

COVER



Corporate Information

Chairman

Mr. Dipankar Chatterji
(Chairman w.e.f. Nov 19, 2009)

Managing Director & CEO

Ms. Molly Thambi

Public Interest Directors

Mr. Jayanta Mitra
Mr. Satyabrata Ganguly
Mr. Udayan Bose (upto May 28, 2010)

Shareholder Directors

Mr. Mukul Somany (w.e.f. Nov 19, 2009)
Mr. Madhusudan Kannan (w.e.f. Nov 19, 2009)
Mr. Ravi Poddar
Mr. Sanjay Budhia

Trading Member Directors

Mr. Ajit Khandelwal
Mr. Binay Agarwal
Mr. Jhabarmal Choudhary (upto June 10, 2010)
Mr. Suresh Kumar Kaushik (w.e.f. July 7, 2010)

Registered Office

7, Lyons Range
Kolkata – 700 001

Registrar & Share Transfer Agents

C B Management Services (P) Limited
P-22, Bondel Road,
Kolkata – 700 019

Bankers

HDFC Bank Limited
United Bank of India Limited

Auditors

S.S. Kothari & Associates
Chartered Accountants

Solicitors

Sandersons & Morgans

Company Secretary

Ms. Abha Bafna

Eighty-Seventh Annual General Meeting

Day	:	Thursday
Date	:	September 30, 2010
Venue	:	7, Lyons Range, Kolkata – 700 001
Time	:	4 p.m.
Book-Closure	:	September 27, 2010 to September 30, 2010 (both days inclusive)

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Photo



The Calcutta Stock Exchange Limited

NOTICE

NOTICE is hereby given that the **87th Annual General Meeting** of the members of **The Calcutta Stock Exchange Limited** (the 'Exchange / Company') will be held on **Thursday, the 30th day of September, 2010** at the Registered office of the Exchange at **7, Lyons Range, Kolkata - 700 001** at **4 p.m.** to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2010 and the Balance Sheet as on that date and the Reports of the Board of Directors' & Auditors' thereon;
2. To declare a dividend on equity shares of the Company for the year ended 31st March, 2010.

SPECIAL BUSINESS

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

To appoint M/s. S. R. Batliboi & Co., Chartered Accountants as Statutory Auditors of the Exchange.

"RESOLVED THAT M/s. S. R. Batliboi & Co., Chartered Accountants, be and is hereby appointed as the Statutory Auditors of the Exchange to hold office from the conclusion of this Eighty-Seventh Annual General Meeting until the conclusion of Eighty-Eighth Annual General Meeting, and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

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

To appoint Mr. Madhusudan Kannan as a Shareholder Director

"RESOLVED THAT Mr. Madhusudan Kannan, who was appointed as a Shareholder Director, in the Casual Vacancy caused by the resignation of Mr. M. L. Soneji w.e.f. November 19, 2009, by the Board of Directors and who holds office up to the date of

Eighty-Seventh Annual General Meeting and in respect of whom a notice in writing, under section 257 of the Companies Act, 1956 read with Article 13.3(4), has been received from a member proposing Mr. Madhusudan Kannan as a candidate for the office of Director, be and is hereby appointed as a Shareholder Director of the Exchange, whose office is liable to retire by rotation."

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

To appoint Mr. Mukul Somany as a Shareholder Director

"RESOLVED THAT Mr. Mukul Somany, who was appointed as a Shareholder Director, in the Casual Vacancy caused by the resignation of Mr. Sunil Mitra w.e.f. August 10, 2009 by the Board of Directors and who holds office up to the date of Eighty-Seventh Annual General Meeting and in respect of whom a notice in writing, under section 257 of the Companies Act, 1956 read with Article 13.3(4) has been received from a member proposing Mr. Mukul Somany as a candidate for the office of Director, be and is hereby appointed as a Shareholder Director of the Exchange, whose office is liable to retire by rotation."

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

To appoint Mr. Suresh Kumar Kaushik as a Trading Member Director

"RESOLVED THAT Mr. Suresh Kumar Kaushik, who was appointed as a Trading Member Director, in the Casual Vacancy caused by the resignation of Mr. Jhabarmal Choudhary w.e.f. July 7, 2010, by the Board of Directors and who holds office up to the date of Eighty-Seventh Annual General Meeting and in respect of whom a notice in writing, under section 257 of the Companies Act, 1956 read with Article 13.3(1) has been received from a member proposing Mr. Suresh Kumar Kaushik as a candidate for the office of Director, be and is hereby appointed as a Trading Member Director of the Exchange, whose office is liable to retire by rotation."

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

To alter Articles of Association of the Exchange

“RESOLVED THAT pursuant to section 31 of the Companies Act, 1956 and all other applicable provisions, the Articles of Association of the Exchange be altered to the extent and in the manner set out hereunder :

After the existing Article no. 13.5 the following new article be inserted as Article no. 13.5A.

13.5A The Public Interest Directors shall not be liable to retire by rotation.”

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

To appoint Mr. Jayanta Mitra as a Public Interest Director

“RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956 and all other applicable provisions read with Articles 13.3(2), 13.11 and the newly inserted Article 13.5A of the Articles of Association, Mr. Jayanta Mitra, be and is hereby appointed as a Public Interest Director of the Exchange, whose office will not be liable to retire by rotation.”

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

To appoint Mr. Satyabrata Ganguly as a Public Interest Director

“RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956 and all other applicable provisions read with Articles 13.3(2), 13.11 and the newly inserted Article 13.5A of the Articles of Association, Mr. Satyabrata Ganguly, be and is hereby appointed as a Public Interest Director of the Exchange, whose office will not be liable to retire by rotation.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution** :

To ratify the terms of appointment of Managing Director & CEO

“RESOLVED THAT in accordance with provisions of Sections 198, 269 and 309 read with Schedule XIII Section II(B) and other applicable provisions, if any, of the Companies Act, 1956, appointment of Ms. Molly Thambi as Managing Director and CEO of the Exchange, for the period commencing from January 22, 2009 till December 14, 2011 and payment of remuneration, as given in the explanatory statement attached herewith, as Managing Director & CEO, be and is hereby approved, with authority to the Board to alter and/or vary such terms and conditions including remuneration of Ms. Thambi, provided that in any year the total remuneration including perquisites of Ms. Thambi shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto.”

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution** :

To alter the Ancillary Objects Clause of the Memorandum of Association of the Exchange

“RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof for time being in force, the Ancillary Objects Clause of the Memorandum of Association of the Exchange be and is hereby altered to the extent and in the manner set out hereunder :

After the existing clause no. 8 in **Ancillary Objects Clause**, following new clause no. 8A be inserted :

8A. To undertake Depository Participant Activities, Functions and Responsibilities and other activities which are incidental or ancillary to the same”

By Order of the Board of Directors

Date: July 27, 2010

Place : Kolkata

Abha Bafna

Company Secretary

Regd. Office :

7, Lyons Range,
Kolkata-700 001



The Calcutta Stock Exchange Limited

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, TO BE VALID, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FOR HOLDING OF THE MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is enclosed herewith as **Annexure - A**.
3. Information relating to the Directors seeking election/appointment at this Meeting, is annexed to this Notice as **Annexure - B**.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 27, 2010 to September 30, 2010 (both days inclusive) for the purpose of payment of dividend for the year ended March 31, 2010, if declared at the meeting and for the purpose of Eighty-Seventh Annual General Meeting or any adjournment thereof.
5. The dividend as recommended by the Board and if approved and declared at the Eighty-Seventh Annual General Meeting, will be paid on or before October 29, 2010 to those members entitled thereto and whose names shall appear on the Register of Members of the Company as on September 24, 2010 (Friday).
6. SEBI has made it mandatory for all the companies to use Bank Account details furnished by the Depositories for depositing dividend through ECS to investors where ECS and Bank details are available. Members may therefore send the details of their bank accounts with addresses and MICR codes of banks to their Depository Participants. The Exchange will not entertain any request received from the members regarding change of bank details. Instruction, if any, already given by the members in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form and vice-versa.
7. In terms of section 109A of the Companies Act, 1956 individual members may avail the nomination facility. Shareholders holding shares in physical form and willing to avail the facility are required to submit Form No. 2B (enclosed with this Annual Report) duly filled in at the Registered Office of the Exchange. However, in case the shares are held in dematerialized form, the nomination has to be intimated to your Depository Participants directly, as per the format prescribed by them.
8. Members holding shares in physical form are requested to immediately notify any change in their address to the Registrar and Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, whereas members holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.
9. Corporate Members intending to send their representative to attend and vote at the meeting are requested to ensure that the authorized representative carries a duly certified true copy of Board Resolution or such other valid document, pursuant to Section 187 of the Companies Act, 1956, authorising him to attend and vote at the meeting and any one of the photo identity proof (i.e. PAN Card, Driving Licence, Passport, Election ID card etc.).
10. In case of physical holding, members are requested to quote their folio numbers. In case their shares are held in dematerialised form, they must quote their Client ID and DP ID.
11. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Exchange at its Registered Office at 7, Lyons Range, Kolkata – 700 001 or to its Registrar & Share Transfer Agents, M/s. C. B. Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, Phone Nos. (033) 2280-6692/93/94, 4011-6700.
12. Members / Proxies should bring attendance slip sent herewith duly filled in, for attending the meeting.
13. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.
14. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 3**

M/s S. S. Kothari & Associates, Chartered Accountants, who were appointed as Statutory Auditors by the Shareholders in the Eighty-Sixth Annual General Meeting of the Company held on November 19, 2009 for the year 2008-09 will retire at the conclusion of the Eighty-Seventh Annual General Meeting of the Company.

Your Exchange has received a Special Notice, in terms of the provisions of section 225(1) of the Companies Act, 1956, nominating M/s. S. R. Batliboi & Co., Chartered Accountants as the Statutory Auditors of the Exchange in place of the retiring Auditors. Your Exchange has also received a letter from M/s. S. R. Batliboi & Co., Chartered Accountants, giving their consent to act as Statutory Auditors of the Exchange, and confirmed that if appointed, such appointment would be within the limits of Section 224(IB) of the Companies Act, 1956.

Memorandum of Interest :

None of the Directors are personally interested or concerned in the proposed resolution.

Your Directors recommend the appointment of M/s. S. R. Batliboi & Co., Chartered Accountants as the Statutory Auditors of the Company till the conclusion of Eighty-Eighth Annual General Meeting of the Company for your approval.

ITEM NO. 4

Mr. Madhusudan Kannan, Managing Director & CEO of BSE, was appointed as a Shareholder Director by the Board of Directors at its meeting held on November 19, 2009 in the casual vacancy caused by the resignation of Mr. M. L. Soneji, Shareholder Director of the Exchange, as per Article 13.25 of the Articles of Association of the Exchange. His

term of office as Shareholder Director in casual vacancy expires at the Eighty-Seventh AGM of the Company.

Your Exchange has received a notice in compliance to section 257 of the Companies Act, 1956 proposing Mr. Kannan as a candidate for the office of the Director.

Memorandum of Interest :

None of the Directors, except the appointee Director, may be deemed to be concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

ITEM NO. 5

Mr. Mukul Somany, Joint Managing Director of Hindusthan National Glass & Industries Limited, was appointed as a Shareholder Director by the Board of Directors at its meeting held on November 19, 2009 in the casual vacancy caused by the resignation of Mr. Sunil Mitra, Shareholder Director of the Exchange as per Article 13.25 of the Articles of Association of the Exchange. His term of office as Shareholder Director in casual vacancy expires at the Eighty-Seventh AGM of the Company.

Your Exchange has received a notice in compliance to section 257 of the Companies Act, 1956 proposing Mr. Somany a candidate for the office of the Director.

Memorandum of Interest :

None of the Directors, except the appointee Director, may be deemed to be concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

ITEM NO. 6

Mr. Suresh Kumar Kaushik, Trading Member of the Exchange, was appointed as a Trading Member



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Director, by the Board of Directors at its meeting held on July 7, 2010 in the casual vacancy caused by the resignation of Mr. Jhabarmal Choudhary, Trading Member Director of the Exchange as per Article 13.25 of the Articles of Association of the Exchange. His term of office as a Trading Member Director in casual vacancy expires at the Eighty-Seventh AGM of the Company.

