fund Expenses Written Back		16,98,885	25,64,340
Interest on Members Security Deposits of Settlement Guarantee Fund		-	7,86,80,551
		<u>26,97,499</u>	<u>8,34,08,251</u>
LESS : Investors' Service Fund		34,86,130	48,77,754
Reserve for Establishment of Centre for Training, Statistical Information and Setting up a Library		-	91,50,000
Settlement Guarantee Fund Expenses		16,98,885	25,64,340
Fines realised in earlier year transferred for adjustment against BSE-TOT		28,91,555	-
Contribution of Interest on Members Security Deposits to Settlement Guarantee Fund		-	7,86,80,551
		<u>80,76,570</u>	<u>9,52,72,645</u>
Balance Transferred to General Reserve		<u>-53,37,647</u>	<u>-25,96,125</u>

For and on behalf of The Calcutta Stock Exchange Association Ltd

UDAYAN BOSE
Chairman

SUNIL MITRA
Director

DIPANKAR CHATTERJI
Director

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

P K RAY
Secretary

D CHAKRABORTY
DGM (Accounts & Administration)

P K Bhattacharya
Partner

Kolkata, the 20th October 2008



PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 28th AUGUST 2007 TO 31st MARCH 2008.

PARTICULARS	Schedule	28th August 2007 to 31st March 2008 Rs.
INCOME		
Operating Income	K	1,53,81,461
Income from Investments	L	9,86,81,107
Other Income	M	1,16,42,794
		<u>12,57,05,362</u>
EXPENDITURE		
Operating Expenses	N	4,95,85,336
Investors' Services Expenses		15,69,675
Contribution to SEBI		30,28,310
Contribution to Customers Protection Fund		4,91,523
Interest and Dividend on Members Security Deposits refunded to Members		3,48,97,570
Interest contributed to Settlement Guarantee Fund		46,57,819
		<u>9,42,30,233</u>
Profit before Depreciation		3,14,75,129
Depreciation		37,32,026
Profit before Tax		2,77,43,103
Fringe Benefit Tax		2,07,366
Deferred Tax		2,87,301
Provision for Tax		80,64,661
		<u>85,59,328</u>
Profit after Tax		1,91,83,775
ADD :		
Loss on Sale of Assets of Pre-Demutualisation Period		1,48,062
Expenses incurred on behalf of Investors' Services Fund Written Back		15,69,675
Settlement Guarantee Fund Expenses Written Back		21,44,320
		<u>38,62,057</u>
LESS :		
Investors' Service Fund		9,04,500
Provision for Leave Encashment of Pre-Demutualisation Period adjusted with General Reserve		50,14,608
Settlement Guarantee Fund Expenses		21,44,320
		<u>80,63,428</u>
Surplus / (Deficit) Carried to Profit and Loss Account		1,49,82,404

For and on behalf of The Calcutta Stock Exchange Association Ltd

UDAYAN BOSE
Chairman

SUNIL MITRA
Director

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Director

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

P K RAY
Secretary

D CHAKRABORTY
DGM (Accounts & Administration)

P K Bhattacharya
Partner

Kolkata, the 20th October 2008

The Calcutta Stock Exchange Association Ltd.

SCHEDULE - 'A'

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

SHARE CAPITAL

PARTICULARS

	As at 31st March 2008 Rs.	As at 27th August 2007 Rs.	As at 31st March 2007 Rs.
Authorised :			
1000000 Shares of Re.1 each (4000 Shares @ Rs.250 each as at 31st March 2007)	10,00,000	10,00,000	10,00,000
Issued :			
618750 Shares of Re.1 each (1188 Shares @ Rs.250 each as at 31st March 2007)	6,18,750	2,97,000	2,97,000
Subscribed & Paid up :			
1. Issued as fully paid for other than cash : 213000 Shares of Re.1 each (852 Shares @ Rs.250 each as at 31st March 2007) Out of the above 213000 Shares, 79000 Shares (316 Shares @ Rs.250 each as at 31st March 2007) were forfeited and 74250 Shares (297 Shares @ Rs.250 each as at 31st March 2007) were re-issued (833 Shares @ Rs.250 as at 31st March 2007).	2,08,250	2,08,250	2,08,250
2. Issued as fully paid up for cash : 405750 Shares of Re.1 each (336 Shares @ Rs.250 each as at 31st March 2007) Out of the above 405750 Shares, 10250 Shares (41 Shares @ Rs.250 each as at 31st March 2007) were forfeited and 7250 Shares (29 Shares @ Rs.250 each as at 31st March 2007) were re-issued (324 Shares @ Rs.250 as at 31st March 2007).	4,02,750	81,000	81,000
Forfeited Shares :			
7750 Shares of Re.1 each, out of which 4750 Shares were for other than cash and 3000 Shares were issued for cash (31 Shares @ Rs.250 each as at 31st March 2007).	7,750	7,750	7,750
	6,18,750	2,97,000	2,97,000



SCHEDULE - 'B'

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

RESERVES AND SURPLUS

PARTICULARS	Balance as at 27th August, 2007	Amount transferred from Profit and Loss Account during 28th August, 2007 and 31st March, 2008	Additions during 28th August, 2007 and 31st March, 2008	Deductions during 28th August, 2007 and 31st March, 2008	Balance of Post Demutualisation Reserves as at 31st March, 2008	Balance of Pre-Demutualisation Period as at 31st March, 2008 as per Sch.B-1 brought down	Total Balance of Reserves as at 31st March 2008
	(A)	(B)	(A+B)	(A+B)	(A)	(B)	(A+B)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
B - I							
Capital Reserve	-	-	-	-	-	6,18,860	6,18,860
Share Premium	-	-	64,31,78,250	1,14,00,199	63,17,78,051	30,14,597	63,47,92,648
Reserve for Establishment of Centre for Training & Statistical Information & Setting up a Library	-	-	-	-	-	27,56,49,570	27,56,49,570
Contingency Reserve	-	-	-	-	-	2,00,00,000	2,00,00,000
Development Fees Fund	-	-	-	-	-	13,40,50,000	13,40,50,000
General Reserve	-	-	-	-	-	10,77,36,162	10,77,36,162
Surplus in Profit and Loss Account	-	1,49,82,404	-	-	1,49,82,404	-	1,49,82,404
	-	1,49,82,404	64,31,78,250	1,14,00,199	64,67,60,455	54,10,69,189	118,78,29,644
B - II							
Investors' Service Fund	2,94,11,780	9,04,500	-	15,69,675	2,87,46,605	-	2,87,46,605
Adjustable Credit Balance with Settlement Guarantee Fund (Refer Note No - 5 of Schedule - 'O')	7,03,18,210	-	9,45,29,366	10,58,31,229	5,90,16,347	-	5,90,16,347
	9,97,29,990	9,04,500	9,45,29,366	10,74,00,904	8,77,62,952	-	8,77,62,952
B - III							
Settlement Guarantee Fund (as per Contra in Schedule 'E') *	67,75,09,903	-	16,09,51,093	31,44,320	83,53,16,676	-	83,53,16,676
	67,75,09,903	-	16,09,51,093	31,44,320	83,53,16,676	-	83,53,16,676
TOTAL OF B-I + B-II + B-III	77,72,39,893	1,58,86,904	89,86,58,709	12,19,45,423	156,98,40,083	54,10,69,189	211,09,09,272
Figures for the previous year	129,16,03,688	1,40,27,754	57,07,52,034	56,03,05,947	-	-	131,60,77,529

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

The Calcutta Stock Exchange Association Ltd.

SCHEDULE - 'B-1'

Annexed to and forming part of the Schedule-'B' "RESERVES AND SURPLUS" as at 31st March 2008.

