

96th
ANNUAL
REPORT
2018-19



Rebuilding Trust

The Calcutta Stock Exchange Limited

www.cse-india.com

Corporate Information

Chairman

Dr. Bhaskar Banerjee
Public Interest Director

Public Interest Directors

Prof. Ashok Banerjee
Mr. G.D. Gautama, IAS (Retd.)

Shareholder Directors

Mr. Ravi Poddar
Mr. Purushottam Saraf

Registered Office

7, Lyons Range, Kolkata – 700 001
Website: www.cse-india.com

Registrar & Share Transfer Agents

C B Management Services (P) Limited
P-22, Bondel Road, Kolkata – 700 019
Tel. (033) 40116726

Bankers

Axis Bank
HDFC Bank Limited
United Bank of India

Auditors

S R Batliboi & Co. LLP
Chartered Accountants

Internal Auditors

Ray & Ray
Chartered Accountants

Solicitors

Avijit Dey, Partners, LLP
Sinha & Co.

96th Annual General Meeting

Day	:	Wednesday
Date	:	October 23rd, 2019
Venue	:	Stock Exchange Building, 7, Lyons Range, Kolkata – 700 001
Time	:	4 pm
Book-Closure	:	October 17th, 2019 to October 23rd, 2019 (both days inclusive)

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Board of Directors
The Calcutta Stock Exchange Limited



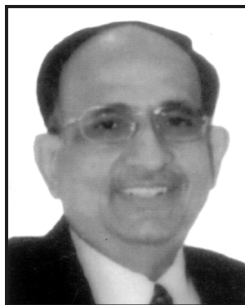
Dr. Bhaskar Banerjee
Chairman,
Public Interest Director



G. D. Gautama
Public Interest Director



Prof. Ashok Banerjee
Public Interest Director



Ravi Poddar
Shareholder Director



Purushottam Saraf
Shareholder Director

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of The Calcutta Stock Exchange Limited (the 'Exchange / Company / CSE') take great pleasure in presenting the 96th Annual Report for the Financial Year 2018-19 together with the Audited Financial Statements for the Year ended 31st March, 2019. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Audited Results:

1.1 Financial Highlights :

The total income of the Exchange on a stand-alone basis was Rs.2067.86 Lacs. The profit after tax for the financial year 2018-19 was Rs.503.73 Lacs which is lower than last year's profit after tax of Rs.1537.65 lacs, since the profit figure of last year included profit shown as capital gain on account of selling of stake in equity shares of CDSL

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income	2,067.86	3,134.46	2,154.39	3,225.58
Total Expenses	1,426.32	1,134.79	1,457.15	1,152.33
Profit before Depreciation	641.54	1,999.67	697.24	2,073.25
Depreciation	34.45	38.27	34.81	39.01
Profit before Tax	607.09	1,961.40	662.43	2,034.24
Provision for Tax	103.36	423.75	118.02	442.87
Profit after Tax	503.73	1,537.65	544.41	1,591.37
Transfer from General Reserve of Post Demutualisation Period	56.00	-	56.00	-
Less Transfer to:				
Income (net) related to pre-demutualization period transferred to General Reserve	-	1,134.94	-	1,134.94
Investor Service Fund	101.88	76.22	101.88	76.22
Settlement Guarantee Fund	218.23	338.81	218.23	338.81
Profit brought forward from last year	73.23	232.69	301.47	407.21
Profit Attributable to Equity Shareholders	312.85	220.37	581.77	448.61
Appropriated to:				
General Reserve	10.00	-	10.00	-
Dividend declared	103.91	122.25	103.91	122.25
Tax on Dividend	21.36	24.89	21.36	24.89
Surplus carried to Balance Sheet	177.58	73.23	446.50	301.47

1.2. Appropriations:

1.2.1 Dividend:

Your Directors have recommended a dividend of Rs.18/- per equity share on the face value of Re. 1/- for the Financial Year 2018-19 which if approved at the forthcoming Annual General Meeting, shall be paid to those members whose names appear in the Registrar of Members as on the date of Book Closure. A sum of Rs.132.65 lakhs will be the outflow towards the payment of dividend including dividend distribution tax.

1.2.2 Transfer to Reserves:

The Exchange proposed to transfer Rs.10,00,000/- (Rupees Ten Lakhs Only) to the General Reserve out of Rs.183.62 lakhs available for appropriations in standalone accounts.

2. Operations:

The Exchange is continuing to provide trading opportunity to its members to trade in Capital Market and F&O segments of both BSE and NSE under Section 13 of Securities Contract (Regulation) Act, 1956.

Due to policy changes by SEBI, CSE is not able to attract any company through Direct Listing norms. However, the Exchange had launched an Amnesty Scheme for collection of old listing dues from suspended companies. In response, many listed companies have come forward and availed the benefit of the Amnesty Scheme. During the year 2018-19, Listing Department had collected Rs.6.65 Crores of listing fees etc. in 2018-19 as against Rs.3.50 Crores in the previous year.



The Calcutta Stock Exchange Limited

CSE has approved Voluntary Delisting of 49 Companies under SEBI (Delisting of Equity Shares) Regulations 2009. At the end of 31st March 2019, there were 2301 companies listed with the Exchange.

The appeals filed by Company before the Hon'ble High Court at Calcutta against the Single Bench Order dated April 12, 2016 passed in the Writ Petitions filed by it against Securities and Exchange Board of India (SEBI) have been admitted by the Division Bench. The appeal came up for hearing on 26th June, 2019 wherein the Hon'ble Division Bench hoped that the Exchange may put up a credible and acceptable proposal to SEBI to be satisfied therewith so that the Calcutta Stock Exchange can continue and function. The matter was again heard on 31st July, 2019 and the counsel of the Exchange stated that CSE had already filed an application for recognition of Clearing Corporation as per format of SEBI and also brought to the notice of Hon'ble High Court that CSE has also approached a clearing corporation viz. Metropolitan Clearing Corporation for tying up with them for settlement of CSE trades. After hearing the Hon'ble Court adjourned the matter for four weeks. Meanwhile, SEBI has issued a letter bearing No.SEBI/MRD/DRMNP/21663 dated 23rd August, 2019 mentioning that our request for in-principle approval for recognition of LRCCL has not been acceded to since the application is not in compliance with Regulation-14(2) of the SECC Regulations, 2018. However, CSE is in the process of filing an application with SEBI for setting up a MSME Exchange with a tie up for clearing function with any of the existing clearing corporation.

3. Depository Services:

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

At the end of the current Financial Year 2018-19 the total number of beneficiary accounts at CCML stood at 3273 for NSDL and 602 for CDSL respectively.

4. Investors' Services:

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

The Investor Services Cell of the Exchange takes care of complaints received from investors against the listed corporate entities and/or against trading members and assists in resolving complaints at the earliest. This goes a long way in restoring Investors' confidence in the capital markets. Additionally, the

Exchange also takes an active part in resolution of Investor Grievances for complaints uploaded on SEBI's online complaint resolution system called "SCORES".

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

5. Investor Awareness and Education:

The Exchange is continuing its efforts to reach out to large number of individuals for promoting investors awareness and spreading financial literacy and conducted 10 number of Investor Awareness programmes, out of which 7 was in collaboration with NSDL during the year.

CSE is actively collaborating with premier academic institutes in the area of Investor Research and the related areas of Capital Market. CSE had also set up a Centre of Excellence on Financial Market (CUCSE-CEFM) at Calcutta University focusing on inter-disciplinary research initiatives on three thrust areas: capital markets, financial inclusiveness, and ethics in financial markets, with its endowment fund. The Centre of Excellence had launched a successful One Year Post Graduate Diploma Course in Portfolio Management Services in November 2018 in order to impart knowledge on corporate financial analysis, portfolio management, asset valuation, depository and stock exchange functioning.

6. Code of Conduct for Directors:

To emphasize the values and principles of the Exchange and to set the standards for professional and ethical behaviour, the Code of Conduct for Directors, as recommended by SEBI, has been adopted by the Exchange. These are applicable to all Directors. All the Directors of the Exchange have affirmed compliance to the Code for the financial year ending March 31, 2019. A copy of the Code has been put on the Company's website at www.cse-india.com.

7. CSE Board Structure and Governance:

Pursuant to SECC Regulations 2018 notified by SEBI, the Governing Board of every recognized stock exchange shall include:

- (a) Public Interest Directors
- (b) Shareholder Directors

The number of Public Interest Directors shall not be less than the number of Shareholder Directors in a Recognized Stock Exchange. During the current Financial Year there are three Public Interest Directors as against two Shareholder Directors. According to SECC Regulations as referred above, presently there are no Trading Members or their associates and agents on the Board of Directors of the Exchange.

Managing Director & CEO :

During the year, Mr. Subrato Das has been terminated from the post of Managing Director and Chief Executive Officer of the Exchange as per recommendation of the Internal Complaints Committee constituted under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.

Public Interest Directors:

Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama continue to act as Public Interest Directors of the Exchange. Prof. Partha Ray, Public Interest Director retired after completion of his term on 1st December, 2018. The Board places on record its sincere appreciation for the valuable contributions made by Prof. Partha Ray during his tenure on the Board.

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

Shareholder Directors:

Mr. Ravi Poddar and Mr. Purushottam Saraf, as representative of BSE continued to act as Shareholder Directors of the Exchange and their tenures of appointment are subject to retirement of directors by rotation.

None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

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

In accordance with SEBI Circular dated December 13, 2012 and SECC Regulations, 2018 on procedural norms on recognition, ownership and governance for Stock Exchanges and Clearing Corporations, new Committees were constituted by the Board of CSE. The details of Committees formed, meeting details and attendance of Directors in the meetings of the various committees form part of Corporate Governance Report annexed to the Directors' Report. The Company is not required to appoint statutory committees enunciated under the provisions of Section 178 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

9. Meeting Details:

During the Financial Year 2018-19, ten meetings of the Board were convened and held on 8th May,

2018, 25th July, 2018, 30th August, 2018, 27th October, 2018, 13th November, 2018, 27th November, 2018, 2nd January, 2019, 25th January, 2019, 4th February 2019 and 1st March, 2019. Since the Provision of Section 177 and 178 of Companies Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company, details of the Committee Meetings are not given here. These have been incorporated in the Corporate Governance Report.

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

Your Directors and the Functionaries of the Exchange owe a fiduciary duty to its members and all the Corporates whose securities are listed on its trading platform to conduct their personal securities transactions in a manner that does not create any conflict of interest. The Code of Conduct for Prevention of Insider Trading has been adopted, to serve as a guiding charter for all relevant persons associated with the functioning of the Exchange. All the Directors and Functionaries of the Exchange have made requisite disclosures under the said Code of Conduct for the Financial Year ending March 31, 2019.

11. Corporate Governance:

Pursuant to Regulation 35 of the Securities Contracts (Stock Exchanges & Clearing Corporations) Regulations, 2012 and subsequent amendments by SECC Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies mutatis mutandis applies to a Recognized Stock Exchange. In accordance with good Corporate Governance practices and in order to comply with the SECC Regulations 2012 and as amended by SECC Regulations, 2018, a report on Corporate Governance as on 31st March 2019 forms part of the Annual Report. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as Listing Regulations] as applicable, with regard to Corporate Governance. As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the CEO and CFO have given appropriate certifications to the Board of Directors. As required by Regulation 34 (3) Schedule V (E) of the listing regulations, the Auditor's Certificate is annexed to this report.



12. Directors' Responsibility Statement:

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review. Pursuant to Section 134 (5) of the Companies Act, 2013 and in respect of the Annual Accounts for the year under review, the Directors hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. Public Deposits:

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

14. Material Changes and Commitments:

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

15. Note on Holding, Subsidiary, Joint Venture and Associate Companies:

The Company has two wholly-owned Subsidiary Companies viz. CSE Capital Markets Private Limited (CCMPL) and Lyons Range Securities Clearing Corporation Limited. It has no other Associate or Joint Venture Company. In accordance with Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 the Exchange has prepared consolidated financial statements of the Company and its subsidiaries, which form part of the Annual Report and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report as Annexure – 1. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and Audited Financial Statements of the Subsidiaries will be available on our website www.cse-india.com. These documents will also be available for inspection during business hours at the Registered Office of the Company. There are no companies which have become or ceased to be subsidiaries, joint ventures and associates during or at the end of the Financial Year.

16. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:

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

A. Conservation of Energy:

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

- i. Installation of an environment friendly 10.2 KWP Grid Connected Solar Power Plant at its Registered Office.
- ii. Installation of Thin – Film Transistor (TFT) monitors that save power.

- iii. Power shutdown of idle monitors.
- iv. Minimising air-conditioning usage.
- v. Shutting off all the lights when not in use.
- vi. Educating and making the employees aware to save power.

B. Technology Absorption:

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

C. Foreign Exchange Earnings & Outgo:

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

17. Particulars of Employees

In accordance with Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended upto date there was no employee who was in receipt of remuneration in excess of limit let down in that provision.

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

18. Statutory Auditors:

The appointment of Statutory Auditors M/s. S. R. Batliboi & Co., LLP Chartered Accountants, [FRN:301003E] for 5 consecutive years was approved in the 93rd Annual General Meeting held on 29th September, 2016 subject to ratification by the members every year. Pursuant to the provisions of the Companies Amendment Act 2017 the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away with.

19. Auditors' Report:

The Auditors' Report dated September 10, 2019 on the financial statements of the Exchange for the Financial Year ended March 31, 2019 has certain qualifications and the management has given its reply listed in para 20.



20. Management/s Explanation to the qualifications made by the Statutory Auditors on the Annual Accounts of the Exchange for the year 2018-19:

Points as per Independent Auditor's Report	Management's Explanation
Attention is drawn to Note 30 (i) regarding recoverability of Rs. 94,96,16,925 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Company's profit for the year and year end loans and advances as carried forward in these financial statements is not ascertainable.	As on 31.3.2019 amount recoverable from Members who have defaulted on account of settlement dues during the year 2000-01 is amounting to Rs.94,96,16,925/-. Out of the above, money recovery suits have been filed against defaulters for recovery to the extent of Rs.93,00,50,704/-. As the matter is sub-judice, the extent of recoverability of the amount from defaulters is not ascertainable. However, long term liabilities include the same amount as contribution received from Settlement Guarantee Fund and hence no impact on profitability is foreseen.
Points as per Auditor's Report on the internal financial control over financial reporting:	Management's Explanation:
The Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Company not recognising sufficient provision there against.	As on 31.3.2019 amount recoverable from Members who have defaulted on account of settlement dues during the year 2000-01 is amounting to Rs.94,96,16,925/-. Out of the above, money recovery suits have been filed against defaulters for recovery to the extent of Rs.93,00,50,704/-and exchange is constantly persuading the cases for recovery. As the matter is sub-judice, the extent of recoverability of the amount from defaulters is not ascertainable. However, long term liabilities include the same amount as contribution received from Settlement Guarantee Fund and hence separate provisioning is not required and no impact on profitability is foreseen.

21. Management Discussion & Analysis:

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

22. Cost Audit and Secretarial Audit:

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

23. Particulars of loans, guarantees or investments:

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

24. Related Party Disclosures:

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

Material Transactions entered into by the Company with the related parties referred to in Section 188(1) of the Act during the year under review, which were in the ordinary course of business and on arm's length

basis and the particulars of which are required to be disclosed under Section 134(1)(h) of the Act read with Rule 8(2) of Companies (Accounts) Rules, 2014 in Form AOC – 2 is attached as Annexure - 2.

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

In terms of the provisions of section 134(3)(a) of the Companies Act, 2013 relating to disclosure of web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed, forming part of the Companies (Amendment) Act, 2017 notified on 31st July, 2018 it is stated that the same [relating to financial year ending 31.03.2018 onwards] will be placed on the Website of the company www.cse-india.com.

Pursuant to Section 92(3) [the amendment of which by the Companies (Amendment) Act, 2017 is yet to be notified] read with Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return in prescribed Form MGT – 9 is attached as Annexure – 3..

26. Internal Financial Control:

As required under Section 134 (3) (q) of the Companies Act, 2013 read with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has Internal Financial Controls with reference to the Financial Statements that are commensurate with the size, scale, complexity and operations of the Company. The same are designed to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliances. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected. Self-certification exercises are also conducted by which Directors and senior management level employees certify effectiveness of the internal control system, their adherence to the code of conduct and company's policies for which they are responsible in financial or commercial transactions.

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

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2019. The assessment involved self review, internal audit and external audit. M/s. S. R. Batliboi & Co. LLP, the statutory auditors of the company has audited the financial statements included in this annual report and has issued an attestation report on its internal control over financial reporting (as defined in Section 143 of Companies Act, 2013).

The Company has appointed M/s. Ray & Ray, Chartered Accountants to oversee and carry out internal audit of the functions and activities of the Exchange. The audit is based on an internal audit plan, which is reviewed each year in consultation

with the statutory auditors and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in Section 177 of Companies Act 2013) the audit committee has concluded that, as of March 31, 2019, the Company's internal financial controls were adequate and operating effectively.

27. Risk Management:

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

28. Employee Relations / Human Resource Developments:

The Company continued to maintain cordial personnel relation. The Charter of Demand with the Unionized staff has been signed on 30th January, 2019. The Directors express their appreciation for the dedication, commitment and sincere services rendered by the employees at all levels throughout the year.



The Calcutta Stock Exchange Limited

29. Corporate Social Responsibility:

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has incurred Rs.10,00,000/- towards donation to Chief Minister Relief Fund on 28th March, 2019. The CSR Policy of the company is placed on the website of the company.

30. Unpaid/Unclaimed Dividend:

As on 31st March, 2019, the Company is having a sum of Rs.74.82 lakhs (as against Previous Year Rs.74.01 lakhs) as unpaid/unclaimed dividend lying in its Unpaid Dividend Account with Banks.

31. Performance Evaluation

Pursuant to SECC Regulations and the SEBI Circular dated 5th February, 2019, a policy on performance review of Public Interest Directors (PIDs) has been framed by the Remuneration and Compensation Committee which has also been approved by the governing board of the exchange. The Policy included criteria for performance evaluation, methodology adopted for such evaluation, analyzing the result with scope for both internal and external evaluation. For the Financial Year ending 31st March, 2019, all the governing board members have evaluated the performance of each PIDs which in the opinion of the board has been carried out in a fair and objective manner and the review has been recorded in a standardized format (through circulation of detailed questionnaire to the PIDs and feedback received thereon) covering all the relevant criteria/aspects. None of the PIDs were in the last year of their term and hence external evaluation of PIDs was not peremptory. Performance evaluation criteria for PIDs include various aspects as stated in Annexure A to the circular referred above with some additional principles as the governing board considered appropriate and the same has also been disclosed on the website of the exchange.

32. General:

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

- a) No loan has been granted to any employee for purchase of Company's shares under any scheme.

- b) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- c) There was no issue of shares (including sweat equity shares / ESOP / ESPS) to employees of the Company under any scheme.
- d) None of the Directors / Managing Director receives any remuneration or commission from any of its subsidiaries.
- e) No fraud has been committed by the Company or by any of its officers or employees and the Auditors have not reported any fraud either to the Audit Committee or to the Board of Directors or to the Central Government pursuant to section 143(12) of the companies Act, 2013.
- f) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status.
- g) The Directors state that the Company has constituted the Internal Complaints Committee in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Order constituting such Committee and the penal consequences of sexual harassment has been conspicuously displayed at all the workplaces of the Company. During the year under review there was a complaint relating to sexual harassment received which has been disposed of as mentioned in para 7.

33. Acknowledgement

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

For and on behalf of the Board

Place: Kolkata

Date: 23rd September, 2019

Dr. Bhaskar Banerjee

Director

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details	Details
	Name of the subsidiary	CSE Capital Markets Pvt. Ltd.	Lyons Range Securities Clearing Corporations Ltd
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31st March, 2019	Year ended 31st March, 2019
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR (Rupees)	INR (Rupees)
	Share capital	5,77,50,020	50,00,000
	Reserves & surplus	3,41,85,523	(4,68,778)
	Total Assets	9,71,72,847	52,49,152
	Total Liabilities	52,37,305	71,79,930
	Investments	90,87,559	-
	Turnover	84,04,156	2,49,270
	Profit before taxation	58,36,215	(3,02,103)
	Provision for taxation	14,65,578	-
	Profit after taxation	43,70,637	(3,02,102)
	Proposed Dividend	Nil	Nil
	% of shareholding	100%	100%

Note: Lyons Range Securities Clearing Corporation Ltd has not yet commenced operation.