Your Exchange has received a notice in compliance to Section 257 of the Companies Act, 1956 proposing Mr. Kaushik as a candidate for the office of the Director.

Memorandum of Interest :

None of the Directors, except the appointee Director, may be deemed to be concerned or interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

ITEM NO. 7, 8 & 9

SEBI vide its letter No. MRD/DSA/C&D/SL/143463/08 dated November 6, 2008 advised the Exchange to incorporate certain amendments in its Articles of Association with respect to the election of Public Interest Directors. The Exchange had incorporated the said amendments in its Articles after getting approval from its members in the AGM held on December 15, 2008. The said amendments specified that the Public Interest Directors can be elected by the Board of Directors of the Exchange from the list of SEBI approved persons of eminence.

In line with the policy followed by the other nationalized stock exchanges, your Directors propose to amend the Articles of Association of the Exchange to make the term of Public Interest Directors, constituting 1/4th of the strength of the Board as required by SEBI and provided in Article 13.3(2), as non-rotational.

Memorandum of Interest :

None of the Directors except the appointee Director(s) may be deemed to be concerned or interested in the proposed resolution.

Your Directors recommends the resolution for your approval.

Item No. 10

Ms. Molly Thambi, M.A. (Economics) and PGDBM from Indian Institute of Management, Calcutta, was appointed as Chief Executive Officer (CEO) of the Exchange for the period of three years in the Annual General Meeting held on December 15, 2008. By virtue of Article 13.3(3) of Articles of Association of the Company, she also became the member of the Board of Directors of the Exchange.

The Board re-designated her as Managing Director & CEO w.e.f. January 22, 2009. Remuneration paid to Ms. Thambi is as follows:

1. Consolidated Salary

Consolidated salary of ₹3,27,103/- per month comprising of Basic salary of ₹1,00,000/- DA of ₹98,010/- and other allowances amounting to ₹1,29,093/-.

2. Perquisites

- Contribution to Provident Fund: 12% of the Basic Salary plus Dearness Allowance. The contribution is subject to any changes effected to the rules of the Provident Fund.
- Contribution to Superannuation Fund: 6% of the Basic Salary plus Dearness Allowance. The contribution is subject to any changes effected to the rules of the said fund by appropriate authority.
- Entitlement of Medical Expenses, Books & Periodicals and Leave Travel Allowance as applicable.
- Provision for one Company owned chauffeur driven car.
- Provision for mobile and residential telephone.

3. Other Benefits:

Ms. Thambi will also be entitled to receive Ex-gratia Payment, Leave Encashment, Medical Leave, Health Insurance for self and dependent family members and cover under Directors' & Officers' Liability Insurance Policy.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites and allowances as specified above as minimum remuneration. All the other terms and conditions of her appointment shall remain the same.

Other Information as required by Schedule XIII (II- B) of Companies Act, 1956

I. GENERAL INFORMATION :

- a. **Nature of Industry** : Capital Market
- b. **Date or expected date of commencement of commercial production** : Not Applicable; the Company is a going concern.
- c. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** : Not Applicable.
- d. **Financial performance based on given indicators** :

(₹ in Lacs)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total Revenue	2377.40	2038.99	1694.46
Total Expenses	2208.56	1688.68	1397.65
Profit Before Tax	112.48	273.23	238.70
Profit After Tax	152.29	178.64	152.34

- e. **Export performance and net foreign exchange collaborations**: Not Applicable.
- f. **Foreign investments or collaborators, if any** : There is no foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE

- a. **Background Details** : Ms. Molly Thambi, is an M.A. (Economics) and PGDBM (Finance) from IIM-Calcutta, with an experience of more than two decades in Capital Markets. In past, she has worked with Stock Holding Corporation of India Limited and National Stock Exchange of India Limited as its Regional Head. In her last assignment with HSBC Securities Services, she was involved in business process reengineering of Hedge fund accounting processes in the Asia Pacific Domain.
- b. **Past Remuneration** : Ms. Thambi is working as Managing Director & CEO of the Exchange and is presently drawing a consolidated salary of ₹3,27,103/- per month alongwith perks and benefits. No change is proposed in her existing salary/remuneration.
- c. **Recognition or Awards**: FICCI Ladies Organisation - Women Achiever's Award for Finance for the year 2008-09.
- d. **Job Profile and her Suitability**: Ms. Thambi has more than two decades of work experience in the capital market. This has enabled her to garner wide experience and acumen of company's business activities and she has good knowledge in the Capital Market. Her understanding and experience of Capital Markets is suitable to the responsibility assigned to her.
- e. **Remuneration proposed** : No change is proposed in the existing salary of Ms. Thambi.
- f. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person** : Considering the wide experience of Ms. Thambi, remuneration paid to her is reasonable.



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- g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :** Ms. Thambi does not have any pecuniary relationship with the Company or any of its managerial personnel.

III. OTHER INFORMATION :

- a. Reasons of loss or inadequate profits :** The Business Development proposals initiated over the year are awaiting regulatory approvals. We expect the scenario to improve next year.
- b. Steps taken or proposed to be taken for improvement:**
- Efforts are being made to enter into a MOU with NSE under section 13 of SCRA.
 - Efforts are being made to improve turnover in BSE-CSE arrangement by trying to get additional deposit based members.
 - Listing & Membership Departments have been revitalized and geared-up for better performance.
 - Constant efforts are being made to explore and stretch other sources of income to the Exchange.
- c. Expected increase in productivity and profits in measurable terms :** The Company is likely to grow in the forthcoming period but this cannot be exactly measured in monetary terms due to various factors.

III. DISCLOSURE

The remuneration package of Managing Director & CEO is detailed in the explanatory statement above.

This may be treated as an abstract of the revision in the terms of appointment of Managing Director & CEO pursuant to Section 302 of the Companies Act, 1956.

Memorandum of Interest :

None of the Director(s) except Ms. Molly Thambi is concerned or interested in the proposed resolution.

Your Directors, except Ms. Molly Thambi recommend the resolution for your approval.

Item No. 11

The DP Segment has started commercial operation since September, 2009. Presently your Exchange is the Depository Participant of CDSL. The Exchange has also applied to NSDL to become its Depository Participant.

In this regard, the shareholders may please note that CDSL vide its letter no. CDSL/AC-DP/KS/2010/1843/14 dated July 21, 2010 has informed that the Objects Clause of the Exchange does not reflect the proposed business of DP activity. Accordingly, it has become necessary to suitably amend the Objects Clause of the Exchange to appropriately reflect the said business activities. Your Board recommend the alteration of the Ancillary Objects Clause by insertion of the new sub-clause no. 8A after the existing clause no. 8, the text of which is included in the proposed resolution. The alteration will enable the Company, subject to necessary approval from SEBI, to undertake the business of DP.

Copy of the ammended Memorandum and Articles of Association of the Company is available for inspection at the registered office of the Company between 11 a.m. to 1 p.m. on all working days.

Memorandum of Interest :

None of the Directors is concerned or deemed to be interested in the proposed resolution.

Your Directors recommend the resolution for your approval.

Annexure - B
 Details of Directors seeking appointment/re-appointment at the 87th AGM to be held on 30th September, 2010 at 4 p.m.

Name of Director	Mr. Madhusudan Kannan	Mr. Mukul Somany	Mr. Suresh Kr. Kaushik
Item No.	4	5	6
Date of Birth	27.07.1973	15.10.1965	20.11.1962
Date of Appointment	November 19, 2009	November 19, 2009	July 7, 2010
Qualifications	BE, M.Sc. & MBA	B.Com (Hons.)	B.Com(Hons), LLB
Expertise in specific functional area	Capital Market	Industrialist	Capital Market
Category Represented	Shareholder Director	Shareholder Director	Trading Member Director
Other Directorship in Public Limited Companies	1) BSE Limited 2) CDSL 3) BOI Shareholding Ltd. 4) Indian Clearing Corporation Ltd. 5) United Exchange of India Ltd.	1) Hindusthan National Glass & Industries Ltd. 2) Glass Equipments (I) Ltd. 3) HNG Float Glass Ltd. 4) AMCL Machinery Ltd 5) Spot Light Vanijya Ltd. 6) Topaz Commerce Ltd. 7) Somany Foam Ltd. 8) Niket Advisory & Trading Co. Ltd. 9) HNG Cement Ltd. 10) HNG Power Ltd.	None
Chairman/Member of the Committee of the Board of Directors of the other Companies in which he is a Director	Member of Shareholders' Grievance Committee: 1) Bombay Stock Exchange Ltd. 2) United Stock Exchange of India Ltd. Member of Audit Committee: 1) Bombay Stock Exchange Ltd. 2) United Stock Exchange of India Ltd. 3) CDSL	Member of Shareholders' Grievance Committee: 1)Hindusthan National Glass & Industries Ltd. Member of Audit Committee: 1) HNG Float Glass Limited	NIL
Eq. shares held in the Exchange	30,875 equity shares held by BSE Ltd. in which Mr. Kannan is MD & CEO.	8,364 equity shares held by Hindusthan National Glass & Industries Ltd. in which Mr. Somany is Joint Managing Director.	500 equity shares



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Annexure - B
 Details of Directors seeking appointment/re-appointment at the 87th AGM to be held on 30th September, 2010 at 4 p.m.

Name of Director	Mr. Satyabrata Ganguly	Mr. Jayanta Mitra	Ms. Molly Thambi
Item No.	8	9	10
Date of Birth	23.10.1942	07.07.1939	26.09.1963
Date of Appointment	December 24, 2007	December 15, 2008	December 15, 2008
Qualifications	Graduate of Chemical Engineering & Fellow of Plastics & Rubber Institute (London)	BA, Eco (Hons.) (CU), LLB (London University)	MA (Economics), PGDBM (IIM-C)
Expertise in specific functional area	Engineering	Legal Practitioner	Capital Market
Category Represented	Public Interest Director	Public Interest Director	Managing Director & CEO
Other Directorship in Public Limited Companies	Public Interest Director 1) West Bengal Industrial Development Corporation Limited 2) Century Plywood India Ltd. 3) Peerless Trust Management Co. Ltd. 4) Sunderban Infrastructure Development Corpn. Ltd. 5) Paharpur Cooling Tower Ltd. 6) Emami Ltd. 7) Magma FinCorp Ltd.	None	1) CSE Capital Markets Pvt. Ltd
Chairman/Member of the Committee of the Board of Directors of the other Companies in which he is a Director	Member of Audit Committee: 1) Emami Limited 2) West Bengal Industrial Development Co. Ltd. 3) Peerless Trust Management Ltd.	NIL	NIL
Eq. shares held in the Exchange	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

The Board of Directors of The Calcutta Stock Exchange Limited are pleased to present the Eighty-Seventh Annual Report for the financial year 2009-10 together with the audited financial statements for the year ended 31st March, 2010.

Financial Highlights

During the year under review, the income of the Exchange has gone up to ₹23.77 crores as against ₹20.39 crores of last year to register a growth of

16.58%. This comprises of increase in operating income from ₹4.80 crores of the last year to ₹5.28 crores in the current year. This apart, the income from investment and deposits has also increased from ₹4.57 crores to ₹17.09 crores keeping the other income to almost similar level of that of last year. The Company expects better financial performance next year consequent to new business initiatives being rolled out.

(₹ in Lacs)

Particulars	2009-10	2008-09
Profit / Surplus before Depreciation	168.84	350.31
Depreciation	56.35	77.08
Profit / Surplus before Tax	112.49	273.23
Provision for Tax	(39.80)	94.59
Profit / Surplus after Tax	152.29	178.64
Add Investors' Service Fund expenses written back	36.26	41.94
Settlement Guarantee Fund expenses written back	45.70	56.74
Loss on sale of Assets/Bad Debts of Pre-Demutualisation Period adjusted with General Reserve	231.24	34.43
Provision for Doubtful Debts of Pre-Demutualisation Period adjusted with General Reserve	76.53	—
Provision for Impairment of Assets of Pre-Demutualisation Period adjusted with General Reserve	13.30	5.27
Sundry Balances written off related to Pre-Demutualisation Period and adjusted with General Reserve	57.01	
	612.33	317.02
Appropriated to :		
Investors' Service Fund	46.40	45.30
Sundry Balances / Profit on Sale of Assets of Pre Demutualisation Period written back and transferred to General Reserve	1.57	13.22
Liability to SEBI written back related to Pre-Demutualisation Period and transferred to General Reserve	22.98	—
Proposed Dividend	42.77	42.77
Dividend Distribution Tax	7.27	7.27
Transfer to General Reserve	100.00	100.00
Surplus / (Deficit) Carried to Balance Sheet	391.34	108.46
	612.33	317.02



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Dividend

Your Directors are pleased to recommend 700% dividend for each fully paid equity shares of Re. 1/- held by the shareholders of the Exchange for the financial year 2009-10 subject to the approval of the shareholders in the ensuing Annual General Meeting.

