

TRUST THE TRUSTED



The Calcutta Stock Exchange Ltd.

**95th Annual Report
2017-18**

Corporate Information

Chairman

Dr. Bhaskar Banerjee
Public Interest Director

Managing Director & CEO

Mr. Subrato Das

Public Interest Directors

Prof. Partha Ray
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

C. K. Prusty & Associates
Chartered Accountants

Solicitors

Victor Moses & Co.
Sinha & Co.

95th Annual General Meeting

Day	:	Friday
Date	:	September 28, 2018
Venue	:	Stock Exchange Building, 7, Lyons Range, Kolkata – 700 001
Time	:	4 pm
Book-Closure	:	September 22nd, 2018 to September 28, 2018 (both days inclusive)

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Board of Directors
The Calcutta Stock Exchange Limited



Dr. Bhaskar Banerjee
Chairman,
Public Interest Director



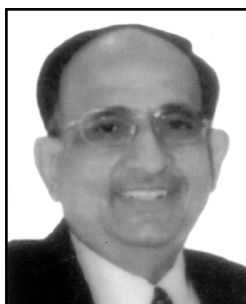
Prof. Partha Ray
Public Interest Director



Prof. Ashok Banerjee
Public Interest Director



G. D. Gautama
Public Interest Director



Ravi Poddar
Shareholder Director



Purushottam Saraf
Shareholder Director



Subrato Das
Managing Director & CEO

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of The Calcutta Stock Exchange Limited (the 'Exchange / Company / CSE') take great pleasure in presenting the 95th Annual Report for the Financial Year 2017-18 together with the Audited Financial Statements for the Year ended 31st March, 2018. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Audited Results:

1.1 Financial Highlights During the year under review:

The total income of the Exchange on a stand-alone basis was Rs. 3134.46 Lacs. The profit after tax for the financial year 2017-18 was Rs. 1537.65 lacs, which is higher than the last year's profit after tax of Rs. 288.73 lacs mainly due to a Long term capital gain from sale of stake in equity share of CDSL.

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total Income	3,134.46	1,655.07	3,225.58	1,735.29
Total Expenses	1,134.79	1,180.75	1,152.33	1,196.53
Profit before Depreciation	1,999.67	474.32	2,073.25	538.76
Depreciation	38.27	51.61	39.01	53.19
Profit before Tax	1,961.40	422.71	2,034.24	485.57
Provision for Tax	423.75	133.98	442.87	151.66
Profit after Tax	1,537.65	288.73	1,591.37	333.91
Less Transfer to :				
Income/(Expenses) (net) related to pre-demutualization period transferred to General Reserve	1,134.95	(0.26)	1,134.95	(0.26)
Investor Service Fund	76.22	72.84	76.22	72.84
Settlement Guarantee Fund	338.81	174.70	338.81	174.70
Prior period Tax Item	—	0.44	—	0.44
Profit brought forward from last year	232.69	201.68	407.20	331.01
Surplus before appropriation	220.37	242.69	448.60	417.20
Appropriated to:				
General Reserve	—	10.00	—	10.00
Dividend Payout (2016-17)	122.25	—	122.25	—
Tax on Dividend Payout (2016-17)	24.89	—	24.89	—
Surplus carried to Balance Sheet	73.24	232.69	301.47	407.20

1.2. Appropriations:

Dividend:

Your Directors have recommended Rs. 17/- per equity share on the face value of Re. 1/- for the Financial Year 2017-18, 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. 125.07 lakhs will be the outflow towards the payment of dividend including dividend distribution tax.

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. As a consequence, reduced Revenue collection of Listing Department during the Financial Year 2017-18 was Rs. 3.50 Crore as against Rs. 3.59 Crore in the Financial Year 2016-17. During the year 2017-18, CSE has approved Voluntary Delisting of 53 Companies under SEBI Voluntary Delisting Regulations. At the end of 31st March 2018, there are 2386 companies listed with the Exchange.

Due to restrictions imposed by SEBI in the wake of Exit Circular, SEBI is not entertaining registration of



fresh entities as Trading Members of the Company and hence, the Company couldn't increase the number of its SEBI registered trading members during the current financial year.

The appeals filed by Company before the Hon'ble High Court at Calcutta against the Single Bench Orders dated April 12, 2016 passed in the Writ Petitions filed by it against Securities and Exchange Board of India (SEBI) have been admitted by the Division Bench and the matters are pending adjudication. The Hon'ble Division Bench has been pleased to pass an interim order for status quo in favour of the Company till the appeals are heard.

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 2017-18 the total number of beneficiary accounts at CCML stood at 3185 for NSDL and 706 for CDSL as against 2,723 and 728 respectively in the previous financial year of 2016-17

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 continuing its efforts to reach out to large number of individuals for promoting investors awareness and spreading financial literacy conducted 32 number of Investor Awareness programmes 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. Centre for Studies in Social Sciences, Calcutta under the grant of CSE-IPF is engaged on Capital Market Research. They

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

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

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

6. Code of Conduct for Directors:

To emphasise the values and principles of the Exchange and to set the standards for professional and ethical behaviour, the Code of Conduct for Directors, as recommended by SEBI, has been adopted by the Exchange. These are applicable to all Directors. All the Directors of the Exchange have affirmed compliance to the Code for the financial year ending March 31, 2018. 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 2012 notified by SEBI on June 20, 2012, the Governing Board of every recognized stock exchange shall include:

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

The number of Public Interest Directors shall not be less than the number of shareholder directors in a Recognized Stock Exchange. 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 continued as Manager Director and Chief Executive Officer of the Exchange.

Public Interest Directors:

Dr. Bhaskar Banerjee and Prof. Partha Ray continue to act as Public Interest Directors of the Exchange. Prof. Ashok Banerjee, who is a senior professor at IIM Kolkata has joined as Public Interest Director on. Mr Bhasker Sen, who was Public Interest Director had resigned on 29th January, 2018 and Mr Vijay Mehta, who was appointed as Public Interest Director in October, 2017 had resigned on 5th February, 2018. The Company has received approval for one more Public Interest Director, Mr G D Gautama IAS (Retd). The Exchange is also awaiting for SEBI approval for renewal of terms of Dr Bhasker Banerjee for appointment as Public Interest Director and Chairman of the Company. 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. During the year 2017-18, Mr Sanjay Budhia and Mr Mohan Goenka, had resigned on 27th February, 2018 and 3rd March, 2018 respectively. Pursuant to Section 152 of the Companies Act, 2013, Mr. Purushottam Saraf [DIN: 06570445] retires by rotation and being eligible, have offered themselves for re-appointment.

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

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

In accordance with SEBI Circular dated December 13, 2012 on procedural norms on recognition, ownership and governance for Stock Exchanges and Clearing Corporations, new Committees were constituted by the Board of CSE. The details of

Committees formed, meeting details and attendance of Directors in the meetings of the various committees form part of Corporate Governance Report annexed to the Directors' Report. The Company is not required to appoint statutory committees enunciated under the provisions of Section 178 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

9. Meeting Details:

During the Financial Year 2017-18, five meetings of the Board were convened and held on 2nd May, 2017, 21st June, 2017, 30th August, 2017, 10th October, 2017, 16th February 2018,. Since Section 178 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, 2018.

11. Corporate Governance:

Pursuant to Regulation 35 of the Securities Contracts (Stock Exchanges & Clearing Corporations) Regulations, 2012 ("SECC Regulations, 2012"), 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, a report on Corporate Governance as on 31st March 2018 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- v. 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 a wholly-owned Subsidiary Company viz. CSE Capital Markets Private Limited (CCMPL). During the year under review, the Company along with its subsidiary CCMPL has invested Rs Fifty Lakhs for formation of its clearing Corporations. The ministry of Corporate affairs has approved its name as "Lyons Range Securities Clearing Corporations Ltd" and the company has been duly formed. It has no other Associate or Joint Venture Company. In accordance with Section 129 (3) of the Companies Act, 2013, the Exchange has prepared consolidated financial statements of the Company and its subsidiaries, which form part of the Annual Report. Further, the report on the performance and financial position of the subsidiaries 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 account for substantial energy consumptions. Accordingly, the Company is not required to furnish information under the head "Conservation of Energy" as per the requirement of aforesaid rules. However, CSE continuously strives to optimise its energy usage and efficiency and has adopted several environment friendly measures to conserve energy such as –

- i. Installation of an environment friendly 10.2 KWP 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 Rupees One Crore Two Lakhs or Rupees Eight Lakhs Fifty Thousands per month.

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

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 August, 2018 on the financial statements of the Exchange for the Financial Year ended March 31, 2018 has certain qualifications and the management has given its suitable reply.



20. Management/s Explanation to the qualifications made by the Statutory Auditors on the Annual Accounts of the Exchange for the year 2017-18:

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. Our opinion was also qualified in earlier years in respect of this matter.	As on 31.3.2018 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. This matter was also qualified in earlier years.	As on 31.3.2018 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:

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

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 unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Exchange has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. The Exchange uses back office software to record data for accounting, consolidation and management information purposes.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2018. 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. Prusti & Co., Chartered Accountants to oversee and carry out internal audit of the functions and activities of the Exchange. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit

committee follows up on corrective action. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in Section 177 of Companies Act 2013) the audit committee has concluded that, as of March 31, 2018, 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. A demand related to old issue on dearness allowance raised by unionized staff is being dealt appropriately. The Directors express their appreciation for the dedication, commitment and sincere services rendered by the employees at all levels throughout the year.