RESERVES AND SURPLUS OF PRE-DEMUTUALISATION PERIOD

PARTICULARS	Balance as at 31st March, 2007	Amount transferred from Income and Expenditure Account during 1st April, 2008 and 27th August, 2007	Additions during 1st April, 2007 and 27th August 2007	Deductions during 1st April, 2007 and 27th August, 2007	Balance as at 27th August, 2007	Additions during 28th August, 2007 and 31st March, 2008	Deductions during 28th August, 2007 and 31st March, 2008	Balance as at 31st March, 2008 carried forward to Schedule-"B"
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
B - I								
Capital Reserve	6,18,860	-	-	-	6,18,860	-	-	6,18,860
Share Premium	30,14,597	-	-	-	30,14,597	-	-	30,14,597
Reserve for Establishment of Centre for Training & Statistical Information & Setting up a Library	30,65,91,570	-	-	-	30,65,91,570	-	3,09,42,000	27,56,49,570
Contingency Reserve	2,00,00,000	-	-	-	2,00,00,000	-	-	2,00,00,000
Development Fees Fund	13,40,50,000	-	-	-	13,40,50,000	-	-	13,40,50,000
General Reserve	7,72,65,263	-	-	53,37,647	7,19,27,616	3,59,56,608	1,48,062	10,77,36,162
	54,15,40,290	-	-	53,37,647	53,62,02,643	3,59,56,608	3,10,90,062	54,10,69,189
B - II								
Investors' Service Fund	2,69,24,264	34,86,130	-	9,98,614	2,94,11,780			
Adjustable Credit Balance with Settlement Guarantee Fund (Refer Note No - 5 of Schedule - 'O')	7,13,35,417	-	6,86,572	17,03,779	7,03,18,210			
	9,82,59,681	34,86,130	6,86,572	27,02,393	9,97,29,990			
B - III								
Settlement Guarantee Fund (as per Contra in Schedule 'E') *	67,62,77,558	-	1,05,64,159	93,31,814	67,75,09,903			
	67,62,77,558	-	1,05,64,159	93,31,814	67,75,09,903			
B-I + B-II + B-III	131,60,77,529	34,86,130	1,12,50,731	1,73,71,854	131,34,42,536	3,59,56,608	3,10,90,062	54,10,69,189

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



SCHEDULE - 'C'

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

FIXED ASSETS

PARTICULARS	Cost as at 27th August, 2007	Additions during 28th August, 2007 and 31st March, 2008	Deductions during 28th August, 2007 and 31st March, 2008	Cost as at 31st March, 2008	D E - Upto 27th August, 2007
	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS OF PRE-DEMUTUALISATION PERIOD BROUGHT DOWN FROM SCHEDULE- 'C-1' :					
Land - Freehold	4,15,300	-	-	4,15,300	-
Land - Leasehold	9,37,73,788	-	-	9,37,73,788	65,43,249
Building	25,31,350	-	3,73,951	21,57,399	14,28,584
Tube well	2,46,618	-	-	2,46,618	1,33,907
Electric Installation	1,42,80,012	-	3,40,399	1,39,39,613	1,12,62,029
Pump	1,12,889	-	-	1,12,889	94,464
Furniture & Fixtures	1,41,46,190	-	24,561	1,41,21,629	1,20,21,009
Office Equipment	56,23,211	-	2,15,674	54,07,537	44,17,247
Air Conditioner	64,40,515	-	-	64,40,515	48,83,583
Water Cooler	42,450	-	15,385	27,065	39,365
Lift	7,09,767	-	-	7,09,767	6,81,973
Motor Car	10,24,578	-	-	10,24,578	9,16,007
Computer & Software	24,43,17,465	-	40,41,332	24,02,76,133	23,85,14,659
	38,36,64,133	-	50,11,302	37,86,52,831	28,09,36,076
ASSETS OF POST-DEMUTUALISATION PERIOD :					
Building	-	58,768	-	58,768	-
Electric Installation	-	12,131	-	12,131	-
Office Equipment	-	3,68,852	-	3,68,852	-
Air Conditioner	-	1,17,000	-	1,17,000	-
Computer & Software	-	45,22,832	-	45,22,832	-
	-	50,79,583	-	50,79,583	-
	38,36,64,133	50,79,583	50,11,302	38,37,32,414	28,09,36,076
CAPITAL WORK-IN-PROGRESS OF PRE-DEMUTUALISATION PERIOD BROUGHT DOWN FROM SCHEDULE- 'C-1':					
Exchange Complex Project	55,60,794	-	-	55,60,794	-
C-STAR	60,78,385	-	-	60,78,385	-
	1,16,39,179	-	-	1,16,39,179	-
	39,53,03,312	50,79,583	50,11,302	39,53,71,593	28,09,36,076
Figures for the previous year :					
Fixed Assets	42,26,64,030	5,35,996	3,97,21,679	38,34,78,347	31,11,38,644
Capital Work-in-Progress	1,28,56,822	-	12,17,643	1,16,39,179	-
	43,55,20,852	5,35,996	4,09,39,322	39,51,17,526	31,11,38,644

The Calcutta Stock Exchange Association Ltd.

- P R E C E A T I O N			Net Value of Assets as at 31st March, 2008	Net Value of Assets as at 27th August, 2007	Net Value of Assets as at 31st March, 2007
From 28th August, 07 to 31st March, 08	Adjustment during 28th August, 2007 and 31st March, 2008	Upto 31st March, 2008			
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
-	-	-	4,15,300	4,15,300	4,15,300
5,60,541	-	71,03,790	8,66,69,998	8,72,30,539	8,76,17,208
29,545	2,22,949	12,35,180	9,22,219	11,02,766	11,25,744
3,405	-	1,37,312	1,09,306	1,12,711	1,15,059
2,60,203	2,97,181	1,12,25,051	27,14,562	30,17,983	31,87,451
1,608	-	96,072	16,817	18,425	19,534
2,44,139	22,582	1,22,42,566	18,79,063	21,25,181	22,93,722
1,03,960	1,99,517	43,21,690	10,85,847	12,05,964	11,92,493
1,35,785	-	50,19,368	14,21,147	15,56,932	16,22,920
229	14,838	24,756	2,309	3,085	3,271
2,426	-	6,84,399	25,368	27,794	29,467
18,600	-	9,34,607	89,971	1,08,571	1,21,402
16,26,169	39,73,923	23,61,66,905	41,09,228	58,02,806	68,77,144
29,86,610	47,30,990	27,91,91,696	9,94,61,135	10,27,28,057	10,46,20,715
265	-	265	58,503	-	-
638	-	638	11,493	-	-
46,652	-	46,652	3,22,200	-	-
200	-	200	1,16,800	-	-
6,97,661	-	6,97,661	38,25,171	-	-
7,45,416	-	7,45,416	43,34,167	-	-
37,32,026	47,30,990	27,99,37,112	10,37,95,302	10,27,28,057	10,46,20,715
-	-	-	55,60,794	55,60,794	55,60,794
-	-	-	60,78,385	60,78,385	60,78,385
-	-	-	1,16,39,179	1,16,39,179	1,16,39,179
37,32,026	47,30,990	27,99,37,112	11,54,34,481	11,43,67,236	11,62,59,894
71,56,194	3,94,37,206	27,88,57,632	10,46,20,715		
-	-	-	1,16,39,179		
71,56,194	3,94,37,206	27,88,57,632	11,62,59,894		



SCHEDULE - 'C-1'

Annexed to and forming part of the Schedule - 'C' "FIXED ASSETS" as at 31st March 2008

PARTICULARS OF FIXED ASSETS FOR PRE-DEMUTUALISATION PERIOD

PARTICULARS	Cost as at 31st March, 2007	Additions during 1st April, 2007 and 27th August, 2007	Cost as at 27th August, 2007	DEPRECIATION			Net Value of Asset as at 27th August, 2007
				Upto 31st March, 2007	From 1st April, 2007 to 27th August, 2007	Upto 27th August, 2007	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land - Freehold	4,15,300	—	4,15,300	—	—	—	4,15,300
Land - Leasehold	9,37,73,788	—	9,37,73,788	61,56,580	3,86,669	65,43,249	8,72,30,539
Building	25,31,350	—	25,31,350	14,05,606	22,978	14,28,584	11,02,766
Tube well	2,46,618	—	2,46,618	1,31,559	2,348	1,33,907	1,12,711
Electric Installation	1,42,68,326	11,686	1,42,80,012	1,10,80,875	1,81,154	1,12,62,029	30,17,983
Pump	1,12,889	—	1,12,889	93,355	1,109	94,464	18,425
Furniture & Fixtures	1,41,43,190	3,000	1,41,46,190	1,18,49,468	1,71,541	1,20,21,009	21,25,181
Office Equipment	55,35,787	87,424	56,23,211	43,43,294	73,953	44,17,247	12,05,964
Air Conditioner	64,14,015	26,500	64,40,515	47,91,095	92,488	48,83,583	15,56,932
Water Cooler	42,450	—	42,450	39,179	186	39,365	3,085
Lift	7,09,767	—	7,09,767	6,80,300	1,673	6,81,973	27,794
Motor Car	10,24,578	—	10,24,578	9,03,176	12,831	9,16,007	1,08,571
Computer & Software	24,42,60,289	57,176	24,43,17,465	23,73,83,145	11,31,514	23,85,14,659	58,02,806
	38,34,78,347	1,85,786	38,36,64,133	27,88,57,632	20,78,444	28,09,36,076	10,27,28,057
Capital Work-in-Progress :							
Exchange Complex Project	55,60,794	—	55,60,794				55,60,794
C-STAR	60,78,385	—	60,78,385				60,78,385
	1,16,39,179	—	1,16,39,179	—	—	—	1,16,39,179
TOTAL	39,51,17,526	1,85,786	39,53,03,312	27,88,57,632	20,78,444	28,09,36,076	11,43,67,236

The Calcutta Stock Exchange Association Ltd.