Human Resource Initiative / New Management Team

The senior management team was strengthened by induction of two new General Managers, a Legal Officer and an executive in-charge of Estate and Legal matters. Another major achievement was the settlement of the long pending charter of demands with the employees union and the successful implementation of a Voluntary Retirement Scheme to re-organize the existing work force at various levels.

Some special initiatives like medi-claim policy for the employees of the Exchange and accident insurance policy for the employees opting for VRS have been introduced. Various training initiatives were taken to enhance the skills of employees at various levels.

Depository Services

Your Exchange has become a depository participant of CDSL. The DP Segment commenced its operation in September 2009. Exchange DP services will enable the broker members to avail the post trading services under one roof and enable them to offer better quality services to their clients. Your Exchange has also applied to NSDL to become its Depository Participant and the said application is currently under consideration of SEBI. The DP business is expected to pick up once the NSDL Segment is activated.

Land & Building

The agreement with KMC for segregating three acres of land at EM Bye-Pass has been signed and the construction of a boundary wall is under process. Also, joint measurement of land at Rajarhat has been completed. WBHIDCO is in the process of handing over possession after taking into consideration the change of name of your Exchange.

The Exchange is also in the process of initiating measures to finalise the tenancy related matters and introduce corrective measures wherever necessary. Your Exchange initiated a discussion with United Bank of India and as a result the bank has terminated the tenancy agreement and vacated the premises.

Report on Subsidiary

Your Exchange has formed a wholly owned subsidiary namely, CSE Capital Markets Private Limited ('CCMPL'). CCMPL has obtained membership of the National Stock Exchange of India Limited. However, keeping in view initiatives taken by your Exchange for section 13 arrangement with NSE, the membership has not yet been activated.

A statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiary, is attached to the accounts. Annual Accounts for the financial year ending March 31, 2010 along with the Director's Report and Auditors' Report thereon of the subsidiary are available with this Annual Report.

Bye-Laws, Rules & Regulations of the Exchange

Your Exchange has updated the existing Bye-laws pursuant to SEBI requirements and made certain changes to factor in the existing agreement with BSE and the proposed one with NSE under section 13 of the Securities Contract (Regulations) Act, 1956. The revised bye-laws have been posted on the website for public comment and will be sent for gazette notification after requisite regulatory approvals.

Distribution of benefits accruing from Base Minimum Capital (BMC)

Your Exchange has also implemented a long standing demand of the member brokers to release interest on ₹7.5 lacs deposited as Base Minimum Capital. This initiative has been taken to reduce the capital burden on existing members, to increase business volume and attract new members in present competitive environment.

Price Discovery Mechanism

Your Exchange took initiatives for price discovery of scrips which had not been traded for many years on CSE and where the last traded price had no relation to the actual value of the shares. This helped to unlock the value of investors holdings and also to reduce off market trades. A case in point is the OMDC scrip which invited widespread investors attention. A few other companies have also started trading again on the Exchange after price discovery. The Exchange is in the process of identifying such other companies in investors interest, to facilitate price discovery on the trading system and to provide a ready market to investors.

Business Development Initiatives

During the period under review, your Exchange introduced Deposit Based Membership to attract new

members to the CSE platform. SEBI approval has been received for 6 (six) new members so far.

Listing Amnesty Scheme

In the interest of companies listed on the Exchange, your Exchange also implemented an Amnesty Scheme to revive trading of inactive stocks and encourage compliance among companies. The Scheme received an overwhelming response from the listed companies with over 240 companies opting for it.

Technology Initiatives

During the year, based on the demand of the member brokers, several modifications to the existing software has been done to streamline the operational activities pertaining to margins, funds and securities pay-in etc. An alternative connectivity solution has been implemented by using Virtual Private Network (VPN) to enable member brokers to trade through internet in C-Star and BSE-CSE trading platform. Your Exchange has upgraded the connectivity with BSE from 256 KBPS to 2 MBPS lease line to facilitate faster BSE broadcast.

In addition to it, Individual Email IDs have been provided to each member brokers to facilitate faster and easier communication with the Exchange.

Apart from the above initiatives, it is a constant endeavour to strengthen the risk management mechanism in the Exchange to ensure a safe and risk minimized trading environment for members as well as the retail investors.

Listing & Membership

Listing and Membership are the two areas of your Exchange which directly interact with various stakeholders and functionaries of companies listed on the Exchange. Only 15 (fifteen) SEBI Registrations were cancelled during the year as compared to 44 (forty-four) cancellations in the last year. Another encouraging fact is that 6 (six) trading members, who had earlier applied for cancellation of SEBI Registration, have withdrawn their applications during the year 2009-2010.

Similarly the number of Companies opting for voluntary/ compulsory delisting has come down sharply by 65% as compared to last year. As on March 31, 2010, there were 2,675 companies listed on your Exchange.

Investor Service

CSE, being an extended arm of the regulator endeavours to promote and protect the interest of

investors at large. The Exchange has a department of Investor Service for timely and speedy disposal of investor grievances, either against companies listed on the Exchange or against trading members of the Exchange, to enhance and maintain investors confidence in capital market.

Investor Awareness & Education has been adopted as the Corporate Social Responsibility by your Exchange.

Investor Education and Tie-up for Financial Literacy Programs

Your Exchange lays stress on the importance of investor education and during the year it was our endeavour to take this initiative forward by involving investors across West Bengal through means of seminars, workshops and investor meets. CSE has also tied up with the National Institute of Securities Markets (an institution promoted by SEBI) to develop the concept of financial literacy in schools. Your Exchange has also tied-up with PC Chandra School of Business Management and launched a short term certification course on Capital Markets.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings & Outgo

Your Directors have nothing to report with regard to conservation of energy and technology absorption in terms of Section-217(1)(e) of the Companies Act, 1956.

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

Particulars of Employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the Rules framed thereunder, the names and other particulars of employees are set out in the **Annexure - A** to the Directors' Report.

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts for the year ended March 31, 2010, the applicable accounting standards have been followed along with the proper explanations relating to material departures.
2. The Directors have adopted such accounting policies and have applied them consistently and have made judgements and estimates in a reasonable and prudent manner so as to give a



The Calcutta Stock Exchange Limited

true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2010 and of the profit of the Company for that period.

3. The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors.
4. The Directors have prepared the annual accounts for the financial year ended March 31, 2010 on a going concern basis.

Fixed Deposits

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

Code of Conduct for Directors & Executives of the Exchange

In order to make the employees of the Exchange committed to follow highest level of integrity and to outline the Exchanges value and principles and to set out the standards for the professional and ethical behavior of the employees in the organization, the Board of Directors of your Company has laid down Code of Conduct for the Executives of the Exchange. Your Board has also laid Code of Conduct for the Members of the Board. The Code of Conduct has also been posted on the website of the Exchange.

Code of Conduct for prevention of insider trading pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992

Pursuant to the requirements as prescribed in the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Exchange has adopted a 'Code of Conduct for Prevention of Insider Trading' at the meeting of the Board of Directors held on May 18, 2010, both for the members of the Board and the employees of the Exchanges.

Board of Directors

The details of Directors are given below:

Chairman

Mr. Dipankar Chatterji - Shareholder Director
(Chairman w.e.f. November 19, 2009)

Public Interest Directors :

Mr. Jayanta Mitra
Mr. Satyabrata Ganguly
Mr. Udayan Bose (Chairman, upto November 19, 2009 and resigned as Director w.e.f. May 28, 2010)

Shareholder Directors :

Mr. Mukul Somany (w.e.f. November 19, 2009)
Mr. Madhusudan Kannan (w.e.f. November 19, 2009)
Mr. Ravi Poddar
Mr. Sanjay Budhia
Mr. Sunil Mitra (upto August 10, 2009)
Mr. M. L. Soneji (w.e.f. Aug. 8, 2008 till Nov. 19, 2009)

Trading Member Directors :

Mr. Ajit Khandelwal
Mr. Binay Agarwal
Mr. Suresh Kr. Kaushik (w.e.f. July 7, 2010)
Mr. Jhabarmal Choudhary (resigned w.e.f. June 10, 2010)

Managing Director & CEO

Ms. Molly Thambi

Board Meetings held during the year:

During the financial year ended on March 31, 2010, Six Board Meetings were held.

Board Sub-Committee as on June 30, 2010

Currently, there are 12 (twelve) Sub-Committees of the Board. The terms of reference of the Board Sub-Committees are determined by the Board from time to time. Meetings of each Board Sub-Committee are convened by the respective Committee Chairman. Minutes of Committee meetings are placed for the information of the Board.

(A) STANDING COMMITTEES

- 1) Arbitration Committee (Member -Vs- Member)
- 2) Arbitration Committee (Member-Vs- Non-Member)
- 3) Disciplinary Action and Surveillance Committee
- 4) Defaulters' Committee

(B) COMMITTEES AS PER SEBI GUIDELINES

- 1) Ethics Committee
- 2) Listing, Delisting, Investor Services & Membership Selection Committee
- 3) Business Development & Technology Committee

(C) FUNCTIONAL COMMITTEES

- 1) HR Committee
- 2) Premises Committee
- 3) Bye-Laws Amendment Committee
- 4) Audit & Finance Committee
- 5) Remuneration Committee

Director's Retiring by Rotation**a) Public Interest Directors:**

- ❖ Mr. Udayan Bose resigned from the Board of the Exchange w.e.f. May 28, 2010. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Bose which helped the Exchange to make a new beginning. The Board is in process of filling the vacancy caused by resignation of Mr. Bose.

b) Shareholder Directors :

- ❖ Mr. Sunil Mitra had resigned from the directorship the Exchange w.e.f. August 10, 2009. Mr. Mukul Somany was appointed by the Board w.e.f. November 19, 2009 in the casual vacancy caused by resignation of Mr. Mitra in terms of section 262 read with Article 13.25 of the Articles of Association of the Company. Mr. Mukul Somany term as a Shareholder Director in Casual Vacancy would expire at the fourthcoming AGM and being eligible, offers himself for election at the ensuing AGM and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received proposing Mr. Mukul Somany as a candidate for the office of Director.
- ❖ Mr. M. L. Soneji resigned from the directorship the Exchange w.e.f. November 19,

2009. Mr. Madhusudan Kannan was appointed by the Board w.e.f. November 19, 2009 in the casual vacancy caused by resignation of Mr. Soneji in terms of section 262 read with Article 13.25 of the Articles of Association of the Company. Mr. Madhusudan Kannan, term as a Shareholder Director in Casual Vacancy would expire at the fourthcoming AGM and being eligible offer himself for election and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received proposing Mr. Madhusudan Kannan as a candidate for the office of Director.

c) Trading Member Directors :

- ❖ Mr. Jhabarmal Choudhary, Trading Member Director resigned from the Directorship of the Exchange w.e.f. June 10, 2010. The Board places on record its sincere appreciation for his dedication and role in the growth of the Exchange. Mr. Suresh Kumar Kaushik has been appointed by the Board in the casual vacancy caused due to resignation of Mr. Choudhary in terms of section 262 read with Article 13.25 of the Articles of Association of the Company. Mr. Suresh Kumar Kaushik, term as a Trading Member Director in Casual Vacancy would expire at the fourthcoming AGM and being eligible offer himself for election and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received proposing Mr. Suresh Kumar Kaushik as a candidate for the office of Director.