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

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



Form No. AOC – 2

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

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

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

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

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

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

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

Form MGT – 9**EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U67120WB1923PLC004707
ii)	Registration Date	06/07/1923
iii)	Name of the Company	The Calcutta Stock Exchange Limited
iv)	Category/Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered Office and Contact details	7, Lyons Range, Kolkata-700001 Tel : 033-4025-3000, Fax : 033-4025-3030 Website: www.CSE-India.com
vi)	Whether listed company Yes/No	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turn over of the Company
1.	Stock Exchange operations	6611	34

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiaries / Associates	% of Shares held	Applicable Section
1	CSE Capital Markets Pvt. Ltd.	U74900WB2009PTC134753	Subsidiary	100%	2(87)(ii)
2	Lyons Range Securities Clearing Corporations Ltd	U67110WB2017PLC223249	Subsidiary	100% (Through Subsidiary 50%)	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**i) Category wise Shareholding**

Category of Shareholder	Number of Shares held at the beginning of the year 01.04.2018				Number of Shares held at the end of the year 31.03.2019				% of change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total(A)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000



The Calcutta Stock Exchange Limited

Category of Shareholder	Number of Shares held at the beginning of the year 01.04.2018				Number of Shares held at the end of the year 31.03.2019				% of change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total(A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Banks/FI	0	20907	20907	3.4204	0	20907	20907	3.4204	0.0000
(c) Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Qualified Foreign Investor				0.0000				0.0000	
(j) IEPF	34875	0	34875	5.70	34875	0	34875	5.7055	0.0000
Sub-Total (B)(1)	34875	20907	55782	9.1259	34875	20907	55782	9.1259	0.0000
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	250348	12364	262712	42.9795	245110	11614	256724	41.9998	-0.9796
(ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	121753	22003	143756	23.5184	132891	20758	153649	25.1369	1.6185
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c Others (specify))	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Director	0	0	0	0.0000	0	0	0	0.0000	0.0000
(ii) Trust	0	0	0	0.0000	0	0	0	0.0000	0.0000
(iii) Non-Resident Individuals - Rep.	905	0	905	0.1481	905	0	905	0.1481	0.0000
(iv) Non-Resident Individuals - Non Rep.	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (B)(2)	373006	34367	407373	66.6459	378906	32372	411278	67.2847	0.6389
Total Public Shareholding B)= (B)(1)+(B)(2)	407881	55274	463155	75.7718	413781	53279	467060	76.4105	0.6389
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
D. Trading Members and Associated of Trading Members									
1. Corporate Trading Member	22114	18750	40864	6.6853	22364	18250	40614	6.6444	-0.0409
2. Individual Trading Member	48481	58500	106981	17.5020	53076	50250	103326	16.9040	-0.5980
3. Associate Trading Members - FI/Banks	0	250	250	0.0409	0	250	250	0.0409	0.0000
4. Associate Trading Members - INDIVIDUAL	0	0	0	0.0000	0	0	0	0.0000	0.0000
5. Associate Trading Members - HUF	0	0	0	0.0000	0	0	0	0.0000	0.0000
6. Associate Trading Member - Venture Capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (D)	70595	77500	148095	24.2282	75440	68750	144190	23.5894	-0.6389
GRAND TOTAL (A)+(B) + (C) +(D)	478476	132774	611250	100.0000	489221	122029	611250	100.0000	0.0000

- ii) Shareholding of Promoters : Not Applicable
 iii) Change of Promotes Shareholding : Not Applicable
 iv) Shareholding Pattern of top 10 Shareholders:

Sr. No.	Folio No.	Name	Shares	Percentage
1	1301190300069932	BSE Limited	30,875	4.99
2	IN30032710224535	East India Securities Ltd.	20,907	3.37
3	IN30002011740499	Kirtivardhan Finvest Services Limited	20,907	3.37
4	IN30302852108896	Mannakrishna Investments Pvt Ltd	20,907	3.37
5	0001090	West Bengal Infrastructure Dev Fin Corpn Ltd	20,907	3.37
6	IN30125028422773	Patton International Ltd	20,907	3.37
7	IN30297810029846	Deevee Commercials Limited	20,607	3.33
8	IN30292710025324	Aradhana Investments Ltd	19,407	2.41
9	IN30009510125005	Kesoram Industries Limited	10,455	1.69
10	IN30125028025639	Savitri Devi Chowdhari	10,454	1.69

- v) Shareholding of Directors and Key Management Personnel:

Sl.	For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Ravi Poddar	5000	0.80	5000	0.8016

V. INDEBTEDNESS :

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

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



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Subrato Das*	—
1.	Gross salary	39,81,596	39,81,596
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,00,000	1,00,000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option		
	Sweat Equity		
	Commission		
	- as % of profit		
	- others, specify [Sitting Fee]		
	Others, please specify		
	Total(A)	40,81,596	40,81,596
	Ceiling as per the Act		

* Part of the Year

B. Remuneration to other directors:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors					
		Dr. Bhaskar Banerjee	Prof. Partha Ray	Ravi Poddar	G. D. Gautama	Prof. Ashok Banerjee	Purushottam Saraf
	<u>Independent Directors</u>						
	• Fee for attending board /committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total(1)	-	-	-	-	-	-
	<u>Other Non-Executive Directors</u>	Dr. Bhaskar Banerjee	Prof. Partha Ray	Ravi Poddar	G. D. Gautama	Prof. Ashok Banerjee	Purushottam Saraf
	• Sitting Fees for attending board / committee meetings	3,50,000	1,12,500	1,82,500	1,87,500	2,30,000	52,500
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total(2)	3,50,000	1,12,500	1,82,500	1,87,500	2,30,000	52,500
	Total(B)=(1+2)	3,50,000	1,12,500	1,82,500	1,87,500	2,30,000	52,500
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	N/A	N/A	N/A	N/A	N/A	NA

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission- as % of Profit others, specify.				
5	Others, please specify				
	Total				

Note: The Company does not have any Key Managerial Personnel as per Companies Act, 2013.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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



Annexure 4

Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2019

(Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The Calcutta Stock Exchange Ltd formulated its Corporate Social Responsibility as an integral part of our vision. It is the endeavor of the company to function as a responsible corporate entity and work for the communities and society at large in and around its area of operations with an objective to energize, involve and enable them to realise their potential.
2.	Composition of CSR committee	Dr. Bhaskar Banerjee - Public Interest Director Mr. Gyan Dutt Gautama - Public Interest Director Mr. Ravi Poddar - Shareholder Director
3.	Average net profit of Company for last 3 financial years	Rs. 486.39 lakhs
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Rs. 9.73 lakhs
5.	a) Total amount to be spent during the	Rs 10 Lakhs
	b) Amount unspent, if any	Nil
	c) Manner in which the amount spent during the financial year is detailed below in the prescribed format	

Sl No	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (i) Local area or other (ii) Specify the State and district where projects or programmes were undertaken	Amount outlay (Budget) projects or programme wise	Amount spent on the projects or programmes Sub heads: 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
	Chief Minister Relief Fund	—	West Bengal		Rs 10 Lakhs	Rs 46.25 lakhs	Direct
	Prime Minister National Relief Fund					Rs 5.50 Lakhs	Direct
	TOTAL						
6.	Reasons for not spending the prescribed amount (in case the Company has failed to spend amount specified under item 4)			Not Applicable			
7.	Responsibility statement of CSR Committee			The CSR Committee has confirmed that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company			

For The Calcutta Stock Exchange Limited

Dr. Bhaskar Banerjee

Chairman of CSR Committee

Place: Kolkata

Dated: 23rd September, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Environment:

According to the IMF's World Economic Outlook, January 2019, the global expansion has weakened. Global growth for 2018 is estimated at 3.7% and is projected to grow at 3.5% in 2019 and 3.6% in 2020. The further downward revision of global growth forecasts since October 2018 is due to certain factors such as global warming concerns, tariff disputes between USA and China, general decline in consumer demand and uncertainty in crude oil supply. According to the IMF's World Economic Outlook, January 2019, India's growth is estimated at 7.3% for 2018 and growth projections for 2019 and 2020 are 7.5% and 7.7%, respectively. However in recent development geo politics suggests an uncertain economic future for both developed and developing countries including India. OECD, in respect to global economic outlook has slashed the GDP growth rate under 6%.

Industry Structure & Development:

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

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

SEBI, India's market watchdog has constantly and consistently endeavoured to ensure transparency, efficiency, competitiveness and world class standards in the. In fact, on almost all operational and systematic risk management parameters, settlement system, disclosure requirements, accounting and other standards, Indian capital market has been at par with the global standards.

Financial Year 2017-18 was a good year for equity markets with Nifty making its all time high with a return of 22% as compared to 19% in Financial Year 2016-17. India was among the three emerging markets, which gained more than 35% in dollar terms. Despite several challenges including the NBFCs-triggered liquidity crisis as well as global trade tensions and high crude oil prices, the Indian equities market emerged as one of the best

performers globally in 2018-19. The BSE Sensex rose nearly 17 per cent during in the financial year 2018-19, while the Nifty50 on the National Stock Exchange increased by 15 per cent during same period. For both the indices, this was the highest growth in any fiscal since FY 2009-10. According to Vinod Nair, Head of Research, Geojit Financial Services: "The NPA problem has reduced from 11.5 per cent in March 2018 to 10.8 per cent in September 2018, which is further expected to decline to 10.3 per cent in March 2019."

Current Market Developments :

A Sebi circular on "non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018" issued recently prescribes a penalty of Rs.20,000/- per day on those listed companies which fail to comply with certain provisions of the ICDR. The amount of fine realised will be credited to the "Investor Protection Fund" of the stock exchange concerned, the circular added.

Recently Sebi relaxed the leverage norms for AAA-rated Infrastructure Investment Trust (InvITs) to 70 percent from 49 percent earlier, provided there is a track record of six continuous bonus/dividend distributions to unit holders.

The new leverage cap is not applicable to privately placed and unlisted InvITs. Though the amendment would increase adoption of the instrument, the impact can be seen in a slew of new InvITs being announced with the participation of marquee investors such as global private equity, and pension and sovereign wealth funds. As a result cumulative assets under InvITs are expected to increase to over Rs.2 trillion over the next two years, Crisil said in the report.

In the board meeting held on December 28, 2017, SEBI approved a slew of reforms, among which is formation of a Universal Exchange, i.e. integrating trading in equities, currency and commodities on a single platform from October 1, 2018. This move will help participants in various markets with a highly regulated, safer and more transparent trading, clearing and settlement framework. Moreover, Universal Exchange offers significantly greater convenience for investors and traders, who will be able to trade in all asset categories from a single account. They will also reap benefits arising from enhanced competition across all categories, thus creating deeper markets with lower spreads and transaction charges. This move has the potential to transform India's capital markets in the coming years and make available a large spectrum of products to the common investor. While the single-party majority mandate has set the foundation for a stable central government for another



five years, significant headwinds potentially lie ahead. Domestic risks (such as slowing demand and poor health of the banking sector), together with external risks (from uncertainties around global trade), will likely impact business investment and credit growth, and thereby, growth.

The rebound in exports in FY 2018-19 was supported by a weaker rupee and an easier-to-comply-with Goods and Services Tax. The improvements in the GST administration is enabling exporters to get faster tax refunds, and the depreciation of the rupee is expected to further boost exports. Corporate investment is expected to remain vigorous, supported by recent structural reforms and better infrastructure, in particular the road construction programme and the power sector reforms. Private consumption remained strong, especially in rural areas due to good monsoon and steady government spending related to rural roads, housing and employment programmes.

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

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

Even today, when its trading platform is not operational since 2013, CSE is providing its members with facilities to trade in NSE and BSE with a single membership of CSE through its unique tie ups with the nation-wide bourses under Section-13 of the SCRA. CSE also allows its eligible listed companies to be traded in NSE and BSE without being required to be listed in the said stock exchanges.

CSE's investor awareness programs and contributions in the field of research in the securities markets in association with premier institutions with University of Calcutta have been path breaking.

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

In fact, the National Institute of Securities Markets (NISM), an educational initiative of SEBI, in its "CSE Business Plan" has stressed on the importance of the continuation of Regional Stock Exchange like CSE in the

context of India, while citing the numbers of stock exchanges operating in both developing and developed economies. Internationally, the number of stock exchanges vary from 3 (Australia) to 22 (United States). There is a need to strike a balance in the number of exchanges, based on technical and financial considerations in each country. Considering that Turkey has 6 and UK has 5 exchanges, India needs more exchanges beyond BSE, NSE, and MSE, all located in Mumbai, to increase the penetration and depth of its securities markets for ensuring a balanced financial inclusion.

The NISM study further observed that despite the best efforts of BSE and NSE, penetration of financial products has not taken place effectively beyond Western India, while CSE has the potential to play a significant role in the development of financial markets, with its relatively lower cost of transaction (with its lower Listing Fee for the company's especially in SME/MSME sector and lower Trading Membership Fee for promoting retail investors) while compared with BSE and NSE, both in the eastern states and also act as a gateway to the neighbouring nations, especially under the "Act East" policy of the Government. On a Social Cost Benefit Analysis (SCBA) basis also, the logic for continuance of CSE far outweighs its discontinuance. CSE will have a beneficial impact on investors, intermediaries and issuers with the consequent benefits flowing to a larger ecosystem.

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

Competitive Strength and Opportunities:

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

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

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

Corporation of its own to compete at par with its counterparts in the financial capital of India.

Moreover, A Financial Hub is being established by West Bengal Government in New Town, Rajarhat - Kolkata. CSE will have a vital role to play in the ecosystem of Financial Hub with 21 participating banks and FI's to attract the potential investors to the second commercial capital of India, as envisaged. Incidentally, the infrastructure financing enterprise of West Bengal Government, WBIDFC is a major shareholder of CSE. Business continuity of CSE will help channeling the investment in capital market from the retail investors to tap the potential investments, who lost heavily under mushrooming growth of Ponzi schemes in Eastern India. NISM has also observed that CSE has the financial capability and technical expertise to operate efficiently and has the potential to play a significant role in the development of financial markets both in the Eastern and North-eastern States and also act as a gateway to the neighbouring nations.

During the Financial Year 2018-19 the Company has launched Amnesty Scheme for suspended Listed companies with concession in interest and penalty, a good number of companies has opted for the scheme and revoke the suspension by complying the Regulations. In line with the decision taken in the Extra-Ordinary General meeting held on 1st March, 2019, a feasibility report for SME Exchange including the existing listed companies of the CSE has been prepared by M/s. Intueri Consulting LLP and same was sent to SEBI. In the said report Intueri concluded that the proposed comprehensive MSME Centre + MSME Exchange is an economically viable proposition that the Calcutta Stock Exchange is well positioned and capable of hosting. The institution will play a significant role in the socio-economic development of the MSME sector in the region and be an influencing factor in improving the investment culture in the region.

Threats:

CSE's business and operational performance is dependent upon SEBI's policy on Regional Stock Exchanges. CSE could not restart the trading in its own trading platform since 4th April, 2013 as it was not able to transfer its function relating to clearing and settlement of trades to a recognized clearing corporation. CSE, however, has now applied for setting up its own clearing corporation. The suspension of trading on C-Star has resulted in constant and consistent revenue plunge at CSE. One of the major sources of operational revenue for any stock exchange is the income from its listed companies apart from the turnover charges on trading activities. Since, the trading platform of CSE is suspended since 4th April, 2013, a number of its listed companies have applied for delisting. Hence, CSE is facing a double blow on

decreasing revenue both from its trading operation and collection of listing fees.

Presently, CSE's performance is dependent upon the volume and value of trades executed by its trading members in both BSE & NSE trading platforms under Section 13 of the Securities Contracts (Regulation) Act, 1956, the restricted role in its listing functions in absence of new listing facilities through IPO or Direct Listing norms, the limited role in processing new Membership applications and the number of active traders under Section 13 arrangements, etc. While CSE has been operating in it's limited role in absence of extending the full business opportunities as a capital market intermediary, there are external factors which may have further impacts on its activities.

Key Strategies:

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

CSE is constrained to take up the issue of maintaining its legitimate operational status in the Highest Judiciary of the State with all its humble and sincere efforts and succeeded to get its appeals against SEBI concerning CSE's challenge to the constitutionality of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 admitted. Besides obtaining interim relief, CSE is taking all necessary steps to recommence trading on its own platform C-Star, promoting its own clearing corporation/tying up with any existing clearing corporation being one of them. CSE is actively pursuing for setting up MSME Exchange and MSME Center.

Risks and Concerns:

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



results of operations.

Internal Control System and Adequacy:

CSE identifies a risk based internal audit scope and assesses the inherent risk in the processes and activities of the department within the company and ensures that appropriate risk management limits, control mechanisms and mitigation strategies are in place. CSE constituted the Audit Committee, which is responsible for the transparency and integrity of the financial statements and also oversees the compliance with legal and regulatory requirements of the Exchange. The Audit Committee meets the company's statutory auditors and the internal auditors at reasonable intervals to ascertain the adequacy of internal control systems prevailing in the Exchange.

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

The experienced work force of CSE has been mostly retained with an optimism of regaining its lost glory while resuming the trading operation in its own platform with clearing corporation in place, subject to the support and cooperation received from the market regulator. The Charter of Demand with the Unionized staff has been signed on 1st December, 2018.

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

Other Developments during the year :

SEBI vide its letter No. SEBI/HO/MRD/DSA/OW/P/18973/1 dated 5th July, 2018 directed to reverse the staff cost starting from April 2011 to 31st March, 2017 allocated to SGF and transfer 63 Direct Listed Companies of other Regional Stock Exchanges (RSE) listed in CSE at the time of closure of those RSE to Dissemination Board.

CSE Board vide its meeting dated 25th July, 2018 decided to reverse allocation of the Staff Cost as directed and effect has been given while preparing annual accounts

for the Financial year 2017-18.

CSE vide its email dated 3rd October, 2018 communicated to SEBI inter alia stating that CSE proposed to transfer 33 companies out of the 63 companies as referred in SEBI's letter dated 5th July, 2018. In reply, SEBI vide its letter No. SEBI/HO/MRD/DSA/OW/P/34060/1 dated 12th December, 2018 advised the Exchange to transfer 31 companies to the Dissemination Board of National Stock Exchange of India Limited (NSE). Out of 31 companies, 2 companies subsequently listed with BSE and as such 29 were companies are to be transferred to Dissemination Board of NSE.

Forward Looking Statement:

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

Acknowledgement:

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

Dr. Bhaskar Banerjee

Place: Kolkata

Director

Date: 23rd September, 2019

DIN - 00603201

REPORT ON CORPORATE GOVERNANCE

Regulation 33 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations, 2018") provides that disclosure on Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange. The Calcutta Stock Exchange Limited (CSE) is a Public Limited Company whose securities are not listed on any Stock Exchange. However, pursuant to the aforesaid regulations, the Corporate Governance norms are applicable to The Calcutta Stock Exchange Limited.

1. The Company's philosophy on Code of Governance

The philosophy of CSE in relation to Corporate Governance is to ensure transparency, disclosures and reporting that conforms fully with the laws and regulations of the country.

2. Board of Directors

(a) Composition and Category of Directors

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

- Managing Director & CEO
- Public Interest Directors
- Shareholder Directors

Presently, the Board is comprised of 5 (five) Directors out of which 3 (three) are Public Interest Director and 2 (two) are Shareholders Directors.

Dr. Bhaskar Banerjee continues to act as Public Interest Director of the Exchange. Prof. Ashok Banerjee, who is a senior professor at IIM Kolkata has joined as Public Interest Director on 8th May, 2018. Prof. Partha Ray retired as Public Interest Director of CSE vide his letter dated 1st December, 2018 on completion of his term. SEBI has also approved the appointment of Mr. G D Gautama (IAS Retd.) former Home Secretary, Govt. of West Bengal as Public Interest Director in the Governing Board of the Exchange on 30th August, 2018.

Mr. Ravi Poddar and Mr. Purushottam Saraf (as representative of BSE - which is also an equity investor) continued to act as Shareholder Directors of the Exchange and their tenure of appointment are subject to retirement of directors by rotation. Mr. Ravi Poddar retires by rotation and being eligible, has offered himself for re-appointment.

During the year 2018-19, Mr Subrato Das, Managing Director and CEO was disqualified under section 164 of the Companies Act, 2013 to act as a Director of the company on grounds of Internal Complaints Committee recommending termination of service for being found guilty in pursuance of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

(b & c) Attendance of each Director at Board meetings and last Annual General Meeting and particulars of other Directorships, Chairmanships / Committee Memberships:

Sl. No.	Name and Designation of Director	Status/Category	Board Meetings in 2018-19		Attendance in last AGM	Other Indian Public Companies (number)		
			Held	Attended		Directorship	Committee Chairmanship	Committee Membership
1	Dr. Bhaskar Banerjee Din: 00603201	PID	10	10	YES	0		
2	Prof. Ashok Banerjee Din: 06884670	PID	10	6*	YES	1	-	-
3	Gyan Dutt Gautama Din: 08243156	PID	8	5*	YES	1		
4	Ravi Poddar Din: 00031201	SHD	10	9	YES	1		
5	Purshottam Saraf Din: 06570445	SHD	10	3	YES	-	-	-
6	Partha Ray Din: 07346584	PID	6	5*	YES	-	-	-
7	Subrato Das Din: 07523577	MD & CEO	4	4*	YES	-	-	-

* Appointed for Part of the Year

(d) Number and Date of meetings of the Board:

During the Financial Year 2018-19, ten meetings of the Board were convened and held on 8th May, 2018, 25th July, 2018, 30th August, 2018, 27th October, 2018, 13th November, 2018, 27th November, 2018, 2nd January, 2019, 25th January, 2019, 4th February 2019 and 1st March, 2019.

(e) None of the Directors are related to each other.

(f) Details of shareholding of Non-Executive Directors:

Mr. Ravi Poddar holds 5000 (five thousand) equity shares in the company. The Company does not have any convertible instrument.



(g) Familiarisation Programme:

There was no imparting of any separate familiarization programme for Public Interest Directors. However all guidelines related to Listing and Stock Exchange functioning have been uploaded in CSE website , www. CSE-India.

(h) Skills/Expertise/Competence of the Directors:

The Board is composed of functionally effective Directors and the following areas have been identified as fundamental skills, expertise and competence required for the Board members.

- Capital Market Understanding
- Technological Up gradation relating to securities market
- Legal and Administrative Knowledge
- Stakeholder Relationship
- Strategic Management and Development
- Finance Functions
- Corporate Governance

(i) The Board of the Company confirms that all the Public Interest Directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

(j) No Independent Director has resigned before the expiry of his tenure.

2. Audit Committee

(a) Brief Description of Terms of Reference:

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

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

(b) Composition, Name of members and Chairperson of Audit Committee:

The composition of the Audit Committee is in accordance with the requirements of Regulation 18(1) of the Listing Regulations, 2015. As on 31st March 2019, the Committee is comprised of all the three Public Interest Directors and one of the Shareholder Directors whose name have been stated in para 2(a) above. The Chairman of the Committee is Dr. Bhaskar Banerjee - Public Interest Director. All the members of the Audit Committee are financially literate and have relevant finance or audit exposure.

(c) Meeting and Attendance Details of Audit Committee is as under:-

Four Audit Committee Meetings were held on 15th June 2018, 30th August, 2018, 8th February, 2019 and 30th March, 2019 respectively

Sl. No.	Name of the Director	No. of Meetings Attended
1.	Dr. Bhaskar Banerjee	4
2.	Prof. Asok Banerjee	4
3.	Prof. Partha Ray	2
4.	Mr. Gyan Dutt Gautama	2
5.	Mr. Purushottam Saraf	Nil
6	Mr. Subrato Das	2*

*Part of the year

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

4. Nomination, Remuneration & Compensation and HR Committee:

(a) Brief Description of Terms of Reference:

The terms of reference of the **Nomination, Remuneration & Compensation and HR Committee** are as per the terms laid down in the Companies Act, 2013 and Regulation 19 of the Listing Regulations 2015. The terms of reference of Audit Committee are as follows:

- Lay down the policy for employee compensation
- Determine the tenure of Managing Director & CEO and operational heads
- Deal with HR issue of selection, recruitment, promotion, termination and training of employees
- Finalise and amend service manual
- Deal with and approve Employees' Governing Rules
- To frame suitable policy and system to ensure that there is no violation of SEBI regulations
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(b) Composition, Name of members and Chairperson of Nomination & Remuneration & Compensation and HR Committee:

As at 31st March, 2019, the Committee consisted of three Public Interest Directors viz. Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama. The company being an unlisted entity the Chairperson of the exchange is the Chairman of the Committee.