29. Corporate Social Responsibility:

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has incurred Rs 20 lakhs which includes unspent amount Rs. 9.81 lakhs for the financial year 2016-17 towards donation to Chief Minister Relief Fund. The CSR Policy of the company is placed on the website of the company.

30. Unpaid/Unclaimed Dividend:

As on 31st March, 2018, the Company is having a



sum of Rs. 74.01 lakhs (as against Previous Year Rs.64.53 lacs) as unpaid/unclaimed dividend lying in its Unpaid Dividend Account with Banks.

31. 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.

The Calcutta Stock Exchange Limited

- f) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status.
- g) Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

32. 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: 30th August, 2018

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, 2018	Year ended 31st March, 2018
	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	2,98,14,886	(1,66,675)
	Total Assets	9,08,39,115	5000000
	Total Liabilities	32,58,442	5000000
	Investments	87,75,004	-
	Turnover	91,12,121	-
	Profit before taxation	74,50,372	(1,66,675)
	Provision for taxation	19,11,599	-
	Profit after taxation	55,38,773	(1,66,675)
	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, 2018**

[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	29

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 01.04.2017				Number of Shares held at the end of the year 31.03.2018				% 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 01.04.2017				Number of Shares held at the end of the year 31.03.2018				% 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	0	0	0	0.0000	34875	0	34875	5.7055	5.7055
Sub-Total (B)(1)	0	20907	20907	3.4204	34875	20907	55782	9.1259	5.7055
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	263293	15364	278657	45.5881	250348	12364	262712	42.9795	-2.6086
(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	102683	43628	146311	23.9364	121753	22003	143756	23.5184	-0.4180
(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.	655	0	655	0.1072	905	0	905	0.1481	0.0409
(iv) Non-Resident Individuals - Non Rep.	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (B)(2)	366631	58992	425623	69.6316	373006	34367	407373	66.6459	-2.9857
Total Public Shareholding B)= (B)(1)+(B)(2)	366631	79899	446530	73.0519	407881	55274	463155	75.7718	2.7198
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	22864	21250	44114	7.2170	22114	18750	40864	6.6853	-0.5317
2. Individual Trading Member	50356	70000	120356	19.6901	48481	58500	106981	17.5020	-2.1881
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)	73220	91500	164720	26.9481	70595	77500	148095	24.2282	-2.7198
GRAND TOTAL (A)+(B) + (C) +(D)	439851	171399	611250	100.0000	478476	132774	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	3.37
8	IN30292710025324	Aradhana Investments Ltd	14,907	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	59,93,692	59,93,692
	(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)	60,93,692	60,93,692
	Ceiling as per the Act		

B. Remuneration to other directors:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors							
		Bhaskar Sen	Dr. Bhaskar Banerjee	Prof. Partha Ray	Ravi Poddar	Sanjay Budhia	Mohan Goenka	Purushottam Saraf (BSE Ltd.)	Vijay Mehta
	Independent Directors	NA	NA	NA	NA	NA	NA	NA	NA
	Fee for attending board /committee meetings	—	—	—	—	—	—	—	—
	Commission	—	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—	—
	Total(1)	—	—	—	—	—	—	—	—
	Other Non-Executive Directors	Bhaskar Sen	Dr. Bhaskar Banerjee	Prof. Partha Ray	Ravi Poddar	Sanjay Budhia	Mohan Goenka	Purushottam Saraf (BSE Ltd.)	Vijay Mehta
	Sitting Fees for attending board / committee meetings	2,07,500	2,82,500	1,70,500	1,07,500	77,500	0	1,50,000	67,500
	Commission	—	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—	—
	Total(2)	2,07,500	2,82,500	1,70,500	1,07,500	77,500	-	1,50,000	67,500
	Total(B)=(1+2)	2,07,500	2,82,500	1,70,500	1,07,500	77,500	-	1,50,000	67,500
	Total Managerial Remuneration	-	-	-	-	-			
	Overall Ceiling as per the Act	N/A	N/A	N/A	N/A	N/A	N A	NA	N A

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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	The Company does not have any Key Managerial Personnel as per Companies Act, 2013.			
2	Stock Option				
3	Sweat Equity				
4	Commission- as % of Profit others, specify.				
5	Others, please specify				
	Total				

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
FORM AOC 2**

Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2018

(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 Prof. Partha Ray - Public Interest Director Mr. Ravi Poddar - Shareholder Director Mr Subrato Das MD & CEO
3.	Average net profit of Company for last 3 financial years	Rs. 463.74 lakhs
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Rs. 9.27 lakhs
5.	a) Total amount to be spent during the financial year	Rs 19.08 Lakhs including unspent of Rs 9.81 lakhs of 2016-17
	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 20 Lakhs	Rs 36.25 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: 30th August, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Economic Environment:**

The global economy has experienced a cyclical recovery on the back of rebound in investment, manufacturing activity and trade during the financial year 2017-18.. Towards the end of year 2016, global economic activity began to see a modest pickup, which extended into year 2017. According to the "World Economic Situation and Prospects by United Nations (UN)", global economic growth was estimated to have reached 3.0% which calculated at market exchange rates is the highest growth rate since year 2011. All major developed economies experienced a synchronized upturn in growth. Compared to year 2016, growth strengthened in almost two thirds of countries worldwide in year 2017-18 .

India is also on the growth track with favorable framing of policies by Government of India. Policy actions of the Government of India such as demand based remonetisation, implementation of unified Goods and Services Tax (GST) and other major tax reforms including reduction of tax rates and stamp duty are reasonably expected to provide an impetus to investment and growth in the country.

Industry Structure & Development:

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

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

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

Financial Year 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. The momentum is likely to continue with an expectation of improvement in corporate earnings going forward. As regards debt markets, RBI set the ball rolling on corporate bond reforms with a comprehensive set of guidelines and other measures. These measures once fully implemented will deepen the corporate bond markets and enhance liquidity. The process is already underway as the Financial Year 2017-18 saw a sharp increase in primary market issuance and corporate bond turnover. We expect this trend to gain further momentum in the Financial Year 2018-19.

Outlook:

The International Monetary Fund (IMF) estimates that India's GDP growth in 2018-19 will be 7.3% whereas the world GDP growth for the same period is being projected at 3.6%. The capital market in India has been and is likely to play a pivotal role in the growth of Indian economy. Strangely enough, the investing population in India is only 2.15% of its total population even as India celebrates 70 years of independence.

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. In FY 2017-18, Indian equity markets also scaled to all-time highs with S&P BSE Sensex surpassing 36,000 levels. The story of Eastern and North Eastern parts of the country is even worse in the investment map of India. Although, the total population of West Bengal, Bihar, Jharkhand, Odisha, Sikkim and the 7 sister states constitutes about 26.56% of total population of India,



the actual investor population in India from these 12 states is less than 10% of national aggregate.

The city of Kolkata, however, has been an exception to this trend. Kolkata proudly features in the list of T-15 cities as the only representative in the group from Eastern and North Eastern India. The investment culture of Kolkata is largely attributable to CSE which has been 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. CSE also allows its eligible listed companies to be traded in NSE and BSE without being required to be listed in the said stock exchanges.

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

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

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

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

Threats:

CSE's business and operational performance is dependent upon SEBI's policy on Regional Stock Exchanges. CSE could not restart the trading in its own trading platform since 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 initiated the process of incorporating its own clearing corporation.

The suspension of trading on C-Star has resulted in constant and consistent revenue plunge at CSE. One of the major sources of operational revenue for any stock exchange is the income from its listed companies apart from the turnover charges on trading activities. Since, the trading platform of CSE is suspended since 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 its limited role in absence of extending the full business opportunities as a capital market intermediary, there are external factors which may have further impacts on its activities. In particular, adverse macro economic developments, geo-political uncertainties, and role of market regulator may dampen the sentiments of the capital markets and negatively affect CSE's business performance.

Key Strategies:

Direct investments in the equity cash markets are dominated by Western India at 64.7%, as against 7.9%

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

CSE 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 being one of them.

Risks and Concerns:

At this juncture CSE's financial performance is dependent upon the volume and value of trades executed on the trading platform of BSE and NSE, the number of active traders in the market and the limited listing operations as permitted by the market regulator. Adverse macro economic 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.



The Calcutta Stock Exchange Limited

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.

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.

Material Development after Balance Sheet date:

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. Regarding transfer of 63 Companies to Dissemination Board a clarification has been sought from SEBI describing the actual number of exclusively listed companies in our Exchange out of such 63 listed companies and their present status of

simultaneously listing with BSE/MSEI and on receipt of clarification from SEBI, the Exchange shall act on the same.