Deductions / Adjustment during 28th August, 2007 and 31st March, 2008	Cost as at 31st March, 2008	D E P R E C I A T I O N			Net Value of Assets as at 31st March, 2008	Net Value of Assets as at 31st March, 2007
		From 28th August, 2007 to 31st March, 2008	Adjustment during 28th August, 2007 and 31st March, 2008	Upto 31st March, 2008		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
–	4,15,300	–	–	–	4,15,300	4,15,300
–	9,37,73,788	5,60,541	–	71,03,790	8,66,69,998	8,76,17,208
3,73,951	21,57,399	29,545	2,22,949	12,35,180	9,22,219	11,25,744
–	2,46,618	3,405	–	1,37,312	1,09,306	1,15,059
3,40,399	1,39,39,613	2,60,203	2,97,181	1,12,25,051	27,14,562	31,87,451
–	1,12,889	1,608	–	96,072	16,817	19,534
24,561	1,41,21,629	2,44,139	22,582	1,22,42,566	18,79,063	22,93,722
2,15,674	54,07,537	1,03,960	1,99,517	43,21,690	10,85,847	11,92,493
–	64,40,515	1,35,785	–	50,19,368	14,21,147	16,22,920
15,385	27,065	229	14,838	24,756	2,309	3,271
–	7,09,767	2,426	–	6,84,399	25,368	29,467
–	10,24,578	18,600	–	9,34,607	89,971	1,21,402
40,41,332	24,02,76,133	16,26,169	39,73,923	23,61,66,905	41,09,228	68,77,144
50,11,302	37,86,52,831	29,86,610	47,30,990	27,91,91,696	9,94,61,135	10,46,20,715
–	55,60,794				55,60,794	55,60,794
–	60,78,385				60,78,385	60,78,385
–	1,16,39,179	–	–	–	1,16,39,179	1,16,39,179
50,11,302	39,02,92,010	29,86,610	47,30,990	27,91,91,696	11,11,00,314	11,62,59,894



SCHEDULE - 'D'

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

INVESTMENTS

P A R T I C U L A R S	Nominal Value at 27th August, 2007	Cost Price as at 27th August, 2007	Cost Price of Investment Purchase/ Converted during 28th August, 2007 & 31st March, 2008
	Rs.	Rs.	Rs.
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD BROUGHT DOWN FROM SCHEDULE- 'D-1' :			
LONG TERM INVESTMENTS :			
Debentures of Joint Stock Companies (Quoted)			
15% Bengal Paper Mills Co Ltd Regd. Debenture of Rs.100 each	1,17,000	1	-
6.75% Tax Free US64 Bonds of Rs.100 each	21,17,400	21,17,400	-
Investment in Equity Shares with Central Depository Services (India) Ltd (Unquoted) Equity Shares of Rs.10 each fully paid, by way of Equity participation as a co-sponsor.	1,00,00,000	1,00,00,000	
	1,22,34,400	1,21,17,401	-
INVESTMENTS OF POST-DEMUTUALISATION PERIOD			
EQUITY SHARES :			
Investment in Equity Shares with Beeyu Overseas Ltd (Quoted) Equity Shares of Rs.16.69 each fully paid	-	-	6,674
UNITS OF MUTUAL FUND :			
ICICI Prudential Fixed Maturity Plan - Series 41 19 Months	-		4,00,00,000
Birla Sun Fund - Series AK	-		5,00,00,000
Birla Sun Fund - Series AL	-		2,28,00,000
Birla Sun Fund - Series AN	-		1,25,00,000
Standard Chartered Mutual Fund - Yearly Series 17	-		2,00,00,000
ABN AMRO Mutual Fund - Series 10-Plan E	-		4,70,00,000
SBI Mutual Fund - SDFS-13 Months-7-(18-Mar-08)-IG	-		5,00,00,000
UTI Mutual Fund - Series IV - Plan III	-		75,00,000
DSP Merrill - 13M - Series 1	-		1,00,00,100
	-	-	25,98,06,774
	1,22,34,400	1,21,17,401	25,98,06,774
Figures for the previous year	1,22,34,400	1,21,17,401	-

Aggregate cost of :-

Quoted Investments : Rs. 21,24,075 (previous year Rs.21,17,401)

Unquoted Investments : Rs.26,98,00,100 (previous year Rs.1,00,00,000)

* Market Value not available

The Calcutta Stock Exchange Association Ltd.

Nominal Value of Investments purchased during 28th August, 2007 and 31st March, 2008	Cost Price of Investments Redeemed/ Converted during 28th August, 2007 and 31st March, 2008	Nominal Value of Investment Redeemed/ Converted during 28th August, 2007 and 31st March, 2008	Nominal Value as at 31st March, 2008	Cost Price as at 31st March, 2008	Market Value as at 31st March, 2008	Number
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Qty.
-	-	-	1,17,000	1	*	117
-	-	-	21,17,400	21,17,400	*	21174
-	-	-	1,00,00,000	1,00,00,000	-	1000000
-	-	-	1,22,34,400	1,21,17,401	-	
4,000	-	-	4,000	6,674	3,044	400
4,00,00,000	-	-	4,00,00,000	4,00,00,000	4,13,20,000	4000000
5,00,00,000	-	-	5,00,00,000	5,00,00,000	5,06,80,500	5000000
2,28,00,000	-	-	2,28,00,000	2,28,00,000	2,30,84,064	2280000
1,25,00,000	-	-	1,25,00,000	1,25,00,000	1,25,83,375	1250000
2,00,00,000	-	-	2,00,00,000	2,00,00,000	2,01,43,200	2000000
4,70,00,000	-	-	4,70,00,000	4,70,00,000	4,72,96,570	4700000
5,00,00,000	-	-	5,00,00,000	5,00,00,000	5,00,00,000	5000000
75,00,000	-	-	75,00,000	75,00,000	77,17,500	750000
1,00,00,100	-	-	1,00,00,100	1,00,00,100	1,00,38,800	1000010
25,98,04,100	-	-	25,98,04,100	25,98,06,774	26,28,67,053	
25,98,04,100	-	-	27,20,38,500	27,19,24,175	26,28,67,053	
-	-	-	1,22,34,400	1,21,17,401	-	



SCHEDULE - 'D1'

Annexed to and forming part of the Schedule - 'D' "INVESTMENTS" as at 31st March 2008.

INVESTMENTS OF PRE-DEMUTUALISATION PERIOD

P A R T I C U L A R S	Nominal Value at 31st March, 2007	Cost Price as at 31st March, 2007	Cost Price of Investment Purchase/ Converted during 1st April, 2007 and 31st March, 2008
	Rs.	Rs.	Rs.
LONG TERM INVESTMENTS :			
Debentures of Joint Stock Companies (Quoted)			
15% Bengal Paper Mills Co Ltd Regd. Debenture of Rs.100 each	1,17,000	1	-
6.75% Tax Free US64 Bonds of Rs.100 each	21,17,400	21,17,400	-
Investment in Equity Shares with Central Depository Services (India) Ltd (Unquoted) Equity Shares of Rs.10 each fully paid, by way of Equity participation as a co-sponsor.	1,00,00,000	1,00,00,000	-
	1,22,34,400	1,21,17,401	-

* Market Value not available

The Calcutta Stock Exchange Association Ltd.

Nominal Value of Investments purchased during 1st April, 2007 and 31st March, 2008	Cost Price of Investments Redeemed/ Converted during 1st April, 2007 and 31st March, 2008	Nominal Value of Investment Redeemed/ Converted during 1st April, 07 and 31st March, 2008	Nominal Value as at 31st March, 2008	Cost Price as at 27th August, 2007 / 31st March, 2008	Market Value as at 27th August, 2007 / 31st March, 2008	Number
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Qty,
-	-	-	1,17,000	1	*	117
-	-	-	21,17,400	21,17,400	*	21174
-	-	-	1,00,00,000	1,00,00,000	-	1000000
-	-	-	1,22,34,400	1,21,17,401	-	



SCHEDULE - 'E'