(c) Meeting and attendance of Nomination & Remuneration & Compensation and HR Committee during the year:

No meeting was held during the F.Y. 2018-19 in the absence of any substantive agenda.

5. Performance Evaluation criteria for independent directors:

Pursuant to SECC Regulations and the SEBI Circular dated 5th February, 2019, a policy on performance review of Public Interest Directors (PIDs) has been framed. The Policy included criteria for performance evaluation, methodology adopted for such evaluation, analyzing the result with scope for both internal and external evaluation. For the Financial Year ending 31st March, 2019, all the governing board members have evaluated the performance of each PIDs which in the opinion of the board has been carried out in a fair and objective manner and the review has been recorded in a standardized format (through circulation of detailed questionnaire to the PIDs and feedback received thereon) covering all the relevant criteria/ aspects. None of the PIDs were in the last year of their

term and hence external evaluation of PIDs was not pe-remptory.

The individual Director's performance has largely been evaluated based on his/ her level of participation and contribution to the performance of Board/ Committee(s). Furthermore, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/ she is a member are considered for evaluation. Additionally, timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

6. Remuneration of Directors

(a) Pecuniary Relationship of the Non-Executive Directors:

The following table sets out the details of sitting fees to the Directors for FY 2018-19:

Sl. No.	Particulars of Remuneration	Name of Directors					
		Dr. Bhaskar Banerjee	Prof. Partha Ray	Ravi Poddar	G. D. Gautama	Prof. Ashok Banerjee	Purushottam Saraf
	• Sitting Fees for attending board / committee meetings	3,50,000	1,12,500	1,82,500	1,87,500	2,30,000	52,500
	•Commission	—	—	—	—	—	—
	•Others, please specify						
	TOTAL	3,50,000	1,12,500	1,82,500	1,87,500	2,30,000	52,500

(b) Criteria/Details of remuneration to Non-Executive Directors:

As per Regulation 24(9) of SECC Regulations, Public Interest Directors are being remunerated only by way of payment of sitting fees.

(c) Remuneration to Managing Director, elements of remuneration package, performance linked incentives, performance criteria etc.

The details of remuneration paid to Mr Subrato Das, MD & CEO during the FY 2018-19 are given in the following table:

Particulars	Amount
Basic Salary	39,81,596
Allowances & Perquisites	1,00,000
Variable Pay based on performance	-
PF Contribution	-
Total	40,81,596*

- Paid for part of the year as the employment was ceased on 9th March ,2019. There was no variable pay .

As per SECC Regulations, Managing Director being a Key Management Personnel of the exchange is not entitled to any stock options.

Appointment of MD & CEO is governed by a service contract for a period of three years and a notice period of three months.

7. Stakeholders' Grievances Committee:The company being an unlisted public company ,its shares are not frequently traded and number of investors complaints or grievances are also minimal.Hence it does not have any Share holders Grievance Committee However as required By Regulation 29 of SECC Regulation 2018, it has Investor Grievance Redressal Committee.

8. General Meeting:

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

General Body Meetings:

Details of General Meeting	Date	Time	Venue
Annual General Meeting 2015-16	29th September, 2016	4.30 P.M.	7, Lyons Range, Kolkata-1
Annual General Meeting 2016-17	10th October, 2017	4.00 P.M.	7, Lyons Range, Kolkata-1
Annual General Meeting 2017-18	28th September, 2018	4.00 P.M	7, Lyons Range, Kolkata-1
Extra Ordinary General Meeting 2018-19	01st March, 2019	4.00 P.M	7, Lyons Range, Kolkata-1



The Calcutta Stock Exchange Limited

(b) Special Resolutions passed in the General Body Meetings:

- 1) Consent of the company was accorded pursuant to the provision of Section 180(1)(a) and other applicable provision, if any, of the Companies Act, 2013 for Board of Directors to exercise its power to transfer, assign, sub-lease, deal with, dispose of or part with the possession of the Freehold land of the Exchange situated at Rajarhat New Township as set out in the Statement under Section 102 of the Act annexed to the Notice covering the Annual General Meeting held on 29th September 2016.
2. Special Resolutions adopted in the Extra Ordinary General Meeting of the company held on 1st March, 2019 are as under :-
 - 2.1. Board of Directors was authorised to negotiate with Securities and Exchange Board of India (SEBI), the appropriate process of finalisation of settlement of the legal proceedings with the Exchange without prejudice and subject to agreement as to the assistances to be accorded by SEBI. The final draft agreement in this regard shall be put up for shareholder-

ers' approval in a subsequent General Meeting.

- 2.2. Pursuant to the provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 consent of the shareholders of the company was accorded to Board of Directors to exercise its powers to transfer, assign, sub-lease, deal with, dispose of or part with the possession of the Freehold land of the Exchange situated at Rajarhat New Township.

(c) Passing of Resolution by Postal Ballot:

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

9. Means of Communication:

- (i) Information and details of the Company in all respects are posted on the Company's website: www.cse-india.com
- (ii) Whenever the Company issues any notice it is posted on the Company's website.

10. General Shareholder Information:

(a) 96th Annual General Meeting

Day & Date	Wednesday, the 23rd Day of October, 2019, Time 4.00 P.M.
Venue	Trading Hall, The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700001, Ground Floor
Financial Year ended	31st March, 2019
Book Closure	17th October, 2019 to 23rd October, 2019 (Both days inclusive)
Payment of Dividend	Dividend if declared at the 96th AGM will be paid within 30 days from the date of AGM

(b) Registrar and Share Transfer Agent:

C. B. Management Services Pvt. Limited, P-22, Bondel Road, Kolkata-700019, Ph.No.: 033-40116726

- (c) **Share Transfer Process:** 80.04% of equity shares (489221 nos.) of the company are in electronic form. Transfer of the shares is done through depository with no involvement of the company. As regards transfer of shares held in physical form, the transfer deed can be lodged with the Registrar & Share Transfer Agent at the address mentioned above and the company processes the transfer within the prescribed time limit. Ministry of Corporate Affairs (MCA) has notified that, with effect from 2nd October, 2018 securities of all unlisted public companies shall be transferred only in dematerialized form and, therefore, members are advised to dematerialize as early as possible shares held by them in physical form.

(d) Distribution of Shareholding as on 31st March, 19

RANGE OF SHARES	SHARES	FOLIOS	% SHARES	%FOLIOS
1-500	240420	1183	39.33	94.64
501-1000	15825	20	2.59	1.60
1001-2000	22349	15	3.66	1.20
2001-3000	16988	7	2.78	0.56
3001-4000	6650	2	1.09	0.16
4001-5000	13976	3	2.29	0.24
5001-10000	68334	9	11.18	0.72
10001-50000	226708	11	37.08	0.88
TOTAL	611250	1250	100.00	100.00

(e) Category of Shareholders as on 31st March, 2019

Category	No. of shareholders	No. of shares	%
Resident Individual	1030	256975	42.04
Bodies Corporate	214	297338	48.65
HUF	Nil	Nil	
Trust	Nil	Nil	
Bank/Financial Institution	2	21157	3.46
Non-Resident Indians	3	905	0.14
Foreign Bodies Corporate	Nil	Nil	
Foreign Institutional Investor	Nil	Nil	
Venture Capital	Nil	Nil	
I E PF	1	34875	5.71
Total	1250	611250	100.00

(f) Dematerialization of shares and liquidity

The Company's shares are not listed on any stock exchange. However with effect from 02.10.2018 shares are transferable only in dematerialized form. Bifurcation of the category of shares in physical and electronic mode as on March 31, 2019 is given below:

MODE	FOLIO	SHARE	% of SHARE
PHYSICAL	348	122029	19.96
NSDL	671	377632	61.79
CDSL	231	111589	18.25
TOTAL	1250	611250	100.00

(g) Address for correspondence:

Mr. Prasenjit Dutta
Chief Financial Officer,
The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata 700001.
Tel. 022-22721233; Fax 022-22721003
E-mail: pdutta@cse-india.com

Registrar and Transfer Agents
C. B. Management Services Pvt. Limited,
P-22, Bondel Road, Kolkata-700019
Ph.No.: 033-40116726

Members holding shares in demat form are requested to intimate all changes pertaining to their bank account details, e-mail address, nominations, power of attorney, change of name, change of address, PIN code etc., only to their Depository Participants and not to the Registrar and Share Transfer Agent / the Company. Similarly, in case, the mailing address mentioned in the Notice given along with the Annual Report is without the PIN Code, Shareholders are requested to inform their PIN Code immediately to the Depository Participants.

11. Other Disclosures:

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

The Company does not have any material-related party transactions, which may have potential conflict with its interests at large. In any case, disclosures regarding the material transactions with related parties are given in the notes to the Accounts.

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

There have been no penalties or strictures imposed by SEBI or any statutory authority on any matter related to the capital markets during the last three years. During the year SEBI had advised, inter alia, the reversal of staff cost expenses charge to SGF, transfer of 31 Exclusively Listed companies to the Dissemination Board of BSE/NSE and imposed restrictions on sale of Exchange's land at Rajarhat.

c. Details of establishment of vigil mechanism, Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company's code of conduct encourages all its employees who have concerns about their work or the business of the Company, to discuss these issues with their line managers. Your Company has in place a whistle blower policy with a view to provide a mechanism for its Directors / employees / customers to approach the Chairman of Audit Committee, in case of any grievance or concern. The Whistle Blower policy can be accessed on your Company's website.

d. (i) Compliance with mandatory requirements:

The Company, being an unlisted entity, is not required to comply with all the mandatory requirements prescribed under the Listing Regulations. However, it strives to comply with all the corporate Governance requirements pursuant to Regulation 33 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing



The Calcutta Stock Exchange Limited

Corporations) Regulations, 2018 ("SECC Regulations, 2018").

(ii) Disclosure on adoption of non-mandatory requirements:

The Company has adopted most of the non-mandatory requirements and discretionary requirements as per Schedule II Part E of the SEBI Listing Regulations. These include the following:

- The Board has a Non-Executive Chairman.
 - The Chairman and other PIDs are only receiving sitting fees for attending meetings.
 - Chairperson's office is maintained at Company's expense and all reimbursements are allowed to the Chairperson in performance of his duties.
 - The Company has complied with the requirement of having separate persons to the post of Chairman and MD & CEO.
 - The internal auditors of the Company makes presentation to the Audit Committee on their reports.
 - Shareholders Rights: Annual Accounts are circulated to all the shareholders and also published in the website of the company after passing by the shareholders in the Annual General Meeting.
 - Audit qualifications: The qualifications contained in the Auditor's Report on the standalone financial statement for the year ended 31st March, 2019 have been duly addressed in the Directors Report.
 - Training of Board members: The Directors are also appraised of all important changes in applicable legislation, enactment, guidelines, accounting standards, etc. to enable them to take informed decisions.
- e. Weblink of Policy for determining 'material' subsidiaries:**
The Company has not formulated a policy for determining a "material" subsidiary and the Company does not have any material subsidiary also.
- f. Weblink on dealing with related party transactions:** The Company does not have any materially significant related party transaction. So the company have not formulated any policy to deal with related party transaction.
- g. Disclosure of Commodity Price Risks:** Not applicable
- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) –** Not applicable
- i. Practicing Company Secretary Certification on Non-Disqualification of Directors:**
A certificate from practicing company secretary confirming that none of the Directors on the board of the Company were debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached as **Annexure - A**.
- j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof -** Not Applicable
- k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory**

auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Details of Auditors Remuneration [Amount in Rupees]

As Audit Fees	1,400,000
Tax Audit	200,000
In other capacity	300,000
Reimbursement of Expenses	111,823
Total	2,011,823

I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year One
- b. number of complaints disposed of during the financial year :One
- c. number of complaints pending as on end of the financial year: NIL

12. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: In one occasion, the gap between two audit committee meetings have exceeded by more than 120 Days.

13. Disclosure of extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

Shareholders right relating to sending Half Yearly declaration of Financial performance to each household of shareholders is not followed, since it is an unlisted public company.

14. Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:

The Company is in compliance with the corporate governance requirements stipulated under Regulation 17 to 27 read with Schedule V to the extent it is applicable for an unlisted entity. Causes (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are applicable only to listed entity and hence are not applicable to this Exchange.

15. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:

A declaration to this effect from the Chairman of the Board (being a Public Interest Director, in the absence of any Managing Director and Chief Executive Officer in the Exchange) is attached as Annexure - B.

16. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

A certificate from a Firm of practicing company secretaries regarding compliance of conditions of corporate governance is attached as Annexure - C.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V, Para C, Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata – 700 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Calcutta Stock Exchange Limited having CIN: U67120WB1923PLC004707 and having its Registered Office at 7, Lyons Range, Kolkata – 700 001 [hereinafter referred to as 'the Company'], produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para - C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number [DIN] status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	BHASKAR BANERJEE	00603201	01/09/2015
2.	ASHOK BANERJEE	06884670	08/05/2018
3.	GYAN DUTT GAUTAMA	08243156	30/08/2018
4.	RAVI PODDAR	00031201	05/02/2014
5.	PURUSHOTTAM SARAF	06570445	23/10/2013

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

Date: 30.08.2019

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



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To
The Members of
The Calcutta Stock Exchange Limited

This is to declare and confirm that to the best of my knowledge and belief, and in accordance with the requirements of Regulation 26(3) of the Listing Regulations all the members of the Board and Senior Management Personnel of the Company have affirmed their respective compliance with the Code of Conduct as laid down by the Company for the Financial Year ended 31st March, 2019.

Place: Kolkata
Dated: 23rd September, 2019

For and on behalf of the Board
Dr Bhaskar Banerjee
Chairman

Note :

- (a) In this report 'the company' or 'the Exchange' or 'CSE' has been used to denote The Calcutta Stock Exchange Limited.
- (b) 'Members' has been used to denote shareholders of The Calcutta Stock Exchange Limited.
- (c) 'Listing Regulations' means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended upto date.

Certificate on Corporate Governance

To
The Members of
The Calcutta Stock Exchange Limited

We have examined the relevant records of The Calcutta Stock Exchange Limited (CSE) with regard to compliance of conditions of Corporate Governance for the year ended on 31st March 2019 as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended upto date and applicable for the time being in force with Stock Exchanges in India.

The Company is not listed on any Stock Exchange. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018; 'the disclosure requirements and corporate governance norms as specified for listed companies shall *mutatis mutandis* apply to a recognised stock exchange'. CSE being a recognised stock exchange is required to adhere to the corporate governance norms.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable, except that:

- a) matters exclusively applicable for listed entities have not been followed, since it is an unlisted public company;
- b) in one occasion the gap between two meetings of the audit committee have exceeded by more than 120 days.

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

Place: Kolkata

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

Date: 30.08.2019

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



INDEPENDENT AUDITOR'S REPORT

To the Members of The Calcutta Stock Exchange Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of The Calcutta Stock Exchange Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to Note 30 (i) regarding recoverability of Rs. 94,96,16,925 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Company's profit for the year and year end loans and advances as carried forward in these financial statements is not ascertainable. Our opinion was also qualified in earlier years in respect of this matter.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Emphasis of Matter – Litigation

We draw attention to Note 36 to the financial statements which fully describes the uncertainties relating to the outcome of the Company's appeal pending before the Division Bench of the Hon'ble High Court at Calcutta, proposal submitted with the Securities Exchange Board of India (SEBI) for its approval to operate as a stock exchange for small and medium enterprises and various measures initiated by the Company to comply with the directions issued by the SEBI to enable it to operate as a stock exchange. Our opinion is not modified in respect of the above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies

used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



The Calcutta Stock Exchange Limited

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and dealt with by this Report are in agreement with the books of account;
- (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) The matter described in the Basis for Qualified Opinion paragraph and Emphasis of Matter - Litigation paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 24, 30(i) and 36 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per Bhaswar Sarkar
Partner
Membership Number: 55596
UDIN: 19055596AAAABG6854
Place of Signature: Kolkata
Date: 10th September, 2019

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

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

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

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Certain receipts considered by the Company as capital receipt but treated as revenue receipt by Income Tax Department	3,66,74,684	AY – 1991-92 & 1992-93	Hon’ble High Court of Calcutta

- (viii) According to the information and explanations given by the management, the Company did not have any outstanding loans or borrowing dues to a financial institution or bank or to Government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



The Calcutta Stock Exchange Limited

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance

sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: 10th September, 2019

**Annexure 2 to the Independent Auditor's report of even date on the standalone financial statements of The Calcutta Stock Exchange Limited ('the Company')
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of The Calcutta Stock Exchange Limited ("the Company") as of March 31, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of



The Calcutta Stock Exchange Limited

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone financial statements as at March 31, 2019:

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

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

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone financial statements as of March 31, 2019, based on the internal control over financial reporting criteria established

by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2019 .

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of The Calcutta Stock Exchange Limited, which comprise the Balance Sheet as at March 31, 2019 , and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone financial statements of The Calcutta Stock Exchange Limited and this report affect our report dated September, 2019, which expressed a qualified opinion on those financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: 10th September, 2019

BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
		Rupees	Rupees
I. EQUITIES AND LIABILITIES			
1. SHAREHOLDERS' FUND			
Share Capital	3	618,750	618,750
Reserves and Surplus	4	1,808,254,417	1,765,723,813
2. NON CURRENT LIABILITIES			
Long Term Liabilities	5	962,710,242	976,394,037
3. CURRENT LIABILITIES			
Trade Payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		29,377,650	11,841,674
Other Current Liabilities	6	351,438,168	360,126,019
Short Term Provisions	7	4,404,454	5,787,034
		3,156,803,681	3,120,491,327
II. ASSETS			
1. NON CURRENT ASSETS			
Property, Plant and Equipment	8A	283,370,912	285,046,100
Intangible Assets	8B	811,925	330,597
Non Current Investments	9	169,306,458	169,810,617
Deferred Tax Assets (net)	10	5,144,060	2,197,277
Loans and Advances	11	1,118,711,608	1,121,516,863
Other Assets	15	422,083,015	592,006,960
2. CURRENT ASSETS			
Current Investments	12	148,452,781	189,112,890
Trade Receivables	13	20,092,235	19,198,291
Cash and Bank Balances	14	959,924,894	716,770,429
Loans and Advances	11	12,309,173	10,510,468
Other Assets	15	16,596,620	13,990,835
		3,156,803,681	3,120,491,327
Summary of significant accounting policies	2		

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

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Prof. Ashok Banerjee
Director

Gyan Dutt Gautama
Director

Prosenjit Dutta
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Notes	2018-19	2017-18
		Rupees	Rupees
Income :			
Revenue from Operations	16	69,920,948	49,141,479
Other Income	17	136,865,189	264,304,532
Total Revenue (I)		206,786,137	313,446,011
Expenses :			
Employee Benefits Expense	18	88,245,246	71,030,857
Other Expenses	19	40,226,096	36,785,677
Depreciation and Amortization Expense	20	3,445,116	3,827,053
Contribution to SEBI		4,713,742	3,030,257
Contribution to Stock Exchange Investors' Protection Fund		9,446,752	2,632,081
Total Expenses (II)		146,076,952	117,305,925
Profit before Tax (I-II)		60,709,185	196,140,086
Tax Expenses :			
Current Tax			
Pertaining to profit for the current year [Refer Note no - 34]		19,194,153	40,689,546
Adjustment of tax relating to earlier years		22,239	2,315,218
Adjustment of MAT Credit relating to earlier years		(5,933,414)	-
Deferred Tax		(2,946,783)	(629,565)
Total tax Expense		10,336,195	42,375,199
Profit after tax for the year		50,372,990	153,764,887
Earnings per equity share			
Basic and Diluted (Rs.)	21	30.04	15.73
Nominal value of share (Re.)		1	1
Summary of significant accounting policies	2		

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

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Prof. Ashok Banerjee
Director

Gyan Dutt Gautama
Director

Prosenjit Dutta
Chief Financial Officer

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019

	Particulars	2018-19	2017-18
		Rupees	Rupees
A.	Cash Flow from Operating Activities		
	Profit before tax	60,709,185	196,140,086
	Adjustment to reconcile profit before tax to net cash flows :-		
	Depreciation and Amortization expense	3,445,116	3,827,053
	(Profit) on sale/discard of property, plant and equipment	-	(34,764)
	Provision for Doubtful Debts and Advances	6,093,662	5,168,515
	Sundry balance written off	2,997	64,471
	Liabilities/Provisions no longer required, written back	(357,684)	(8,299)
	Settlement Guarantee Fund Contribution	201,872	165,112
	Interest on Fixed Deposits	(100,147,358)	(104,541,751)
	Interest on Bonds	(872,480)	(872,480)
	Interest on Income Tax Refunds	-	(18,526,513)
	Dividend Income from Investments	(1,602,408)	(5,850,101)
	Profit on sale of Investments	(17,572,746)	(129,549,942)
	Operating profit before working capital changes	(50,099,844)	(54,018,613)
	Movements in working capital:		
	(Decrease) in Long Term Liabilities	(13,683,795)	-
	Increase in Short Term Provisions	1,674,725	2,729,729
	Increase / (Decrease) in Trade Payables	17,535,976	(2,106,602)
(Decrease) in Other Current Liabilities	(8,411,621)	(5,303,204)	
(Increase) in Trade Receivables	(6,987,606)	(10,478,621)	
Decrease / (Increase) in Long Term Loans & Advances	8,789,068	(1,085,758)	
(Increase) in Short Term Loans & Advances	(1,798,705)	(1,574,175)	
(Increase) in Other Current Assets	(490,588)	(367,730)	
Cash used in operations	(53,472,390)	(72,204,974)	
(Payment) / Refund of direct taxes (net)	(17,844,156)	6,919,037	
Net Cash used in Operating Activities	(71,316,546)	(65,285,937)	
B.	Cash Flow from Investing Activities		
	Proceeds from sale of property, plant and equipment	-	106,000
	Purchase of property, plant and equipment	(1,747,097)	(904,155)
	Purchase of Non Current Investments	-	(22,500,000)
	Proceeds from Purchase and Sale of Current Investments (net)	58,232,855	(46,162,948)
	Dividend income from Investments	1,602,408	5,850,101
	Investment in Fixed Deposits	(730,781,161)	(628,449,624)
	Encashment of Fixed Deposits	668,199,624	638,667,987
	Interest on Fixed Deposits	95,906,106	101,355,632
	Interest on Income Tax Refund	-	18,526,513
Interest on Bonds	872,480	872,480	
Net cash flow from investing activities	92,285,215	67,361,986	
C.	Cash Flow from Financing Activities		
	Dividend Paid on equity shares	(10,309,796)	(11,277,340)
	Tax on equity dividend paid	(2,135,945)	(2,488,766)
	Net Cash used in Financing Activities	(12,445,741)	(13,766,106)
	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	8,522,928	(11,690,057)
Cash and Cash Equivalents as at the beginning of the year	48,570,805	60,260,862	
Cash and Cash equivalents as at the end of the year	57,093,733	48,570,805	

Contd. in next page



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019 (Contd.)