Forward Looking Statement:

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

Acknowledgement:

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

For and on behalf of the Board

Dr. Bhaskar Banerjee

Director

Place: Kolkata

Date: 30th August, 2018

DIN - 00603201

REPORT ON CORPORATE GOVERNANCE

Regulation 35 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012") provides that disclosure on Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange. The Calcutta Stock Exchange Limited (CSE) is a Public Limited Company whose securities are not listed on any Stock Exchange. However, pursuant to the aforesaid regulations, the Corporate Governance norms are applicable to The Calcutta Stock Exchange Limited.

1. The Company's philosophy on Code of Governance

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

2. Board of Directors

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

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

Dr. Bhaskar Banerjee and Prof. Partha Ray continue to act as Public Interest Directors of the Exchange. Prof. Ashok Banerjee, who is a senior professor at IIM-Kolkata has been joined as Public Interest Director on 8th May, 2018.

Mr Bhaskar Sen ,who was Public Interest Director had resigned on 29th January,2018 and Mr Vijay Mehta, who was appointed as Public Interest Director in October, 2017 had resigned on 5th February, 2018 . SEBI have approved Mr G D Gautama (IAS Retd) as Public Interest Director in the Governing Board of the exchange. The Exchange is also awaiting for SEBI approval for renewal of terms of Dr Bhaskar Banerjee for appointment as Public Interest Director and Chairman of the Company.

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. During the year 2017-18, Mr Sanjay Budhia and Mr Mohan Goenka, had resigned on 27th February, 2018 and 3rd March, 2018 respectively. Pursuant to Section 152 of the Companies Act, 2013, Mr. Purushottam Saraf retires by rotation and being eligible, has offered himself for re-appointment.

2.1 Details of Board and Annual General Meetings held during FY 2017-18:

During the Financial Year 2017-18, five meetings of the Board were convened and held on 2nd May, 2017, 21st June, 2017, 30th August, 2017, 10th October, 2017, 16th February 2018,. The previous Annual General Meeting was held on 10th October,2017.

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

Sl. No.	Name and Designation of Director	Status/ Category	Board Meetings in 2017-18		Attendance in last AGM	Other Indian Public Companies (number)		
			Held	Attended		Directorship	Committee Chairmanship	Committee Membership
1	Bhaskar Sen DIN 03193003	PID	5	4	YES	2		
2	Dr. Bhaskar Banerjee DIN 00603201	PID	5	5	No	3	-	
3	Prof. Partha Ray DIN 07346584	PID	5	4	YES	-		
4	Ravi Poddar DIN: 00031201	SHD	5	4	YES	1		
5	Sanjay Budhia DIN 00119611	SHD	5	3	YES			
6	Mohan Goenka DIN 00150034	SHD	5	0	NO	2		
7	Pursuhottam Saraf DIN: 06570445	SHD	5	5	YES	-	-	-
8	Vijay Mehta	PID	1	1	N A	-		
9	Subrato Das DIN: 07523577	MD & CEO	5	5	YES	2		

2.3 Code of Conduct and Code of Ethics

To outline the Exchange's value and principles and to set out the standards for professional and ethical behaviour, Code of Conduct for Directors' as recommended by SEBI, has been adopted by your Exchange. This is applicable to all Directors and all the Directors of the Exchange have affirmed compliance to the Code for the Financial Year ending on March 31, 2018. A copy of the Code has been put on the Company's website: www.cse-india.com



The Calcutta Stock Exchange Limited

3. Audit Committee

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

Composition of Audit Committee and attendance of members:

The composition of the Audit Committee is in accordance with the requirements of Regulation 18 (1) of the Listing Regulations 2015. As on 31st March 2018, the Committee comprised of two Public Interest Directors and one Shareholder Director and MD & CEO. The Chairman of the Committee is a Public Interest Director. All the members of the Audit Committee are financially literate and have relevant finance or audit exposure. Five Audit Committee Meetings were held on 3rd July 2017, 21st August, 2017, 28th August 2017, 29th December 2017 and 21st March 2018 respectively.

3.2 Attendance Details of Audit Committee is as under:-

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

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

3.3 Terms of Reference:

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

1. Review and monitor the auditors' independence and performance and effectiveness of audit process.
2. Approval or any subsequent modification of transactions of the company with related parties.
3. Scrutiny of inter-corporate loans and investments.

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	59,93,692	59,93,692
	(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)	60,93,692	60,93,692
	Ceiling as per the Act		

4. Valuation of undertakings or assets of the company wherever it is necessary.
5. Evaluation of internal financial control and risk management system.
6. Monitoring the end use of the funds raised through public offer and related matters.
7. The Audit Committee has authority to investigate into any matter in relation to the items above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information containing the records of the company.

4. Compensation and HR Committee (CHRC):

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

As at 31st March, 2018, the Committee consisted of Four Directors (two Public Interest Directors, one Shareholder Director and Managing Director and CEO) viz. Dr. Bhaskar Banerjee, Prof. Partha Ray, Mr. Ravi Poddar and Mr. Subrato Das. During the financial year 2017-18, one meeting of the Compensation & HR Committee were held on 25th January, 2018. The attendance of various members of the Compensation & HR Committee as the then constituted are given below:-

Name of the Members	Status	No. of Meeting Attended
Bhaskar Sen*	Public Interest Director	1
Dr. Bhaskar Banerjee	Public Interest Director	1
Prof. Partha Ray	Public Interest Director	1
Ravi Poddar	Shareholder Director	1
Subrato Das	MD & CEO	1

* Mr Bhaskar Sen resigned as Director of the company on 29th January, 2018.

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

None of the Non-Executive Directors received any remuneration from the Company except the sitting fees. The remuneration paid during the Financial Year 2017-18 to the Managing Director and other non-executive Directors are given below:

B. Remuneration to other non-executive directors:

	Bhaskar Sen	Dr. Bhaskar Banerjee	Prof. Partha Ray	Ravi Poddar	Sanjay Budhia	Mohan Goenka	Purushottam Saraf (BSE Ltd)	Vijay Mehta
Sitting Fees for attending Board/ Committee Meeting	2,07,500	2,82,500	1,70,500	1,07,500	77,500	0	1,50,000	67,500

4.3 Terms of Reference of Compensation & HR Committee:

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

The Committee is vested with powers to:

- Lay down the policy for employee compensation
- Determine the tenure of Managing Director & CEO and operational heads
- Deal with HR issue of selection, recruitment, promotion, termination and training of employees
- Finalise and amend service manual
- Deal with and approve Employees' Governing Rules
- To frame suitable policy and system to ensure that there is no violation of SEBI regulations

4.4 Details of shareholding of Directors:

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

5. Corporate Social Responsibility Committee:**5.1 Composition, Meeting and Attendance during the year**

The Corporate Social Responsibility Committee has been reconstituted with Four Directors (two Public Interest Directors namely Dr. Bhaskar Banerjee and Prof. Partha Ray and one Shareholder Director viz. Mr. Ravi Podder and Mr Subrato Das ,MD& CEO. During the financial year 2017-18, one meeting was held on 21st March, 2018 and attended by all committee members except Mr Ravi Podder.

5.2 Terms of Reference of Corporate Social Responsibility Committee:

- Review of the CSR activities to be undertaken by CSE. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Appendix I.
- Formulate and recommend to the Board the CSR activities/programs to be undertaken by CSE.
- Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- Identify the agency, in case CSR is to be implemented through approved external agency.
- Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- Prepare an annual report of the CSR activities undertaken for CSE and submit such report to the Board.

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

6. Other Committees:

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

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

7. General Meeting:

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

7.1 General Body Meetings:

Details of General Meeting	Date	Time	Venue
Annual General Meeting 2014-15	7th November, 2015	11.00 A.M.	7, Lyons Range, Kolkata-1
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

7.2 Special Resolutions passed in the General Body Meetings:

- 1) Consent of the company was accorded to the appointment of Mr. Subrato Das, as the Managing



The Calcutta Stock Exchange Limited

Director of the Exchange for a period of three years w.e.f. 20th May 2016 on the terms and conditions including remuneration as set out in the Statement under Section 102 of the Act annuexed to the Notice covering the Annual General Meeting held on 29th September 2016.

7.3 Passing of Resolution by Postal Ballot:

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

8. Disclosures:

- Disclosure on materially-significant related party transactions of the Company that may have potential conflict with the interests of the Company at large. The Company does not have any material-related party transactions, which may have potential conflict with its interests at large. In any case, disclosures regarding the transactions with related parties are given in the notes to the Accounts.
- 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.
- Whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:

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

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

Disclosure on non-mandatory requirements:

- The Board has a Non-Executive Chairman. The Chairman is only receiving sitting fees for attending meetings.
- 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, 2018 have been duly addressed in the Directors Report.
- Training of Board members: Presentations are made by the Management team giving an overview of the CSE's operations and business model. The Directors

are also appraised of all important changes in applicable legislation, enactment, guidelines, accounting standards, etc. to enable them to take informed decisions.

9. Means of Communication:

- Information and details of the Company in all respects are posted on the Company's website: www.cse-india.com
- Whenever the Company issues any notice it is posted on the Company's website.
- Management Discussion and Analysis forms a part of the Directors' Report.