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	As at 31st March 2008			As at 27th August 2007			As at 31st March 2007		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. CURRENT ASSETS :									
SUNDRY DEBTORS :									
a) Debts outstanding for a period exceeding six months :									
From Members (Secured, considered good)	1,10,86,920			1,15,60,295			1,02,29,791		
From Members (Unsecured, considered good)	1,85,620			1,85,620			1,85,620		
From Others (Unsecured, considered good)	2,99,57,895			2,64,26,131			3,16,92,187		
From Others (Unsecured, considered doubtful)	—			—			56,48,702		
	4,12,30,435			3,81,72,046			4,77,56,300		
Less : Provision for Doubtful Debts	—	4,12,30,435		—	3,81,72,046		56,48,702	4,21,07,598	
b) Other Debts for a period less than six months :									
From Members (Secured, considered Good)		1,29,121			1,29,121			5,47,985	
From Others (Secured, considered Good)		4,061	4,13,63,617		4,061	3,83,05,228		—	4,26,55,583
CASH & BANK BALANCES :									
Cash-in-hand (As Certified)			57,097			51,998			13,072
BALANCE WITH SCHEDULED BANKS :									
In Current Account (Including Rs.33,82,702 relating to Settlement Bank Accounts and Rs.4,40,12,447 relating to Margin Bank Accounts)		5,24,73,212			6,10,62,749			5,81,83,832	
In CSE Cash Escrow Account :		—			103,33,22,000			—	
In Savings Account :		27,13,148			26,42,842			1,00,20,155	
In Fixed Deposits :		81,78,05,664	87,29,92,024		44,78,67,346	154,48,94,937		43,78,67,346	50,60,71,333
INTEREST ACCRUED BUT NOT DUE ON INVESTMENTS / DEPOSITS			1,04,12,940			80,66,469			54,84,274
			92,48,25,678			159,13,18,632			55,42,24,262
B. LOANS & ADVANCES (Unsecured, considered good) :									
TAX DEDUCTED AT SOURCE		3,97,83,111			2,71,78,264			2,37,08,106	
FRINGE BENEFIT TAX		58,049			—			—	
ADVANCE TO STAFF		54,88,512			42,77,464			44,48,965	
ADVANCE TO OTHERS (Including Rs.97,38,90,608 as per contra in Schedule - 'F', which is inclusive of Rs.91,17,68,941 due from defaulting members referred in Notes 11 (b) in Schedule - 'O')		104,02,18,545			102,42,16,705			103,08,13,581	

The Calcutta Stock Exchange Association Ltd.

SCHEDULE - 'E' (Contd.)

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

PARTICULARS	As at 31st March 2008			As at 27th August 2007			As at 31st March 2007		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PREPAID EXPENSES		13,67,481	108,69,15,698		12,20,202	105,68,92,635		11,67,091	106,01,37,743
MEMBERS' DEPOSIT FOR SECURITY & BASE CAPITAL REQUIREMENT :									
(As per Contra In Schedule - 'F')									
In Fixed Deposits :		1,85,70,505			1,10,79,481			2,42,50,830	
In Shares		5,78,23,284	7,63,93,789		7,10,71,417	8,21,50,898		12,34,69,850	14,77,20,680
DEPOSIT WITH TURNER MORRISON LTD (Ref. No. : 22 a) of Schedule - 'O')			2,00,00,000			2,00,00,000			2,00,00,000
DEPOSIT WITH WEST BENGAL HIDCO FOR PURCHASE OF LAND			3,09,42,000			-			-
SECURITY DEPOSIT WITH OTHERS			23,37,773			23,37,773			23,37,773
SETTLEMENT GUARANTEE FUND: (As per Contra in Schedule - "B")									
In Fixed Deposits		18,13,21,911			30,45,564			30,45,564	
In Shares & Fixed Deposits		17,76,23,758			46,55,81,385			47,32,14,314	
In Fixed Deposits : Interest on Members Security Deposits		28,84,76,842			8,37,66,472			8,37,66,472	
In Fixed Deposits : Dividend on Members Security Deposits		2,55,87,998			1,97,08,370			1,97,08,370	
Bank Balances		22,93,648			1,06,14,320			29,87,786	
Other Receivables		16,00,12,519	83,53,16,676		9,47,93,792	67,75,09,903		9,35,55,052	67,62,77,558
			205,19,05,936			183,88,91,209			190,64,73,754
			297,67,31,614			343,02,09,841			246,06,98,016



SCHEDULE - 'F'

Annexed to and forming part of the Balance Sheet as at 31st March 2008.

CURRENT LIABILITIES & PROVISIONS

PARTICULARS	PRE-DEMUTUALISATION PERIOD			
	As at 27th August, 2007		As at 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
A. CURRENT LIABILITIES :				
SUNDRY DEPOSITS (Including Rs.97,38,90,608, related to Settlement Guarantee Fund as per contra in Schedule - 'E')		103,17,37,306		102,13,79,343
OUTSTANDING LIABILITIES		4,61,55,911		3,94,75,861
MEMBERS' DEPOSIT FOR SECURITY AND BASE CAPITAL REQUIREMENT AND MARGIN :-				
In Cash	4,46,02,157		4,46,02,157	
In Fixed Deposits (As per Contra in Schedule 'E')	1,10,79,481		1,10,79,481	
In Shares (As per Contra in Schedule 'E')	7,10,71,417	12,67,53,055	5,78,23,284	11,35,04,922
		120,46,46,272		117,43,60,126
B. PROVISIONS :				
PROVISION FOR LEAVE ENCASHMENT		99,48,286		49,33,678
PROVISION FOR TAX		—		—
TOTAL		121,45,94,558		117,92,93,804

The Calcutta Stock Exchange Association Ltd.

POST-DEMUTUALISATION PERIOD		TOTAL		PREVIOUS YEAR	
As at 31st March, 2008		As at 31st March, 2008		As at 31st March, 2007	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	82,52,055		102,96,31,398		102,67,14,513
	82,08,623		4,76,84,484		4,85,61,034
3,94,27,266		8,40,29,423		4,52,07,742	
7,491,024		1,85,70,505		2,42,50,830	
–	4,69,18,290	5,78,23,284	16,04,23,212	12,34,69,850	19,29,28,422
	6,33,78,968		123,77,39,094		126,82,03,969
	21,26,494		70,60,172		83,91,171
	80,64,661		80,64,661		–
	7,35,70,123		125,28,63,927		127,65,95,140



SCHEDULE - 'G'

Annexed to and forming part of the Income and Expenditure Account for the period from 1st April 2007 to 27th August 2007.

OPERATING INCOME

PARTICULARS	1st April 2007 to	1st April 2006 to
	27th August 2007	31st March 2007
	Rs.	Rs.
Income from CSTAR	2,64,765	7,26,382
Enlistment Fee	1,20,30,708	2,77,81,470
Bad Debt of Enlistment Fees Recovered	1,04,650	–
Subscription	11,35,500	27,69,000
Entrance Fees	500	–
	1,35,36,123	3,12,76,852

SCHEDULE - 'H'

Annexed to and forming part of the Income and Expenditure Account for the period from 1st April 2007 to 27th August 2007.

INCOME FROM INVESTMENTS

PARTICULARS	1st April 2007 to	1st April 2006 to
	27th August 2007	31st March 2007
	Rs.	Rs.
Interest :		
On Fixed Deposits (I T Deducted Rs.33,58,199; Previous year Rs.69,32,757)	1,71,33,320	3,55,76,225
On Savings Bank Account	22,688	87,639
On Security Deposit with CESC Ltd (I T Deducted Rs.10,434; Previous year Rs.28,942)	50,650	1,28,974
On 6.75% Tax Free US64 Bond	71,462	1,42,925
From Others	–	1,00,249
Interest / Dividend on Investment of Settlement Guarantee Fund :		
On Fixed Deposits of SGF (I T Deducted Rs.39,090)	1,65,971	–
On Fixed Deposits on MSD (I T Deducted Rs.22,23,386)	1,03,98,188	–
Interest on Refund of Income Tax from Income Tax Authorities	–	1,05,96,488
Dividend from CDSL	6,00,000	–
	2,84,42,279	4,66,32,500

SCHEDULE - 'I'

Annexed to and forming part of the Income and Expenditure Account for the period from 1st April 2007 to 27th August 2007.

OTHER INCOME

PARTICULARS	1st April 2007 to	1st April 2006 to
	27th August 2007	31st March 2007
	Rs.	Rs.
Rent (I T Deducted Rs.1,01,525 ; Previous year Rs.2,54,642)	4,49,867	10,20,927
Miscellaneous Receipts	13,12,757	51,47,253
Outstanding Liability Written Back	–	5,84,072
Liability to SEBI Written Back	–	62,826
	17,62,624	68,15,078

The Calcutta Stock Exchange Association Ltd.

SCHEDULE - 'J'

Annexed to and forming part of the Income and Expenditure Account for the period from 1st April 2007 to 27th August 2007.