Particulars	2018-19	2017-18
	Rupees	Rupees
Components of Cash & Cash Equivalents * Cash on hand	41,569	32,780
Cheques / Drafts on hand	-	1,515,963
Balance with Scheduled Banks on Current Account		
Own Fund	45,803,324	33,143,078
Investors' Service Fund	1,762,970	5,746,338
Settlement Guarantee Fund	2,003,551	731,781
Unpaid Dividend Account	7,482,319	7,400,865
	57,093,733	48,570,805

* Includes the balance of Rs.74,82,319 (31st March 2018: Rs.74,00,865) which the Company can utilize only towards settlement of the respective unpaid dividend.

Summary of significant accounting policies (Refer Note 2)

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Prof. Ashok Banerjee
Director

Gyan Dutt Gautama
Director

Prosenjit Dutta
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 1 : Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous years.

NOTE – 2 : Summary of Significant Accounting Policies

i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liability in future periods.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue in respect of services rendered is recognized when the service is rendered and there is certainty of realization.

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

Interest

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

Dividend

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

iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

iv) Depreciation on property, plant and equipment

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Software costs related to computers are amortized on written down value basis over a period of six years from the date the asset becomes available for use.

vi) Impairment of fixed assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the



assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset.

vii) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Investment Property:

An investment in land, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

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

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

viii) Taxes

Tax expense comprises current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the

statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forwarded tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax

under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

ix) Retirement and other Employee Benefits

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

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

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit

and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

- c) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

x) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

xi) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect to current best estimates.

xii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize the contingent liability but discloses its existence in the financial statements.

xiii) Cash and cash equivalents

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



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 3 : Share Capital

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
a) AUTHORISED SHARES : 10,00,00,000 (31st March 2018 : 10,00,00,000) equity shares of Re.1 each	100,000,000	100,000,000
b) ISSUED SHARES : 6,18,750 (31st March 2018 : 6,18,750) equity shares of Re.1 each	618,750	618,750
c) SUBSCRIBED & PAID UP SHARES : 6,11,250 (31st March 2018 : 6,11,250) equity shares of Re.1 each fully paid up Add : Forfeited Shares: 7,500 (31st March 2018 : 7,500) equity shares paid up of Re.1 each	611,250 7,500 618,750	611,250 7,500 618,750

A. Terms / rights attached to equity shares :

The Company has only one class of equity shares having par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
I. Own Fund		
Capital Reserve - Pre-Demutualisation period	618,860	618,860
Securities Premium Account		
Pre-Demutualisation period	3,014,597	3,014,597
Post-Demutualisation period	631,778,051	631,778,051
Total Securities Premium Account	634,792,648	634,792,648
Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library - Pre-Demutualisation period	38,841,547	38,841,547
Development Fee Fund - Pre-Demutualisation period	134,050,000	134,050,000
General Reserve		
Pre-Demutualisation period		
Balance as per last financial statements	463,557,860	350,064,060
Addition during the year	-	115,809,018
Deductions/adjustments during the year	-	(2,315,218)
Closing balance	463,557,860	463,557,860
Post-Demutualisation period		
Balance as per last financial statements	56,015,205	56,015,205
Addition during the year	1,000,000	-
Deduction during the year	(5,600,000)	-
Closing balance	51,415,205	56,015,205
Total General Reserve	514,973,065	519,573,065

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
Surplus in the Statement of Profit and Loss - Post-Demutualisation period		
Profit for the year	7,323,302	23,268,771
Appropriations:-	50,372,990	153,764,887
Less : Transferred to General Reserve	(1,000,000)	-
Less : Income of Investor's Service Fund transferred	(10,254,731)	(7,685,217)
Less : Income of Settlement Guarantee Fund transferred	(23,179,723)	(23,753,566)
Less : Prior period expenses of Settlement Guarantee Fund (net of tax) transferred [Refer Note - 29]	-	(10,848,053)
Less : Profit on sale of long term investments (net) of pre-demutualisation period transferred to general reserve	-	(101,236,359)
Less : Interest on refund of income tax (net of tax) of Pre-Demutualisation period transferred to General Reserve	-	(14,572,659)
Less : Final equity dividend	(10,391,250)	(12,225,000)
Less : Tax on final equity dividend	(2,135,945)	(2,488,766)
Add : Transferred from General Reserve of Post-Demutualisation Period	5,600,000	
Add : Expenses of Settlement Guarantee Fund transferred	1,356,269	720,860
Add : Expenses of Investor's Service Fund transferred	67,094	63,186
Add : Current tax expenses relating to Pre-Demutualisation period adjusted with General Reserve	-	2,315,218
Total appropriations	(39,938,286)	(169,710,356)
Net surplus in the Statement of Profit and Loss	17,758,006	7,323,302
Total of own fund	1,341,034,126	1,335,199,422
II. Investors' Service Fund - Post-Demutualisation period		
Balance as per last financial statements	80,915,543	73,293,512
Addition during the year	10,254,731	7,685,217
Deductions/adjustments during the year	(67,094)	(63,186)
Total of Investors' Service Fund	91,103,180	80,915,543
III. Settlement Guarantee Fund - Post-Demutualisation period		
Settlement Guarantee Fund for CSE-NSE Cash Segment		
Balance as per last financial statements	10,198,927	10,142,503
Addition during the year	44,332	56,424
Closing balance	10,243,259	10,198,927
Settlement Guarantee Fund for CSE-NSE Future and Option Segment		
Balance as per last financial statements	10,289,509	10,204,499
Addition during the year	147,886	85,010
Closing balance	10,437,395	10,289,509
Settlement Guarantee Fund for CSE-BSE Cash Segment		
Balance as per last financial statements	10,227,517	10,203,839
Addition during the year	9,654	23,678
Closing balance	10,237,171	10,227,517
Settlement Guarantee Fund for CSE-BSE Future and Option Segment		
Balance as per last financial statements	10,007,568	10,007,568
Addition during the year	-	-
Closing balance	10,007,568	10,007,568
Settlement Guarantee Fund Initial Membership Fees		
Balance as per last financial statements	260,000	260,000
Addition during the year	-	-
Closing balance	260,000	260,000
Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the exchange)		
Balance as per last financial statements	308,625,327	281,844,568
Addition during the year	23,179,723	23,753,566
Prior period expenses of Settlement Guarantee Fund (net of tax) transferred from Profit and Loss Account [Refer Note - 29]	-	10,848,053
Proportionate distribution for SGF out of recovery from defaulters	4,482,937	-
Reclassified to Sundry Deposits under Long Term Liabilities	-	(7,100,000)
Deductions/adjustments during the year	(1,356,269)	(720,860)
Closing balance	334,931,718	308,625,327
Total of Settlement Guarantee Fund	376,117,111	349,608,848
Total of I+II+III	1,808,254,417	1,765,723,813



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Pre-Demutalisation Period	Post Demutalisation Period	Total	Pre-Demutalisation Period	Post Demutalisation Period	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Sundry Deposits [Refer Note no. 30 (ii)]	962,710,242	-	962,710,242	976,394,037	-	976,394,037
	962,710,242	-	962,710,242	976,394,037	-	976,394,037

NOTE – 6 : Trade Payables and Other Current Liabilities

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Pre-Demutalisation Period	Post Demutalisation Period	Total	Pre-Demutalisation Period	Post Demutalisation Period	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade Payables						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	29,377,650	29,377,650	-	11,841,674	11,841,674
	-	29,377,650	29,377,650	-	11,841,674	11,841,674
Other Liabilities :						
Sundry Deposits	15,695,851	51,132,623	66,828,474	15,899,367	42,974,054	58,873,421
Members' Security Deposits [Refer Note no.31]						
- Own Fund	-	93,218,581	93,218,581	-	94,413,454	94,413,454
- Settlement Guarantee Fund	-	120,333,705	120,333,705	-	120,979,166	120,979,166
- Members' deposit including deposits for additional base Capital requirement and margin in Cash	-	56,005,602	56,005,602	-	75,865,986	75,865,986
Payable to related party: [Refer Note no.33]						
Stock Exchange Investors' Protection Fund	-	1,161,867	1,161,867	-	-	-
Statutory Dues	-	6,407,620	6,407,620	-	2,593,127	2,593,127
Unclaimed Dividend	-	7,482,319	7,482,319	-	7,400,865	7,400,865
	15,695,851	335,742,317	351,438,168	15,899,367	344,226,652	360,126,019
	15,695,851	365,119,967	380,815,818	15,899,367	356,068,326	371,967,693

Note: Based on the information/documents available, no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no disclosure thereof is required to be made.

NOTE – 7 : Short Term Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
Provision for Employee Benefits:		
Leave	553,702	-
Provision for Gratuity [Refer Note no.32]	3,850,752	2,729,729
Other Provisions:		
Income Tax [net of advance tax of Rs.Nil (31st March 2018 : Rs.3,76,32,241)]	-	3,057,305
	4,404,454	5,787,034

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

		(Amount in Rs.)							
Cost or Valuation	Freehold Land	Building	Electrical Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total	
ASSETS OF PRE-DEMUTUALISATION PERIOD :									
At 1st April 2017	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	
Disposals/Adjustment	-	-	-	-	-	-	-	-	
At 31st March 2018	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	
At 31st March 2019	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	
Depreciation									
At 1st April 2017	-	1,579,806	12,084,827	6,520,865	8,034,296	-	161,560,022	189,779,816	
Charge For the Year	-	25,344	918	-	-	-	-	26,262	
At 31st March 2018	-	1,605,150	12,085,745	6,520,865	8,034,296	-	161,560,022	189,806,078	
Charge For the Year	-	24,232	-	-	-	-	-	24,232	
At 31st March 2019	-	1,629,382	12,085,745	6,520,865	8,034,296	-	161,560,022	189,830,310	
Net Block									
At 31st March 2018	415,300	552,249	615,151	292,605	354,489	-	719,233	2,949,027	
At 31st March 2019	415,300	528,017	615,151	292,605	354,489	-	719,233	2,924,795	
ASSETS OF POST-DEMUTUALISATION PERIOD :									
At 1st April 2017	269,000,023	11,728,629	6,947,230	5,529,782	3,015,588	1,849,080	19,592,350	317,662,682	
Additions	-	-	-	-	2,150	495,000	407,005	904,155	
Disposals/Adjustment	-	-	-	-	-	(520,000)	-	(520,000)	
At 31st March 2018	269,000,023	11,728,629	6,947,230	5,529,782	3,017,738	1,824,080	19,999,355	318,046,837	
Additions	-	-	1,484	67,400	8,200	-	1,060,013	1,137,097	
Disposals/Adjustment	-	-	-	-	-	-	-	-	
At 31st March 2019	269,000,023	11,728,629	6,948,714	5,597,182	3,025,938	1,824,080	21,059,368	319,183,934	
Depreciation									
At 1st April 2017	-	3,760,205	4,198,648	4,217,729	2,790,321	738,376	17,608,103	33,313,382	
Charge For the Year	-	776,275	730,797	358,664	50,111	381,829	787,470	3,085,146	
Disposals/Adjustment	-	-	-	-	-	(448,764)	-	(448,764)	
At 31st March 2018	-	4,536,480	4,929,445	4,576,393	2,840,432	671,441	18,395,573	35,949,764	
Charge For the Year	-	700,649	537,732	265,901	18,342	362,802	902,627	2,788,053	
Disposals/Adjustment	-	-	-	-	-	-	-	-	
At 31st March 2019	-	5,237,129	5,467,177	4,842,294	2,858,774	1,034,243	19,298,200	38,737,817	
Net Block									
At 31st March 2018	269,000,023	7,192,149	2,017,785	953,389	177,306	1,152,639	1,603,782	282,097,073	
At 31st March 2019	269,000,023	6,491,500	1,481,537	754,888	167,164	789,837	1,761,168	280,446,117	
Total Net Block									
At 31st March 2018	269,415,323	7,744,398	2,632,936	1,245,994	531,795	1,152,639	2,323,015	285,046,100	
At 31st March 2019	269,415,323	7,019,517	2,096,688	1,047,493	521,653	789,837	2,480,401	283,370,912	



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 8B : Intangible Assets

(Amount in Rs.)

Particulars	Computer Softwares	Total
ASSETS OF PRE-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2017	30,036,144	30,036,144
At 31st March 2018	30,036,144	30,036,144
At 31st March 2019	30,036,144	30,036,144
Amortization		
At 1st April 2017	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2018	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2019	30,036,108	30,036,108
Net Block		
At 31st March 2018	36	36
At 31st March 2019	36	36
ASSETS OF POST-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2017	5,100,533	5,100,533
At 31st March 2018	5,100,533	5,100,533
Additions	610,000	610,000
At 31st March 2019	5,710,533	5,710,533
Amortization		
At 1st April 2017	4,558,486	4,558,486
Charge For the Year	211,486	211,486
At 31st March 2018	4,769,972	4,769,972
Charge For the Year	128,672	128,672
At 31st March 2019	4,898,644	4,898,644
Net Block		
At 31st March 2018	330,561	330,561
At 31st March 2019	811,889	811,889
Total Net Block		
At 31st March 2018	330,597	330,597
At 31st March 2019	811,925	811,925

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 9 : Non Current Investments (At Cost)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
INVESTMENT PROPERTY (at cost less accumulated depreciation) (Refer Note No. 35)		
Pre-Demutualisation Period		
Cost of leasehold land	49,667,291	49,667,291
Less : Accumulated depreciation	(9,082,508)	(8,578,349)
Net Block	40,584,783	41,088,942
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD		
Non-trade (valued at cost unless stated otherwise)		
Debentures- Quoted		
117 (31st March 2018 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *	1	1
	1	1
INVESTMENTS OF POST-DEMUTUALISATION PERIOD		
Trade (valued at cost unless stated otherwise)		
Equity shares- Unquoted		
Investment in Subsidiaries		
57,75,000 (31st March 2018: 57,75,000) equity shares of Rs.10 each fully paid up of CSE Capital Markets Pvt Ltd	64,575,000	64,575,000
25,00,000 (31st March 2018: 25,00,000) equity shares of Re.1 each fully paid up of Lyons Range Securities Clearing Corporation Ltd	2,500,000	2,500,000
Non-Trade (valued at cost unless stated otherwise)		
Equity shares- Quoted		
400 (31st March 2018: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
Bonds- Quoted		
5,696 (31st March 2018: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd (N4 Series)	5,696,000	5,696,000
4,944 (31st March 2018: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	4,944,000	4,944,000
Investments in fixed maturity mutual funds- Unquoted		
1,00,000 (31st March 2018 : 1,00,000) units of Rs.10 each fully paid up of HDFC Charity Fund for Cancer Cure - Debt plan - Direct Option - 50% Dividend Donation	1,000,000	1,000,000
10,00,000 (31st March 2018: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series OY(1218 days)- Direct Growth	10,000,000	10,000,000
10,00,000 (31st March 2018: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series OT(1117 days)- Growth	10,000,000	10,000,000
Financial Institution		
Own Fund		
Fixed Deposit with PNB Housing Finance Ltd	10,000,000	10,000,000
Fixed Deposit with LIC Housing Finance Ltd	15,000,000	15,000,000
Settlement Guarantee Fund		
Fixed Deposit with PNB Housing Finance Ltd	5,000,000	5,000,000
	128,721,674	128,721,674
	169,306,458	169,810,617

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

Aggregate cost of Investments:

Quoted	10,646,675	10,646,675
Unquoted	118,075,000	118,075,000
Value of investment property	40,584,783	41,088,942
Market value of quoted investments	11,549,391	11,783,851
Net asset value of mutual fund units	23,070,430	21,530,880



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
Deferred Tax Liability		
Impact of expenditure allowed for tax purposes on payment basis in the current year	693,502	1,536,074
Gross Deferred Tax Liability	693,502	1,536,074
Deferred Tax Asset		
Provision for doubtful debts and advances	4,117,413	2,415,441
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	648,870	565,788
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,071,279	752,122
Gross Deferred Tax Asset	5,837,562	3,733,351
Net Deferred Tax Asset	5,144,060	2,197,277

NOTE – 11 : Loans and Advances

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise:				
Security Deposits				
Considered good	40,931,633	40,921,633	-	-
Considered doubtful	506,000	506,000	-	-
	41,437,633	41,427,633	-	-
Less : Provision for doubtful deposits	(506,000)	(506,000)	-	-
	40,931,633	40,921,633	-	-
Deposit with BSE Ltd - Settlement Guarantee Fund	58,125,000	58,125,000	-	-
Deposit with Indian Clearing Corporation Ltd	1,010,000	1,010,000	-	-
Deposit with Indian Clearing Corporation Ltd - Settlement Guarantee Fund	1,875,000	1,875,000	-	-
	101,941,633	101,931,633	-	-
Advances recoverable in cash or in kind				
Settlement Guarantee Fund	2,354,998	2,404,682	-	-
	2,354,998	2,404,682	-	-
Receivable from other parties				
Considered good	8,490,847	8,515,400	1,335,506	2,823,112
Considered doubtful	1,182,825	1,242,825	-	-
	9,673,672	9,758,225	1,335,506	2,823,112
Less : Provision for doubtful advances	(1,182,825)	(1,242,825)	-	-
	8,490,847	8,515,400	1,335,506	2,823,112
Receivable from defaulting members [Refer Note 30(i)]	949,616,925	949,616,925	-	-
Receivable from related party: [Refer Note 33]				
CSE Capital Markets Private Ltd	-	-	4,479,887	1,698,158
Lyons Range Securities Clearing Corporation Ltd	-	-	658,830	160,675
Stock Exchange Investors' Protection Fund	-	-	-	488,984
	958,107,772	958,132,325	6,474,223	5,170,929
Other Loans & Advances:				
Advance Income Tax and Tax Deducted at Source				
Advance Income Tax and Tax Deducted at Source [Net of provision Rs. 115,912,903 (31st March 2018 : Rs.7,43,77,493)]	50,587,215	49,083,342	-	-
Prepaid expenses	-	-	3,368,934	3,522,581
Leave encashment fund assets (net)	-	3,994,155	-	-
Loan to employees - Interest bearing	5,719,990	5,970,726	2,466,016	1,747,871
Balances with statutory/ government authorities	-	-	-	69,087
	56,307,205	59,048,223	5,834,950	5,339,539
	1,118,711,608	1,121,516,863	12,309,173	10,510,468

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 12 : Current Investments

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
INVESTMENTS OF POST-DEMUTUALISATION PERIOD		
(Valued at lower of cost and fair value)		
Non- Trade		
Investments in mutual funds- Unquoted		
Nil (31st March 2018 : 8,310) units of Rs.1,000 each fully paid up of HDFC Money Market-Direct Plan - Growth Option	-	28,700,000
2,20,971 (31st March 2018:Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Liquid Fund- Growth - Direct Plan (formely known as Aditya Birla Sun Life Cash Plus)	66,200,000	-
Nil (31st March 2018: 21,353) units of Rs.100 each fully paid up of Aditya Birla Sun Life Low Duration Fund - Growth - Direct Plan (formely known as Aditya Birla Sun Life Cash Manager)		9,000,000
Nil (31st March 2018: 34,545) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formely known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	-	8,000,000
Nil (31st March 2018: 1,80,349) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formely known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	-	41,059,764
76,368 (31st March 2018: 76,368) units of Rs.10 each fully paid up of Aditya Birla Sun Life Interval Income Fund - Qrtly Plan-Series 1 Growth- Direct Plan *	1,500,000	1,500,000
6,156 (31st March 2018: Nil) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth	13,200,000	-
Nil (31st March 2018: 2,99,45) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Daily Dividend- Reinvestment		30,000,000
1,016 (31st March 2018: 1,016) units of Rs.1000 each fully paid up of Baroda Treasury Advantage Fund - Plan B Growth *	2,052,781	2,052,781
1,887(31st March 2018:Nil)units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth **	4,000,000	-
Nil (31st March 2018: 1,95,652) units of Rs.10 each fully paid up of Aditya Birla Sun Life Banking & PSU Debt Fund Growth - Direct Plan	-	10,000,000
2,872 (31st March 2018: Nil) units of Rs.1000 each fully paid up of Franklin India Liquid Fund - Super Institutional Plan -Direct (erstwhile Franklin India Treasury Management Account - Super Institutional Plan - Direct)- Growth	8,000,000	-
Nil(31st March 2018: 6541) units of Rs.1000 each fully paid up of Reliance Liquid Fund-Direct Plan Daily Dividend Option Dividend Reinvestment	-	10,000,000
7,366 (31st March 2018:7367) units of Rs.1000 each fully paid up of Reliance Liquid Fund-Direct Plan Growth Plan- Growth Option	33,500,000	30,550,345
9,688 (31st March 2018 : 9,749) units of Rs.1,000 each fully paid up of Axis Liquid Fund- Direct Growth	20,000,000	18,250,000
	148,452,781	189,112,890

* Investment out of Investors' Service Fund

** Settlement Guarantee Fund

Aggregate cost of Investments:

Unquoted	148,452,781	189,112,890
Net asset value of mutual fund units	149,516,544	193,393,999



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2019		As at 31st March, 2018	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	1,413,457		1,368,127	
Unsecured				
- Considered good	17,799,533		17,378,691	
- Considered doubtful	13,111,364		7,017,702	
	32,324,354		25,764,520	
Less: Provision for Doubtful Debts	(13,111,364)	19,212,990	(7,017,702)	18,746,818
Other Receivables:				
Secured, Considered good	6,132		-	
Unsecured, Considered good	873,113	879,245	451,473	451,473
		20,092,235		19,198,291

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees	Rupees	Rupees
a. CASH AND CASH EQUIVALENTS				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	45,803,324	33,143,078
Investors' Service Fund	-	-	1,762,970	5,746,338
Settlement Guarantee Fund	-	-	2,003,551	731,781
Unpaid Dividend Account	-	-	7,482,319	7,400,865
Cheques / Drafts on hand	-	-	-	1,515,963
Cash on hand	-	-	41,569	32,780
	-	-	57,093,733	48,570,805
b. OTHER BANK BALANCES				
Deposits with remaining maturity of not less than 12 months :				
Pre-Demutualisation Period				
Own Funds *	28,789,168	35,576,479	-	-
Post-Demutualisation Period				
Own Funds	229,010,832	307,923,521	-	-
Earmarked Funds:				
Settlement Guarantee Fund	141,600,000	175,400,000	-	-
Investors' Service Fund	19,100,000	71,650,000	-	-
Deposits with remaining maturity for less than 12 months :				
Post-Demutualisation Period				
Own Funds	-	-	549,381,161	437,881,161
Earmarked Funds:				
Settlement Guarantee Fund	-	-	284,900,000	230,318,463
Investors' Service Fund	-	-	68,550,000	-
	418,500,000	590,550,000	902,831,161	668,199,624
Amount disclosed under Non-current assets (Refer Note 15)	(418,500,000)	(590,550,000)	-	-
	-	-	959,924,894	716,770,429
* Appropriated out of total year end deposits to the extent of year end liabilities pertaining to pre-demutualisation period.				
Details of fixed deposits lien marked (included above)				
Deposits with remaining maturity of not less than 12 months pledged with : *				
Indian Clearing Corporation Limited (ICCL)	30,000,000	65,900,000		
NSE Clearing Limited (NCL)	7,500,000	193,000,000		
HDFC Bank Ltd	43,400,000	-		
Deposits with remaining maturity for less than 12 months pledged with : *				
with Indian Clearing Corporation Limited (ICCL)			87,000,000	98,918,463
NSE Clearing Limited (NCL)			226,800,000	75,300,000
HDFC Bank Ltd			66,000,000	109,400,000
	80,900,000	258,900,000	379,800,000	283,618,463
* The aforesaid fixed deposits are under lien with indicated entities for utilization of their Trading Platform by the members of the Company.				
Deposits with remaining maturity of not less than 12 months :				
Lodged with Victor Moses & Co [Refer Note no.24(f)]	3,500,000	-		
Deposits with remaining maturity for less than 12 months :				
Lodged with Victor Moses & Co [Refer Note no.24(f)]			13,981,161	17,481,161
	3,500,000	-	13,981,161	17,481,161



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer Note no. 14)	418,500,000	590,550,000	-	-
Other receivables				
Secured, Considered good				
Others	-	-	110,375	110,375
Rent & Electricity	-	-	1,016,738	1,395,595
Unsecured, Considered good				
Rent & Electricity	-	-	1,380,133	510,688
Interest accrued on fixed deposits:				
Own Funds	2,918,158	1,456,960	8,550,529	7,816,216
Settlement Guarantee Fund	583,842	-	4,647,778	3,597,557
Investors' Service Fund	81,015	-	476,328	145,665
Interest accrued on investments in bonds:				
Own Funds	-	-	414,739	414,739
	422,083,015	592,006,960	16,596,620	13,990,835

NOTE – 16 : Revenue from Operations

Particulars	2018-19	2017-18
	Rupees	Rupees
SALE OF SERVICES :		
Turnover charges on other trading platform :		
- BSE	496,864	1,098,217
- NSE	4,035,636	3,637,088
Listing fees	36,559,500	27,590,324
Subscriptions	1,580,500	1,518,000
Processing charges	8,510,499	11,270,423
Commission on PAN services	40,221	41,352
Other operating revenue :		
Bad debts recovered		
- Listing	8,577,916	712,250
- Subscription and others	145,859	-
Recovery of penal charges from clients	7,022,633	1,595,741
Income from NISM Operation	2,950,505	1,627,454
Technology charges from new members	-	50,000
Miscellaneous operating income	815	630
	69,920,948	49,141,479

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 17 : Other Income

Particulars	2018-19	2017-18
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	6,225,952	5,448,383
Interest on fixed deposits of Settlement Guarantee Fund	31,591,035	30,002,800
	37,816,987	35,451,183
Interest income on own fund:		
Fixed deposits	62,330,371	69,090,568
Tax Free PSU bonds	872,480	872,480
Security deposit with CESC Ltd	137,669	135,306
Security deposit with National Stock Exchange of India Ltd	19,373	73,809
Income Tax refunds	-	18,526,513
Interest on delayed payment of listing fees	11,606,803	1,844,256
Others	831,114	878,652
	75,797,810	91,421,584
Profit on sale of Current investments	17,572,746	846,130
Profit on sale of Long term investments	-	128,703,812
	17,572,746	129,549,942
Dividend income from investments:		
Current investments of Investors' Service Fund	-	152,781
Long term investments of own fund	-	3,000,000
Current investments of own fund	1,602,408	2,697,320
	1,602,408	5,850,101
Other non-operating Income:		
Rent	1,048,821	1,074,941
Miscellaneous receipts	2,668,733	913,718
Profit on sale of property, plant and equipment	-	34,764
Liabilities/Provisions no longer required, written back	357,684	8,299
	4,075,238	2,031,722
	136,865,189	264,304,532

NOTE – 18 : Employee Benefits Expense

Particulars	2018-19	2017-18
	Rupees	Rupees
Salaries, bonus etc.	70,237,352	55,479,297
Contribution to provident and other funds [Refer Note no.32 (iii)]	8,749,932	7,711,727
Gratuity Expense [Refer Note no.32]	6,458,633	4,769,307
Staff welfare Expense	2,799,329	3,070,526
	88,245,246	71,030,857



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 19 : Other Expenses

Particulars	2018-19		2017-18	
	Rupees	Rupees	Rupees	Rupees
Advertisement		1,043,487		20,750
Electricity charges	6,936,017		7,312,732	
Less : recovered from tenants	(1,533,712)	5,402,305	(1,595,045)	5,717,687
Rates & Taxes		725,102		296,854
Insurance	155,762		262,684	
Printing & Stationary		489,184		329,964
Telephone charges		807,468		1,187,785
Travelling & Conveyance		355,403		399,264
Motor car expenses		164,060		266,272
Repairs & Maintenance:				
Building	195,721		218,414	
Others *	12,390,944	12,586,665	11,462,844	11,681,258
Expenses for Other Trading Platform:				
BSE	188,117		360,529	
NSE	370,307		172,584	
Interest on delayed payment of statutory dues		11,106		6,628
Security Expenses		1,084,716		944,053
Legal & Professional Fees		5,164,497		2,851,804
Auditor's Remuneration:				
Audit Fee	1,400,000		1,875,000	
Tax Audit Fee	200,000		200,000	
In other capacity	325,000		325,000	
Reimbursement of Expenses	86,823	2,011,823	101,648	2,501,648
Investors' Service Expenses		67,094		63,186
Directors Sitting Fee		1,115,000		1,062,500
CSR Expenditure		1,000,000		2,000,000
Provision for Doubtful Debts and Advances		6,093,662		5,168,515
Bad Debts	-		4,430,570	
Less : Adjusted against Provision for Doubtful Debts	-	-	4,430,570	-
Contribution to Settlement Guarantee Fund on CSE-NSE Turnover		192,218		141,434
Contribution to Settlement Guarantee Fund on CSE-BSE Turnover		9,654		23,678
Miscellaneous Expenses		1,188,466		1,326,600
		40,226,096		36,785,677

* Including Rs.1,08,22,389 (31st March 2018 : Rs.1,02,34,712) for computer maintenance and service charges.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 20 : Depreciation and Amortization Expense

Particulars	2018-19	2017-18
	Rupees	Rupees
Depreciation of Property, Plant and Equipment	2,812,285	3,111,408
Amortization of Intangible Assets	128,672	211,486
Depreciation on Investment Property	504,159	504,159
	3,445,116	3,827,053

NOTE – 21 : Earning Per Share (EPS)

Particulars	2018-19	2017-18
	Rupees	Rupees
Net Profit after Tax as per Statement of Profit and Loss	50,372,990	153,764,887
Less/Add : Adjustment with General Reserve of Pre-demutualisation period	-	(113,493,800)
Less : Transferred to Investors' Service Fund	(10,187,637)	(7,622,031)
Less : Transferred to Settlement Guarantee Fund	(21,823,454)	(23,032,706)
Profit attributable to equity shareholders	18,361,899	9,616,350
Weighted average number of equity shares	611,250	611,250
Earnings per share - Basic & Diluted (Rs.)	30.04	15.73
Nominal Value of share (Re.)	1	1



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

22. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards specified under section 133 of the Act, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized company. In particular, Accounting Standard-17, "Segment Reporting" and disclosure requirements of Para-119 to 123 of Accounting Standard 15(Revised), "Employee Benefits", in respect of accounting for defined benefit plans, are not applicable to the Company.
23. The Securities and Exchange Board of India (SEBI) vide its order dated 29.08.2005, had approved the Demutualisation Scheme ("the Scheme") for conversion of The Calcutta Stock Exchange Association Ltd to The Calcutta Stock Exchange Limited and it was notified in the official Gazette on the same date. Pursuant to the aforesaid Scheme, a trading member may or may not be a shareholder of the Company and vice versa, it was directed to the Company that it shall not use its assets and reserves as on the date of publication of the scheme or the proceeds from disposal of such assets or the proceeds from disposal of successive assets acquired from the proceeds of disposal of such assets for any purpose other than discharging the current liabilities outstanding as on the date of publication of the Scheme or for the business operations of the Company. Accordingly, the reserves and surplus, liabilities, property, plant and equipment and investments have been segregated between pre-demutualisation and post-demutualisation period and have been disclosed accordingly in the financial statements.
24. **Contingent Liabilities not provided for:**
Claims against the Company not acknowledged as debts.
- Taxation matters:**
- a) In respect of Assessment Years 1991-92 and 1992-93, total demands aggregating Rs.3,66,74,684 raised by the Assessing Officer due to development fees received from members was considered revenue receipt instead of capital receipt. The aforesaid demand had been vacated by the Income Tax Appellate Tribunal vide its Order dated 28.02.2006. However, the Income Tax Department filed an application before the Hon'ble High Court at Calcutta for condonation of delay in filing an appeal against the order of the Income Tax Appellate Tribunal which is pending disposal.
- b) In respect of Assessment Year 2001-02, the Assessing Officer raised a demand for Rs.2,69,21,819 on the Company. The Income Tax Appellate Tribunal had given an Order allowing contribution to Settlement Guarantee Fund as application of income and referred back the other matters to Assessing Officer. The Assessing Officer, while giving effect of the Order of the Income Tax Appellate Tribunal dated 16.06.2006 reversed the demand and confirmed that Rs.3,57,70,449 including interest of Rs.88,48,630 is refundable vide Order dated 29.08.2006. However, the Income Tax Department filed an application for condonation of delay for filing an appeal before the Hon'ble High Court at Calcutta against the above Order of the Income Tax Appellate Tribunal. The Company has received the refund for the aforesaid amount along with applicable interest in June 2017 from the office of the Deputy Commissioner of Income Tax, after deducting Rs.12,87,668 being outstanding demand for various years which is pending resolutions.
- c) In respect of Assessment Year 2009-10, the Assessing Officer has raised a demand of Rs.5,49,719 under section 14A of the Income Tax Act, 1961 and have also imposed a penalty of Rs.4,99,745. The Company filed an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid demand by the Income Tax Authorities, however the same was dismissed on July 19, 2016 due to technical ground. The Company has further filed an application to the Assessing Officer on June 21, 2017 to reconsider the case.
- Other matters:**
- d) The Company has received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Company. The Company has filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.
- e) Stock Holding Corporation of India Limited (SHCIL) was registered on the online trading system of the Calcutta Stock Exchange (CSE) as a "Custodian" for settling the Institutional

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

Trades. In 2001, SHCIL introduced a scheme "Sell n Cash" (payment on sale of securities) Scheme for the benefit of investors. The "Sell n Cash" scheme allowed a seller to receive payment on the day of sale through SHCIL's registered broker after delivering the shares to SHCIL. On 2nd March 2001 Harish Chandra Biyani, a CSE Broker, sold certain shares of DSQ Industries Ltd., amounting to Rs.24,45,48,000/- through Biyani Securities Pvt. Ltd. (another broker of CSE). On finding that the transaction between Harish Chandra Biyani and Biyani Securities Pvt. Ltd., was a malafide and fund accommodation in nature and was at an artificial price created through circular trading, CSE expunged/annulled the trade and informed the same. SHCIL, being aggrieved by the decision of the CSE for expunge of those transactions for which the consideration was already paid to Harish Chandra Biyani, filed the instant Civil Suit in Hon'ble High Court of Calcutta against CSE and Harish Chandra

Biyani. The principal sum of such claim is Rs.24,45,48,000 and interest of Rs.16,14,01,680/-, which is pending disposal by Hon'ble High Court of Calcutta.

- f) The office premises taken by the Company on rental together with furniture fixtures etc., from Turner Morrison Limited was vacated by the Company on 31.01.2013. There is a disputed amount of property taxes related to the rental property amounting to Rs.2,74,17,987. During an earlier year, the Division Bench of High Court of Calcutta directed the company to pay a sum of Rs.1,00,00,000 to Turner Morrison Limited on account of property tax in respect of 5100 sq. ft. and to reinvest the amount of Rs.1,74,17,987 by way of fixed deposit to be kept with Messrs Victor Moses & Co. till further order or disposal of the case. The fixed deposits are separately disclosed as part of the Cash and bank balance in the Note 14.

- g) Other miscellaneous claims not acknowledged as debts-

(Amount in Ruppes)

Particulars	As at March 31, 2019	As at March 31, 2018
Corporation Tax demand from Kolkata Municipal Corporation	2,02,93,860	1,78,10,523
Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata	5,00,00,000	5,00,00,000
Others	2,03,656	1,89,292

25. Settlement Guarantee Fund (SGF):

- (a) In 1998, the Company had set up Settlement Guarantee Fund (SGF) to guarantee the settlement of bonafide transactions of members of the Company, so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the Company. The Fund and its rules and bye-laws were set up by the Company and duly approved by the Securities and Exchange Board of India (SEBI). Every member contributes a fixed sum at the time of commencement of business and the Company contributes thereafter a percentage of the gross turnover as prescribed in the bye-laws of the SGF. The income earned during the year on the investments of SGF is credited to the Statement of Profit and Loss and then transferred to the Settlement Guarantee Fund (net of applicable taxes) by way of appropriation. The non-interest bearing amount to the extent which is refundable to the members are disclosed under "Current Liabilities" and non-refundable amount is disclosed as "Reserve and Surplus" of the Settlement Guarantee Fund. Accordingly, the assets pertaining to the SGF has also been disclosed in the respective note as indicated in Note 25 (d) below.
- (b) Additional contribution of Rs.19,93,55,380/- made by the Company to the Settlement Guarantee Fund during 2000-01 was charged off to the Profit and Loss Account in the said year in accordance with the decision of the erstwhile Board of Directors taken at its meeting dated 03.10.2001. In the same meeting it was also decided to adjust the additional contribution against the future contribution payable to Settlement Guarantee Fund. Accordingly, a sum of Rs.1,30,34,622/-which would have accrued since 2001-02 to 2013-14 towards annual contribution payable by the Company to its Settlement Guarantee Fund has not been recognized in these financial statements for year commencing after March 31, 2001.



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

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

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

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

SI No	Particulars	As at March 31, 2019	As at March 31, 2018
	Under Reserves & Surplus (Settlement Guarantee Fund):		
I	Settlement Guarantee Fund of the Exchange	33,75,68,928	31,10,60,665
II	Members' Ad-hoc contribution to SGF	2,40,27,700	2,40,27,700
III	Dividend on Members' Security Deposit	1,45,20,483	1,45,20,483
	Total	37,61,17,111	34,96,08,848
	Under Other Current Liabilities (Settlement Guarantee Fund):		
IV	Members BMC/SGF in Cash	10,83,64,209	10,88,49,670
V	Interest Adjustable with BMC/ABMC	99,26,715	99,26,715
VI	Members' deposit towards BSE/NSE-SGF	20,42,781	22,02,781
	Total	12,03,33,705	12,09,79,166
	Grand Total	49,64,50,816	47,05,88,014

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

(Amount in Rupees)

SI No	Particulars	As at March 31, 2019	As at March 31, 2018
I	Investments in Fixed Deposits	42,65,00,000	40,57,18,463
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Investments in Mutual Fund Units	40,00,000	-
IV	Balances in Current Account	20,03,551	7,31,781
V	Interest accrued on Fixed Deposits	52,31,620	35,97,557
VI	Deposit with BSE Ltd	5,81,25,000	5,81,25,000
VII	Deposit with Indian Clearing Corporation Ltd	18,75,000	18,75,000
VIII	BMC Receivable from Members (Net of Liability)	23,54,998	24,04,682
IX	Receivable from/ (Payable to) the Exchange	(86,39,353)	(68,64,469)
	Total	49,64,50,816	47,05,88,014

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

26. Transfer of Profit:

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

As directed by SEBI, the Company had suspended trading operations w.e.f. April 3, 2013. Till then the Company had settled all trading transactions through its own clearing/settlement mechanism. Consequently, the aforesaid order of SEBI is not applicable to the Company after April 3, 2013.

27. Investors' Services Fund (ISF):

As required by the bye-laws of the Company, a separate fund called the Investors' Services Fund ("the Fund") was established in a prior year by setting aside twenty percent of the annual listing fee collections as prescribed by SEBI. The Fund is being used for the purposes of providing different kind of services to the investing public as stated in bye-laws and to create awareness among the investors. All expenses incurred in providing such services are borne by the Investors' Service Fund.

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

(Amount in Rupees)		
Particulars	2018-19	2017-18
Settlement Guarantee Fund Expenses:		
- Telephone Charges	25,000	25,000
- Computer Maintenance and Service Charges	3,600	3,600
- Audit Expenses	2,50,000	2,50,000
- Miscellaneous Expenses	1,37,250	50,700
- Legal & Professional Fees	9,40,419	3,91,560
	13,56,269	7,20,860
Investors' Service Expenses	67,094	63,186

29. Vide its report dated July 5, 2018 on the special purpose inspection of the Calcutta Stock Exchange Limited carried out in the previous year, the SEBI had directed the Company to reverse expenditures towards staff cost, rent, electric charges, corporation tax and website expenses aggregating Rs.1,08,48,053 (net of tax of Rs.52,57,324) allocated to the Company's Settlement Guarantee Fund w.e.f April 1, 2011. Though the aforesaid costs were eligible for allocation against the said Settlement Guarantee Fund under the Bye-Laws of the Settlement Guarantee Fund of the Exchange, as a matter of prudence, the Company had reversed such allocations to the Settlement Guarantee Fund recognised in earlier years. As per SEBI direction, based on aforesaid inspection, certain exclusive listed companies are to be transferred to the Dissemination Board of NSE, accordingly, during the year, a sum of Rs. 11,35,006, being listing fees (net of contributions and taxes) collected from these Companies, has been transferred to Stock Exchange Investors' Protection Fund.

30. i) Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.94,96,16,925 (Rs.94,96,16,925) due from Members on account of settlements in prior years comprising Rs.94,22,58,636 (Rs.94,22,58,636) towards Hand Delivery Settlement, Rs.26,36,540 (Rs.26,36,540) for Cash Settlement and Rs.47,21,749 (Rs.47,21,749) on account of Demat Settlement as on 31.03.2019. Out of the above, the Company has filed recovery suits amounting to Rs.93,10,53,245 (Rs.93,10,53,245) from 15 defaulting members. As the matter is sub-Judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.

ii) Sundry Deposits as at 31.03.2019, in Note-5, under the head "Long Term Liabilities" includes Rs.95,56,10,242 (Rs.96,92,94,037) being contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years which is refundable on receipt of settlement amount from defaulting members. The above balance of Rs.95,56,10,242 was partially contributed by part of corpus in members' base minimum capital amounting to Rs.23,90,80,520 as well as ad-hoc contribution from certain members amounting to Rs.28,06,89,708. Such contribution by members are refundable only out of the money recovered by the Company from the defaulters and such refund shall be subject to resolution of specific issues, which are sub-Judice in certain cases.



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

During the year an amount of Rs.1,36,83,795, being realization of settlement dues, net of legal expenses, has been distributed on pro-rata basis to the aforesaid contributories, including Settlement Guarantee Fund, excluding Rs.50,29,869 payable to ad-hoc contributories, which has been kept on hold as per decision taken by the Board.

- iii) The Company had further received ad-hoc non-refundable contributions aggregating Rs. 3,10,92,390 to the Settlement Guarantee Fund from certain members in earlier years. Out of the above, 71 lacs has been transferred to Longtime Liabilities for appropriate presentation of Financial Statements. Remaining Rs. 2,39,92,390 had not been utilized for any purpose until date, the amount so contributed is lying in reserves and surplus of Settlement Guarantee Fund.

31. Fixed Deposits and shares are being received by the Company from the members as security deposit. Since the rights on aforesaid shares and fixed deposits remained with the members and the same is kept with the Company only as security deposits, the value of such shares of Rs. 31,13,52,625 (Rs. 29,59,31,246) and fixed deposits of Rs.18,29,12,924 (Rs.18,24,95,168) as at 31.03.2019, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

32. **Employee Benefits:**

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years or more of services is entitled to gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with the Life Insurance Corporation of India.