Management's Explanation to the qualification made by the statutory auditors on the annual accounts of the Exchange for the year 2009-10**AUDITOR'S QUALIFICATIONS**

Advances include ₹94,50,81,458 due from defaulting members (inclusive of ₹91,17,68,941 due from ten members who had defaulted during March, 2001), under litigation, and hence the extent of recoverability of which is not presently ascertainable as stated in Note Nos. 3(ii) and 3(iii) of Part B in Schedule "L";

Contributions made by certain members to Settlement Guarantee Fund in earlier years ₹31,17,81,801 are subject to certain conditions as stated in Note No. 3(v) of Part B in Schedule "L";

MANAGEMENT'S REPLY

The fact has been disclosed suitably by way of Note Nos. 3(ii) and 3(iii) of Part B in Schedule "L".

The fact has been disclosed suitably by way of Note No. 3(v) of Part B in Schedule "L".



The Calcutta Stock Exchange Limited

AUDITOR'S QUALIFICATIONS

Additional Contribution for the year payable to the Settlement Guarantee Fund ₹4,04,655 has not been charged off to the Profit and Loss Accounts and also no provision is considered necessary for the same due to reasons stated in Note No. 4 of Part B in Schedule "L";

Dividends and Interests on Members' Deposits for Security for Base Capital Requirements ₹13,35,79,400 as also amount of tax deducted at source up to 31st March, 2008 ₹2,15,88,287, which has been accounted for and claimed 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. 10(b) and 10(c) of Part B in Schedule "L";

The balances under various heads of account are subject to adjustments, if any, on completion of reconciliations of Departmental records as stated in Note No 5(ii) of Part B in Schedule "L", the extent and resultant effects of which are presently indeterminate.

Statutory Auditors

M/s. S. S. Kothari & Associates, Chartered Accountant, the Statutory Auditors of the Exchange hold office until the conclusion of the forthcoming Annual General Meeting.

Your Board has received a Special Notice from the members proposing the appointment of M/s. S. R. Batliboi & Co. Chartered Accountants, as the Statutory Auditors of the Company in place of the retiring Auditors.

The resolution for appointment of M/s. S. R. Batliboi & Co., Chartered Accountant as the Statutory Auditors in place of the retiring Auditors will be placed before the shareholders at the ensuing Annual General Meeting. If appointed, the appointment shall be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Acknowledgement

Your Directors would like to express their grateful appreciation for the continued assistance, co-operation 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.

Your Directors wish to put on record their thanks to all members of the Exchange for their unstinted support and co-operation.

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

For and on behalf of the Board

Date : July 27, 2010
Place : Kolkata

Dipankar Chatterji
Chairman

Annexure - A**Particulars of Employees in Terms of Section 217(2A) of the Companies Act, 1956**

Statement of Particulars of Employees, pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the period April 1, 2009 to March 31, 2010

Name	Age	Qualification & Experience in years	Date of Appointment	Designation (Nature of Duties)	Gross Remuneration	Last Employment
Ms. Molly Thambi	47	M.A (Eco), PGDBM (IIM-C)	December 15, 2008	Managing Director & CEO (To Manage the affairs of the Exchange on day to day basis)	₹ 4,405,208	HSBC Securities Service, HSBC

Notes:

1. Remuneration includes Salary, Allowances, Contribution to Provident Fund, Ex-gratia and other perquisites.
2. The aforesaid employee is not a relative of any Director of the Exchange.
3. Nature of employment: Contractual.

For and on behalf of the Board

Date : July 27, 2010

Place : Kolkata

Dipankar Chatterji

Chairman



The Calcutta Stock Exchange Limited

Auditors' Report

We have audited the annexed Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date of **The Calcutta Stock Exchange 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 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, and taken on record by Board of Directors, none of the Directors was disqualified as on 31st March, 2010 from being appointed as director in terms of the provisions of Section 274(1)(g) of the Companies Act, 1956.
5. We further report that:
 - (i) *Advances include ₹ 94,50,81,458 due from defaulting members (inclusive of ₹ 91,17,68,941 due from ten members who had defaulted*

during March, 2001), under litigation, and hence the extent of recoverability of which is not presently ascertainable as stated in Note Nos. 3(ii) and 3(iii) of Part B in Schedule "L";

- (ii) *Contributions made by certain members to Settlement Guarantee Fund in earlier years ₹ 31,17,81,801 are subject to certain conditions as stated in Note No. 3(v) of Part B in Schedule "L";*
 - (iii) *Additional Contribution for the year payable to the Settlement Guarantee Fund ₹ 4,04,655 has not been charged off to the Profit and Loss Accounts and also no provision is considered necessary for the same due to reasons stated in Note No. 4 of Part B in Schedule "L";*
 - (iv) *Dividends and Interests on Members' Deposits for Security for Base Capital Requirements ₹ 13,35,79,400 as also amount of tax deducted at source up to 31st March, 2008 ₹ 2,15,88,287, which has been accounted for and claimed by the Exchange on the basis of Tax Deduction Certificates available with the Exchange, remain accumulated under Settlement Guarantee Fund as stated in Note Nos. 10(b) and 10(c) of Part B in Schedule "L";*
 - (v) *The balances under various heads of account are subject to adjustments, if any, on completion of reconciliations of Departmental records as stated in Note No. 5(ii) of Part B in Schedule "L", the extent and resultant effects of which are presently indeterminate.*
6. *Subject to paragraph 5 above, the extent of impact of which on the net worth as on 31st March, 2010 and also on the operating results for the year is not presently ascertainable, in our opinion and according to the explanations given to us, the accounts, read together with Significant Accounting Policies and Notes appearing in Schedule – "L", 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, 2010; and

- (b) In the case Profit and Loss Account of the profit for the year 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 during the year. 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 any 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) (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 and rendering of services. 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.
5. In our opinion and according to the information and explanations given to us, there is no transaction that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause (v)(b) of paragraph 4 of the Order is not applicable.
6. The 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, 2010 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, 2010 that have not been deposited with the appropriate authorities on account of disputes and the forum where the disputes are pending are given below:



The Calcutta Stock Exchange Limited

Name of the Statute	Nature of the Dues	Years	Amount ₹	Forum where dispute is pending
Income-tax Act, 1961.	Income Tax	Assessment Year 1993-94.	1,08,45,085	Assessing Officer for re-assessment.
Employees' State Insurance Act, 1948	ESI Contribution payable by the Exchange	May, 1994 to March, 1999	8,41,860	Hon'ble High Court of Kolkata

10. The Exchange does not have accumulated losses as at 31st March, 2010 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.

For S. S. Kothari & Associates
Chartered Accountants
Firm Registration No. : 305147E

Centre Point,
21, Old Court House Street,
Kolkata – 700 001
Dated, the 7th July, 2010

(P K Bhattacharya)
Partner
Membership No.: 015899

BALANCE SHEET AS AT 31st MARCH, 2010

SCHEDULE		As at 31st March 2010 ₹	As at 31st March 2009 ₹
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Capital	A	6,18,750	6,18,750
Reserves and Surplus	B	<u>213,73,11,921</u>	<u>207,79,34,070</u>
		<u>213,79,30,671</u>	<u>207,85,52,820</u>
II. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	34,14,80,129	34,49,16,880
Less : Depreciation		<u>28,33,82,383</u>	<u>28,17,10,048</u>
Net Block		5,80,97,746	6,32,06,832
		5,80,97,746	6,32,06,832
INVESTMENTS	D	12,08,11,380	13,23,06,775
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	E	4,95,09,703	5,91,34,206
Cash and Bank Balances		92,99,96,328	87,42,21,236
Other Current Assets		1,75,93,058	2,03,62,451
Loans & Advances		<u>230,86,90,935</u>	<u>220,55,25,606</u>
		330,57,90,024	315,92,43,499
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	F	132,05,07,605	124,48,44,330
Provisions		<u>3,85,98,662</u>	<u>3,29,19,536</u>
		135,91,06,267	127,77,63,866
NET CURRENT ASSETS		194,66,83,757	188,14,79,633
DEFERRED TAX ASSETS		1,19,17,088	10,54,740
MISCELLANEOUS EXPENDITURE (To the extent of not written off or adjusted)			
Deferred Revenue Expenditure on Project Appraisal of Commodity Exchange		4,20,700	5,04,840
		<u>213,79,30,671</u>	<u>207,85,52,820</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	L		

For and on behalf of The Calcutta Stock Exchange Ltd

Dipankar Chatterji
ChairmanBinay Agarwal
DirectorMolly Thambi
Managing Director & Chief Executive OfficerDhiraj Chakraborty
DGM (Finance & Accounts)Abha Bafna
Company SecretaryAs per our Report of even date
For S S Kothari & Associates
Chartered Accountants
Firm Registration No. 305147E
P K Bhattacharya
Partner
Membership No. 015899

Kolkata, the 7th July 2010



The Calcutta Stock Exchange Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31ST MARCH, 2010

PARTICULARS	Schedule	For the Year ended	For the year ended
		as at 31st March, 2010 ₹	as at 31st March, 2009 ₹
INCOME			
Operating Income	G	5,28,33,180	4,79,61,016
Income from Investments and Deposits	H	17,08,94,067	14,56,79,564
Other Services / Income	I	1,40,12,752	1,02,58,377
		23,77,39,999	20,38,98,957
EXPENDITURE			
Computer Maintenance and Service Charges		1,61,99,080	1,90,75,853
Staff Costs	J - 1	4,18,78,123	4,21,71,159
VRS Expenses	J - 2	2,07,24,958	-
Administration and Other Expenses	K	7,11,80,562	3,30,44,222
Loss on Surrender of Land		-	18,78,593
Investors' Services Expenses		36,26,332	41,93,735
Contribution to SEBI		41,43,320	44,44,825
Contribution to Customers Protection Fund		9,26,086	10,59,732
Contribution to Settlement Guarantee Fund		6,21,77,737	6,29,99,988
		22,08,56,198	16,88,68,107
Profit before Depreciation		1,68,83,801	3,50,30,850
Depreciation		56,35,493	77,07,599
Profit before Tax		1,12,48,308	2,73,23,251
Fringe Benefit Tax		-	3,01,515
Provision for Deferred Tax		-1,08,62,348	-13,42,041
Provision for Current Tax		68,82,000	1,05,00,000
		-39,80,348	94,59,474
Profit after Tax		1,52,28,656	1,78,63,777
ADD :			
Impairment of Assets of Pre-Demutualisation Period adjusted with General Reserve		13,29,421	5,27,271
Loss on discard of Assets of Pre-Demutualisation Period adjusted with General Reserve		-	4,08,082
Loss on sale of Assets of Pre-Demutualisation Period adjusted with General Reserve		-	28,002
Loss on Surrender of Land of Pre-Demutualisation Period adjusted with General Reserve		-	18,78,593
Bad Debts of Pre-Demutualisation Period adjusted with General Reserve		2,31,23,865	11,27,974
Provision for Doubtful Debts of Pre-Demutualisation Period adjusted with General Reserve		76,52,760	-
Sundry Balance Written Off Related to Pre-Demutualisation Period adjusted with General Reserve		57,01,416	-
Expenses incurred on behalf of Investors' Services Fund Written Back		36,26,332	41,93,735
Settlement Guarantee Fund Expenses		45,70,115	56,74,457
		4,60,03,909	1,38,38,114
LESS :			
Transferred to General Reserve		1,00,00,000	1,00,00,000
Investors' Service Fund		46,39,654	45,30,350
Sundry Balances Written Back of Pre-Demutualisation Period adjusted with General Reserve		74,579	13,22,137
Liability to SEBI Written Back of Pre-Demutualisation Period adjusted with General Reserve		22,98,407	-
Profit on sale of Assets of Pre-Demutualisation Period transferred to General Reserve		82,494	-
Proposed Dividend		42,77,000	42,77,000
Tax on Dividend		7,26,876	7,26,876
		2,20,99,010	2,08,56,363
Surplus Carried to Profit and Loss Account		3,91,33,555	1,08,45,528

For and on behalf of The Calcutta Stock Exchange Ltd

Dipankar Chatterji
Chairman

Binay Agarwal
Director

Molly Thambi
Managing Director & Chief Executive Officer

Dhiraj Chakraborty
DGM (Finance & Accounts)

Abha Bafna
Company Secretary

As per our Report of even date
For S S Kothari & Associates
Chartered Accountants
Firm Registration No. 305147E
P K Bhattacharya
Partner
Membership No. 015899

Kolkata, the 7th July 2010

SCHEDULE - 'A'

Annexed to and forming part of the Balance Sheet as at 31st March 2010.