10. General Shareholder Information:

(A) 95th Annual General Meeting

Day & Date	Friday, the 28th day of September, 2018
Time	4.00 P.M.
Venue	Trading Hall, The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700001, Ground Floor
Financial Year	31st March, 2018
Book Closure	22nd September, 2018 to 28th September, 2018 (Both days inclusive)
Payment of Dividend	Dividend if declared at the 95th AGM will be paid within 30 days from the date of AGM

(B) Distribution of Shareholding as on 31st March, 18

Range of shares	Share	Folio	%Share	%Folios
1-500	243175	1189	39.79	94.74
501-1000	17875	22	2.92	1.76
1001-2000	19044	13	3.11	1.03
2001-3000	17983	7	2.94	0.56
3001-4000	0	0	0	0.00
4001-5000	18131	4	2.97	0.32
5001-10000	68334	9	11.18	0.71
10001-50000	226708	11	37.09	0.88
50001-100000	NIL	NIL	NIL	NIL
Total	611250	1255	100.00	100.00

(C) Category of Shareholders as on 31st March, 2018

Category	No. of Shares holders	No. of Shares	%
Resident Individual	1029	250737	41.02
Bodies Corporate	220	303576	49.67
HUF	NIL	NIL	
Trust	NIL	NIL	
Bank/Financial Institution	2	21157	3.47
Non-Resident Indians	3	905	0.14
Foreign Bodies Corporate	NIL	NIL	
Foreign Institutional Investor			
Venture Capital	NIL	NIL	
I E PF	1	34875	5.70
Total	1255	611250	100.00

(D) List of top 20 Shareholders as on 31st March, 2018

S. No.	Folio No.	Name	Shares	%
1	1301190300069932	BSE LIMITED	30875	4.99
2	0001090	WEST BENGAL INFRASTRUCTURE DEV FIN CORPN LTD	20907	3.37
3	IN30002011740499	KIRTIVARDHAN FINVEST SERVICES LIMITED	20907	3.37
4	IN30032710224535	EAST INDIA SECURITIES LTD.	20907	3.37
5	IN30125028422773	PATTON INTERNATIONAL LTD	20907	3.37
6	IN30302852108896	MANNAKRISHNA INVESTMENTS PVT LTD	20907	3.37
7	IN30297810029846	DEEVEE COMMERCIALS LTD	20607	3.37
8	IN30292710025324	ARADHANA INVESTMENTS LTD	14907	3.14
9	IN30009510125005	KESORAM INDUSTRIES LTD	10455	1.69
10	IN30355910022020	SAVITRI DEVI CHOWDHURY	10454	1.69
11	IN30045011288247	MARYADA BARTER PRIVATE LIMITED	10000	1.62
12	IN30149310023848	Mani Square Limited	8494	1.37
13	0001077	HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD	8364	1.35
14	IN30125028305012	DADRA EXIMP PRIVATE LIMITED	8364	1.35
15	IN30355910021660	GREATWALL VANIJA LTD	8364	1.35
16	1206430000000306	ROHIL INVESTMENT & FINANCE COMPANY LIMITED	6187	1.00
17	IN30015910091044	THE PROPERTY COMPANY PRIVATE LIMITED	6187	1.00
18	IN30105510822814	TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED	6187	1.00
19	IN30125010121668	MEENAKSHI TEA COMPANY LIMITED	6187	1.00
20	IN30045010529437	RAVI PODDAR	5000	0.82

(E) Category of Shares in Physical and Electronic mode as on 31.03.2018

MODE	FOLIO	SHARES	Shares %
PHYSICAL	390	132774	21.72
N S D L	650	372557	60.95
CDSL	215	105919	17.33
TOTAL	1255	611250	100.00

(F) Registrar and Share Transfer Agent:

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

(G) Share Transfer: 78.28% of equity shares (478476 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.

Declaration by the Director on Code of Conduct

To
The Members of
The Calcutta Stock Exchange Limited

This is to declare that to the best of my knowledge and belief, all the members of the Board and Senior Management Personnel of the Company have affirmed their respective compliance with the Code of Conduct as laid down by the Company for the Year ended 31st March, 2018.

Place: Kolkata
Dated: 30th August, 2018

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



Certificate on Corporate Governance

To
The Members of
The Calcutta Stock Exchange Limited

We have examined the compliance of conditions of Corporate Governance by The Calcutta Stock Exchange Limited (CSE) for the year ended on 31st March 2018 as stipulated in Regulation 34(3) Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and applicable for the time being in force with Stock Exchanges in India.

The Company is not listed on any Stock Exchange. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012; 'the disclosure requirements and corporate governance norms as specified for listed companies shall *mutatis mutandis* apply to a recognised stock exchange'. CSE being a recognised stock exchange is required to adhere to the corporate governance norms.

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

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

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

Place: Kolkata
Dated :30th August,2018

For Rakesh Agarwal & Co
Company Secretaries

(Rakesh Agarwal)
Proprietor
FCS-8792
CP No:9014

INDEPENDENT AUDITOR'S REPORT

To the Members of The Calcutta Stock Exchange Limited

Report on the Financial Statements

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, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

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

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, of its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 36 to the financial statements regarding the uncertainty related to the outcome of the appeal and stay petition filed by the Company which is more fully described therein. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3



and 4 of the Order.

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

- (a) We have sought and, 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 purpose 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 required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid standalone 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 above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;

The Calcutta Stock Exchange Limited

- (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) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24, 30(i) and 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2018

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 service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. During the year, the Company did not have any dues towards employees’ state insurance, sales-tax, duty of customs, duty of excise and value added tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information explanations given to us there are no dues of service tax, goods and service tax and cess which have not been deposited on account of any dispute. The provisions relating to employee’s state insurance, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company. The due outstanding of income tax on account of any dispute are as follows :

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



The Calcutta Stock Exchange Limited

- (viii) 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.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) 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: August 30, 2018

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, 2018, 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



The Calcutta Stock Exchange Limited

standalone 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 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, 2018:

- (a) The Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Company not recognising sufficient provision there against. 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, 2018, 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, 2018.

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, 2018, 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, 2018 standalone financial statements of The Calcutta Stock Exchange Limited and this report affect our report dated August 30, 2018, which expressed a qualified opinion on those financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2018

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
		Rupees	Rupees
I. EQUITIES AND LIABILITIES			
1. SHAREHOLDERS' FUND			
Share Capital	3	618,750	618,750
Reserves and Surplus	4	1,772,823,813	1,633,607,580
2. NON CURRENT LIABILITIES			
Long Term Liabilities	5	969,294,037	969,294,037
3. CURRENT LIABILITIES			
Trade Payables	6	11,841,674	13,948,276
Other Current Liabilities	6	360,126,019	364,489,862
Short Term Provisions	7	5,787,034	216,353
		3,120,491,327	2,982,174,858
II. ASSETS			
1. NON CURRENT ASSETS			
Fixed Assets			
Property, Plant and Equipment	8A	285,046,100	287,324,589
Intangible Assets	8B	330,597	542,083
Non Current Investments	9	169,810,617	147,814,776
Deferred Tax Assets (net)	10	2,197,277	1,567,712
Loans and Advances	11	1,121,516,863	1,167,578,425
Other Assets	15	592,006,960	736,199,904
2. CURRENT ASSETS			
Current Investments	12	189,112,890	13,400,000
Trade Receivables	13	19,198,291	13,888,185
Cash and Bank Balances	14	716,770,429	593,428,849
Loans and Advances	11	10,510,468	8,936,293
Other Assets	15	13,990,835	11,494,042
		3,120,491,327	2,982,174,858
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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Partha Ray
Director

Subrato Das
MD & CEO

Prosenjit Dutta
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

Particulars	Notes	2017-18	2016-17
		Rupees	Rupees
Income :			
Revenue from Operations	16	49,141,479	47,708,516
Other Income	17	264,304,532	117,798,536
Total Revenue (I)		313,446,011	165,507,052
Expenses :			
Employee Benefits Expense	18	71,030,857	74,272,940
Other Expenses	19	36,785,677	37,465,923
Depreciation and Amortization Expense	20	3,827,053	5,160,776
Contribution to SEBI		3,030,257	3,129,850
Contribution to Stock Exchange Investors' Protection Fund		2,632,081	3,206,410
Total Expenses (II)		117,305,925	123,235,899
Profit before Tax (I-II)		196,140,086	42,271,153
Tax Expenses :			
Current Tax			
Pertaining to profit for the current year [Refer Note No. - 34]		40,689,546	12,414,875
Adjustment of tax relating to earlier years		2,315,218	2,411
Deferred Tax		(629,565)	981,258
Total tax Expense		42,375,199	13,398,544
Profit after tax for the year		153,764,887	28,872,609
Earnings per equity share			
Basic and Diluted (Rs.)	21	15.73	6.71
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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee

Director

Partha Ray

Director

Subrato Das

MD & CEO

Prosenjit Dutta

Chief Financial Officer

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2018

	Particulars	2017-18	2016-17
		Rupees	Rupees
A.	Cash Flow from Operating Activities		
	Profit before tax	196,140,086	42,271,153
	Adjustment to reconcile profit before tax to net cash flows :-		
	Depreciation and Amortization expense	3,827,053	5,160,776
	(Profit) on sale/discard of property, plant and equipment	(34,764)	(143,868)
	Provision for Doubtful Debts and Advances	5,168,515	1,333,600
	Bad Debts	-	13,022
	Sundry balance written off	64,471	3,297
	Liabilities/Provisions no longer required, written back	(8,299)	(11,586)
	Settlement Guarantee Fund Contribution	165,112	140,777
	Interest on Fixed Deposits	(104,541,751)	(108,166,804)
	Interest on Bonds	(872,480)	(872,480)
	Interest on Income Tax Refunds	(18,526,513)	(197,362)
	Dividend Income from Investments	(5,850,101)	(2,976,344)
	Profit on sale of Investments	(129,549,942)	(354,102)
	Operating profit before working capital changes	(54,018,613)	(63,799,921)
	Movements in working capital:		
	Increase/(Decrease) in Short Term Provisions	2,729,729	(3,291,209)
	(Decrease) / Increase in Trade Payables	(2,106,602)	969,934
	(Decrease) / Increase in Other Current Liabilities	(5,303,204)	11,305,293
	(Increase) in Trade Receivables	(10,478,621)	(4,416,209)
	(Increase)/Decrease in Long Term Loans & Advances	(1,085,758)	94,449
	(Increase) / Decrease in Short Term Loans & Advances	(1,574,175)	593,709
	(Increase) in Other Current Assets	(367,730)	(146,796)
	Cash used in operations	(72,204,974)	(58,690,750)
	Refund / (Payment) of direct taxes (net)	6,919,037	(11,263,978)
	Net Cash used in Operating Activities	(65,285,937)	(69,954,728)
B.	Cash Flow from Investing Activities		
	Proceeds from sale of property, plant and equipment	106,000	261,459
	Purchase of property, plant and equipment	(904,155)	(1,751,042)
	Purchase of Non Current Investments	(22,500,000)	(30,000,000)
	Proceeds from Purchase and Sale of Current Investments (net)	(46,162,948)	48,554,102
	Dividend income from Investments	5,850,101	2,976,344
	Investment in Fixed Deposits	(628,449,624)	(450,600,000)
	Encashment of Fixed Deposits	638,667,987	425,917,390
	Interest on Fixed Deposits	101,355,632	109,175,908
	Interest on Income Tax Refund	18,526,513	197,362
	Interest on Bonds	872,480	872,480
	Net cash flow from investing activities	67,361,986	105,604,003
C.	Cash Flow from Financing Activities		
	Dividend Paid on equity shares	(11,277,340)	(11,545,000)
	Tax on equity dividend paid	(2,488,766)	(2,533,204)
	Net Cash used in Financing Activities	(13,766,106)	(14,078,204)
	Net (decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(11,690,057)	21,571,071
	Cash and Cash Equivalents as at the beginning of the year	60,260,862	38,689,791
	Cash and Cash equivalents as at the end of the year	48,570,805	60,260,862

Contd. in next page



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2018 (Contd.)

Particulars	2017-18	2016-17
	Rupees	Rupees
Components of Cash & Cash Equivalents*		
Cash on hand	32,780	30,990
Cheques / Drafts on hand	1,515,963	726,122
Balance with Scheduled Banks on Current Account		
Own Fund	33,143,078	45,155,249
Investors' Service Fund	5,746,338	5,013,914
Settlement Guarantee Fund	731,781	2,881,382
Unpaid Dividend Account	7,400,865	6,453,205
	48,570,805	60,260,862

* Includes the balance of Rs.74,00,865 (31st March, 2017: Rs.64,53,205) 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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Partha Ray
Director

Subrato Das
MD & CEO

Prosenjit Dutta
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

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 derecognition 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/dropped-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 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 reassesses 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, 2018

NOTE – 3 : Share Capital

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
a) AUTHORISED SHARES : 10,00,00,000 (31st March 2017 : 10,00,00,000) equity shares of Re.1 each	100,000,000	100,000,000
b) ISSUED SHARES : 6,18,750 (31st March 2017 : 6,18,750) equity shares of Re.1 each	618,750	618,750
c) SUBSCRIBED & PAID UP SHARES : 6,11,250 (31st March 2017 : 6,11,250) equity shares of Re.1 each fully paid up	611,250	611,250
Add : Forfeited Shares: 7,500 (31st March 2017 : 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.

NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2018	As at 31st March, 2017
	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	350,064,060	350,089,988
Addition during the year	115,809,018	-
Deductions/adjustments during the year	(2,315,218)	(25,928)
Closing balance	463,557,860	350,064,060
Post-Demutualisation period		
Balance as per last financial statements	56,015,205	55,015,205
Addition during the year	-	1,000,000
Closing balance	56,015,205	56,015,205
Total General Reserve	519,573,065	406,079,265

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
Surplus in the Statement of Profit and Loss - Post-Demutualisation period		
Profit for the year	23,268,771	20,168,309
Appropriations:-	153,764,887	28,872,609
Less : Transferred to General Reserve	-	(1,000,000)
Less : Income of Investor's Service Fund transferred	(7,685,217)	(7,371,701)
Less : Income of Settlement Guarantee Fund transferred	(23,753,566)	(21,426,791)
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	(12,225,000)	-
Less : Tax on final equity dividend	(2,488,766)	-
Less : Tax on proposed equity dividend relating to prior year	-	(44,438)
Add : Expenses of Settlement Guarantee Fund transferred	720,860	3,956,640
Add : Expenses of Investor's Service Fund transferred	63,186	88,215
Add : Current tax expenses relating to Pre-Demutualisation period adjusted with General Reserve	2,315,218	-
Add : Loss on discard of fixed assets of Pre-Demutualisation period adjusted with General Reserve	-	25,928
Total appropriations	(169,710,356)	(25,772,147)
Net surplus in the Statement of Profit and Loss	7,323,302	23,268,771
Total of own fund	1,335,199,422	1,237,651,091
II. Investors' Service Fund - Post-Demutualisation period		
Balance as per last financial statements	73,293,512	66,010,026
Addition during the year	7,685,217	7,371,701
Deductions/adjustments during the year	(63,186)	(88,215)
Total of Investors' Service Fund	80,915,543	73,293,512
III. Settlement Guarantee Fund - Post-Demutualisation period		
Settlement Guarantee Fund for CSE-NSE Cash Segment		
Balance as per last financial statements	10,142,503	10,103,154
Addition during the year	56,424	39,349
Closing balance	10,198,927	10,142,503
Settlement Guarantee Fund for CSE-NSE Future and Option Segment		
Balance as per last financial statements	10,204,499	10,148,400
Addition during the year	85,010	56,099
Closing balance	10,289,509	10,204,499
Settlement Guarantee Fund for CSE-BSE Cash Segment		
Balance as per last financial statements	10,203,839	10,181,035
Addition during the year	23,678	22,804
Closing balance	10,227,517	10,203,839
Settlement Guarantee Fund for CSE-BSE Future and Option Segment		
Balance as per last financial statements	10,007,568	10,007,564
Addition during the year	-	4
Closing balance	10,007,568	10,007,568
Settlement Guarantee Fund Initial Membership Fees		
Balance as per last financial statements	260,000	250,000
Addition during the year	-	10,000
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	281,844,568	264,361,896
Addition during the year	23,753,566	21,439,312
Prior period expenses of Settlement Guarantee Fund (Net of tax) transferred from Profit and Loss Account [Refer Note - 29]	10,848,053	-
Deductions/adjustments during the year	(720,860)	(3,956,640)
Closing balance	315,725,327	281,844,568
Total of Settlement Guarantee Fund	356,708,848	322,662,977
Total of I+II+III	1,772,823,813	1,633,607,580



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	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)]	969,294,037	-	969,294,037	969,294,037	-	969,294,037
	969,294,037	-	969,294,037	969,294,037	-	969,294,037

NOTE – 6 : Trade Payables and Other Current Liabilities

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	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	-	11,841,674	11,841,674	-	13,948,276	13,948,276
	-	11,841,674	11,841,674	-	13,948,276	13,948,276
Other Liabilities :						
Sundry Deposits	15,899,367	42,974,054	58,873,421	15,913,275	37,477,105	53,390,380
Members' Security Deposits [Refer Note no.31]						
- Own Fund	-	94,413,454	94,413,454	-	96,142,891	96,142,891
- Settlement Guarantee Fund	-	120,979,166	120,979,166	-	121,472,595	121,472,595
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	75,865,986	75,865,986	-	83,936,203	83,936,203
Payable to related party: [Refer Note no.33]						
CSE Capital Markets Pvt Ltd	-	-	-	-	52,899	52,899
Statutory Dues	-	2,593,127	2,593,127	-	3,041,689	3,041,689
Unclaimed Dividend	-	7,400,865	7,400,865	-	6,453,205	6,453,205
	15,899,367	344,226,652	360,126,019	15,913,275	348,576,587	364,489,862
	15,899,367	356,068,326	371,967,693	15,913,275	362,524,863	378,438,138