The following tables summarize the components of net benefit/expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

- i) The principle actuarial assumptions are as follows:

- i) The principle actuarial assumptions are as follows:

Particulars	2018-19	2017-18
Discount rate	7.43%	7.64%
Salary escalation rate (Inflation rate)	6.50%	6.50%
Withdrawal rates	1.00% - 3.00%	1.00% - 3.00%

- ii) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The enhance provision made on actuarial valuation prepared on the basis of Payment of Gratuity (Amended) Act, 2018, which came in force w.e.f. 29th March 2018.

- iii) Amount incurred as expenses for defined contribution plans: (Amount in Rupees)

Particulars	2018-19	2017-18
Contribution to Provident/Pension Fund	55,77,701	49,13,146
Contribution to Superannuation Fund	26,28,494	22,61,799
Contribution to National Pension Scheme	5,43,737	5,36,782

33. **Related party disclosures:**

Name of related parties and related party relationship

Related parties where control exists

Subsidiaries (wholly owned)

CSE Capital Markets Private Limited

Lyons Range Securities Clearing Corporation Limited

Trust set-up by the Company

Stock Exchange Investors' Protection Fund

Key Management Personnel

Mr. Subrato Das (MD & CEO)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

Following are the transactions with related parties and the year-end balances:

Trust set-up by the Company

(Amount in Rupees)

Name	Particulars	2018-19	2017-18
Stock Exchange Investors' Protection Fund	Contribution to Stock Exchange Investors' Protection Fund	94,82,252	26,70,581
	Expenses recoverable / incurred on behalf related party	11,96,395	14,05,556
	Amount paid	66,35,006	15,46,749
	Amount (payable) / receivable outstanding	(11,61,867)	4,88,984

Subsidiaries (wholly owned)

(Amount in Rupees)

Name	Particulars	2018-19	2017-18
CSE Capital Markets Private Limited	Expenses incurred on behalf of Subsidiary	49,42,502	26,23,337
	Received from Subsidiary	16,98,158	-
	Income earned on behalf of Subsidiary	8,453	169
	Interest on fixed deposits received from bank on behalf of subsidiary	-	88,875
	Expenses payable to subsidiary	4,54,162	7,83,236
	Amount receivable outstanding	44,79,887	16,98,158

(Amount in Rupees)

Name	Particulars	2018-19	2017-18
Lyons Range Securities Clearing Corporation Limited	Expenses incurred on behalf of Subsidiary	4,98,155	1,60,675
	Amount receivable outstanding	6,58,830	1,60,675

Key Management Personnel :

(Amount in Rupees)

Name	Particulars	2018-19	2017-18
Mr. Subrato Das (MD & CEO)	Remuneration and other allowances (for part of the year)	40,81,596	60,93,692

34. The Company has paid taxes as per provisions of section 115JB of the Income Tax Act, 1961 in the previous year. However, the Company had not recognized Minimum Alternative Tax (MAT) Credit entitlement of Rs.1,47,34,220 (after adjusting MAT credit utilized during the current year Rs.59,33,414) in the absence of convincing evidence to claim the above tax credit in future years.
35. Reclassification of Property, Plant and Equipment to Investment Property:
The Company in an earlier year had decided to sub lease its lease hold land situated at E.M. Bye-pass and has also received approval from SEBI in this regard. Accordingly, since the above lease hold land is not intended to be occupied substantially for use by, or in the operations of, the Company, this had been reclassified from "Property, Plant and Equipment" disclosed under Note 8A to "Non-Current Investment" as investment property disclosed under Note 9 of these financial statements in an earlier year, in terms of AS-13: Accounting for Investments.
36. In an earlier year, the Company had received intimation from Securities Exchange Board of India (SEBI) regarding initiation of the process of the Compulsory exit of the Company from operating as a stock exchange. Accordingly, the Company had suspended its own stock market including clearing operations with effect from April 3, 2013 and has currently made arrangements with NSE and BSE to enable its members to trade on those exchanges and thereby earn turnover charges from members who are engaged in such trading.



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

The Company had filed a petition with the Hon'ble High court at Calcutta against the aforesaid decision. In accordance to the directions issued by the Hon'ble High Court at Calcutta, meetings were held between the Company and the SEBI to work out the various matters of concern. However, such meetings did not yield any result and on May 18, 2015, the Company received another intimation from SEBI informing that the process of compulsory exit has been initiated and a valuation agency would be appointed by SEBI for verification and valuation of assets and liabilities of the Stock Exchange.

Pursuant to SEBI's decision to proceed with the process of compulsory exit, the Company had filed a supplementary petition with the Hon'ble High Court at Calcutta seeking relief from such exit. The Company's supplementary petition was dismissed by the Hon'ble High Court at Calcutta, vide order dated April 12, 2016. Being aggrieved by the aforesaid order, the Company filed appeal before a Division Bench of the Hon'ble High Court at Calcutta (the Division Bench) seeking a stay against the exit process initiated by SEBI and other reliefs. The Division Bench vide order dated March 29, 2017 has stayed the exit process initiated by SEBI till the appeals are heard.

Subsequently, vide order dated June 26, 2019, the Division Bench had directed the Company to put up a credible and acceptable proposal for the consideration of the SEBI so that the Company can continue and function as a stock exchange. In accordance with such direction, the Company had organized meetings with concerned SEBI officials and then subsequent to the yearend submitted a proposal to SEBI for its approval to operate as a Stock Exchange for small and medium enterprises (SMEs). Based on aforesaid discussions with SEBI, management is hopeful of a favourable consideration to the proposal submitted.

Management believes that the Company's appeal pending before the Division Bench has merits which is supported by a legal opinion obtained, and therefore considers it probable that the decision will be in favour of the Company. . In view of the aforesaid matters, management has considered it appropriate to prepare these financial statements on a going concern basis.

Management has also filed a proposal with the Metropolitan Clearing Corporation of India Limited (the Clearing House) for providing clearing services in respect of trade on the Company's own platform. Such proposal is pending consideration by the Board of Directors of Clearing House. Simultaneously, management is also evaluating various options to augment its resources through disposal of non-core assets so as to be able to meet the minimum network criteria set out in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2012 issued by SEBI to operate its own clearing house which does not fulfil the minimum requirement as pointed out by SEBI in its letter dated 23rd August, 2019. Meanwhile, the Company's network as at March 31, 2019 exceeds the minimum network prescribed by SEBI for carrying out stock market operations other than clearing house operations for which there are separate minimum network requirements.

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

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Prof. Ashok Banerjee
Director

Gyan Dutt Gautama
Director

Prosenjit Dutta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of The Calcutta Stock Exchange Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to Note 30 (i) regarding recoverability of Rs. 94,96,16,925 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Holding Company's profit for the year and year end loans and advances as carried forward in these financial statements is not ascertainable. Our opinion was also qualified in earlier years in respect of this matter.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance

with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter – Litigation

We draw attention to Note 36 to the consolidated financial statements which fully describes the uncertainties relating to the outcome of the Holding Company's appeal pending before the Division Bench of the Hon'ble High Court at Calcutta, proposal submitted with the Securities Exchange Board of India (SEBI) for its approval to operate as a stock exchange for small and medium enterprises and various measures initiated by the Holding Company to comply with the directions issued by the SEBI to enable it to operate as a stock exchange. Our opinion is not modified in respect of the above matters.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The respective



Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collu-

sion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the financial statements and other financial information, in respect of 2 (two) subsidiaries, whose financial statements include total assets of Rs. 10,24,22,000 as at March 31, 2019, and revenues of Rs. 86,53,426 and net cash outflows of Rs. 51,17,062 for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and

auditor's reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our above opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph, to the extent applicable, we report that:
 - (a) We/other auditors whose reports we have relied upon have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement and dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) The matter described in the Basis for Qualified Opinion paragraph and Emphasis of Matter - Litigation paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of

the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 1 " to this report;
- (i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group— Refer Note 24, 30(i) and 36 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2019.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

UDIN: 19055596AAAABH2295

Place of Signature: Kolkata

Date: September 10, 2019



**Annexure 1 to the Independent Auditor's report of even date on the consolidated financial statements of The Calcutta Stock Exchange Limited
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of The Calcutta Stock Exchange Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of The Calcutta Stock Exchange Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements in case of its subsidiary companies, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2019:

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

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

In our opinion, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company and its subsidiary companies,

which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India .

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated September 11, 2019 expressed a qualified opinion.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: September 10, 2019



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Notes	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees
I. EQUITIES AND LIABILITIES			
1. SHAREHOLDERS' FUND			
Share Capital	3	618,750	618,750
Reserves and Surplus	4	1,835,146,163	1,788,547,025
2. NON CURRENT LIABILITIES			
Long Term Liabilities	5	962,710,242	976,394,037
3. CURRENT LIABILITIES			
Trade Payables	6	29,464,163	11,941,646
Other Current Liabilities	6	352,148,556	361,062,182
Short Term Provisions	7	4,404,454	6,317,201
		3,184,492,328	3,144,880,841
II. ASSETS			
1. NON CURRENT ASSETS			
Property, Plant and Equipment	8A	283,405,387	285,107,121
Intangible Assets	8B	825,154	353,624
Non Current Investments	9	102,231,458	102,735,617
Deferred Tax Assets (net)	10	5,131,924	2,181,509
Loans and Advances	11	1,120,222,655	1,123,027,909
Other Assets	15	450,083,015	642,964,693
2. CURRENT ASSETS			
Current Investments	12	155,040,340	195,387,893
Trade Receivables	13	22,927,608	21,094,712
Cash and Bank Balances	14	1,018,386,380	747,891,248
Loans and Advances	11	7,983,085	8,747,879
Other Assets	15	18,255,322	15,388,636
		3,184,492,328	3,144,880,841
Summary of significant accounting policies	2		

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

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Prof. Ashok Banerjee
Director

Gyan Dutt Gautama
Director

Prosenjit Dutta
Chief Financial Officer

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	Notes	2018-19 Rupees	2017-18 Rupees
Income :			
Revenue from Operations	16	72,073,104	51,811,363
Other Income	17	143,366,459	270,746,769
Total revenue (I)		215,439,563	322,558,132
Expenses :			
Employee Benefits Expense	18	89,591,800	71,030,857
Other Expenses	19	41,962,512	38,539,717
Depreciation and Amortization Expense	20	3,481,460	3,901,436
Contribution to SEBI		4,713,742	3,030,257
Contribution to Stock Exchange Investors' Protection Fund		9,446,752	2,632,081
Total expenses (II)		149,196,266	119,134,348
Profit before tax (I-II)		66,243,297	203,423,784
Tax Expenses :			
Current tax			
Pertaining to profit for the current year [Refer Note no - 34]		20,663,363	42,605,895
Adjustment of tax relating to earlier years		22,239	2,315,218
Adjustment of MAT Credit relating to earlier years		(5,933,414)	-
Deferred tax		(2,950,415)	(634,315)
Total tax expense		11,801,773	44,286,798
Profit after tax for the year		54,441,524	159,136,986
Earnings per equity share			
Basic and diluted (Rs.)	21	36.70	24.52
Nominal value of share (Re.)		1	1
Summary of significant accounting policies	2		

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

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee

Director

Prof. Ashok Banerjee

Director

Gyan Dutt Gautama

Director

Prosenjit Dutta

Chief Financial Officer



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019

	Particulars	2018-19	2017-18
		Rupees	Rupees
A.	Cash Flow from Operating Activities		
	Profit before tax	66,243,297	203,423,784
	Adjustment to reconcile profit before tax to net cash flows :-		
	Depreciation and Amortization expense	3,481,460	3,901,436
	(Profit) on sale/discard of property, plant and equipment	-	(34,764)
	Provision for Doubtful Debts and Advances	6,093,662	5,168,515
	Sundry balance written off	2,997	64,471
	Liabilities/Provisions no longer required, written back	(358,465)	(8,299)
	Settlement Guarantee Fund Contribution	201,872	165,112
	Interest on Fixed Deposits	(106,335,291)	(110,802,706)
	Interest on Bonds	(872,480)	(872,480)
	Interest on Income Tax Refunds	-	(18,526,513)
	Dividend Income from Investments	(1,914,964)	(6,031,383)
	Profit on sale of Investments	(17,572,746)	(129,549,942)
	Operating profit before working capital changes	(51,030,658)	(53,102,769)
	Movements in working capital:		
	(Decrease) in Long Term Liabilities	(13,683,795)	-
Increase in Short Term Provisions	1,674,725	2,729,729	
Increase / (Decrease) in Trade Payables	17,522,517	(2,503,739)	
(Decrease) in Other Current Liabilities	(8,636,615)	(5,439,446)	
(Increase) in Trade Receivables	(7,926,558)	(11,436,388)	
Decrease / (Increase) in Long Term Loans & Advances	8,789,067	(1,085,758)	
Decrease in Short Term Loans & Advances	750,854	258,787	
(Increase) in Other Current Assets	(490,588)	(367,730)	
Cash used in operations	(53,031,051)	(70,947,314)	
(Payment) / Refund of direct taxes (net)	(19,829,593)	4,535,267	
Net Cash used in Operating Activities	(72,860,644)	(66,412,047)	
B.	Cash Flow from Investing Activities		
	Proceeds from sale of property, plant and equipment	-	106,000
	Purchase of property, plant and equipment	(1,747,097)	(904,155)
	Purchase of Non Current Investments	-	(20,000,000)
	Proceeds from Purchase and Sale of Current Investments (net)	57,920,299	(46,344,227)
	Dividend income from Investments	1,914,964	6,031,383
	Investment in Fixed Deposits	(744,281,161)	(628,449,624)
	Encashment of Fixed Deposits	672,199,624	634,710,254
	Interest on Fixed Deposits	101,833,138	107,125,211
	Interest on Income Tax Refund	-	18,526,513
Interest on Bonds	872,480	872,480	
Net cash flow from investing activities	88,712,247	71,673,835	
C.	Cash Flow from Financing Activities		
	Dividend Paid on equity shares	(10,309,796)	(11,277,340)
	Tax on equity dividend paid	(2,135,945)	(2,488,766)
	Net Cash used in Financing Activities	(12,445,741)	(13,766,106)
	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	3,405,862	(8,504,318)
Cash and Cash Equivalents as at the beginning of the year	55,291,624	63,795,942	
Cash and Cash equivalents as at the end of the year	58,697,486	55,291,624	

Contd. in next page

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2019 (Contd.)

Particulars	2018-19	2017-18
	Rupees	Rupees
Components of Cash & Cash Equivalents *		
Cash on hand	44,569	35,780
Cheques / Drafts on hand	-	1,515,963
Balance with Scheduled Banks on Current Account:-		
Own Fund	47,404,077	39,860,894
Investors' Service Fund	1,762,970	5,746,341
Settlement Guarantee Fund	2,003,551	731,781
Unpaid Dividend Account	7,482,319	7,400,865
	58,697,486	55,291,624

* Includes the balance of Rs.74,82,319 (31st March 2018: Rs.74,00,865) which the Company can utilize only towards settlement of the respective unpaid dividend.

Summary of significant accounting policies (Refer Note 2)

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Prof. Ashok Banerjee
Director

Gyan Dutt Gautama
Director

Prosenjit Dutta
Chief Financial Officer



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 1: Principles of Consolidation

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

Name of the Subsidiaries	Country of Incorporation	Proportion of Ownership / interest	
		As at March 31, 2019	As at March 31, 2018
CSE Capital Markets Private Limited	India	100%	100%
Lyons Range Securities Clearing Corporation Ltd	India	100%	-

- (ii) The financial statements of the Company and its subsidiaries have been consolidated in terms of Accounting Standard- 21, “Consolidated Financial Statements” on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profit/loss included therein.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the Company’s separate financial statements.
- (iv) The excess/shortfall of cost to the Company of its investments in the subsidiary companies is recognized in the financial statements as goodwill/ capital reserve as the case may be.
- (v) Minority interest in the net asset of subsidiaries consists of:
- The amount of Equity attributable to minority at the date on which investment in a subsidiary is made.
 - Minority’s share of movements in equity since the date parent subsidiary relationship came into existence.

NOTE – 1.1: Basis of preparation of Accounts

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention and on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

NOTE – 2: Summary of Significant Accounting Policies

i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liability in future periods.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue in respect of services rendered is recognized when the service is rendered and there is certainty of realization.

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

Interest

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

Dividend

Dividend income is recognized when the Group’s right to receive payment is established by the reporting date.

iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

iv) Depreciation on property, plant and equipment

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Software costs related to computers are amortized on straight line basis over a period of three years from the date the asset become available for use.

vi) Impairment of fixed assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset.

vii) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Investment Property:

An investment in land, which is not intended to be occupied substantially for use by, or in the operations of, the Group, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

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

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

viii) Taxes

Tax expense comprises current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and



tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forwarded tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement"

asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

ix) Retirement and other Employee Benefits

a) Retirement benefit in the form of provident fund and superannuation fund are defined contribution scheme. The Group has no obligation, other than the contribution payable to such funds. The Group recognizes contribution payable to these funds as an expenditure, when an employee renders the related service. If the contribution payable to the funds for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the funds are recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) The Group operates two defined benefit plans for its employees, viz., Gratuity and leave liability. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

an unconditional right to defer its settlement for 12 months after the reporting date.

- c) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

x) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

xi) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are deter-

mined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect to current best estimates.

xii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize the contingent liability but discloses its existence in the financial statements.

xiii) Cash and cash equivalents

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

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 3 : Share Capital

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
a) AUTHORISED SHARES : 10,00,00,000 (31st March 2018 : 10,00,00,000) equity shares of Re.1 each	100,000,000	100,000,000
b) ISSUED SHARES : 6,18,750 (31st March 2018 : 6,18,750) equity shares of Re.1 each	618,750	618,750
c) SUBSCRIBED & PAID UP SHARES : 6,11,250 (31st March 2018 : 6,11,250) equity shares of Re.1 each fully paid up	611,250	611,250
Add : Forfeited Shares: 7,500 (31st March 2018 : 7,500) equity shares paid up of Re.1 each	7,500	7,500
	618,750	618,750

A. Terms / rights attached to equity shares :

The Company has only one class of equity shares having par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
I. Own Fund		
Capital reserve - Pre-demutualisation period	618,860	618,860
Securities premium account		
Pre-demutualisation period	3,014,597	3,014,597
Post-demutualisation period	631,778,051	631,778,051
Total securities premium account	634,792,648	634,792,648
Reserve for establishment of centre for training and statistical information and setting up a library		
Pre-demutualisation period	38,841,547	38,841,547
Development fee fund - Pre-demutualisation period	134,050,000	134,050,000
General reserve		
Pre-demutualisation period		
Balance as per last financial statements	463,557,857	350,064,057
Addition during the year	-	115,809,018
Deductions/adjustments during the year	-	(2,315,218)
Closing balance	463,557,857	463,557,857
Post-demutualisation period		
Balance as per last financial statements	56,015,205	56,015,205
Addition during the year	1,000,000	-
Deduction during the year	(5,600,000)	-
Closing balance	51,415,205	56,015,205
Total general reserve	514,973,062	519,573,062
Surplus in the statement of profit and loss -		
Post-demutualisation period	30,146,517	40,719,887
Profit for the year	54,441,524	159,136,986
Appropriations:-		
Less : Transferred to general reserve	(1,000,000)	-
Less : Income of Investor's Service Fund transferred	(10,254,731)	(7,685,217)
Less : Income of Settlement Guarantee Fund transferred	(23,179,723)	(23,753,566)
Less : Prior period expenses of Settlement Guarantee Fund (net of tax) transferred [Refer Note - 29]	-	(10,848,053)
Less : Profit on sale of long term investments (net) of pre-demutualisation period transferred to general reserve	-	(101,236,359)
Less : Interest on refund of income tax (net of tax) of Pre-Demutualisation period transferred to General Reserve	-	(14,572,659)
Less : Final equity dividend	(10,391,250)	(12,225,000)
Less : Tax on final equity dividend	(2,135,945)	(2,488,766)
Add : Transferred from General Reserve of Post-Demutualisation Period	5,600,000	-
Add : Expenses of Settlement Guarantee Fund transferred	1,356,269	720,860
Add : Expenses of Investor's Service Fund transferred	67,094	63,186
Add : Current tax expenses relating to pre-demutualisation period adjusted with general reserve	-	2,315,218
Total appropriations	(39,938,286)	(169,710,356)
Net Surplus in the Statement of Profit and Loss	44,649,755	30,146,517
Total of Own Fund	1,367,925,872	1,358,022,634
II. Investors' Service Fund - Post-demutualisation period		
Balance as per last financial statements	80,915,543	73,293,512
Addition during the year	10,254,731	7,685,217
Deductions/adjustments during the year	(67,094)	(63,186)
Total of Investors' Service Fund	91,103,180	80,915,543

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 4 : Reserve and Surplus (Contd.)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
III. Settlement Guarantee Fund - Post-demutualisation period		
Settlement Guarantee Fund for CSE-NSE Cash Segment		
Balance as per last financial statements	10,198,927	10,142,503
Addition during the year	44,332	56,424
Closing balance	10,243,259	10,198,927
Settlement Guarantee Fund for CSE-NSE Future and Option Segment		
Balance as per last financial statements	10,289,509	10,204,499
Addition during the year	147,886	85,010
Closing balance	10,437,395	10,289,509
Settlement Guarantee Fund for CSE-BSE Cash Segment		
Balance as per last financial statements	10,227,517	10,203,839
Addition during the year	9,654	23,678
Closing balance	10,237,171	10,227,517
Settlement Guarantee Fund for CSE-BSE Future and Option Segment		
Balance as per last financial statements	10,007,568	10,007,568
Addition during the year	-	-
Closing balance	10,007,568	10,007,568
Settlement Guarantee Fund Initial Membership Fees		
Balance as per last financial statements	260,000	260,000
Addition during the year	-	-
Closing balance	260,000	260,000
Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the exchange)		
Balance as per last financial statements	308,625,327	281,844,568
Addition during the year	23,179,723	23,753,566
Prior period expenses of Settlement Guarantee Fund (net of tax) transferred from Profit and Loss Account [Refer Note - 29]	-	10,848,053
Proportionate distribution for SGF out of recovery from defaulters	4,482,937	-
Reclassified to Sundry Deposits under Long Term Liabilities	-	(7,100,000)
Deductions/adjustments during the year	(1,356,269)	(720,860)
Closing balance	334,931,718	308,625,327
Total of Settlement Guarantee Fund	376,117,111	349,608,848
Total of I+II+III	1,835,146,163	1,788,547,025



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Pre-Demutalisation Period	Post Demutalisation Period	Total	Pre-Demutalisation Period	Post Demutalisation Period	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Sundry Deposits [Refer Note no. 30 (ii)]	962,710,242	-	962,710,242	976,394,037	-	976,394,037
	962,710,242	-	962,710,242	976,394,037	-	976,394,037

NOTE – 6 : Trade Payables and Other Current Liabilities

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Pre-Demutalisation Period	Post Demutalisation Period	Total	Pre-Demutalisation Period	Post Demutalisation Period	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade Payables Total outstanding dues of creditors other than micro enterprises and small enterprises	-	29,464,163	29,464,163	-	11,941,646	11,941,646
	-	29,464,163	29,464,163	-	11,941,646	11,941,646
Other Liabilities : Sundry Deposits Members' Security Deposits [Refer Note no.31]	15,695,851	51,781,948	67,477,799	15,899,367	43,878,636	59,778,003
- Own Fund	-	93,218,581	93,218,581	-	94,413,454	94,413,454
- Settlement Guarantee Fund	-	120,333,705	120,333,705	-	120,979,166	120,979,166
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	56,005,602	56,005,602	-	75,865,986	75,865,986
Payable to related party [Refer Note no.33] Stock Exchange Investors' Protection Fund	-	1,154,367	1,154,367	-	-	-
Statutory Dues	-	6,476,183	6,476,183	-	2,624,708	2,624,708
Unclaimed Dividend	-	7,482,319	7,482,319	-	7,400,865	7,400,865
	15,695,851	336,452,705	352,148,556	15,899,367	345,162,815	361,062,182
	15,695,851	365,916,868	381,612,719	15,899,367	357,104,461	373,003,828

Note: Based on the information/documents available, no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006 and hence no disclosure thereof is required to be made.