SHARE CAPITAL

PARTICULARS	As at 31st March, 2010 ₹	As at 31st March, 2009 ₹
AUTHORISED : 1000000 Shares of Re.1 each	10,00,000	10,00,000
ISSUED : 618750 Shares of Re.1 each	6,18,750	6,18,750
SUBSCRIBED & PAID UP :		
1. Issued as fully paid for consideration other than cash : 213000 Shares of Re.1 each Out of the above, 79000 Shares were forfeited and 74250 Shares were re-issued.	2,08,250	2,08,250
2. Issued as fully paid up for cash : 405750 Shares of Re.1 each Out of the above, 10250 Shares were forfeited and 7250 Shares were re-issued.	4,02,750	4,02,750
Forfeited Shares : 7750 Shares paid up of Re.1 each (4750 Shares were from the Shares issued for other than cash and 3000 Shares were from the Shares issued for cash)	7,750	7,750
	6,18,750	6,18,750



The Calcutta Stock Exchange Limited

SCHEDULE - 'B' Annexed to and forming part of the Balance Sheet as at 31st March 2010.

RESERVES AND SURPLUS

PARTICULARS	Balance of Pre-Demutalisation Period as at 31st March 09		Pre-Demutalisation Period			Post-Demutalisation Period			Balance of Pre-Demutalisation Period as at 31st March 2010	Balance of Post-Demutalisation Period as at 31st March 2010	Total Balance of Reserves as at 31st March 2010	Total Balance of Reserves as at 31st March 2009
	₹	₹	Additions during the year	Deductions during the year	Transferred from Profit and Loss Account during the year	Additions during the year	Deductions during the year	₹	₹	₹	₹	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
B - I												
Capital Reserve	6,18,860	-	-	-	-	-	-	6,18,860	-	6,18,860	-	6,18,860
Share Premium	30,14,597	63,17,78,051	-	-	-	-	-	30,14,597	63,17,78,051	63,47,92,648	63,47,92,648	63,47,92,648
Reserve for Establishment of Centre for Training and Statistical Information & Setting up a Library	5,65,91,570	-	-	-	-	-	-	5,65,91,570	-	5,65,91,570	-	5,65,91,570
Contingency Reserve	2,00,00,000	-	-	-	-	-	-	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	-	13,40,50,000
General Reserve	10,50,88,377	22,90,58,000	24,55,480	3,78,07,462	-	-	-	6,97,36,395	23,90,58,000	30,87,94,395	30,87,94,395	33,41,46,377
Surplus in Profit and Loss Account	-	2,58,27,932	-	-	-	-	-	-	6,49,61,487	6,49,61,487	6,49,61,487	2,58,27,932
	31,93,63,404	88,86,63,983	24,55,480	3,78,07,462	-	4,91,33,555	-	28,40,11,422	93,57,97,538	121,98,08,960	120,60,27,387	-
B - II												
Investors' Service Fund	-	2,90,83,220	-	-	-	46,39,654	36,26,332	-	-	3,00,96,542	3,00,96,542	2,90,83,220
Adjustable Credit Balance with Settlement Guarantee Fund	-	9,44,24,001	-	-	-	1,23,63,351	-	-	10,67,87,352	10,67,87,352	10,67,87,352	9,44,24,001
	-	12,35,07,221	-	-	-	1,70,03,005	36,26,332	-	13,68,83,894	13,68,83,894	12,35,07,221	-
B - III												
Settlement Guarantee Fund (as per Contra in Schedule 'E') *	-	74,83,99,462	-	-	-	12,62,31,986	9,40,12,381	-	-	78,06,19,067	78,06,19,067	74,83,99,462
	-	74,83,99,462	-	-	-	12,62,31,986	9,40,12,381	-	78,06,19,067	78,06,19,067	78,06,19,067	74,83,99,462
TOTAL OF B-I + B-II + B-III	31,93,63,404	175,85,70,666	24,55,480	3,78,07,462	-	19,23,68,546	9,76,38,713	28,40,11,422	185,33,00,499	213,73,11,921	207,79,34,070	207,79,34,070

Figures for the previous year 54,10,69,189 156,98,40,083 13,22,137 22,30,27,922 1,00,00,000 63,22,13,370 45,34,82,787 31,93,63,404 175,85,70,666 207,79,34,070

* 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 2010.

FIXED ASSETS

PARTICULARS	Cost as at 31st March 2009 ₹	Additions during the year ₹	Deductions during the year ₹	Cost as at 31st March 2010 ₹	Depreciation			Net Value of Assets as at 31st March 2010 ₹	Net Value of Assets as at 31st March 2009 ₹
					Upto 31st March 2009 ₹	Additions during the year ₹	Deductions during the year ₹		
ASSETS OF PRE-DEMUTUALISATION PERIOD :									
Land - Freehold	4,15,300	-	-	4,15,300	-	-	-	-	4,15,300
Land - Leasehold	4,96,67,291	-	-	4,96,67,291	40,40,947	4,73,605	-	45,14,552	4,56,26,344
Building	21,57,399	-	-	21,57,399	12,81,291	43,805	-	13,25,096	8,76,108
Electric Installation	1,39,00,032	-	-	1,39,00,032	1,15,78,051	3,22,988	-	1,19,01,039	19,98,993
Pump	19,517	-	-	19,517	14,336	721	-	15,057	5,181
Furniture & Fixtures	1,41,21,629	-	-	1,41,21,629	1,25,80,797	2,77,350	-	1,28,58,147	15,40,832
Office Equipment	40,73,071	-	-	40,73,071	34,06,882	92,667	-	34,99,549	6,66,189
Air Conditioner	62,25,805	-	34,513	61,91,292	50,45,341	1,63,773	30,890	51,78,224	11,80,464
Water Cooler	15,465	-	-	15,465	14,140	184	-	14,324	1,325
Lift	7,09,767	-	-	7,09,767	6,87,928	3,038	-	6,90,966	21,839
Motor Car	10,24,578	-	6,42,936	3,81,642	9,57,900	9,382	6,10,880	3,56,402	66,678
Computer & Software	24,51,70,545	-	46,50,813	24,05,19,732	23,95,95,927	22,29,847	33,21,388	23,85,04,386	55,74,618
	33,75,00,399		53,28,262	33,21,72,137	27,92,03,540	36,17,360	39,63,158	27,88,57,742	5,82,96,859
ASSETS OF POST-DEMUTUALISATION PERIOD :									
Building	58,768	-	-	58,768	3,190	2,779	-	5,969	55,578
Electric Installation	12,131	-	-	12,131	2,237	1,376	-	3,613	9,894
Office Equipment	6,47,083	1,99,932	-	8,47,015	1,09,765	98,838	-	208,603	5,37,318
Air Conditioner	3,19,725	1,91,502	-	5,11,227	19,790	62,102	-	81,892	2,99,935
Computer & Software	53,66,299	11,34,860	-	65,01,159	22,81,508	15,28,016	-	38,09,524	30,84,791
Motor Car	873,530	3,65,217	-	12,38,747	57,004	3,05,954	-	362,958	8,16,526
Furniture & Fixtures	138,945	-	-	1,38,945	33,014	19,068	-	52,082	1,05,931
	74,16,481	18,91,511		93,07,992	25,06,508	20,18,133		45,24,641	49,09,973
	34,49,16,880	18,91,511	53,28,262	34,14,80,129	28,17,10,048	56,35,493	39,63,158	28,33,82,383	6,32,06,832
Figures for the previous year :									
Fixed Assets	38,37,32,414	1,39,76,077	5,27,91,611	34,49,16,880	27,99,37,112	82,34,870	64,61,934	28,17,10,048	6,32,06,832
Capital Work-in-Progress	1,16,39,179	-	1,16,39,179	-	-	-	-	-	-
	39,53,71,593	1,39,76,077	6,44,30,790	34,49,16,880	27,99,37,112	82,34,870	64,61,934	28,17,10,048	6,32,06,832



The Calcutta Stock Exchange Limited

SCHEDULE - 'D' Annexed to and forming part of the Balance Sheet as at 31st March 2010.

INVESTMENTS

PARTICULARS	Nominal Value as at 31st March 2009	Cost Price as at 31st March 2009	Cost Price Investments Purchased/Converted during the year	Nominal Value of Investments purchased during the year	Cost Price of Investments Redeemed/Converted during the year	Nominal Value of Investment Redeemed/Converted during the year	Nominal Value as at 31st March 2010	Cost Price as at 31st March 2010	Market as at 31st March 2010	Numbers for the Current year	Numbers for the Previous Year
	₹	₹	₹	₹	₹	₹	₹	₹	₹	Quantity	Quantity
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD											
LONG TERM INVESTMENTS :											
Debitures of Joint Stock Companies (Quoted)											
15% Bengal Paper Mills Co Ltd Regd. Debenture of Rs.100 each	1,17,000	1	-	-	-	-	1,17,000	1	*	117	117
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	-	-	-	-	1,00,00,000	1,00,00,000	-	1000000	1000000
	1,00,00,001	-	-	-	-	1,01,17,000	1,00,00,001	-	-	-	-
INVESTMENTS OF POST-DEMUTUALISATION PERIOD											
CURRENT INVESTMENTS:											
EQUITY SHARES :											
A/ Investment in a wholly Subsidiary Company Equity Shares @ Rs.10 with CSE CAPITAL MARKETS PVT LTD (Unquoted)	-	-	3,50,00,000	3,50,00,000	-	-	3,50,00,000	3,50,00,000	-	3500000	0
B/ Investment in Equity Shares with Beeyu Overseas Ltd (Quoted)	4,000	6,674	-	-	-	-	4,000	6,674	1,332	400	400
Equity Shares of Rs.16.69 each fully paid											
UNITS OF MUTUAL FUND :											
Birla Sun Fund - Series AL	2,28,00,000	2,28,00,000	-	-	2,28,00,000	2,28,00,000	-	-	-	0	2280000
Birla Sun Fund - Series AN	1,25,00,000	1,25,00,000	-	-	1,25,00,000	1,25,00,000	-	-	-	0	1250000
IDFC Yearly Series 17 - Plan A	2,00,00,000	2,00,00,000	-	-	2,00,00,000	2,00,00,000	-	-	-	0	2000000
Fortis Series 10-E	4,70,00,000	4,70,00,000	-	-	4,70,00,000	4,70,00,000	-	-	-	0	4700000
UTI Mutual Fund - Daily Cash Management	1,00,00,000	1,00,00,000	-	8,98,644	-	-	1,08,98,644	1,08,98,644	-	10898.64	10898.64
HDFC Mutual Fund - Daily Cash Management	-	-	-	6,49,06,061	-	-	6,49,06,061	6,49,06,061	-	6490606.10	6490606.10
DSP Merrill - 13M - Series 1	1,00,00,100	1,00,00,100	-	-	1,00,00,100	1,00,00,100	-	-	-	0	1000010
	12,23,04,100	12,23,06,774	10,08,04,705	10,08,04,705	11,23,00,100	11,23,00,100	11,08,08,705	11,08,11,379	1,332	-	-
	13,24,21,100	13,23,06,775	10,08,04,705	10,08,04,705	11,23,00,100	11,23,00,100	12,09,25,705	12,08,11,380	1,332	-	-
	27,20,38,500	27,19,24,175	1,00,00,000	1,00,00,000	14,96,17,400	14,96,17,400	13,24,21,100	13,23,06,775	12,32,88,447	-	-
Aggregate cost of :-											
Quoted Investments - ₹ 6,675 (previous year ₹ 6,675)											
Unquoted Investments - ₹ 12,08,04,705 (previous year ₹ 13,23,00,100)											
* Market Value not available											

Figures for the previous year

Aggregate cost of :-

Quoted Investments - ₹ 6,675 (previous year ₹ 6,675)

Unquoted Investments - ₹ 12,08,04,705 (previous year ₹ 13,23,00,100)

* Market Value not available

SCHEDULE - 'E'

Annexed to and forming part of the Balance Sheet as at 31st March 2010.