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, 2018	As at 31st March, 2017
	Rupees	Rupees
a) Provision for Employee Benefits:		
Provision for Gratuity [Refer Note no. 32]	2,729,729	-
Other Provisions:		
Income Tax [net of advance tax of Rs.3,76,32,241 (31st March 2017 : Rs. 1,21,98,522)]	3,057,305	216,353
	5,787,034	216,353

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(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 2016	415,300	2,157,399	12,700,896	6,827,915	8,478,785	-	172,744,471	203,324,766	
Disposals/Adjustment	-	-	-	(14,445)	(90,000)	-	(10,465,216)	(10,569,661)	
At 31st March 2017	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	
At 31st March 2018	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105	
Depreciation									
At 1st April 2016	-	1,553,298	12,084,021	6,535,265	8,119,796	-	172,003,855	200,296,235	
Charge For the Year	-	26,508	806	-	-	-	-	27,314	
Disposals/Adjustment	-	-	-	(14,400)	(85,500)	-	(10,443,833)	(10,543,733)	
At 31st March 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	
Net Block									
At 31st March 2017	415,300	577,593	616,069	292,605	354,489	-	719,233	2,975,289	
At 31st March 2018	415,300	552,249	615,151	292,605	354,489	-	719,233	2,949,027	
ASSETS OF POST-DEMUTUALISATION									
PERIOD :									
At 1st April 2016	269,000,023	11,728,629	6,904,114	5,529,782	3,103,649	1,393,530	19,561,374	317,221,101	
Additions	-	-	55,247	-	57,055	1,329,080	309,660	1,751,042	
Disposals/Adjustment	-	-	(12,131)	-	(145,116)	(873,530)	(278,684)	(1,309,461)	
At 31st March 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	
Depreciation									
At 1st April 2016	-	2,900,142	3,240,939	3,723,073	2,720,024	1,201,631	16,470,672	30,256,481	
Charge For the Year	-	860,063	968,594	494,656	187,417	366,598	1,397,371	4,274,699	
Disposals/Adjustment	-	-	(10,885)	-	(117,120)	(829,853)	(259,940)	(1,217,798)	
At 31st March 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	
Net Block									
At 31st March 2017	269,000,023	7,968,424	2,748,582	1,312,053	225,267	1,110,704	1,984,247	284,349,300	
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	
Total Net Block									
At 31st March 2017	269,415,323	8,546,017	3,364,651	1,604,658	579,756	1,110,704	2,703,480	287,324,589	
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	



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 8B : Intangible Assets

(Amount in Rs.)

Particulars	Computer Softwares	Total
ASSETS OF PRE-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2016	30,036,144	30,036,144
At 31st March 2017	30,036,144	30,036,144
At 31st March 2018	30,036,144	30,036,144
Amortization		
At 1st April 2016	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2017	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2018	30,036,108	30,036,108
Net Block		
At 31st March 2017	36	36
At 31st March 2018	36	36
ASSETS OF POST-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2016	5,100,533	5,100,533
At 31st March 2017	5,100,533	5,100,533
At 31st March 2018	5,100,533	5,100,533
Amortization		
At 1st April 2016	4,203,882	4,203,882
Charge For the Year	354,604	354,604
At 31st March 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
Net Block		
At 31st March 2017	542,047	542,047
At 31st March 2018	330,561	330,561
Total Net Block		
At 31st March 2017	542,083	542,083
At 31st March 2018	330,597	330,597

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 9 : Non Current Investments (At Cost)

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
INVESTMENT PROPERTY (at cost less accumulated depreciation) Pre-Demutualisation Period Cost of leasehold land Less : Accumulated depreciation Net Block	 49,667,291 (8,578,349) <hr/> 41,088,942	 49,667,291 (8,074,190) <hr/> 41,593,101
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD Non-trade (valued at cost unless stated otherwise) Debentures- Quoted 117 (31st March 2017 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *	 <hr/> 1 <hr/> 1	 <hr/> 1 <hr/> 1
INVESTMENTS OF POST-DEMUTUALISATION PERIOD Trade (valued at cost unless stated otherwise) Equity shares- Unquoted Investment in Subsidiaries 57,75,000 (31st March 2017: 57,75,000) equity shares of Rs.10 each fully paid up of CSE Capital Markets Pvt Ltd 25,00,000 (31st March 2017: Nil) equity shares of Re.1 each fully paid up of Lyons Range Securities Clearing Corporation Ltd Non-Trade (valued at cost unless stated otherwise) Equity shares- Quoted 400 (31st March 2017: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd Bonds- Quoted 5,696 (31st March 2017: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation of India 4,944 (31st March 2017: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highway Securities Authority of India (N1 Series) Investments in fixed maturity mutual funds- Unquoted 1,00,000 (31st March 2017 : 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 10,00,000 (31st March 2017: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series OY(1218 days)- Direct Growth 10,00,000 (31st March 2017: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series OT(1117 days)- Growth Financial Institution Own Fund Fixed Deposit with PNB Housing Finance Ltd Fixed Deposit with LIC Housing Finance Ltd Settlement Guarantee Fund Fixed Deposit with PNB Housing Finance Ltd	 64,575,000 2,500,000 6,674 5,696,000 4,944,000 1,000,000 10,000,000 10,000,000 10,000,000 15,000,000 5,000,000 <hr/> 128,721,674 <hr/> 169,810,617	 64,575,000 - 6,674 5,696,000 4,944,000 1,000,000 - - 10,000,000 15,000,000 5,000,000 <hr/> 106,221,674 <hr/> 147,814,776

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

Aggregate cost of Investments:

Quoted	10,646,675	1,0646,675
Unquoted	118,075,000	95,575,000
Value of investment property	41,088,942	41,593,101
Market value of quoted investments	11,783,851	11,928,001
Net asset value of Mutual Funds Units	21,530,880	1,002,650



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
Deferred Tax Liability		
Impact of expenditure allowed for tax purposes on payment basis in the current year	1,536,074	992,115
Deferred Tax Asset		
Provision for doubtful debts and advances	2,415,441	2,212,115
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	565,788	347,712
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	752,122	-
Gross Deferred Tax Asset	3,733,351	2,559,827
Net Deferred Tax Asset	2,197,277	1,567,712

NOTE – 11 : Loans and Advances

Particulars	Non-Current		Current	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise:				
Security Deposits				
Considered good	40,921,633	40,921,633	-	-
Considered doubtful	506,000	506,000	-	-
	41,427,633	41,427,633	-	-
Less : Provision for doubtful deposits	(506,000)	(506,000)	-	-
	40,921,633	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	-	-
	101,931,633	101,931,633	-	-
Advances recoverable in cash or in kind				
Settlement Guarantee Fund	2,404,682	2,439,882	-	-
	2,404,682	2,439,882	-	-
Receivable from other parties				
Considered good	8,515,400	8,792,900	2,823,112	1,233,372
Considered doubtful	1,242,825	-	-	-
	9,758,225	8,792,900	2,823,112	1,233,372
Less : Provision for doubtful advances	(1,242,825)	-	-	-
	8,515,400	8,792,900	2,823,112	1,233,372
Receivable from defaulting members	949,616,925	949,616,925	-	-
Receivable from related party:				
CSE Capital Markets Private Ltd	-	-	1,698,158	-
Lyons Range Securities Clearing Corporation Ltd	-	-	160,675	-
Stock Exchange Investors' Protection Fund	-	-	488,984	207,260
	958,132,325	958,409,825	5,170,929	1,440,632
Other Loans & Advances:				
Advance Income Tax and Tax Deducted at Source				
Advance Income Tax and Tax Deducted at Source [Net of provision Rs. 74,377,493 (31st March 2017 : Rs.5,96,47,400)]	49,083,342	96,166,191	-	-
Prepaid expenses	-	-	3,522,581	3,984,050
Gratuity plan assets (net)	-	667,785	-	-
Leave encashment fund assets (net)	3,994,155	1,212,383	-	-
Loan to employees - Interest bearing	5,970,726	6,750,726	1,747,871	1,825,575
Balances with statutory/government authorities	-	-	69,087	1,686,036
	59,048,223	104,797,085	5,339,539	7,495,661
	1,121,516,863	1,167,578,425	10,510,468	8,936,293