NOTE – 7 : Short Term Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
Provision for Employee Benefits:		
Leave	553,702	-
Provision for Gratuity [Refer Note no. 32]	3,850,752	2,729,729
Other Provisions:		
Income Tax [net of advance tax of Rs. NIL (31st March 2018 : Rs. 38,318,423)]	-	3,587,472
	4,404,454	6,317,201

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

		(Amount in Rs.)									
Cost or Valuation	Freehold Land	Building	Electrical Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total			
ASSETS OF PRE-DEMUTUALISATION PERIOD :											
At 1st April 2017	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	-	-	
Disposals/Adjustment	-	-	-	-	-	-	-	-	-	-	
At 31st March 2018	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	-	-	
At 31st March 2019	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	-	-	
Depreciation											
At 1st April 2017	-	1,579,806	12,084,827	6,520,865	8,034,296	-	161,560,022	189,779,816	-	-	
Charge For the Year	-	25,344	918	-	-	-	-	26,262	-	-	
Disposals/Adjustment	-	-	-	-	-	-	-	-	-	-	
At 31st March 2018	-	1,605,150	12,085,745	6,520,865	8,034,296	-	161,560,022	189,806,078	-	-	
Charge For the Year	-	24,232	-	-	-	-	-	24,232	-	-	
At 31st March 2019	-	1,629,382	12,085,745	6,520,865	8,034,296	-	161,560,022	189,830,310	-	-	
Net Block											
At 31st March 2018	415,300	552,249	615,151	292,605	354,489	-	719,233	2,949,027	-	-	
At 31st March 2019	415,300	528,017	615,151	292,605	354,489	-	719,233	2,924,795	-	-	
ASSETS OF POST-DEMUTUALISATION PERIOD :											
At 1st April 2017	269,000,023	11,728,629	6,947,230	5,529,782	3,015,588	1,849,080	19,790,206	317,860,538	-	-	
Additions	-	-	-	-	2,150	495,000	407,005	904,155	-	-	
Disposals/Adjustment	-	-	-	-	-	(520,000)	-	(520,000)	-	-	
At 31st March 2018	269,000,023	11,728,629	6,947,230	5,529,782	3,017,738	1,824,080	20,197,211	318,244,693	-	-	
Additions	-	-	1,484	67,400	8,200	-	1,060,013	1,137,097	-	-	
Disposals/Adjustment	-	-	-	-	-	-	-	-	-	-	
At 31st March 2019	269,000,023	11,728,629	6,948,714	5,597,182	3,025,938	1,824,080	21,257,224	319,381,790	-	-	
Depreciation											
At 1st April 2017	-	3,760,205	4,198,648	4,217,729	2,790,321	738,376	17,701,039	33,406,318	-	-	
Charge For the Year	-	776,275	730,797	358,664	50,111	381,829	831,369	3,129,045	-	-	
Adjusted with General Reserves	-	-	-	-	-	(448,764)	-	(448,764)	-	-	
At 31st March 2018	-	4,536,480	4,929,445	4,576,393	2,840,432	671,441	18,532,408	36,086,599	-	-	
Charge For the Year	-	700,649	537,732	265,901	18,342	362,802	929,173	2,814,599	-	-	
Disposals/Adjustment	-	-	-	-	-	-	-	-	-	-	
At 31st March 2019	-	5,237,129	5,467,177	4,842,294	2,858,774	1,034,243	19,461,581	38,901,198	-	-	
Net Block											
At 31st March 2018	269,000,023	7,192,149	2,017,785	953,389	177,306	1,152,639	1,664,803	282,158,094	-	-	
At 31st March 2019	269,000,023	6,491,500	1,481,537	754,888	167,164	789,837	1,795,643	280,480,592	-	-	
Total Net Block											
At 31st March 2018	269,415,323	7,744,398	2,632,936	1,245,994	531,795	1,152,639	2,384,036	285,107,121	-	-	
At 31st March 2019	269,415,323	7,019,517	2,096,688	1,047,493	521,653	789,837	2,514,876	283,405,387	-	-	



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 8B : Intangible Assets

Amount in Rs.

Particulars	Computer Softwares	Total
ASSETS OF PRE-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2017	30,036,144	30,036,144
At 31st March 2018	30,036,144	30,036,144
At 31st March 2019	30,036,144	30,036,144
Amortization		
At 1st April 2017	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2018	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2019	30,036,108	30,036,108
Net Block		
At 31st March 2018	36	36
At 31st March 2019	36	36
ASSETS OF POST-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2017	5,235,643	5,235,643
At 31st March 2018	5,235,643	5,235,643
Additions	610,000	610,000
At 31st March 2019	5,845,643	5,845,643
Amortization		
At 1st April 2017	4,640,085	4,640,085
Charge For the Year	241,970	241,970
At 31st March 2018	4,882,055	4,882,055
Charge For the Year	138,470	138,470
At 31st March 2019	5,020,525	5,020,525
Net Block		
At 31st March 2018	353,588	353,588
At 31st March 2019	825,118	825,118
Total Net Block		
At 31st March 2018	353,624	353,624
At 31st March 2019	825,154	825,154

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 9 : Non Current Investments (At Cost)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
INVESTMENT PROPERTY (Refer Note No. 35)		
Pre-Demutualisation Period		
Cost of leasehold land	49,667,291	49,667,291
Less : Accumulated depreciation	(9,082,508)	(8,578,349)
Net Block	40,584,783	41,088,942
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD		
Non-trade (valued at cost unless stated otherwise)		
Debentures- Quoted		
117 (31st March 2018 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *	1	1
	1	1
INVESTMENTS OF POST-DEMUTUALISATION PERIOD		
Non-Trade (valued at cost unless stated otherwise)		
Equity shares- Quoted		
400 (31st March 2018: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
Bonds- Quoted		
5,696 (31st March 2018: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd. (N4 Series)	5,696,000	5,696,000
4,944 (31st March 2018: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	4,944,000	4,944,000
Investments in fixed maturity mutual funds- Unquoted		
1,00,000 (31st March 2018: 1,00,000) units of Rs.10 each fully paid up of HDFC Charity Fund for Cancer Cure - Debt plan - Direct Option - 50% Dividend Donation	1,000,000	1,000,000
10,00,000 (31st March 2018:10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OY (1218 days)- Direct Growth	10,000,000	10,000,000
10,00,000 (31st March 2018: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series OT(1117 days)- Growth	10,000,000	10,000,000
Financial Institution		
Own Fund		
Fixed Deposit with PNB Housing Finance Ltd	10,000,000	10,000,000
Fixed Deposit with LIC Housing Finance Ltd	15,000,000	15,000,000
Settlement Guarantee Fund		
Fixed Deposit with PNB Housing Finance Ltd	5,000,000	5,000,000
	61,646,674	61,646,674
	102,231,458	102,735,617

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

Aggregate cost of Investments:

Quoted	10,646,675	10,646,675
Unquoted	51,000,000	51,000,000
Value of investment property	40,584,783	41,088,942
Market value of quoted investments	11,783,851	11,928,001
Net asset value of mutual fund units	21,530,880	1,002,650



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
Deferred Tax Liability		
Impact of expenditure allowed for tax purposes on payment basis in the current year	693,502	1,551,842
Gross Deferred Tax Liability	693,502	1,551,842
Deferred Tax Asset		
Provision for doubtful debts and advances	4,117,412	2,415,441
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	636,734	565,788
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,071,280	752,122
Gross Deferred Tax Asset	5,825,426	3,733,351
Net Deferred Tax Asset	5,131,924	2,181,509

NOTE – 11 : Loans and Advances

Particulars	Non-Current		Current	
	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees
Unsecured, considered good unless stated otherwise:				
Security Deposits				
Considered good	42,442,679	42,432,679	-	-
Considered doubtful	506,000	506,000	-	-
	42,948,679	42,938,679	-	-
Less : Provision for doubtful deposits	(506,000)	(506,000)	-	-
	42,442,679	42,432,679	-	-
Deposit with BSE Ltd - Settlement Guarantee Fund	58,125,000	58,125,000	-	-
Deposit with Indian Clearing Corporation Ltd	1,010,000	1,010,000	-	-
Deposit with Indian Clearing Corporation Ltd - Settlement Guarantee Fund	1,875,000	1,875,000	-	-
	103,452,679	103,442,679	-	-
Advances recoverable in cash or in kind				
Settlement Guarantee Fund	2,354,998	2,404,682	-	-
	2,354,998	2,404,682	-	-
Receivable from other parties				
Considered good	8,490,848	8,515,400	1,354,219	2,860,899
Considered doubtful	1,182,825	1,242,825	-	-
	9,673,673	9,758,225	1,354,219	2,860,899
Less : Provision for doubtful advances	(1,182,825)	(1,242,825)	-	-
	8,490,848	8,515,400	1,354,219	2,860,899
Receivable from defaulting members [Refer Note No. 30(i)]	949,616,925	949,616,925	-	-
Receivable from related party: [Refer Note No. 33]				
Stock Exchange Investors' Protection Fund	-	-	-	496,484
	958,107,773	958,132,325	1,354,219	3,357,383
Other Loans and Advances:				
Advance Income Tax and Tax Deducted at Source [Net of provision Rs.11,69,51,279 (31st March 2018 : Rs.7,43,91,433)]	50,587,215	49,083,342	767,749	13,940
Prepaid expenses	-	-	3,395,101	3,559,598
Leave encashment fund assets (net)	-	3,994,155	-	-
Loan to employees - Interest bearing	5,719,990	5,970,726	2,466,016	1,747,871
Balances with statutory/government authorities	-	-	-	69,087
	56,307,205	59,048,223	6,628,866	5,390,496
	1,120,222,655	1,123,027,909	7,983,085	8,747,879

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 12 : Current Investments

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
INVESTMENTS OF POST-DEMUTUALISATION PERIOD (Valued at lower of cost and fair value)		
Non- Trade		
Investments in mutual funds- Unquoted		
Nil (31st March 2018 : 8,310) units of Rs.1,000 each fully paid up of HDFC Money Market-Direct Plan - Growth Option	-	28,700,000
2,20,971 (31st March 2018:Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Liquid Fund- Growth - Direct Plan (formely known as Aditya Birla Sun Life Cash Plus)	66,200,000	-
Nil (31st March 2018: 21,353) units of Rs.100 each fully paid up of Aditya Birla Sun Life Low Duration Fund - Growth - Direct Plan (formely known as Aditya Birla Sun Life Cash Manager)	-	9,000,000
Nil (31st March 2018: 34,545) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formely known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	-	8,000,000
Nil (31st March 2018: 1,80,349) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formely known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	-	41,059,764
76,368 (31st March 2018: 76,368) units of Rs.10 each fully paid up of Aditya Birla Sun Life Interval Income Fund - Qrtly Plan - Series 1 Growth- Direct Plan *	1,500,000	1,500,000
6,156 (31st March 2018: Nil) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth	13,200,000	-
Nil (31st March 2018: 2,99,45) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Daily Dividend- Reinvestment	-	30,000,000
1,016 (31st March 2018: 1,016) units of Rs.1000 each fully paid up of Baroda Treasury Advantage Fund - Plan B Growth *	2,052,781	2,052,781
1,887(31st March 2018:Nil)units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth **	4,000,000	-
Nil (31st March 2018: 1,95,652) units of Rs.10 each fully paid up of Aditya Birla Sun Life Banking & PSU Debt Fund Growth - Direct Plan	-	10,000,000
2,872 (31st March 2018: Nil) units of Rs.1000 each fully paid up of Franklin India Liquid Fund - Super Institutional Plan -Direct (erstwhile Franklin India Treasury Management Account - Super Institutional Plan - Direct)- Growth	8,000,000	-
Nil (31st March 2018: 6541) units of Rs.1000 each fully paid up of Reliance Liquid Fund-Direct Plan Daily Dividend Option Dividend Reinvestment	-	10,000,000
7,366 (31st March 2018:7367) units of Rs.1000 each fully paid up of Reliance Liquid Fund-Direct Plan Growth Plan- Growth Option	33,500,000	30,550,345
9,688 (31st March 2018 : 9,749) units of Rs.1,000 each fully paid up of Axis Liquid Fund- Direct Growth	20,000,000	18,250,000
6,557 (31st March 2018: 6,066) units of Rs.1,001 each fully paid up of Invesco India Liquid Fund - Direct Plan Daily Dividend	6,562,886	6,251,554
24 (31st March 2018: Nil) units of Rs.1,028 each fully paid up of Reliance Low Duration Fund - Daily Dividend Plan Dividend Reinvestment	24,673	-
Nil (31st March 2018: 22) units of Rs.1,008 each fully paid up of Reliance Money Manager Fund - Daily Dividend Plan Dividend Reinvestment	-	23,449
	155,040,340	195,387,893

* Investment out of Investors' Service Fund

Aggregate cost of Investments:

Unquoted	155,040,340	195,387,893
Net asset value of mutual fund units	156,102,916	199,669,002



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2019		As at 31st March, 2018	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	3,219,499		1,368,126	
Unsecured				
- Considered good	18,828,864		18,188,085	
- Considered doubtful	13,111,364		7,017,702	
	35,159,727		26,573,913	
Less: Provision for Doubtful Debts	(13,111,364)	22,048,363	(7,017,702)	19,556,211
Other Receivables:				
Secured, Considered good	6,132		-	
Unsecured, Considered good	873,113	879,245	1,538,501	1,538,501
		22,927,608		21,094,712

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees
a. CASH AND CASH EQUIVALENTS				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	47,404,077	39,860,894
Investors' Service Fund	-	-	1,762,970	5,746,341
Settlement Guarantee Fund	-	-	2,003,551	731,781
Unpaid Dividend Account	-	-	7,482,319	7,400,865
Cheques / Drafts on hand	-	-	-	1,515,963
Cash on hand	-	-	44,569	35,780
	-	-	58,697,486	55,291,624
b. OTHER BANK BALANCES				
Deposits with remaining maturity of not less than 12 months :				
Pre-Demutualisation Period				
Own Funds *	28,789,168	35,576,479	-	-
Post-Demutualisation Period				
Own Funds	257,010,832	358,881,254	-	-
Earmarked Funds:				
Settlement Guarantee Fund	141,600,000	175,400,000	-	-
Investors' Service Fund	19,100,000	71,650,000	-	-
Deposits with remaining maturity for less than 12 months :				
Own Funds	-	-	606,238,894	462,281,161
Earmarked Funds:				
Settlement Guarantee Fund	-	-	284,900,000	230,318,463
Investors' Service Fund	-	-	68,550,000	-
	446,500,000	641,507,733	959,688,894	692,599,624
Amount disclosed under Non-current assets (Refer Note 15)	(446,500,000)	(641,507,733)	-	-
	-	-	1,018,386,380	747,891,248
* Appropriated out of total year end deposits to the extent of year end liabilities pertaining to pre-demutualisation period.				
Details of fixed deposits lien marked (included above)				
Deposits with remaining maturity of not less than 12 months pledged with : *				
Indian Clearing Corporation Limited (ICCL)	30,000,000	65,900,000		
NSE Clearing Limited (NCL)	7,500,000	193,000,000		
HDFC Bank Ltd	43,400,000	-		
Deposits with remaining maturity for less than 12 months pledged with : *				
Indian Clearing Corporation Limited (ICCL)			87,000,000	98,918,463
NSE Clearing Limited (NCL)			226,800,000	75,300,000
HDFC Bank Ltd			66,000,000	109,400,000
	80,900,000	258,900,000	379,800,000	283,618,463
* The aforesaid fixed deposits are under lien with indicated entities for utilization of their Trading Platform by the members of the Company.				
Deposits with remaining maturity of not less than 12 months :				
Lodged with Victor Moses & Co [Refer Note no.24(g)]	3,500,000	-		
Deposits with remaining maturity for less than 12 months :				
Lodged with Victor Moses & Co [Refer Note no.24(g)]			13,981,161	17,481,161
	3,500,000	-	13,981,161	17,481,161



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer Note no. 14)	446,500,000	641,507,733	-	-
Other receivables				
Secured, Considered good				
Others	-	-	110,375	110,375
Rent & Electricity	-	-	1,016,738	1,395,595
Unsecured, Considered good				
Rent & Electricity	-	-	1,380,133	510,688
Interest accrued on fixed deposits:				
Own Funds	2,918,158	1,456,960	10,209,231	9,214,017
Settlement Guarantee Fund	583,842	-	4,647,778	3,597,557
Investors' Service Fund	81,015	-	476,328	145,665
Interest accrued on investments in bonds:				
Own Funds	-	-	414,739	414,739
	450,083,015	642,964,693	18,255,322	15,388,636

NOTE – 16 : Revenue from Operations

Particulars	2018-19	2017-18
	Rupees	Rupees
SALE OF SERVICES :		
Turnover charges on other trading platform :		
- BSE	496,864	1,098,217
- NSE	4,035,636	3,637,088
Listing fees	36,559,500	27,590,324
Subscriptions	1,580,500	1,518,000
Processing charges	8,510,499	11,270,423
Income from depository participant operation	2,152,156	2,669,884
Commission on PAN services	40,221	41,352
Other operating revenue :		
Bad debts recovered		
- Listing	8,577,916	712,250
- Subscription and others	145,859	-
Recovery of penal charges from clients	7,022,633	1,595,741
Income from NISM Operation	2,950,505	1,627,454
Technology charges from new members	-	50,000
Miscellaneous operating income	815	630
	72,073,104	51,811,363

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE – 17 : Other Income

Particulars	2018-19	2017-18
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	6,225,952	5,448,383
Interest on fixed deposits of Settlement Guarantee Fund	31,591,035	30,002,800
	37,816,987	35,451,183
Interest income on own fund:		
Fixed deposits	68,518,304	75,351,523
Tax Free PSU bonds	872,480	872,480
Security deposit with CESC Ltd	137,669	135,306
Security deposit with National Stock Exchange of India Ltd	19,373	73,809
Income Tax refunds	-	18,526,513
Interest on delayed payment of listing fees	11,606,803	1,844,256
Others	831,114	878,652
	81,985,743	97,682,539
Profit on sale of Current investments	17,572,746	846,130
Profit on sale of Long term investments	-	128,703,812
	17,572,746	129,549,942
Dividend income from investments:		
Current investments of Investors' Service Fund	-	152,781
Long term investments	-	3,000,000
Current investments of own fund	1,914,964	2,878,602
	1,914,964	6,031,383
Other non-operating Income:		
Rent	1,048,821	1,074,941
Miscellaneous receipts	2,668,733	913,718
Profit on sale of property, plant and equipment	-	34,764
Liabilities/Provisions no longer required, written back	358,465	8,299
	4,076,019	2,031,722
	143,366,459	270,746,769

NOTE – 18 : Employee Benefits Expense

Particulars	2018-19	2017-18
	Rupees	Rupees
Salaries, bonus etc.	71,583,906	55,479,297
Contribution to provident and other funds [Refer Note no. 32 (iii)]	8,749,932	7,711,727
Gratuity Expense [Refer Note no. 32]	6,458,633	4,769,307
Staff welfare Expense	2,799,329	3,070,526
	89,591,800	71,030,857



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE – 19 : Other Expenses

Particulars	2018-19		2017-18	
	Rupees	Rupees	Rupees	Rupees
Advertisement		1,043,487		20,750
Electricity charges	6,936,017		7,312,732	
Less : recovered from tenants	(1,533,712)	5,402,305	(1,595,045)	5,717,687
Rates & Taxes		730,832		336,436
Insurance		155,762		262,684
Printing & Stationary		497,287		366,904
Telephone charges		807,468		1,187,785
Travelling & Conveyance		355,403		399,264
Motor car expenses		164,060		266,272
Repairs & Maintenance:				
Building	195,721		218,414	
Others *	12,601,794	12,797,515	11,613,633	11,832,047
Expenses for Other Trading Platform:				
BSE		188,117		360,529
NSE		370,307		172,584
Interest on delayed payment of statutory dues		59,999		99,694
Security Expenses		1,084,716		944,053
Expenses for Depository Services		768,432		526,501
Legal & Professional Fees		5,850,122		3,749,403
Auditor's Remuneration				
As Audit Fees	1,400,000		1,875,000	
Tax Audit	200,000		200,000	
In other capacity	325,000		325,000	
Reimbursement of Expenses	86,823	2,011,823	101,648	2,501,648
Investors' Service Expenses		67,094		63,186
Directors Sitting Fee		1,115,000		1,062,500
CSR Expenditure		1,000,000		2,000,000
Provision for Doubtful Debts and Advances		6,093,662		5,168,515
Bad Debts	-		4,430,570	
Less : Adjusted against Provision for Doubtful Debts	-	-	4,430,570	-
Contribution to Settlement Guarantee Fund on CSE-NSE Turnover		192,218		141,434
Contribution to Settlement Guarantee Fund on CSE-BSE Turnover		9,654		23,678
Miscellaneous Expenses		1,197,249		1,336,163
		41,962,512		38,539,717

* Including Rs.1,10,33,239 (31st March 2018 : Rs.1,03,85,501) for computer maintenance and service charges.