OPERATING EXPENSES

PARTICULARS	1st April 2007 to 27th August 2007 Rs.	1st April 2006 to 31st March 2007 Rs.
Salary, Bonus, Gratuity and Leave Encashment	1,04,30,053	2,10,16,659
Staff Welfare	13,91,615	20,18,050
Contribution to Provident & Other Funds	7,16,799	17,06,152
Employee Cost	1,25,38,467	2,47,40,861
Rent and other Expenses	11,05,433	25,34,212
Electric Charges	13,90,265	33,57,745
Taxes & Licenses	3,12,500	5,23,106
Insurance	70,561	2,03,787
Stamp, Stationary & Printing	2,00,779	3,18,868
Telephone Charges	3,14,346	6,49,195
Travelling & Conveyance	6,03,239	7,86,432
Motor Car Expenses	2,25,911	3,22,478
Repairs & Maintenance	6,02,533	11,16,384
Computer Service Expenses	76,41,211	1,83,40,367
General Charges	14,41,102	17,49,509
Demat Charges	93,940	3,43,267
System Audit Expenses	-	1,96,420
Legal & Professional Charges	13,87,250	14,57,057
Auditor's Remuneration	69,751	1,12,240
Sub Committee Meeting Attendance Fees	61,000	1,02,000
Provision for Doubtful Debts	-	56,48,702
Website Development Expenses	33,822	45,297
Loss on Sale / Discard of Assets (Net)	-	1,85,262
Expenses on Derrivative Charged Off	-	12,17,643
Expenditure on Commodity Exchange Written Off	35,058	84,140
Sundry Balances Written Off	47,420	-
	2,81,74,588	6,40,34,972



SCHEDULE - 'K'

Annexed to and forming part of the Profit and Loss Account for the period from 28th August 2007 to 31st March 2008.

OPERATING INCOME

PARTICULARS	28th August 2007 to 31st March 2008 Rs.
Income from CSTAR	2,76,952
Turnover Charges from BSE Trading Platform	82,717
Enlistment Fee	1,33,53,542
Bad Debt of Enlistment Fees Recovered	43,750
Subscription	16,24,500
	<u>1,53,81,461</u>

SCHEDULE - 'L'

Annexed to and forming part of the Profit and Loss Account for the period from 28th August 2007 to 31st March 2008.

INCOME FROM INVESTMENTS

PARTICULARS	28th August 2007 to 31st March 2008 Rs.
Interest :	
On Fixed Deposits (I T Deducted Rs.1,24,46,897)	5,87,70,518
On Savings Bank Account	70,306
On Security Deposit with CESC Ltd (I T Deducted Rs.14,608)	70,911
On 6.75% Tax Free US64 Bond	71,462
From Others	1,04,896
Profit on Sale of Mutual Fund Unit (Dividend)	37,625
Interest / Dividend on Investment of Settlement Guarantee Fund :	
On Fixed Deposits of SGF (I T Deducted Rs.10,67,655)	46,57,819
On Fixed Deposits on MSD (I T Deducted Rs.61,41,190)	2,96,97,570
Dividend on MSD	52,00,000
	<u>9,86,81,107</u>

SCHEDULE - 'M'

Annexed to and forming part of the Profit and Loss Account for the period from 28th August 2007 to 31st March 2008.

OTHER INCOME

PARTICULARS	28th August 2007 to 31st March 2008 Rs.
Rent (I T Deducted Rs.1,43,342)	5,72,808
Miscellaneous Receipts	60,55,378
Provision for Leave Encashment Written Back	50,14,608
	<u>1,16,42,794</u>

The Calcutta Stock Exchange Association Ltd.

SCHEDULE - 'N'

Annexed to and forming part of the Profit and Loss Account for the period from 28th August 2007 to 31st March 2008.

OPERATING EXPENSES

PARTICULARS	28th August 2007 to
	31st March 2008
	Rs.
Salary, Bonus, Gratuity and Leave Encashment	1,38,95,394
Staff Welfare	12,53,836
Contribution to Provident & Other Funds	10,23,062
Employee Cost	1,61,72,292
Rent and other Expenses	14,39,719
Electric Charges	15,35,481
Taxes & Licenses	1,41,229
Insurance	86,349
Stamp, Stationary & Printing	3,77,796
Telephone Charges	3,75,747
Travelling & Conveyance	11,18,193
Motor Car Expenses	2,84,884
Repairs & Maintenance	11,07,629
Computer Service Expenses	1,65,05,412
General Charges	19,76,616
Demat Charges	2,42,414
Legal & Professional Charges	16,18,046
Auditor's Remuneration	1,15,643
Directors Fee	1,80,000
Sub Committee Meeting Attendance Fees	1,10,500
Bad Debts	53,19,702
Website Development Expenses	54,961
Loss on Sale / Discard of Assets (Net)	1,48,062
Expenditure on Commodity Exchange Written Off	49,082
Sundry Balances Written Off	6,25,579
	4,95,85,336



Schedule 'O'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(Annexed to and forming part of the Balance Sheet as on 31st March, 2008 and the Income & Expenditure Accounts for the periods ended 27th August, 2007 as also Profit and Loss Account for the period ended 31st March, 2008)

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention:

Financial Statements are prepared under the historical cost convention and on accrual basis of accounting.

2. Reserves & Surplus :

Since the demutualisation of the Exchange has been completed on 28th August 2007 as per The Calcutta Stock Exchange Association Ltd (Demutualisation) Scheme, 2005, duly approved by the Securities and Exchange Board of India, the Reserves and Surplus are classified separately in respect of those pertaining to the Pre-Demutualisation period (up to 27th August, 2007) and Post-Demutualisation Period (From 28th August, 2007).

3. Fixed Assets and Depreciation:

Fixed Assets are stated at their original cost (including directly allocable expenses) less depreciation. Depreciation is provided in accordance with Schedule XIV of the Companies Act, 1956 on written-down value method at the rates specified for the purpose. Leasehold Land is amortized over the period of lease. Since the demutualisation of the Exchange has been completed on 28th August 2007 as per The Calcutta Stock Exchange Association Ltd (Demutualisation) Scheme, 2005, duly approved by the Securities and Exchange Board of India, the Fixed Assets are classified separately in respect of those pertaining to Pre-Demutualisation period (up to 27th August, 2007) and Post-Demutualisation Period (From 28th August, 2007).

4. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

5. Investments:

Investments are stated at cost. Since the demutualisation of the Exchange has been completed on 28th August 2007 as per The Calcutta Stock Exchange Association Ltd (Demutualisation) Scheme, 2005, duly approved by the Securities and Exchange Board of India, the Investments are classified separately in respect of those pertaining to Pre-Demutualisation period (up to 27th August, 2007) and Post-Demutualisation period (from 28th August, 2007). Earnings are accounted for on accrual basis.

6. Retirement Benefits:

Contributions to defined contribution scheme in the form of Provident and other funds are charged to the Income and Expenditure Account / Profit & Loss Account, as the case may be, when the contributions to the respective funds are due. The Exchange has a defined benefit plan for post-employment benefit in the form of gratuity for all employees rendering qualifying years of service as per the Payment of Gratuity Act, 1972. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date and the Scheme is funded with the Life Insurance Corporation of India. The actuarial method used for measuring the liability is the Projected Unit Credit method. In respect of leave encashment benefits to employees, liability is provided for on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

7. Preliminary Expenses & Deferred Revenue Expenditure:

Expenses incurred on Demutualization of the Exchange Rs.1,14,00,199 have been adjusted against the premium received on allotment of shares, as per the Demutualization Scheme, duly approved by the Securities and Exchange Board of India. Expenses incurred on project appraisals conducted for setting up a Commodity Exchange Rs.8,41,400 would be written off over a period of ten years from 2006-07.

8. Contingent Liabilities:

Contingent Liabilities are not provided for and instead disclosed by way of Notes.

9. Taxes on Income:

During the year in view of adoption of Demutualisation Scheme by the Exchange, exemption under Section 11 of the Income-tax Act, 1961 would no longer be available from the current financial year. Accordingly, provision for tax has been made in the Accounts. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, applying the tax rates that have been substantively enacted by the Balance Sheet date. However, as the Exchange was not required to make any provision up to the year 2006-07, accounting of transitional provision for deferred tax is not considered necessary.

B. NOTES ON ACCOUNTS:

1. Demutualisation Scheme:

The Exchange has completed the demutualisation process and adopted The Calcutta Stock Exchange Ltd (Demutualisation) Scheme, 2005, duly approved by the Securities and Exchange Board of India, with effect from 28th August, 2007. In terms of the said Scheme, Equity Shares of the Exchange constituting 51% of the total share capital have been issued to persons other than shareholders having trading rights of the Exchange, at a premium of Rs.1,999 per share. Accordingly, the General Reserves, Assets and Liabilities of the Exchange have been segregated and earmarked in respect of those pertaining to the period up to the date of such Demutualisation with certain specific restrictions imposed on utilisation of the same for payment of dividend and for any purpose other than discharging the current liabilities outstanding as on the effective date of adoption of the Scheme or for the business operations of Stock Exchange. The transactions of the Exchange have also been segregated into those relating to pre-demutualisation period and post-demutualisation period and income / expenses are apportioned on the basis of related period. Accordingly, these Accounts consist of (a) Balance Sheet as at 31st March, 2008 segregating and identifying separately the balances as at 27th August, 2007 (up to the date of demutualisation) (b) Income and Expenditure Account for the period from 1st April to 27th August, 2007 (pre-demutualisation period) and (c) Profit and Loss Account for the period from 28th August, 2007 to 31st March, 2008 (post-demutualisation period).