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 12 : Current Investments

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD - CURRENT PORTION OF LONG TERM INVESTMENTS (Valued at cost)		
Non- Trade		
Equity shares- Unquoted		
Nil (31st March 2017: 10,00,000) equity shares of Rs. 10 each fully paid up of Central Depository Services (India) Ltd (by way of equity participation as a co-sponsor)	-	10,00,000
	-	10,00,000
INVESTMENTS OF POST-DEMUTUALISATION PERIOD (Valued at lower of cost and fair value)		
Non- Trade		
Investments in mutual funds- Unquoted		
8,310 (31st March 2017 : Nil) units of Rs.1,000 each fully paid up of HDFC Cash Management Fund- Savings Plan-Direct Plan - Growth Option	28,700,000	-
21,353 (31st March 2017: Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Low Duration Fund - Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Manager)	9,000,000	-
34,545 (31st March 2017: Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	8,000,000	-
1,80,349 (31st March 2017: Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	41,059,764	-
76,368 (31st March 2017: 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
Nil (31st March 2017: 1,968) units of Rs.1000 each fully paid up of Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend -Reinvestment *	-	1,900,000
29,945 (31st March 2017: Nil) units of Rs.1000 each fully paid up of Baroda Pioneer Liquid Fund - Plan B Daily Dividend- Reinvestment	30,000,000	-
1,016 (31st March 2017: Nil) units of Rs.1000 each fully paid up of Baroda Pioneer Treasury Advantage Fund - Plan B Growth *	2,052,781	-
1,95,652 (31st March 2017: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Banking & PSU Debt Fund Growth - Direct Plan	10,000,000	-
6,541 (31st March 2017: Nil) units of Rs.1000 each fully paid up of Reliance Liquid Fund-Direct Plan Daily Dividend Option Dividend Reinvestment	10,000,000	-
7,367 (31st March 2017: Nil) units of Rs.1000 each fully paid up of Reliance Liquid Fund-Treasury Fund- Direct Growth Plan- Growth Option	30,550,345	-
9,749 (31st March 2017 : Nil) units of Rs.1,000 each fully paid up of Axis Liquid Fund- Direct Growth	18,250,000	-
	189,112,890	3,400,000
	189,112,890	13,400,000

* Investment out of Investors' Service Fund

Aggregate cost of Investments:

Unquoted	189,112,890	13,400,000
Net asset value of mutual fund units	193,393,999	3,600,830



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2018		As at 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	1,368,127		755,262	
Unsecured				
- Considered good	17,378,691		11,871,108	
- Considered doubtful	7,017,702	25,764,520	7,522,582	20,148,952
Other Receivables:				
Secured, Considered good	-		550,310	
Unsecured, Considered good	451,473	451,473	711,505	1,261,815
		26,215,993		21,410,767
Less: Provision for Doubtful Debts		(7,017,702)		(7,522,582)
		19,198,291		13,888,185

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees	Rupees	Rupees
a. CASH AND CASH EQUIVALENTS				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	33,143,078	45,155,249
Investors' Service Fund	-	-	5,746,338	5,013,914
Settlement Guarantee Fund	-	-	731,781	2,881,382
Unpaid Dividend Account	-	-	7,400,865	6,453,205
Cheques / Drafts on hand	-	-	1,515,963	726,122
Cash on hand	-	-	32,780	30,990
	-	-	48,570,805	60,260,862
b. OTHER BANK BALANCES				
Deposits with remaining maturity of more than 12 months :				
Pre-Demutualisation Period				
Own Funds	35,576,479	-	-	-
Post-Demutualisation Period				
Own Funds	307,923,521	459,900,000	-	-
Earmarked Funds:				
Settlement Guarantee Fund	175,400,000	213,900,000	-	-
Investors' Service Fund	71,650,000	62,000,000	-	-
Deposits with remaining maturity for less than 12 months :				
Post-Demutualisation Period				
Own Funds	-	-	437,881,161	372,167,987
Earmarked Funds:				
Settlement Guarantee Fund	-	-	230,318,463	158,000,000
Investors' Service Fund	-	-	-	3,000,000
	590,550,000	735,800,000	668,199,624	533,167,987
Amount disclosed under Non-current assets (Refer Note 15)	(590,550,000)	(735,800,000)	-	-
	-	-	716,770,429	593,428,849
DETAILS OF FIXED DEPOSITS LIEN MARKED (included above)				
Deposits with remaining maturity for more than 12 months : *				
with ICCL	65,900,000	96,000,000		
with NSCCL	193,000,000	162,800,000		
with HDFC Bank Ltd	-	59,900,000		
Deposits with remaining maturity for less than 12 months : *				
with ICCL			98,918,463	261,900,000
with NSCCL			75,300,000	126,900,000
with HDFC Bank Ltd			109,400,000	49,500,000
	258,900,000	318,700,000	283,618,463	438,300,000
* The aforesaid fixed deposits is lien marked as margin for utilization of their Trading Platform by the members of the Company				
Deposits with remaining maturity for more than 12 months :				
Deposit with Victor Moses & Co	-	3,500,000		
Deposits with remaining maturity for less than 12 months :				
Deposit with Victor Moses & Co			17,481,161	13,917,987
	-	3,500,000	17,481,161	13,917,987



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer Note no. 14)	590,550,000	735,800,000	-	-
Other receivables				
Secured, Considered good				
Others	-	-	110,375	110,375
Unsecured, Considered good				
Rent & Electricity	-	-	1,906,283	1,538,553
Interest accrued on fixed deposits:				
Own Funds	1,456,960	399,904	7,816,216	6,985,294
Settlement Guarantee Fund	-	-	3,597,557	2,135,694
Investors' Service Fund	-	-	145,665	309,387
Interest accrued on investments in bonds:				
Own Funds	-	-	414,739	414,739
	592,006,960	736,199,904	13,990,835	11,494,042

NOTE – 16 : Revenue from Operations

Particulars	2017-18	2016-17
	Rupees	Rupees
SALE OF SERVICES :		
Turnover charges on other trading platform :		
- BSE	1,098,217	2,364,773
- NSE	3,637,088	2,702,626
Listing fees	27,590,324	27,641,750
Subscriptions	1,518,000	1,478,500
Processing charges	11,270,423	8,663,000
Income from depository participant operation	-	37,998
Commission on PAN services	41,352	83,725
Other operating revenue :		
Bad debts recovered	712,250	2,189,161
Recovery of penal charges from clients	1,595,741	1,258,147
Income from NISM Operation	1,627,454	1,271,436
Technology charges from new members	50,000	-
Miscellaneous operating income	630	17,400
	49,141,479	47,708,516

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 17 : Other Income

Particulars	2017-18	2016-17
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	5,448,383	5,552,326
Interest on fixed deposits of Settlement Guarantee Fund	30,002,800	30,056,033
	35,451,183	35,608,359
Interest income on own fund:		
Fixed deposits	69,090,568	72,558,445
Tax Free PSU bonds	872,480	872,480
Security deposit with CESC Ltd	135,306	130,780
Security deposit with National Stock Exchange of India Ltd	73,809	-
Income Tax refunds	18,526,513	197,362
Interest on delayed payment of listing fees	1,844,256	1,766,263
Others	878,652	998,235
	91,421,584	76,523,565
Profit on sale of Current investments	846,130	-
Profit on sale of Current investments of Investors' Service Fund	-	354,102
Profit on sale of Long term investments	128,703,812	-
	129,549,942	354,102
Dividend income from investments:		
Current investments of Investors' Service Fund	152,781	-
Long term investments of own fund	3,000,000	2,500,000
Current investments of own fund	2,697,320	476,344
	5,850,101	2,976,344
Other non-operating Income:		
Rent	1,074,941	1,065,242
Miscellaneous receipts	913,718	1,115,470
Profit on sale of property, plant and equipment	34,764	143,868
Liabilities/Provisions no longer required, written back	8,299	11,586
	2,031,722	2,336,166
	264,304,532	117,798,536

NOTE – 18 : Employee Benefits Expense

Particulars	2017-18	2016-17
	Rupees	Rupees
Salaries, bonus etc.	55,479,297	61,496,881
Contribution to provident and other funds [Refer Note no.32 (iii)]	7,711,727	8,553,426
Gratuity Expense [Refer Note no. 32]	4,769,307	689,990
Staff welfare Expense	3,070,526	3,532,643
	71,030,857	74,272,940



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 19 : Other Expenses

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Advertisement		20,750		498,932
Electricity charges	7,312,732		7,338,498	
Less : recovered from tenants	(1,595,045)	5,717,687	(1,499,795)	5,838,703
Rates & Taxes		296,854		386,605
Insurance		262,684		263,536
Printing & Stationary		329,964		564,738
Telephone charges		1,187,785		1,289,202
Travelling & Conveyance		399,264		860,646
Motor car expenses		266,272		290,223
Repairs & Maintenance:				
Building	218,414		219,843	
Others *	11,462,844	11,681,258	12,324,671	12,544,514
Expenses for Other Trading Platform:				
BSE		360,529		349,980
NSE		172,584		204,862
Interest on delayed payment of statutory dues		6,628		10,914
Security Expenses		944,053		951,024
Expenses for Depository Services		-		29,171
Legal & Professional Fees		2,851,804		7,329,882
Auditor's Remuneration:				
Audit Fee	1,900,000		1,400,000	
Tax Audit Fee	200,000		200,000	
In other capacity	300,000		50,000	
Reimbursement of Expenses	101,648	2,501,648	72,446	1,722,446
Investors' Service Expenses		63,186		88,215
Directors Sitting Fee		1,062,500		942,500
CSR Expenditure		2,000,000		-
Provision for Doubtful Debts and Advances		5,168,515		1,333,600
Bad Debts	4,430,570		13,022	
Less : Adjusted against Provision for Doubtful Debts	4,430,570	-	-	13,022
Contribution to Settlement Guarantee Fund on CSE-NSE Turnover		141,434		95,448
Contribution to Settlement Guarantee Fund on CSE-BSE Turnover		23,678		22,808
Miscellaneous Expenses		1,326,600		1,834,952
		36,785,677		37,465,923