CURRENT ASSETS, LOANS & ADVANCES

PARTICULARS	As at 31st March, 2010			As at 31st March, 2009		
	₹	₹	₹	₹	₹	₹
A. CURRENT ASSETS :						
SUNDRY DEBTORS :						
a) Debts outstanding for a period exceeding six months :						
From Members (Secured, considered good)	1,11,40,273		1,07,46,673			
From Others (Unsecured, considered good)	3,47,85,356		4,81,34,693			
From Others (Unsecured, considered doubtful)	1,92,06,856		51,63,024			
	6,51,32,485		6,40,44,390			
	1,92,06,856	4,59,25,629	51,63,024	5,88,81,366		
Less : Provision for Doubtful Debts						
b) Other Debts for a period less than six months :						
From Members (Secured, considered Good)	35,151		-			
From Others (Secured, considered Good)	35,48,923	35,84,074	2,52,840	2,52,840		5,91,34,206
CASH & BANK BALANCES :						
Cash on hand (As Certified)						
BALANCE WITH SCHEDULED BANKS :						
In Current Account						
In Savings Account		75,18,343			4,55,71,153	
In Fixed Deposits		29,08,987			28,09,362	
INTEREST ACCRUED BUT NOT DUE ON DEPOSITS		91,94,56,539			82,58,03,189	
						87,41,83,704
						2,03,62,451
						95,37,17,893
B. RECEIVABLES / LOANS & ADVANCES (Unsecured, considered good) :						
TAX DEDUCTED AT SOURCE						
FRINGE BENEFIT TAX	9,48,87,007				8,07,09,850	
ADVANCE DEPOSIT OF TAX (Paid as FBT)	6,44,099				6,44,099	
LOAN TO STAFF (WITH INTEREST)	36,958				-	
ADVANCE TO STAFF	20,52,634				27,29,667	
ADVANCE TO OTHERS (Including Rs.97,38,90,608 as per contra in Schedule - 'F')	16,37,064				35,93,651	
MEMBERS' DEPOSIT FOR ADDITIONAL BASE CAPITAL REQUIREMENT :						
(As per Contra in Schedule - 'F')						
In Shares	100,70,98,150				103,15,44,577	
DEPOSIT WITH TURNER MORRISON LTD	31,04,139				8,02,996	
ADVANCE TO CSE CAPITAL MARKETS PVT LTD						
DEPOSIT WITH WEST BENGAL HIDCO FOR PURCHASE OF LAND SECURITY DEPOSIT WITH OTHERS	14,53,94,618				6,47,64,531	
SETTLEMENT GUARANTEE FUND :						
(As per Contra in Schedule - "B")						
In Fixed Deposits & Mutual Funds	52,88,25,000				51,56,45,463	
In Shares & Fixed Deposits	5,73,96,203				5,28,41,057	
In Fixed Deposits : Interest and Dividend on Members Security Deposits	1,57,30,860				1,44,43,884	
Bank Balances	8,82,162				71,46,605	
Other Receivables	17,77,84,842				15,83,22,453	
						74,83,99,462
						220,55,25,606
						315,92,43,499



The Calcutta Stock Exchange Limited

SCHEDULE - 'F' Annexed to and forming part of the Balance Sheet as at 31st March 2010.

CURRENT LIABILITIES & PROVISIONS

PARTICULARS	As at 31st March, 2010				As at 31st March, 2009				
	Pre-Demutualisation Period		Post-Demutualisation Period		Pre-Demutualisation Period		Post-Demutualisation Period		TOTAL
	₹	₹	₹	₹	₹	₹	₹	₹	
A. CURRENT LIABILITIES :									
SUNDRY DEPOSITS (Including Rs.97,38,90,608 related to Settlement Guarantee Fund as per contra in Schedule - 'E')	102,25,88,443		2,18,63,372		102,26,54,522		1,08,95,874		103,35,50,396
OUTSTANDING LIABILITIES	2,75,04,540		1,00,24,525		3,86,38,486		2,28,64,649		6,15,03,135
DIVIDEND PAYABLE	-		5,04,000		-		-		-
MEMBERS' DEPOSIT FOR ADDITIONAL BASE CAPITAL REQUIREMENT AND MARGIN :-									
In Cash		9,26,28,107					8,50,26,268		
In Shares (As per Contra in Schedule 'E')		14,53,94,618	23,80,22,725			6,47,64,531	14,97,90,799		14,97,90,799
				132,05,07,605					124,48,44,330
B. PROVISIONS :									
PROVISION FOR LEAVE ENCASHMENT			75,62,075				87,64,949		87,64,949
PROVISION FOR TAX			2,54,46,661				1,85,64,661		1,85,64,661
PROVISION FOR FRINGE BENEFIT TAX			5,86,050				5,86,050		5,86,050
PROPOSED DIVIDEND		42,77,000				42,77,000			
TAX ON DIVIDEND		7,26,876	50,03,876			7,26,876	50,03,876		50,03,876
				3,85,98,662					3,29,19,536
TOTAL				135,91,06,267					127,77,63,866

SCHEDULE - 'G'

Annexed to and forming part of the Profit and Loss Account for year ended as at 31st March, 2010

OPERATING INCOME

PARTICULARS	For the year ended as at 31st March, 2010 ₹	For the year ended as at 31st March, 2009 ₹
Income from CSTAR	16,75,183	4,76,349
Turnover Charges from BSE Trading Platform	13,82,174	5,41,667
Listing Fee	3,96,69,500	4,34,48,250
Bad Debt Recovered	7,63,700	8,81,750
Subscription	24,54,000	26,13,000
Processing Charges	67,83,000	-
Income from DP Operation	1,05,623	-
	5,28,33,180	4,79,61,016

SCHEDULE - 'H'

Annexed to and forming part of the Profit and Loss Account for year ended as at 31st March, 2010

INCOME FROM INVESTMENTS AND DEPOSITS

PARTICULARS	For the year ended as at 31st March, 2010 ₹	For the year ended as at 31st March, 2009 ₹
Interest :		
On Fixed Deposits	9,73,95,161	7,68,43,513
On Savings Bank Account	99,626	96,214
On Security Deposit with CESC Ltd	1,18,622	1,23,219
On 6.75% Tax Free US64 Bond	-	71,463
On Refund of Income Tax	-	12,14,760
From Others	1,38,365	1,61,892
Dividend from CDSL	10,00,000	10,00,000
Dividend from Mutual Fund	23,04,706	65,897
Profit on Sale of Mutual Fund Unit (Long Term Investment)	-	35,06,800
Profit on Sale of Mutual Fund Unit	1,22,29,965	52,70,275
	11,32,86,445	8,83,54,033
Interest / Dividend on Investment of Settlement Guarantee Fund /BMC :		
On Fixed Deposits of SGF	4,97,88,438	5,20,25,531
Dividend from Mutual Fund	78,19,184	53,00,000
	5,76,07,622	5,73,25,531
	17,08,94,067	14,56,79,564

SCHEDULE - 'I'

Annexed to and forming part of the Profit and Loss Account for year ended as at 31st March, 2010

OTHER INCOME

PARTICULARS	For the year ended as at 31st March, 2010 ₹	For the year ended as at 31st March, 2009 ₹
Rent	10,88,278	10,40,197
Miscellaneous Receipts	52,93,245	43,96,043
Sponsorship Fees towards Centenary Celebration	-	35,00,000
Profit on sale of Assets	82,494	-
Outstanding Liabilities Written Back	12,725	-
Liability to SEBI Written Back	22,98,407	-
Provision for Doubtful Debts Written Back	51,63,024	-
Sundry Balances Written Back	74,579	13,22,137
	1,40,12,752	1,02,58,377



The Calcutta Stock Exchange Limited

SCHEDULE - 'J'

Annexed to and forming part of the Profit and Loss Account for year ended as at 31st March, 2010

STAFF COSTS

PARTICULARS	For the year ended	For the year ended
	as at 31st March, 2010	as at 31st March, 2009
	₹	₹
Salary, Bonus, Gratuity and Leave Encashment	2,27,86,418	3,66,44,705
Arrear Salary	1,14,15,995	-
Staff Welfare	35,16,262	36,23,075
Contribution to Provident & Other Funds	35,94,953	19,03,379
Provident Fund Contribution on Arrear Salary	5,64,495	-
J - 1	4,18,78,123	4,21,71,159
VRS Compensation Expenses	1,87,92,661	-
Arrear Salary to VRS Employees	17,01,630	-
Arrear Staff Welfare to VRS Employees	1,29,715	-
PF Contribution on Arrear Salary to VRS Employees	1,00,952	-
J - 2	2,07,24,958	-
	6,26,03,081	4,21,71,159

SCHEDULE - 'K'

Annexed to and forming part of the Profit and Loss Account for year ended as at 31st March, 2010

ADMINISTRATIVE AND OTHER EXPENSES

PARTICULARS	For the year ended	For the year ended
	as at 31st March, 2010	as at 31st March, 2009
	₹	₹
Rent and other Expenses	29,44,168	29,86,820
Electric Charges	42,23,318	37,09,744
Taxes & Licenses	10,88,092	4,52,584
Insurance	3,15,186	1,31,585
Stamp, Stationary & Printing	6,09,378	4,62,611
Telephone Charges	6,38,832	5,37,750
Travelling & Conveyance	15,58,244	30,66,082
Motor Car Expenses	4,60,765	4,37,734
Repairs to Building	5,85,980	1,99,348
Other Repairs and Maintenance	11,96,211	12,27,968
General Charges	23,82,207	83,44,127
BSE Running Expenses	12,06,306	4,15,209
Demat Charges	76,345	6,06,725
Expenses for Depository Services	8,06,217	-
Legal & Professional Charges	20,72,515	20,48,234
Auditor's Remuneration	1,75,000	1,71,500
System Audit Expenses	2,77,500	-
Directors Sitting Fee	8,25,000	8,22,500
Sitting Fees of Other than Directors	2,17,500	-
Bad Debts	2,31,23,865	11,27,974
Provision for Doubtful Debts	1,92,06,856	51,63,024
Website Expenses	76,100	85,208
Provision for Impairment of Assets	13,29,421	5,27,271
Loss on Discard of Assets	-	4,08,082
Loss on Sale of Assets (Net)	-	28,002
Expenditure on Commodity Exchange Written Off	84,140	84,140
Sundry Balance Written Off	57,01,416	-
	7,11,80,562	3,30,44,222

SCHEDULE - 'L'**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

(Annexed to and forming part of the Balance Sheet as on 31st March 2010 and the Profit and Loss Account for the year ended on that date)

A. SIGNIFICANT ACCOUNTING POLICIES:**1. Accounting Convention:**

The Company prepares its accounts under the Historical Cost Convention. The financial statements have been prepared to comply in all material respects with the various Accounting Standards and the relevant provisions of the Companies Act, 1956. For recognition of income & expenses, Mercantile System of Accounting is followed. The accounting policies have been consistently applied by the Company.

2. Revenue Recognition:

Revenue in respect of services rendered is recognised when the service is rendered and there is certainty of realization. Dividend income on investments is recognised when the right to receive payment is established.

3. Fixed Assets and Depreciation:

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, inward freight, incidental expenses, erection and commissioning expenses up to the date when the asset is ready for its intended use.

Depreciation:

Depreciation is provided in accordance with Schedule XIV of the Companies Act, 1956 on written-down value method at the rates specified for the purpose. Leasehold Land is amortized over the period of lease.

Impairment of Assets:

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment based on external /internal practice. 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.

4. Investments:

Investments that are readily realizable are classified as current investments. All other investments are classified as long term investments. Current investments are stated at lower of cost and market value. Long term investments are stated at cost and wherever applicable provision is made where there is permanent fall in the valuation of long term investment.

Investment Income:

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

Dividend: Revenue is recognized when right to receive payment is established by the balance sheet date.

5. Retirement Benefits:

- a. Contributions to defined contribution scheme in the form of Provident and other funds are charged to the Profit & Loss Account when the contributions to the respective funds are due.
- b. 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.



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- c. 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.

6. Deferred Revenue Expenditure:

Expenses incurred on project appraisals conducted for setting up a Commodity Exchange are being written off over a period of ten years.

7. Contingent Liabilities:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is materially probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed by way of notes of accounts.

8. Taxes on Income:

Tax expense comprises of current, deferred taxation. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, applying the tax rates that have been substantively enacted by the Balance Sheet date.