2. Estimated outstanding commitment for Capital Expenditure relating to the purchase of land in New Town, Kolkata Rs.21,90,58,000 (Net of Advance).

3. Contingent Liabilities not provided for:

Income Tax Matters:

- a) The Income Tax Appellate Tribunal allowed Exchange's petition against the Orders of Assessing Officer and CIT (Appeals) for the Assessment year 1990-91 demanding Rs.3,05,394 and the matter has been referred back to Assessing Officer for re-assessment.



- b) The appeals against re-assessments made by the Assessing Officer for the Assessment years 1991-92 and 1992-93 as per the directions of the Income Tax Appellate Tribunal and consequential demands raised for Rs.3,66,74,684 have been allowed in favor of the Exchange by the Order dated 19.10.2004 of the CIT(Appeals) and also confirmed by the Assessing Officer vide Order dated 11.11.2004 u/s 251. However the Income Tax Department filed appeal with the Income Tax Appellate Tribunal against the Order of the CIT (Appeals). The Income Tax Appellate Tribunal by its Order dated 28.02.2006 deleted the additions made by the Assessing Officer for both the Assessment years 1991-92 and 1992-93 and accordingly the grounds taken by the Income Tax Department in both the Assessment years were rejected and the demands stand vacated. However, the Income Tax Department filed an application for condonation of delay for filing an appeal before the Hon'ble High Court of Calcutta against above Order of the Income Tax Appellate Tribunal.
- c) The Assessing Officer, in course of income tax assessments, considered development fee receipts under 7(3) of the Articles of Association of the Exchange as revenue receipts instead of capital receipts and accordingly raised demands for the Assessment years 1993-94 and 1995-96 for Rs.1,08,45,085 and Rs.41,72,298 respectively. Subsequently on the basis of petitions filed by the Exchange, the CIT (Appeals) vacated the demand for the Assessment year 1993-94. In respect of Assessment years 1994-95 (no demand) and 1995-96, the Exchange filed petition to the Income-tax Appellate Tribunal. Further, the Income-tax Department also filed petitions before the Income-tax Appellate Tribunal against Orders of the CIT (Appeals) for the Assessment years 1993-94 and 1997-98 (no demand). The Income Tax Appellate Tribunal has passed Orders on the above petitions directing the Assessing Officer to re-assess the above years after giving proper opportunities to the assessee. However in view of the Order dated 28.02.2006 of the Income Tax Appellate Tribunal, the Exchange does not expect any liability in respect of above assessment years.
- d) For Assessment year 2001-02, the Assessing Officer, in course of assessment, passed an Order on 31.03.2004 and raised a gross demand of Rs.2,69,21,819, inclusive of interest (demand net of tax deducted at source amounts to Rs.44,92,895). The Exchange filed appeal against the Order of the Assessing Officer before the CIT (Appeals). By an Order dated 01.12.2004, the CIT (Appeals) partially allowed the appeal in favor of the Exchange and referred back certain points of the appeal to the Assessing Officer for re-examination. Again the Exchange filed an appeal against the Order of the said CIT (Appeals) before the Income Tax Appellate Tribunal and subsequently Income Tax Appellate Tribunal, vide its Order dated 16.06.2006, directed the Assessing Officer to allow certain claims of the Exchange for deduction of Rs.19.93 Crores and also restored other issues for fresh consideration of Assessing Officer, which is awaited. On giving effect of the said appeals as also consideration of other issues by the Assessing Officer as per direction of the Income Tax Appellate Tribunal, there would be no demand against the Exchange.

The Assessing Officer, in the process of reassessments for the Assessment years 1991-92 and 1992-93 as also assessment for the Assessment year 2001-02, initiated recovery proceedings on the Exchange towards demands raised for the said Assessment years and recovered Rs.1 Crore each on 13.09.2004 and 14.09.2004 by way of encashment of fixed deposits of the Exchange. However, as per subsequent Order of the Ld. CIT (Appeals) Rs.1,55,39,433 became refundable to the Exchange and the same has been received. Balance of Rs.44,60,567 paid under protest by the Exchange, would be refunded on completion of assessment for the Assessment year 2001-02 as per Order of Income Tax Appellate Tribunal dated 16.06.2006. The Assessing Officer has confirmed that Rs.3.57 Crores including interest of Rs.88.48 lacs

The Calcutta Stock Exchange Association Ltd.

is refundable vide the 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 of Calcutta against above Order of the Income Tax Appellate Tribunal.

Others Matters:

- a) The Exchange has received two Show Cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount of Rs.5,83,494 as contribution payable by the Exchange. The Exchange has filed a Writ Petition before the Hon'ble High Court of Kolkata for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and hence no provision has been made for the same.
- b) A listed company obtained an ex-parte decree from a Court in Patna against the Exchange for an amount of Rs.9,67,22,780. The Exchange is contesting the case for setting aside the decree and has obtained a stay order. Hence, the aforesaid claim against the Exchange has not been acknowledged as debt. The Exchange has also filed a criminal case under Section 156(3) of Cr. P. C. before the Court of the Ld. C.M.M. at Kolkata against the said party for forgery of changing documents relating to listing matters.

4. Payment obligations of Settlement Accounts:

- a) Out of Rs.106,11,24,047 as on 31.03.2001 (including Rs.103,77,44,955 paid by the Exchange to meet the payment crisis in Settlement Nos. 2001148, 2001149 and 2001150 in March, 2001) a sum of Rs.9,00,40,224 has been recovered till 27th August, 2007 / 31st March, 2008 (Previous year Rs.9,00,40,224) from members.
 - b) Certain members had made ad-hoc contribution of Rs.28,06,89,708 to Settlement Guarantee Fund in the previous year ended 31.03.2001 specifically to meet payout obligation. The members have paid the same under protest and reserved their rights to obtain refund of the same in the event of recoveries from the defaulting members.
 - c) During the year 2001-02, a member had made contribution of Rs.65,00,000 to Settlement Guarantee Fund by virtue of a Decree of the Hon'ble High Court of Kolkata subject to condition that the said sum can be considered for refund in the event of recovery from defaulting members.
 - d) Certain members had also made contributions to Settlement Guarantee Fund during the years 2001-02 and 2002-03 for Rs.2,58,02,700 subject to condition that the same shall be refunded on recovery from defaulting members and/or when the financial position of the Exchange becomes viable.
5. As per the Bye-laws of the Settlement Guarantee Fund, duly approved by the Securities & Exchange Board of India, the Exchange is required to contribute annually to the Settlement Guarantee Fund at the rate of 0.00125% of the turnover of active members for the year.

Accordingly, the Exchange had contributed regularly up to the year 1999-2000 and charged off the same in the Income & Expenditure Account. During 2000-01, the Exchange made an additional contribution of Rs.19,93,55,380 over and above the required contribution for the year to meet the pay-out obligations arising due to payment crisis in March, 2001.

As per the resolution dated 03.10.2001 of the erstwhile Board of Directors of the Exchange, above amount of additional contribution is adjustable against future annual contributions payable by the Exchange to the Settlement Guarantee Fund. Accordingly, Rs.90,07,204 and Rs. 90,61,677 has been adjusted on this account up to 27.08.2007 and 31.03.2008 respectively (Rs.89,48,528 up to 31.03.2007), leaving a balance of Rs.19,03,48,176 and Rs.19,02,93,703 for adjustments in future.



Due to reasons stated above, annual contributions to the tune of Rs.90,07,204 up to 27.08.2007 (including Rs.58,676 for the period) has not been charged off in the Income & Expenditure Accounts of respective years up to 27.08.2007 (excepting 2004-05 and 2005-06) and Rs.54,473 has not been charged to Profit and Loss Account for the period ended 31.03.2008. Also no further provision on this account is considered necessary. In addition to above, the Exchange has also a credit balance of Rs.7,03,18,210 and Rs.5,90,16,347 as on 27.08.2007 and 31.03.2008 respectively to Settlement Guarantee Fund, which may also be adjusted against the above balance of additional contribution as per the said resolutions of the erstwhile Board of Directors, which would leave an adjustable balance of Rs.12,00,29,966 as on 27.08.2007 and Rs.13,12,77,356 as on 31.03.2008 with Settlement Guarantee Fund.