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NOTE – 20 : Depreciation and Amortization Expense

Particulars	2018-19	2017-18
	Rupees	Rupees
Depreciation of property, plant and equipment	2,838,831	3,155,307
Amortization of Intangible Assets	138,470	241,970
Depreciation on Investment Property	504,159	504,159
	3,481,460	3,901,436

NOTE – 21 : Earning Per Share (EPS)

Particulars	2018-19	2017-18
	Rupees	Rupees
Net Profit after Tax as per Statement of Profit and Loss	54,441,524	159,136,986
Less/Add : Adjustment with General Reserve of Pre-demutualisation period	-	(113,493,800)
Less : Transferred to Investors' Service Fund	(10,187,637)	(7,622,031)
Less : Transferred to Settlement Guarantee Fund	(21,823,454)	(23,032,706)
Profit attributable to equity shareholders	22,430,433	14,988,449
Weighted average number of equity shares	611,250	611,250
Earnings per share - Basic & Diluted (Rs.)	36.70	24.52
Nominal Value of share (Re.)	1	1



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

22. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standards specified under section 133 of the Act, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Group has complied with the Accounting Standards as applicable to a small and medium sized company. In particular, Accounting Standard-17, "Segment Reporting" and disclosure requirements of Para-119 to 123 of Accounting Standard 15 (Revised), "Employee Benefits", in respect of accounting for defined benefit plans, are not applicable to the Group.
23. The Securities and Exchange Board of India (SEBI) vide its order dated 29.08.2005, had approved the Demutualisation Scheme ("the Scheme") for conversion of The Calcutta Stock Exchange Association Ltd to The Calcutta Stock Exchange Limited and it was notified in the official Gazette on the same date. Pursuant to the aforesaid Scheme, a trading member may or may not be a shareholder of the Company and vice versa, it was directed to the Company that it shall not use its assets and reserves as on the date of publication of the scheme or the proceeds from disposal of such assets or the proceeds from disposal of successive assets acquired from the proceeds of disposal of such assets for any purpose other than discharging the current liabilities outstanding as on the date of publication of the Scheme or for the business operations of the Company. Accordingly, the reserves and surplus, liabilities, property, plant and equipment and investments have been segregated between pre-demutualisation and post-demutualisation period and have been disclosed accordingly in the financial statements.
24. **Contingent Liabilities not provided for:**
Claims against the Group not acknowledged as debts.
Taxation matters:
- a) In respect of Assessment Years 1991-92 and 1992-93, total demands aggregating Rs.3,66,74,684 raised by the Assessing Officer on the Holding Company due to development fees received from members was considered revenue receipt instead of capital receipt. The aforesaid demand had been vacated by the Income Tax Appellate Tribunal vide its Order dated 28.02.2006. However, the Income Tax Department filed an application before the Hon'ble High Court at Calcutta for condonation of delay in filing an appeal against the order of the Income Tax Appellate Tribunal which is pending disposal.
- b) In respect of Assessment Year 2001-02, the Assessing Officer raised a demand for Rs.2,69,21,819 on the Holding Company. The Income Tax Appellate Tribunal had given an Order allowing contribution to Settlement Guarantee Fund as application of income and referred back the other matters to Assessing Officer. The Assessing Officer, while giving effect of the Order of the Income Tax Appellate Tribunal dated 16.06.2006 reversed the demand and confirmed that Rs.3,57,70,449 including interest of Rs.88,48,630 is refundable vide Order dated 29.08.2006. However, the Income Tax Department filed an application for condonation of delay for filing an appeal before the Hon'ble High Court at Calcutta against the above Order of the Income Tax Appellate Tribunal. The Holding Company has received the refund for the aforesaid amount along with applicable interest in June, 2017 from the office of the Deputy Commissioner of Income Tax after deducting Rs.12,87,668 being outstanding demand for various years which is pending resolutions.
- c) In respect of Assessment Year 2009-10, the Assessing Officer has raised a demand of Rs.5,49,719 under section 14A of the Income Tax Act, 1961 and have also imposed a penalty of Rs.4,99,745. The Holding Company filed an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid demand by the Income Tax Authorities, however the same was dismissed on July 19, 2016 due to technical ground. The holding Company has further filed an application to the Assessing Officer on June 21, 2017 to reconsider the case.
- d) The Income Tax authority has raised a demand to the subsidiary, namely CSE Capital Markets Private Ltd, u/s. 143(1) for Rs.55,920, by adding the exempt dividend income for Assessment year 2018-19. The subsidiary filed an appeal u/s.154 for rectification of the same.
- Other matters:**
- e) The Holding Company has received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Holding Company. The Holding Company has

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.

- f) Stock Holding Corporation of India Limited (SHCIL) was registered on the online trading system of the Calcutta Stock Exchange (CSE) as a "Custodian" for settling the Institutional Trades. In 2001, SHCIL introduced a scheme "Sell n Cash" (payment on sale of securities) Scheme for the benefit of investors. The "Sell n Cash" scheme allowed a seller to receive payment on the day of sale through SHCIL's registered broker after delivering the shares to SHCIL. On 2nd March 2001 Harish Chandra Biyani, a CSE Broker, sold certain shares of DSQ Industries Ltd., amounting to Rs.24,45,48,000/- through Biyani Securities Pvt. Ltd. (another broker of CSE). On finding that the transaction between Harish Chandra Biyani and Biyani Securities Pvt. Ltd., was a malafide and fund accommodation in nature and was at an artificial price created through circular trading, CSE expunged/annulled the trade and informed the same.

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

- g) The office premises taken by the Holding Company on rental together with furniture fixtures etc., from Turner Morrison Limited was vacated by the Holding Company on 31.01.2013. There is a disputed amount of property taxes related to the rental property amounting to Rs.2,74,17,987. During an earlier year, the Division Bench of High Court of Calcutta directed the Holding Company to pay a sum of Rs.1,00,00,000 to Turner Morrison Limited on account of property tax in respect of 5100 sq. ft. and to reinvest the amount of Rs.1,74,17,987 by way of fixed deposit to be kept with Messrs Victor Moses & Co. till further order or disposal of the case. The fixed deposits are separately disclosed as part of the Cash and bank balance in the Note 14.

h) Other miscellaneous claims not acknowledged as debts by Holding Company

(Amount in Ruppes)

Particulars	As at March 31, 2019	As at March 31, 2018
Corporation Tax demand from Kolkata Municipal Corporation	2,02,93,860	1,43,67,400
Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata	5,00,00,000	5,00,00,000
Others	2,03,656	1,89,292

25. Settlement Guarantee Fund (SGF):

- (a) In 1998, the Holding Company had set up Settlement Guarantee Fund (SGF) to guarantee the settlement of bonafide transactions of members of the Holding Company, so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the Holding Company. The Fund and its rules and bye-laws were set up by the Holding Company and duly approved by the Securities and Exchange Board of India (SEBI). Every member contributes a fixed sum at the time of commencement of business and the Holding Company contributes thereafter a percentage of the gross turnover as prescribed in the bye-laws of the SGF. The income earned during the year on the investments of SGF is credited to the Statement of Profit and Loss and then transferred to the Settlement Guarantee Fund (net of applicable taxes) by way of appropriation. The non-interest bearing amount to the extent which is refundable to the members are disclosed under "Current Liabilities" and non-refundable amount is disclosed as "Reserve and Surplus" of the Settlement Guarantee Fund. Accordingly, the assets pertaining to the SGF has also been disclosed in the respective note as indicated in Note 25 (d) below.
- (b) Additional contribution of Rs.19,93,55,380/- made by the Company to the Settlement Guarantee Fund during 2000-01 was charged off to the Profit and Loss Account in the said year in accordance with the decision of the



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

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

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

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

(Amount in Rupees)

Sl No	Particulars	As at March 31, 2019	As at March 31, 2018
	Under Reserves & Surplus (Settlement Guarantee Fund):		
I.	Settlement Guarantee Fund of the Exchange	33,75,68,928	31,10,60,665
II.	Members' Ad-hoc contribution to SGF	2,40,27,700	2,40,27,700
III.	Dividend on Members' Security Deposit	1,45,20,483	1,45,20,483
	Total	37,61,17,111	34,96,08,848
	Under Other Current Liabilities (Settlement Guarantee Fund):		
IV.	Members BMC/SGF in Cash	10,83,64,209	10,88,49,670
V.	Interest Adjustable with BMC/ABMC	99,26,715	99,26,715
VI.	Members' deposit towards BSE/NSE-SGF	20,42,781	22,02,781
	Total	12,03,33,705	12,09,79,166
	Grand Total	49,64,50,816	47,05,88,014

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

(Amount in Rupees)

Sl No	Particulars	As at March 31, 2019	As at March 31, 2018
I	Investments in Fixed Deposits	42,65,00,000	40,57,18,463
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Investments in Mutual Fund Units	40,00,000	-
IV	Balances in Current Account	20,03,551	7,31,781
V	Interest accrued on Fixed Deposits	52,31,620	35,97,557
VI	Deposit with BSE Ltd	5,81,25,000	5,81,25,000
VII	Deposit with Indian Clearing Corporation Ltd	18,75,000	18,75,000
VIII	BMC Receivable from Members (Net of Liability)	23,54,998	24,04,682
IX	Receivable from/ (Payable to) the Exchange	(86,39,353)	(68,64,469)
	Total	49,64,50,816	47,05,88,014

- (e) Dividend on Members' security Deposits as stated in (c)(III) above represents dividend received from 01.11.2007 to 30.06.2010 in respect of shares/securities lodged with the Company by members towards security deposit. In terms of the decision taken by the erstwhile administrator, appointed by the Securities and Exchange Board of India in a prior year such dividend was not required to be distributed to the members and hence was recognized as the Company's income in a prior year. However, the Board of Directors, in their meeting dated 20.11.2012, approved a scheme for distribution of dividend received during the period 01.07.2010 to 31.03.2013, subject to fulfilment of other criteria of the said scheme. Accordingly Rs.94,84,820 had been transferred from

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“Reserves & Surplus” to “Current Liabilities” in the year 2012-13 and the dividend received during the period 01.11.2007 till 30.06.2010 continues to be included in the “Settlement Guarantee Fund” under the head “Reserve & Surplus”. Further, the dividend received on Members’ Security Deposits from 01.04.2013 is also being carried in the books of accounts as current liabilities.

26. Transfer of Profit:

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

As directed by SEBI, the Company had suspended trading operations w.e.f. April 3, 2013. Till then the Company had settled all trading transactions through its own clearing/settlement mechanism. Consequently, the aforesaid order of SEBI is not applicable to the Company after April 3, 2013.

27. Investors’ Services Fund (ISF):

As required by the bye-laws of the Holding Company, a separate fund called the Investors’ Services Fund (“the Fund”) was established in a prior year by setting aside twenty percent of the annual listing fee collections as prescribed by SEBI. The Fund is being used for the purposes of providing different kind of services to the investing public as stated in bye-laws and to create awareness among the investors. All expenses incurred in providing such services are borne by the Investors’ Service Fund.

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

Particulars	2018-19	2017-18
Settlement Guarantee Fund Expenses:		
- Telephone Charges	25,000	25,000
- Computer Maintenance and Service Charges	3,600	3,600
- Audit Expenses	2,50,000	2,50,000
- Miscellaneous Expenses	1,37,250	50,700
- Legal & Professional Fees	9,40,419	3,91,560
	13,56,269	7,20,860
Investors’ Service Expenses	67,094	63,186

29. Vide its report dated July 5, 2018 on the special purpose inspection of The Calcutta Stock Exchange Limited carried out in the previous year, the SEBI had directed the Holding Company to reverse expenditures towards staff cost, rent, electric charges, corporation tax and website expenses aggregating Rs.1,08,48,053 (net of tax of Rs.52,57,324) allocated to the Company’s Settlement Guarantee Fund w.e.f April 1, 2011. Though the aforesaid costs are eligible for allocation against the said Settlement Guarantee Fund under the Bye-Laws of the Settlement Guarantee Fund of the Exchange, as a matter of prudence, the Holding Company had reversed such allocations to the Settlement Guarantee Fund recognised in earlier years. As per SEBI direction, based on aforesaid inspection, certain exclusive listed Companies are to be transferred to the Dissemination Board of NSE, accordingly, during the year, a sum of Rs. 11,35,006 being listing fees (net of contributions and taxes) collected from these companies, has been transferred to Stock Exchange Investors’ Protection Fund.

30. i) Receivables from defaulting members in Note 11 “Loans and Advances” includes Rs.94,96,16,925 (Rs.94,96,16,925) due from Members on account of settlements in prior years comprising Rs.94,22,58,636 (Rs.94,22,58,636) towards Hand Delivery Settlement, Rs.26,36,540 (Rs.26,36,540) for Cash Settlement and Rs.47,21,749 (Rs.47,21,749) on account of Demat Settlement as on 31.03.2019. Out of the above, the Company has filed recovery suits amounting to Rs.93,10,53,245 (Rs.93,10,53,245) from 15 defaulting members. As the matter is sub-judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.



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- ii) Sundry Deposits as at 31.03.2019, in Note-5, under the head “Long Term Liabilities” includes Rs.95,56,10,242 (Rs.96,92,94,037) being contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years which is refundable on receipt of settlement amount from defaulting members. The above balance of Rs.95,56,10,242 was partially contributed by part of corpus in members’ base minimum capital amounting to Rs.23,90,80,520 as well as ad-hoc contribution from certain members amounting to Rs.28,06,89,708. Such contribution by members are refundable only out of the money recovered by the Company from the defaulters and such refund shall be subject to resolution of specific issues, which are sub-judice in certain cases.

During the year an amount of Rs.1,36,83,795, being realization of settlement dues, net of legal expenses, has been distributed on pro-rata basis to the aforesaid contributories, including Settlement Guarantee Fund, excluding Rs.50,29,869 payable to ad-hoc contributories, which has been kept on hold as per decision taken by the Board.

- iii) The Holding Company had further received ad-hoc non-refundable contributions aggregating Rs. 3,10,92,390 to the Settlement Guarantee Fund from certain members in earlier years. Out of the above, 71 lacs has been transferred to Longtime Liabilities for appropriate presentation of Financial Statements. Remaining Rs. 2,39,92,390 had not been utilized for any purpose until date, the amount so contributed is lying in reserves and surplus of Settlement Guarantee Fund.

31. Fixed Deposits and shares are being received by the Holding Company from the members as security deposit. Since the rights on aforesaid shares and fixed deposits remained with the members and the same is kept with the Holding Company only as security deposits, the value of such shares of Rs. 31,13,52,625 (Rs.29,59,31,246) and fixed deposits of Rs.18,29,12,924 (Rs.18,24,95,168) as at 31.03.2019, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

32. Employee Benefits:

The Group has a defined benefit gratuity plan for its employees. Every employee who has completed five years or more of services is entitled to gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with the Life Insurance Corporation of India.

The following tables summarize the components of net benefit/expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the plan.

The principle actuarial assumptions are as follows:.

- i) The principle actuarial assumptions are as follows:

Particulars	2018-19	2017-18
Discount rate	7.43%	7.64%
Salary escalation rate (Inflation rate)	6.50%	6.50%
Withdrawal rates	1.00% - 3.00%	1.00% - 3.00%

- ii) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The enhance provision made on actuarial valuation prepared on the basis of Payment of Gratuity (Amended) Act, 2018, which came in force w.e.f. 29th March 2019.

- iii) Amount incurred as expenses for defined contribution plans:

(Amount in Rupees)

Particulars	2018-19	2017-18
Contribution to Provident/Pension Fund	55,77,701	49,13,146
Contribution to Superannuation Fund	26,28,494	22,61,799
Contribution to National Pension Scheme	5,43,737	5,36,782

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33. Related party disclosures:

Name of related parties and related party relationship

Trust set-up by the Holding Company Stock Exchange Investors' Protection Fund

Key Management Personnel Mr. Subrato Das (MD & CEO)

Following are the transactions with related parties and the year-end balances:

Trust set-up by the Holding Company

(Amount in Rupees)

Name	Particulars	2018-19	2017-18
Stock Exchange Investors' Protection Fund	Contribution to Stock Exchange Investors' Protection Fund	94,82,252	26,70,581
	Expenses recoverable / incurred on behalf related party	11,96,395	14,13,056
	Amount paid	66,35,006	15,46,749
	Amount (payable) / receivable outstanding	(11,54,367)	4,96,484

Key Management Personnel :

(Amount in Rupees)

Name	Particulars	2018-19	2017-18
Mr. Subrato Das (MD & CEO)	Remuneration and other allowances (Part of the Year)	40,81,596	60,93,692

34. The Holding Company has paid taxes as per provisions of section 115JB of the Income Tax Act, 1961 in the previous year. However, the Company had not recognized Minimum Alternative Tax (MAT) Credit entitlement of Rs.1,47,34,220 (after adjusting MAT credit utilized during the current year Rs.59,33,414) in the absence of convincing evidence to claim the above tax credit in future years.

35. **Reclassification of Property, Plant and Equipment to Investment Property:**

The Group, in an earlier year had decided to sub lease its lease hold land situated at E.M. Bye-pass and has also received approval from SEBI in this regard. Accordingly, since the above lease hold land is not intended to be occupied substantially for use by, or in the operations of, the Group, this had been reclassified from "Property, Plant and Equipment" disclosed under Note 8A to "Non-Current Investment" as investment property disclosed under Note 9 of these financial statements in an earlier year, in terms of AS-13: Accounting for Investments.

36. In an earlier year, the Holding Company had received intimation from Securities & Exchange Board of India (SEBI) regarding initiation of the process of the Compulsory exit of the Holding Company from operating as a stock exchange. Accordingly, the Holding Company had suspended its own stock market including clearing operations with effect from April 3, 2013 and has currently made arrangements with NSE and BSE to enable its members to trade on those exchanges and thereby earn turnover charges from members who are engaged in such trading.

The Holding Company had filed a petition with the Hon'ble High court at Calcutta against the aforesaid decision. In accordance to the directions issued by the Hon'ble High Court at Calcutta, meetings were held between the Holding Company and the SEBI to work out the various matters of concern. However, such meetings did not yield any result and on May 18, 2015, the Holding Company received another intimation from SEBI informing that the process of compulsory exit has been initiated and a valuation agency would be appointed by SEBI for verification and valuation of assets and liabilities of the Stock Exchange.

Pursuant to SEBI's decision to proceed with the process of compulsory exit, the Holding Company had filed a supplementary petition with the Hon'ble High Court at Calcutta seeking relief from such exit. The Holding Company's supplementary petition was dismissed by the Hon'ble High Court at Calcutta, vide order dated April 12, 2016. Being aggrieved by the aforesaid order, the Holding Company filed appeal before a Division Bench of the Hon'ble High Court at Calcutta (the Division Bench) seeking a stay against the exit process initiated by SEBI and other reliefs. The Division Bench vide order dated March 29, 2017 has stayed the exit process initiated by SEBI till the appeals are heard.

Subsequently, vide order dated June 26, 2019, the Division Bench had directed the Holding Company to put up a credible and acceptable proposal for the consideration of the SEBI so that the Holding Company can continue



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and function as a stock exchange. In accordance with such direction, the Holding Company had organized meetings with concerned SEBI officials and then subsequent to the yearend submitted a proposal to SEBI for its approval to operate as a Stock Exchange for small and medium enterprises (SMEs). Based on aforesaid discussions with SEBI, management is hopeful of a favourable consideration to the proposal submitted.

Management believes that the Holding Company's appeal pending before the Division Bench has merits which is supported by a legal opinion obtained, and therefore considers it probable that the decision will be in favour of the Holding Company. In view of the aforesaid matters, management has considered it appropriate to prepare these financial statements on a going concern basis.

Management has also filed a proposal with the Metropolitan Clearing Corporation of India Limited (the Clearing House) for providing clearing services in respect of trade on the Company's own platform. Such proposal is pending consideration by the Board of Directors of Clearing House. Simultaneously, management is also evaluating various options to augment its resources through disposal of non-core assets so as to be able to meet the minimum networth criteria set out in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2012 issued by SEBI to operate its own clearing house which does not fulfil the minimum requirement as pointed out by SEBI in its letter dated 23rd August, 2019. Meanwhile, the Holding Company's networth as at March 31, 2019 exceeds the minimum networth prescribed by SEBI for carrying out stock market operations other than clearing house operations for which there are separate minimum networth requirements.

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

Name of the entity	2018-2019		2018-2019		2017-2018		2017-2018	
	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss		Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	Amount in Rs.	As % of Consolidated Profit or loss	Amount in Rs.	As % of Consolidated net assets	Amount in Rs.	As % of Consolidated Profit or loss	Amount in Rs.
Parent								
The Calcutta Stock Exchange Limited	94.46%	1,73,41,51,950	92.53%	5,03,72,990	94.73%	1,69,49,08,731	96.62%	15,37,64,888
Indian Subsidiary								
CSE Capital Markets Private Limited	5.25%	9,64,22,911	8.03%	43,70,637	5.00%	8,94,23,719	3.48%	55,38,773
Lyons Range Securities Clearing Corporation Limited	0.29%	51,90,052	-0.56%	-3,02,103	0.27%	48,33,325	-0.10%	-1,66,675

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

As per our Report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No. 55596

Place: Kolkata

Date: 10th September, 2019

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee

Director

Gyan Dutt Gautama

Director

Prof. Ashok Banerjee

Director

Prosenjit Dutta

Chief Financial Officer

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The Calcutta Stock Exchange Ltd.

7, LYONS RANGE, KOLKATA-700 001
PH : 033 4025 3000, FAX : 033 4025 3030
EMAIL : cseadm@cse-india.com