B. NOTES ON ACCOUNTS :

I. Contingent Liabilities not provided for:

Income Tax matters:

- a) In respect of Assessment Year 1991-92 and 1992-93, demands of ₹3,66,74,684 raised by the Assessing Officer had been vacated by the Income Tax Appellate Tribunal vide its Order dated 28.02.2006. However, the Income Tax Department filed an application before the Hon'ble High Court of Calcutta for condonation of delay in filing an appeal against the order of the Income Tax Appellate Tribunal.
- b) In respect of Assessment Year 1993-94, demand of ₹1,08,45,085 raised by the Assessing Officer had been vacated by the CIT (Appeals). On a petition moved by the Income Tax Department against the above Vacation Order of the CIT (Appeals), the Income Tax Appellate Tribunal directed the Assessing Officer to assess the same. However, in view of the Order dated 28.02.2006 of the Income Tax Appellate Tribunal, the Exchange does not expect any liability in this respect.
- c) In respect of Assessment Year 2001-02, the Assessing Officer raised a demand for ₹2,69,21,819 on the Exchange. The Assessing Officer, while giving effect of the Order of the Income Tax Appellate Tribunal dated 16.06.2006, reversed the demand and confirmed that ₹3.57 Crores including interest of ₹88.48 Lacs 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 Kolkata against above Order of the Income Tax Appellate Tribunal.

Other matters:

- d) The Exchange has received two Show Cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount of ₹8,41,860 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- Judge, the claim has not been acknowledged and no provision has been made for the same.
- e) A listed Company obtained an ex-parte decree from a Court in Patna against the Exchange for an amount of ₹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 relating to listing matters.

2. a) During the year a sum of ₹24,55,480 (Previous year ₹13,22,137) has been transferred to General Reserve of Pre-Demutualisation period as detailed below :

	<u>During 2009-10</u>	<u>During 2008-09</u>
Sundry Balances Written Back of Pre-Demutualisation Period	₹ 74,579	₹ 13,22,137
Liability to SEBI Written Back of Pre-Demutualisation Period	₹ 22,98,407	₹ Nil
Profit on sale of Assets of Pre-Demutualisation Period	₹ 82,494	₹ Nil

- b) During the year a sum of ₹3,78,07,462 (Previous year ₹39,69,922) adjusted with General Reserve of Pre-Demutualisation period as detailed below:

	<u>During 2009-10</u>	<u>During 2008-09</u>
Impairment of Assets of Pre-Demutualisation Period	₹ 13,29,421	₹ 5,27,271
Loss on discard of Assets of Pre-Demutualisation Period	₹ Nil	₹ 4,08,082
Loss on sale of Assets of Pre-Demutualisation Period	₹ Nil	₹ 28,002
Loss on Surrender of Land of Pre-Demutualisation Period	₹ Nil	₹ 18,78,593
Refund of Listing Fees of Pre-Demutualisation Period	₹ 2,06,250	₹ Nil
Bad Debts of Pre-Demutualisation Period	₹ 2,31,23,865	₹ 11,27,974
Provision for Doubtful Debts of Pre-Demutualisation Period	₹ 76,52,760	₹ Nil
Sundry Balances Written Off related to Pre-Demutualisation Period	₹ 3,661	₹ Nil
Unclaimed Tax Deducted at Source of Pre-Demutualisation Period Written Off	₹ 54,61,505	₹ Nil
Receivable from Miscellaneous Parties	₹ 30,000	₹ Nil

3. i) The advances other than Members Security Deposits are recoverable in cash or in kind or for value to be received.
- ii) Included in Loans & Advances, amount due from Members on account of Settlements is ₹96,56,72,464 (₹98,13,07,246), comprising of ₹95,91,89,844 on account of Hand Delivery Settlement, ₹16,33,999 on account of Cash Settlement and ₹48,48,621 on account of Demat Settlement as on 31.03.2010. Out of the above, ₹91,17,68,941 (₹91,17,68,941 as on 31st March, 2009) is due from ten defaulting members, against whom the Exchange has filed legal cases.
- iii) In addition to above, the Exchange has also filed recovery suits amounting to ₹3,33,12,517 from other defaulting members. As the matter is Sub-Judice, extent of recoverability of the amount from defaulting members is presently not ascertainable. However, the Exchange carries a Contingency Reserve of ₹2,00,00,000 to cover the risk which may arise out of its relationship with member-brokers in course of its dealing with them.
- iv) Besides above an amount of ₹97,38,90,608 has been included under Sundry Deposits under the head of "Current Liabilities & Provisions" as on 31.03.2010 as contribution received from Settlement Guarantee Fund on account of payment crisis (Previous year ₹97,38,90,608).
- v) Certain members had made ad-hoc contribution totaling to ₹28,06,89,708 in the financial year 2000-01 and ₹65,00,000 in the financial year 2001-02 by virtue of decree of the Hon'ble High Court of Kolkata and ₹2,45,92,093 in the financial year 2002-03 to the Settlement Guarantee Fund subject to the condition that the said sum can be considered for refund in the event of recovery from defaulting members.
4. Out of additional contribution of ₹19,93,55,380 made by the Exchange to Settlement Guarantee Fund during 2000-01, Rs.97,16,767 has been adjusted up to 31.03.2010 towards annual contribution payable by the Exchange to Settlement Guarantee Fund (including ₹4,04,655 for the year) in accordance with the decision of the erstwhile Board of Directors taken at its meeting dated 03.10.2001 and the balance of ₹18,96,38,613 would be adjusted in future. Due to above reason, annual contribution of ₹4,04,655 for the year has not been charged to Profit and Loss Account and no provision on above account is considered necessary.



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5. (i) On completion of reconciliation of records maintained by Listing Department with those of Accounts Department the resultant net effects thereof ₹2,26,48,785, after considering bills raised in earlier years by the Listing Department as also recoverability of the outstanding amounts has been charged off in the Profit & Loss Account under the head 'Bad Debts Written Off'.
- (ii) The records maintained by the Market Operations and Securities Departments with those of Accounts Department are under reconciliation. The impact of the said reconciliation on Accounts will be known on completion thereof. However, the management does not expect any material impact on this account.
6. In arriving at the amount of security deposits by members, investments comprising of quoted shares and bonds lodged as securities have been taken at their market value.
7. Fixed Deposits of Settlement Guarantee Fund ₹17,25,25,000 have been pledged with BSE Ltd., as margin for utilising their Trading Platform by the members of the Exchange.
8. (i) Balance of ₹17,28,065 on Savings Account with Standard Chartered Bank Ltd remained under Injunction Order of the Hon'ble High Court of Kolkata and ₹5,73,025 in current account with other banks remain non-operative.
- (ii) Balance of ₹75,18,343 in Current Accounts of the scheduled banks includes ₹29,90,036 and ₹6,50,868 relating to Settlement bank accounts and Margin bank accounts respectively.
9. The Exchange has adopted a Voluntary Retirement Scheme with effect from 1st July, 2009 and in accordance with the said Scheme, ₹1,87,92,661 has been paid by the Exchange during the year. Other expenses like Staff Welfare, Contribution to Provident Fund, Arrear Salary etc., relating to the employees who have opted the Voluntary Retirement Scheme amounted to ₹19,32,297.
10. a) Settlement Guarantee Fund comprises of:

	As on 31st March, 2010	As on 31st March, 2009
I. Settlement Guarantee Fund of the Exchange	₹ 2,66,69,160	₹ 3,12,39,275
II. Members Deposit in Cash, Fixed Deposits & Shares	₹ 44,19,31,313	₹ 45,97,84,492
III. Members' Ad-hoc contribution to SGF	₹ 3,11,27,700	₹ 3,11,27,700
IV. Interest on Fixed Deposit of SGF	₹ 8,87,46,097	₹ 7,67,41,546
V. TDS under Section 194A	₹ 4,78,509	₹ Nil
VI. Dividend on Members' Security Deposit	₹ 3,67,10,776	₹ 2,88,91,592
VII. Interest on Members' Security Deposits	₹ 9,68,68,624	₹ 5,90,84,737
VIII. Interest Adjustable with BMC/ABMC	₹ 2,08,77,627	₹ 2,43,20,859
IX. Interest on Member' Security Deposits received from CSE	₹ 3,72,09,261	₹ 3,72,09,261
	<u>₹ 78,06,19,067</u>	<u>₹ 74,83,99,462</u>

- b) Dividend and Interest on Members' security Deposits as stated in (VI) and (VII) above represent those with effect from 1st November, 2007 considering the same as prospective date for non-release of income/interest/dividend.
- c) Tax deducted at source from interest on members security deposits ₹2,15,88,287, which remains accumulated under Settlement Guarantee Fund, had been accounted for and claimed for refund in earlier years on the basis of tax deduction certificates available with the Exchange.
- d) 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 been allotted Code Numbers at the year end.

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

a) Defined Contribution Plans:

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

In the Profit & Loss Account as at 31st March 2010 - ₹ 42,60,400 (Previous year ₹ 19,03,379)

b) 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:

	As at 31st March 2010	As at 31st March 2009
i) <u>Present value of defined benefit obligations : Gratuity</u>		
Present value of obligations as at beginning of the year	₹ 97,92,013	₹ 86,55,349
Service Cost	₹ 3,05,454	₹ 2,31,178
Interest Cost	₹ 7,83,361	₹ 6,92,428
Benefits settled	(₹ 52,11,940)	(₹ 10,77,451)
Actuarial (Gain)/Loss	₹ 17,12,347	₹ 12,90,509
Present value of obligations as at end of the year	₹ 73,81,235	₹ 97,92,013
ii) <u>Change in fair value of plan assets:</u>		
Fair value of plan assets as at beginning of the year	₹ 85,49,656	₹ 72,98,204
Expected return on plan assets	₹ 5,61,223	₹ 7,40,580
Actuarial gain/(Loss)	₹ Nil	₹ Nil
Contributions	₹ 15,47,811	₹ 15,88,323
Benefits settled	(₹ 52,11,940)	(₹ 10,77,451)
Fair value of plan assets as at end of the year	₹ 54,46,750	₹ 85,49,656
iii) <u>Reconciliation of present value of the defined obligations plan and the fair value of plan assets:</u>		
Fair value of plan assets as at the end of the year	₹ 73,81,235	₹ 85,49,656
Present value of the defined benefit obligations as at the end of the year	₹ 54,46,750	₹ 97,92,013
Net Asset / (Liability) recognised in the Balance Sheet	₹ 19,34,485	(₹ 12,45,357)
iv) <u>Total expenses recognised in the Profit & Loss Account:</u>		
Service Cost	₹ 3,05,454	₹ 2,31,178
Interest Cost	₹ 7,83,361	₹ 6,92,428
Expected return on plan assets	(₹ 5,61,223)	(₹ 7,40,580)
Net Actuarial (Gain) / Loss	₹ 17,12,347	₹ 12,90,509
Expenses recognised in the Statement of Profit and Loss	₹ 22,39,939	₹ 14,73,535
v) <u>Actuarial assumptions:</u>		
Discount rate	8%	8%
Salary escalation rate (Inflation rate)	10%	10%
Withdrawal rate	1% to 3% depending on age 1% to 3% depending on age	
vi) <u>Major categories of plan assets as a percentage of the fair value of total plan assets:</u>		
Investments with Insurers	100%	100%



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12. Leave Encashment has been provided at ₹26,18,693 based on the Actuarial valuation of the Accumulated Privilege Leave of the Employees during the year as per AS-15 and out of which ₹19,45,774 has been paid to the employees till the date of approval of accounts by the Board of Directors.

13. a) Bad Debts written off ₹ 2,31,23,865 comprises of the following:

Listing Fees Dues Prior to 2008-09 (also refer to Note- 5 (i) above)	₹	2,26,48,785
Listing Fees for 2008-09	₹	35,000
Electricity	₹	5,080
Market watch charges and CSTAR charges	₹	3,60,000
Subscription due from members having no SEBI Registration	₹	75,000

b) Sundry balances written off ₹57,01,416, comprises of the following:

Unclaimed tax deducted at source	₹	54,61,505
Receivables from miscellaneous parties	₹	30,000
Refund of excess Listing Fees	₹	2,06,250
Others	₹	3,661

c) As a measure of prudent financial practice, during the year the Exchange has made provision for doubtful debts ₹1,15,54,096, calculated at 25% of total outstanding Sundry Debtors on account of Listing Fees and ₹76,52,760 on account of Membership Subscription.