6. Members' Deposit for Security and Base Capital Requirements:

- a) In arriving at the amount of security deposits by members, investments lodged as securities have been taken at their market value in respect of Quoted Shares and Bonds.
 - b) During the year the Exchange has obtained Bank Guarantee amounting to Rs.2.28 Crores (Previous year Rs.1.06 crores) and Collateral Deposit amounting to Rs.72,50,000 in Fixed Deposit form for trade in BSE Cash Segment under BSE-CSE arrangement from the members in favour of this Exchange on account of base minimum capital requirement and margin deposit requirement, over and above the deposit on account of cash, fixed deposit and shares.
 - c) Dividends and Interest on Members' Deposits for Security and Base Capital Requirements for the period from 11.07.2003 to 31.10.2007 Rs.16,74,95,598 remained accumulated under Settlement Guarantee Fund in terms of amended Bye-laws of the Settlement Guarantee Fund vide the decisions of the erstwhile Committee on 12.03.2001 and 11.07.2003. Out of the above, the accumulated interest (net of taxes deducted at source) and dividend Rs.6,33,30,549 has been credited on 31.3.2008 to those members' accounts who have fulfilled all the requirements of the Exchange including submission of PAN, in accordance with the decision taken by the then Administrator on 19.12.2007. The members were informed that 1st November 2007 has been fixed as the prospective date for interest free cash deposit of Rs.10 lakh as BMC/SGF and no release of income/dividend/interest would be allowed thereafter. Accordingly interest/dividend on the security deposit on and from 1st November 2007 Rs.3,52,95,321 remain credited to Settlement Guarantee Fund. Also the amount of taxes deducted at source up to 31.03.2008 Rs.2,40,42,682 including the period from 01.11.2007, accounted for by the Exchange on the basis of Tax Deduction Certificates available with the Exchange (Up to 31st March 2007 Rs.1,56,78,106) remain accumulated under Settlement Guarantee Fund. In respect of few members whose security deposits are under litigation, disbursements of interest / dividend / security deposits of those members will be dealt with as per orders of the Hon'ble Courts.
7. During the year the Exchange deposited a sum of Rs.6 Crores with the BSE Ltd as per BSE-CSE arrangement under section 13A of The Securities Contracts (Regulation) Act, 1956.
 8. (a) The records maintained by the Securities (including those relating to shares, fixed deposits, interest, dividend, deduction of taxes on interest/dividend and bank balances of Settlement Guarantee Fund), Market Operations (Settlement Accounts) and Margin Departments of the Exchange are in the process of being reconciled with those of Accounts Department. Adjustments, if any, required on the balances under various heads of accounts with members, the extent of which is presently indeterminate, would be affected on completion of such reconciliations.
(b) In the process of reconciliation of records with those maintained by the Margin Department it was

The Calcutta Stock Exchange Association Ltd.

noticed that margin deposit of Rs. 1.89 Crores had been wrongly refunded to an erstwhile trading member. The amount has been treated as recoverable from the party and included under Advances. The Management has taken up the matter with the said member for recovery of the amount.

9. Sundry Debtors as on 27.08.2007 / 31.03.2008:

Above include Rs.43,08,146 remaining unrealized for a prolonged period, in respect of which no provision has been made by the Exchange as the same is considered realizable by the Exchange.

10. Balance with Schedule Banks as on 27.08.2007 / 31.03.2008:

- a) Include Rs.17,28,065 on Savings Account with American Express Bank Ltd., under Injunction Order by the Hon'ble High Court of Kolkata.
- b) Balances on Current Accounts with other Banks Rs.9,15,769 remain non-operative.

11. Loans & Advances as on 27.08.2007 / 31.03.2008:

- a) The advances other than Members Security Deposits are recoverable in cash or in kind or for value to be received or pending adjustment.
- b) Amount due from Members on account of Settlements is Rs. 97,36,67,405 (31.03.2007 Rs.97,36,67,415) including Rs. 91,17,68,941 (31.03.2007 Rs. 91,17,68,941) due from ten defaulting members, against whom the Exchange has filed legal cases. As the matter is Sub-Judice, extent of recoverability of the amount from defaulting members is presently not ascertainable.
- c) Advance to Others include Rs.38,33,958 (31.03.2007 Rs.38,33,958) under litigation and Rs.1,28,47,819 (31.03.2007 Rs.1,28,47,819) remaining unrealized/unadjusted for prolonged period, from members other than those indicated in 10.(b) above, in respect of which no provision has been made by the Exchange as the same is considered realizable by the Exchange.

12. As per practice, bills raised during the year on certain Listed companies Rs.2,02,75,750 (Previous year Rs.1,91,31,875) has not been considered as income as the same is not recoverable and has not been credited to Income and Expenditure Account for the period ended 27th August, 2007 for Rs.84,48,229 and to Profit and Loss Account for the period ended 31st March, 2008 for Rs.1,18,27,521.

13. Securities & Exchange Board of India, vide its order Reference No. SEBI/LE/22780/03, dated 4th December, 2003, superseded the Committee of The Calcutta Stock Exchange Association Limited with effect from 4th December, 2003 and appointed Shri T. K. Das as an Administrator for a period of one year to exercise and perform all the powers and duties of the Committee of The Calcutta Stock Exchange Association Limited. Such super-session of the Committee and appointment of Administrator had been extended by the Securities and Exchange Board of India from time to time. Shri T. K. Das held the office of the Administrator up to 21st September, 2007 and on 25th September, 2007 Shri Sunil Mitra was appointed as Administrator by the Securities and Exchange Board of India in place of Shri T. K. Das. Shri Mitra held the above office up to 24th December, 2007 till the formation of a new Board of Directors of the Exchange consequent upon Demutualisation, duly approved by the Securities and Exchange Board of India vide its Order Reference No. MRD/DSA/CSE/111523, dated December 18, 2007.

- a) During the year the Exchange revised the fine of a few members received in the earlier years amounting to Rs.29,49,141 and accordingly the same has been written back in the Income and Expenditure Account and kept the same in liability which will be adjusted against TOT receivable on trading in BSE-CSE arrangement or at the time of closure of business of those members.
- b) Profit and Loss Account includes Computer Expenses Rs.10,71,144 pertaining to earlier year.



15. Settlement Guarantee Fund:

a) Settlement Guarantee Fund comprises of:

	As on 31st March 2008 (Rs.)	As on 27th August 2007 (Rs.)	As on 31st March 2007 (Rs.)
I. Settlement Guarantee Fund of the Exchange	4,61,00,528	4,22,70,251	4,38,03,165
II. Members Deposit in Cash, Fixed Deposits & Shares	58,92,77,089	46,83,81,385	47,60,14,314
III. Members' Ad-hoc contribution to SGF	3,11,27,700	3,11,27,700	3,11,27,700
IV. Members' Special Security Deposit	35,00,000	40,00,000	40,00,000
V. Interest on Members' Security Deposit	8,83,76,336	6,42,54,457	5,38,56,269
VI. TDS Under Section 194 Payable	55,75,691	Nil	Nil
VII. Dividend on Members' Security Deposit	2,35,91,592	1,97,08,370	1,97,08,370
VIII. Interest on MSD/SGF received from CSE	4,77,67,740	4,77,67,740	4,77,67,740
	83,53,16,676	67,75,09,903	67,62,77,558

b) As per consistent practice, deposits of members required to be maintained under Settlement Guarantee Fund are calculated on the basis of number of members having allotted Code Numbers at the year end.

16. Disclosures in accordance with revised Accounting Standard AS – 15 on Employee Benefits:

a) During the year the Exchange has adopted Accounting Standard AS – 15 (revised) on employee benefits. Up to previous year provision for leave encashment benefits to employees had been made on the basis of liability estimated by the Management. During the year such liability has been ascertained as per actuarial valuation and the resultant excess amount of transitional liability Rs.50,14,608 has been adjusted against Pre-Demutualisation General Reserve.

b) Defined Contribution Plans:

The Exchange has recognised following amounts towards Employer's Contribution to Provident and Other Funds:

In the Income and Expenditure Account (for the period from 1st April to 27th August 2007) - Rs.7,16,799 (Previous year Rs.17,06,152 for the full year)

In the Profit & Loss Account (for the period from 28th August, 2007 to 31st March, 2008) - Rs.10,23,062 (Previous year NIL)

c) Defined Benefit Plans:

Following figures are as per actuarial valuation as at the Balance Sheet date carried out by the Life Insurance Corporation of India and certified by them:

i) Present value of defined benefit obligations: Gratuity	
Present value of obligations as at 1 st April, 2007	.68,52,294
Service Cost	1,29,569
Interest Cost	5,13,922
Benefits settled -	10,12,270 (Up to 27/08/2007 - Rs.8,19,856)
Actuarial (Gain)/Loss	21,71,834
Present value of obligations as at 31 st March, 2008	86,55,349

The Calcutta Stock Exchange Association Ltd.

ii) Change in fair value of plan assets :		
Fair value of plan assets as at 1 st April, 2007		69,20,032
Expected return on plan assets		6,28,611
Actuarial gain/(Loss)		Nil
Contributions		7,61,831
Benefits settled		10,12,270
Fair value of plan assets as at 31 st March, 2008		72,98,204
iii) Reconciliation of present value of the defined obligations plan and the fair value of plan assets:		
Fair value of plan assets as at the end of the year		72,98,204
Present value of the defined benefit obligations as at the end of the year		86,55,349
Asset / (Liability) recognised in the Balance Sheet		(13,57,145)
iv) Total expenses recognised in the Profit & Loss Account / Income & Expenditure Account:		
Service Cost		1,29,569
Interest Cost		5,13,922
Expected return on plan assets		6,28,611
Actuarial (Gain) / Loss		21,71,834
v) Actuarial assumptions:		
Discount Rate		8%
Salary escalation rate (Inflation rate)		7%
vi) Major categories of plan assets as a percentage of the fair value of total plan assets:		
Investments with Insures		100 %
d) This being the first year of implementation of Accounting Standard AS-15, previous years figures have not been given.		
e) As the Certificate provided by the Life Corporation of India for the above purpose does not separately indicate necessary figures in respect of Pre-Demutualisation period and Post-Demutualisation period, necessary provisions required in the Accounts have been made only as at the Balance Sheet date. Further, period-wise segregation of necessary information as also figures for the previous year could not be given in absence of necessary details thereof in the Certificate of the Life Insurance Corporation of India.		

17. Deferred Tax as on 31st March 2008:

Significant component and classification of deferred tax assets and liabilities on account of timing differences are:

Deferred Tax Liability :	As on 31st March 2008	As on 31st March 2007
Depreciation	2,87,301	Nil

18. Segment Reporting:

The Exchange has been dealing in only one business segment, namely Stock Exchange Operations. Hence, no separate disclosure is required.



19. Related Party Disclosure:

a) Entities under common control:

Name : Stock Exchange Customers' protection Fund

Transactions with the entity under common control:

Name	Particulars	31 st March 2008	27 th August 2007	31 st March 2007
Stock Exchange Customers' Protection Fund	Contribution to Customers' Protection Fund	4,91,523	4,93,092	5,08,571
	Outstanding Balance (Credit)	1,11,25,155	1,15,83,212	1,10,90,120

b) Key Management Personnel : Shri T V Rangaswami, Acting CEO.

Transaction/Payments during the year : Nil

20. a) Expenses have been shown net of reimbursements, wherever applicable and include under other heads of expenses:

	31 st March 2008 (Rs.)	27 th August 2007 (Rs.)	31 st March 2007 (Rs.)
Salary	25,57,639	17,64,298	34,24,093
Staff Welfare	1,06,520	73,480	2,89,968
Rent	1,46,959	2,13,041	3,60,000
Telephone Charges	73,018	53,218	1,30,366
Computer Service Expenses	32,128	22,163	72,759
Electric Charges	8,457	5,834	14,295
Website Expenses	31,234	21,545	90,596
Legal Expenses	2,31,391	1,59,617	1,25,102
Travelling & Conveyance	10,111	6,974	10,574

b) Repairs and Maintenance include:

	27 th August, 2007 to 31 st March 2008 (Rs.)	1 st April, 2007 to 27 th August 2007 (Rs.)	Year ended 31 st March 2007 (Rs.)
For Building Repairs:	3,33,507	75,563	Nil

21. Auditors' Remuneration:

	As on 31.03.2008 (Rs.)	As on 27.08.2007 (Rs.)	As on 31.03.2007 (Rs.)
Audit Fees	88,767	61,233	1,12,240
Tax Audit Fees	15,000	Nil	Nil
Out of Pocket Expenses (Including Service Tax Rs.20,394, Previous year Rs.12,240)	26,056	7,568	19,642

22. a) Consequent upon vacation of the premises at 1st floor of Turner Morrison Building at 6, Lyons Range, Kolkata, the Exchange has asked for refund of security deposit as per Tenancy Agreement with Turner Morrison Ltd. for Rs.2 Crores together with 15% interest with effect from 1st February, 2002, after adjustment of outstanding dues on account of rent, others and reimbursement of quarterly Municipal Taxes. The Exchange has filed a suit for recovery of the said amount.

The Calcutta Stock Exchange Association Ltd.

- b) As Turner Morrison Ltd has not refunded the aforesaid amount of Rs.2 Crores, the Exchange stopped payment of dues to say company for Rent, Service charge etc. except Electricity Bills, pertaining to office space situated at 4th Floor of 6, Lyons Range, Kolkata - 700001 with effect from May, 2001. Consequently Turner Morrison Ltd has filed a suit against the Exchange for eviction from the said office space.
23. A sum of Rs.27,56,49,570 (previous year Rs.29,74,41,570) had been specifically set aside up to 31.03.2008 for funds in relation to Reserve for Establishment of Centre for Training & Statistical Information and setting up a Library, in the form of Deposits in Scheduled Banks.
24. Contingency Reserve of Rs.2 Crores represents provision made in earlier years to cover risks, which may arise out of its relationship with Member-brokers in course of its dealing with them.
25. Amount has set apart by the Exchange in respect of contribution to Investors' Service Cell pursuant to Securities & Exchange Board of India's direction:

<u>For the period ended 31st March 2008</u>	<u>For the period ended 27th August 2007</u>	<u>For the year ended 31st March 2007</u>
Rs.9,04,500	Rs.34,86,130	Rs.48,77,754

26. Earnings per Share:

	Period Ended 31.03.2008 Basic & Diluted EPS	Year Ended 31.03.2007 Basic & Diluted EPS
Earnings:		
Net Profit (Profit after Tax)	Rs.1,92,25,199	Rs.92,68,269
Shares:		
Weighted average number of Equity Shares outstanding during the year	487765	1188
Earnings per share of face value of Re.1	Rs.39	-
Earnings per share of face value of Rs.250	-	Rs.7,802

27. a) Previous year's figures have been re-arranged, regrouped and recast wherever considered necessary.
- b) Figures as per Income and Expenditure Account for the period ended 27th August, 2007 represent those pertaining to the period from 1.4.2007 to 27.8.2007 whereas those of previous year represent those for the full year; hence the same are not comparable.
- c) As there was no Profit and Loss Account in the previous year corresponding figures for previous year are not applicable.

28. Information pursuant to part IV of Schedule VI to The Companies Act, 1956, Balance Sheet Abstract and Company's General Business Profile is enclosed as per **Annexure - "B"**.

Signatories to Schedules **A** to **O**

For and on behalf of The Calcutta Stock Exchange Association Ltd

UDAYAN BOSE
Chairman

SUNIL MITRA
Director

DIPANKAR CHATTERJI
Director

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

P K RAY
Secretary

D CHAKRABORTY
DGM (Accounts & Administration)

P K Bhattacharya
Partner

Kolkata, the 20th October 2008



ANNEXURE - 'B'

Information pursuant to part IV of, schedule VI to the companies Act 1956

BALANCE SHEET ABSTRACT AND COMPANYS GENERAL BUSINESS PROFILE.

		(Rs. in Thousand)
(a)	REGISTRATION DETAILS	
	Registraion number	4707/25 for 1923-24
	State code	21
	Balance sheet date	31/Mar/08
(b)	CAPITAL RAISED DURING THE YEAR	
	Public issue	NIL
	Rights issue	NIL
	Bonus issue	NIL
	Private placement	322
(c)	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
	Total liabilities and share-holders funds	33,64,679
	Total assets	33,64,679
	SOURCES OF FUNDS (Excluding Current Liabilities)	
	Paid up capital	619
	Reserves and surplus	21,10,909
	Secured loans	NIL
	Unsecured loans	NIL
	Deferred Tax Liability	287
	APPLICATION OF FUNDS	
	Net fixed assets	1,15,434
	Investments	2,71,924
	Net current assets	17,23,868
	Miscellaneous expenditure	589
	Accumulated losses	NIL
(d)	PERFORMANCE OF THE COMPANY	
	Income	1,69,446
	Total expenditure	1,41,585
	Surplus/(Shortage) before Tax	27,861
	Tax	8,636
	Surplus/(Shortage) after tax	19,225
	Earnings per share in Rs. (basic & diluted)	39.41
	Dividend rate %	Nil
(e)	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY	
	Item Code No. (ITC Code)	N A
	Product	FACILITATING
	Product Description	TRADING IN SECURITIES