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

Deferred Tax Asset / (Liability):

	As on 31st March, 2010	As on 31st March, 2009
Depreciation	(₹ 76,347)	(₹ 4,12,871)
Provision for Doubtful Debts	₹ 47,73,498	₹ 17,54,912
Compensation Expenses for Voluntary Retirement of Employees	₹ 51,10,100	₹ Nil
Prepaid Expenses	₹ 10,55,097	₹ Nil

15. Related Party Disclosure:

a) Entities under common control:

Name : Stock Exchange Customers Protection Fund

Transactions with the entity under common control:

Name	Particulars	31st March 2010	31st March 2009
Stock Exchange	Contribution to Customers	₹ 9,26,086	₹ 10,59,732
Customers Protection Fund	Protection Fund	₹ 11,85,085	₹ 10,46,646
	Expenses Recoverable	₹ Nil	₹ 1,11,18,242
	Payable	₹ Nil	₹ Nil
	Receivable	₹ 2,58,999	₹ Nil

Transactions with the wholly owned Subsidiaries :

Name	Particulars	31st March 2010	31st March 2009
CSE Capital Markets Pvt. Ltd.	Investment in Shares	₹ 3,50,00,000	₹ Nil
	Expenses incurred on behalf of Subsidiaries	₹ 3,80,426	₹ Nil
	Receivable	₹ 3,80,426	₹ Nil

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

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<u>Name</u>	<u>Particulars</u>	For the year ended <u>31st March 2010</u> (₹)	For the year ended <u>31st March 2009**</u> (₹)
Ms. Molly Thambi	Remuneration paid for current year	₹ 44,02,320	₹ 7,27,745
	Remuneration payable	₹ Nil	₹ 2,72,836
	Perquisite payable	₹ 2,886	₹ Nil
	Provision for Leave Salary	₹ 1,63,552	₹ Nil
	Arrear Remuneration paid for the Financial Year 2008-09*	₹ 1,04,827	₹ Nil

16. Remuneration to Managing Director & Chief Executive Officer:

	For the year ended <u>31st March 2010</u>	For the year ended <u>31st March 2009</u>
Remuneration (Salary & Allowances)	₹ 38,23,806	₹ 9,60,573
Perquisites and Reimbursement of allowable expenditure	₹ 1,85,912	₹ 14,896
Provident Fund and Superannuation Contribution	₹ 3,95,488	₹ 25,112
	<u>₹ 44,05,206</u>	<u>₹ 10,00,581</u>
Provision for Leave Salary	₹ 1,63,552	₹ Nil
Arrear Remuneration and other allowance for the Financial year 2008-09 *	₹ 29,315	₹ Nil
Arrear Provident Fund and Superannuation Contribution for the Financial year 2008-09	₹ 75,512	₹ Nil
	<u>₹ 1,04,827</u>	<u>₹ Nil</u>
Total Remuneration	<u>₹ 46,73,585</u>	<u>₹ 10,00,581**</u>

* Excluding ₹ 24,762 on account of adjustments for previous year's arrear remuneration;

** Relating to the period from 15/12/2008 to 31/03/2009

17. The expenses under Schedule – 'J' and 'K' have been shown net of the following amounts debited to other heads of expenses viz. Settlement Guarantee Fund – ₹ 45,70,114, Investors' Service Cell – ₹ 23,88,896 and Stock Exchange Customer Protection Fund – ₹ 13,81,134.

	31st March 2010	31st March 2009
Salary	₹ 65,92,416	₹ 53,48,846
Staff Welfare	₹ 4,36,787	₹ 1,80,000
Rent	₹ 3,60,000	₹ 3,60,000
Telephone Charges	₹ 82,256	₹ 1,32,009
Computer Service Expenses	₹ 52,805	₹ 22,922
Electric Charges	₹ 61,224	₹ 42,369
Website Expenses	₹ 80,000	₹ 1,50,272
Legal Expenses	₹ 6,74,656	₹ 8,04,846

18. Income of ₹ 25,74,015 and expenses towards Corporation tax for space occupied at Turner Morrison Building amounting to ₹ 5,74,583 relating to earlier years have been included under respective heads in the Profit & Loss Account.



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19. On the basis of information available with the Exchange, there are no suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information as required by the Act is not given.

20. Auditors' Remuneration:	<u>As on 31.03.2010</u>	<u>As on 31.03.2009</u>
Audit Fees	₹ 1,50,000	₹ 1,50,000
Tax Audit Fees	₹ 15,000	₹ 15,000
Out of Pocket Expenses (Including Service Tax ₹ 16,995, Previous year ₹ 20,394)	₹ 26,995	₹ 26,894

21. 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 ₹ 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.

b) As Turner Morrison Ltd has not refunded the aforesaid amount of ₹ 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.

22. A sum of ₹ 5,65,91,570 (previous year ₹ 5,65,91,570) had been specifically set aside up to 31.03.2010 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.

23. Earnings per Share:

	<u>Year Ended 31.03.2010</u>	<u>Year Ended 31.03.2009</u>
	<u>Basic & Diluted EPS</u>	<u>Basic & Diluted EPS</u>
Earnings:		
Net Profit (Profit after Tax)	₹ 1,52,28,656	₹ 1,78,63,777
Shares:		
Weighted average number of Equity Shares outstanding during the year	618750	618750
Earnings per share of face value of Re.1	₹ 24.61	₹ 28.87

24. Previous year's figures have been re-arranged, regrouped and recast wherever considered necessary.

25. 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 Schedule A to L

Dipankar Chatterji
Chairman

For and on behalf of The Calcutta Stock Exchange Ltd

Binay Agarwal
Director

Molly Thambi
Managing Director & Chief Executive Officer

Dhiraj Chakraborty
DGM (Finance & Accounts)

Abha Bafna
Company Secretary

As per our Report of even date
For S S Kothari & Associates
Chartered Accountants
Firm Registration No. 305147E
P K Bhattacharya
Partner
Membership No. 015899

Kolkata, the 7th July 2010

ANNEXURE - 'B'

Information pursuant to part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANYS GENERAL BUSINESS PROFILE.

		(₹ in Thousand)
(a)	REGISTRATION DETAILS	
	Registraion number	4707/25 for 1923-24
	State code	21
	Balance sheet date	31/Mar/10
(b)	CAPITAL RAISED DURING THE YEAR	
	Public issue	NIL
	Rights issue	NIL
	Bonus issue	NIL
(c)	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
	Total liabilities and share-holders funds	21,37,931
	Total assets	21,37,931
	SOURCES OF FUNDS (Excluding Current Liabilities)	
	Paid up capital	619
	Reserves and surplus	21,37,312
	Secured loans	NIL
	Unsecured loans	NIL
	Deferred Tax Liability	NIL
	APPLICATION OF FUNDS	
	Net fixed assets	58,098
	Investments	1,20,811
	Net current assets	19,46,684
	Deferred Tax Assets	11,917
	Miscellaneous expenditure	421
	Accumulated losses	NIL
(d)	PERFORMANCE OF THE COMPANY	
	Income	2,37,740
	Total expenditure	2,26,492
	Surplus/(Shortage) before Tax	11,248
	Tax	-3,980
	Surplus/(Shortage) after tax	15,228
	Earnings per share in ₹ (basic & diluted)	24.61
	Dividend rate % (Proposed)	700%
(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



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

1.	Name of the Subsidiary Company	CSE Capital Markets Private Limited
2.	Financial Year of the Subsidiary Company	March 31, 2010
3.	Holding Company's interest	
	a) Number of Shares fully paid	35,00,002 equity shares of ₹ 10/- each amounting to ₹ 3,50,00,020/-
	b) Extent of holding	100%
4.	The Net Aggregate amount of the subsidiary profits/ (losses) so far as it concerns the members of the Holding Company and is not dealt with the Holding Company's account : a) for the Financial year of the subsidiary b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary	₹ 3,75,382 N.A.
5.	The Net Aggregate amount of profits/(losses) of subsidiary dealt with the Holding Company's accounts: a) for the Financial year of the subsidiary b) for the previous financial year of the subsidiary since it became a Holding Company's subsidiary	Nil N.A.

Note: CSE Capital Market Private Limited is the subsidiary of the Exchange since the date of incorporation i.e., April 24, 2009

Pursuant to the requirement of section 212 of the Companies Act, 1956, Directors' Report, Auditors' Report and the Annual Accounts for the financial year ended March 31, 2010 of the subsidiary has attached herewith.

For and on behalf of The Calcutta Stock Exchange Ltd

Dipankar Chatterji
Chairman

Binay Agarwal
Director

Molly Thambi
Managing Director & Chief Executive Officer

Dhiraj Chakraborty
DGM (Finance & Accounts)

Abha Bafna
Company Secretary

Kolkata, the 7th July, 2010

FORM 2B

(See Rules 4CCC and 5D)

NOMINATION FORM

(To be filled in by individual applying singly or jointly)

I / We _____ and _____ and _____

the holder(s) of Shares bearing number(s) _____ of The Calcutta Stock Exchange Limited, wish to make a Nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of shares shall vest in the event of my / our death.

Name and Address of Nominee

Name : _____

Address : _____

Date of Birth* : _____

(*To be furnished in case of Nominee is a minor)

** The Nominee is a minor whose guardian is _____

Name & Address _____

(** To be deleted if not applicable)

Folio No. : _____

Signature of the First Shareholder : _____

Name & Address _____

Mobile No. : _____ Telephone : _____ E-mail ID : _____

Signature of the Joint Shareholder : _____

Name & Address : _____

Signature of the Joint Shareholder : _____

Name & Address : _____

1. Signature of two Witnesses :

2. Signature of two Witnesses :

Name _____

Name _____

Address _____

Address _____

Date : _____

Date : _____

PARTICULARS OF NOMINEE

Occupation : _____

Residential Status : _____

Father / Husband Name : _____

Relationship to the Shareholder(s): _____

Please enclose any one of the following documents for identification (Tick the appropriate box)

Passport Driving Licence Voter ID Card PAN Card Photo Credit Card



Instructions :

1. The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly. Non-individual including society, trust, body corporate, partnership firm. Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders shares and witness.
2. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stand rescinded upon transfer of share.
5. Transfer of share in favour of a nominee and repayment of amount of deposit to nominee shall be a valid discharge by a company against the legal heir.
6. The intimation regarding Nomination/Nomination Form shall be filed in duplicate with Company/ Registrar and Share Transfer Agents of the Company who will return one copy thereof to the shareholder.



The Calcutta Stock Exchange Limited

Registered Office : 7, Lyons Range, Kolkata – 700 001

ATTENDANCE SLIP

Folio No. _____ / DP ID.* _____ & Client ID* _____
(*Applicable for members holding shares in electronic form)

Name : _____
(BLOCK LETTERS)

Address : _____

I hereby record my presence at the 87th Annual General Meeting of The Calcutta Stock Exchange Limited held on Thursday, the 30th Day of September, 2010 at Trading Hall of the Exchange at 7, Lyons Range, Kolkata-700 001 at 4 p.m.

Signature of Shareholder / Proxy

Note :

1. Only Shareholders of the Company or their proxies will be allowed to attend the Meeting.
2. Please complete this attendance slip and hand it over at the entrance of the Trading Hall.



The Calcutta Stock Exchange Limited

Registered Office : 7, Lyons Range, Kolkata – 700 001\

FORM OF PROXY

Folio No. _____ / DP ID.* _____ & Client ID* _____
(*Applicable for members holding shares in electronic form)

I/We _____ of _____ being a Member

Members of the The Calcutta Stock Exchange Limited, hereby appoint Mr./Ms _____

of _____ or failing him Mr./Ms _____ of

of _____ as my/our proxy to vote for me/us on my/our behalf at the 87th Annual General Meeting of the Company to be held on Thursday, the 30th Day of September, 2010 at Trading Hall of the Exchange at 7, Lyons Range, Kolkata-700 001 at 4 p.m. and any adjournment thereof.

As witness my/our hand(s) this _____ day of _____, 2010.

Affix Re.1/-
Revenue
Stamp here

Signature _____

Note : This form in order to be effective should be duly stamped completed and must be deposited at this Registered Office of the Company, not less than 48 hours before commencement of the meeting.