* Including Rs.1,02,34,712 (31st March 2017 : Rs.1,08,57,884) for computer maintenance and service charges.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 20 : Depreciation and Amortization Expense

Particulars	2017-18	2016-17
	Rupees	Rupees
Depreciation of Property, Plant and Equipment	3,111,408	4,302,013
Amortization of Intangible Assets	211,486	354,604
Depreciation on Investment Property	504,159	504,159
	3,827,053	5,160,776

NOTE – 21 : Earning Per Share (EPS)

Particulars	2017-18	2016-17
	Rupees	Rupees
Net Profit after Tax as per Statement of Profit and Loss	153,764,887	28,872,609
Less/ Add : Adjustment with General Reserve of Pre-demutualisation period	(113,493,800)	25,928
Less : Tax on Equity Dividend paid during the year relating to prior year	-	(44,438)
Less : Transferred to Investors' Service Fund	(7,622,031)	(7,283,486)
Less : Transferred to Settlement Guarantee Fund	(23,032,706)	(17,470,151)
Profit attributable to equity shareholders	9,616,350	4,100,462
Weighted average number of equity shares	611,250	611,250
Earnings per share - Basic & Diluted (Rs.)	15.73	6.71
Nominal Value of share (Re.)	1	1



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

- 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 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, 2018	As at March 31, 2017
Corporation Tax demand from Kolkata Municipal Corporation	1,78,10,523	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	1,89,292	174,928

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-



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

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)

SI No	Particulars	As at March 31, 2018	As at March 31, 2017
	Under Reserves & Surplus (Settlement Guarantee Fund):		
I.	Settlement Guarantee Fund of the Exchange	31,10,60,665	27,70,14,794
II.	Members' Ad-hoc contribution to SGF	3,11,27,700	3,11,27,700
III.	Dividend on Members' Security Deposit	1,45,20,483	1,45,20,483
	Total	35,67,08,848	32,26,62,977
	Under Other Current Liabilities (Settlement Guarantee Fund):		
IV.	Members BMC/SGF in Cash	10,88,49,670	10,93,73,099
V.	Interest Adjustable with BMC/ABMC	99,26,715	99,26,715
VI.	Members' deposit towards BSE/NSE-SGF	22,02,781	21,72,781
	Total	12,09,79,166	12,14,72,595
	Grand Total	47,76,88,014	44,41,35,572

(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, 2018	As at March 31, 2017
I	Investments in Fixed Deposits	40,57,18,463	37,19,00,000
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Balances in Current Account	7,31,781	28,81,382
IV	Interest accrued on Fixed Deposits	35,97,557	21,35,694
V	Deposit with BSE Ltd	5,81,25,000	5,81,25,000
VI	Deposit with Indian Clearing Corporation Ltd	18,75,000	18,75,000
VII	BMC Receivable from Members (Net of Liability)	24,04,682	24,39,882
VIII	Receivable from/ (Payable to) the Exchange	2,35,531	(2,21,386)
	Total	47,76,88,014	44,41,35,572

(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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

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 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	2017-18	2016-17
Settlement Guarantee Fund Expenses:		
- Staff Cost (Also refer note 29)	-	22,61,494
- 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	50,700	1,07,000
- Legal & Professional Fees	3,91,560	13,09,546
	7,20,860	39,56,640
Investors' Service Expenses	63,186	88,215

- 29.** Vide its report dated July 5, 2018 on the special purpose inspection of the Calcutta Stock Exchange Limited carried out during the 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 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 Company has reversed such allocations to the Settlement Guarantee Fund recognised in earlier years.
- 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 31.03.2018. Out of the above, the Company has filed recovery suits amounting to Rs.93,00,50,704 (Rs.93,00,50,704) from 14 defaulting members. As the matter is sub-Judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.
- ii) Sundry Deposits as at 31.03.2018, in Note-5, under the head "Long Term Liabilities" includes Rs.96,92,94,037 (Rs.96,92,94,037) being contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years which is refundable on receipt of settlement amount from defaulting members. The above balance of Rs.96,92,94,037 was partially contributed by part of corpus in members' base minimum capital



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

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.

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

31. Fixed Deposits and shares are being received by the Company from the members as security deposit. Since the rights on aforesaid shares and fixed deposits remained with the members and the same is kept with the Company only as security deposits, the value of such shares of Rs.29,59,31,246 (Rs.25,02,71,266) and fixed deposits of Rs.18,24,95,168 (Rs.17,96,68,025) as at 31.03.2018, 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:

Particulars	2017-18	2016-17
Discount rate	7.64%	7.50%
Salary escalation rate (Inflation rate)	6.50%	7.50%
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	2017-18	2016-17
Contribution to Provident/Pension Fund	49,13,146	54,36,736
Contribution to Superannuation Fund	22,61,799	24,66,607
Contribution to National Pension Scheme	5,36,782	6,50,083

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- From May 9, 2016)

Mr. B Madhav Reddy (President- Till August 31, 2016)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

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

Trust set-up by the Company

(Amount in Rupees)

Name	Particulars	2017-18	2016-17
Stock Exchange Investors' Protection Fund	Contribution to Stock Exchange Investors' Protection Fund	26,70,581	32,78,410
	Expenses recoverable / incurred on behalf related party	14,05,556	19,16,124
	Income earned on behalf of related party	-	13,84,285
	Amount paid	15,46,749	20,40,233
	Amount receivable outstanding	4,88,984	2,07,260

Subsidiaries (wholly owned)

(Amount in Rupees)

Name	Particulars	2017-18	2016-17
CSE Capital Markets Private Limited	Expenses incurred on behalf of Subsidiary	26,23,337	9,40,908
	Income earned on behalf of Subsidiary	169	7,623
	Interest on fixed deposits received from bank on behalf of subsidiary	88,875	-
	Expenses payable to subsidiary	7,83,236	5,69,526
	Amount receivable/(payable) outstanding	16,98,158	(52,899)

(Amount in Rupees)

Name	Particulars	2017-18	2016-17
Lyons Range Securities Clearing Corporation Limited	Expenses incurred on behalf of Subsidiary	1,60,675	-
	Amount receivable outstanding	1,60,675	-

Key Management Personnel :

(Amount in Rupees)

Name	Particulars	2017-18	2016-17
Mr. Subrato Das (MD & CEO)	Remuneration and other allowances (From May 9, 2016)	60,93,692	56,65,405
Mr. B Madhav Reddy (President)	Remuneration and other allowances (Till August 31, 2016)	-	31,63,627

34. The Company has paid taxes as per provisions of section 115JB of the Income Tax Act, 1961 in the current year. However, the Company has not recognized Minimum Alternative Tax (MAT) Credit entitlement of Rs.2,06,67,634 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. The Company has in an earlier year filed a writ petition in the Hon'ble High Court of Calcutta against the intimation dated November 3, 2014 from SEBI initiating the process of compulsory exit as a stock exchange. The Hon'ble High Court had directed both the parties to hold a meeting for working out the issue that has arisen between the parties. In view of the aforesaid intimation from SEBI, the Company had suspended Stock Market operations w.e.f. April 3, 2013.

On December 22, 2014 the representatives of the Company attended a meeting with the SEBI and submitted



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

a “proposal for consideration” which was rejected by SEBI without attributing any reason for such rejection.

On May 18, 2015 SEBI again issued a letter stating that it has initiated the process of compulsory exit and that a valuation agency would be appointed by SEBI for the purpose of verification and valuation of the assets and liabilities of the stock exchange; SEBI had also asked the Company to co-ordinate with nationwide stock exchange and place the listed companies in dissemination board of nationwide stock exchange within 15 days of the receipt of the said letter and also settle outstanding dues of the brokers and sub-brokers in a time bound manner.

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

Being aggrieved with the Orders of Hon’ble High Court, the Company has filed appeals and stay petition before the Hon’ble Division Bench, High Court Calcutta. The Division Bench has stayed the exit process of the Company initiated by SEBI till further hearing. The appeal filed by the Company is yet to be disposed of by the Hon’ble Division Bench, High Court of Calcutta.

The management believes the outcome of the above litigation will depend on the judgement of the Hon’ble Division Bench, High Court of Calcutta which is currently pending.

In the meantime, the Company has made arrangements with National Stock Exchange and Bombay Stock Exchange to enable its member to trade on those Exchanges and thereby earn turnover charges from members who are engaged in such trading. As an alternative source for augmentation of its revenue and networth, the Company is also contemplating to develop its freehold land at Rajarhat and is in talks for evaluating the commercialisation of its leasehold land at EM Bypass in Kolkata. Consequently, the management has considered it appropriate to prepare the financial statements on the going concern assumption.

- 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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Partha Ray
Director

Subrato Das
MD & CEO

Prosenjit Dutta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of The Calcutta Stock Exchange Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Calcutta Stock Exchange Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

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

Qualified opinion

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 matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2018, of their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 36 to the financial statements regarding the uncertainty related to the outcome of the appeal and stay petition filed by the Holding Company



which is more fully described therein. Our opinion is not qualified in respect of this matter.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 9,58,39,115 and net assets of Rs 9,23,98,231 as at March 31, 2018, and total revenues of Rs 91,12,121 and net cash inflows of Rs 31,85,736 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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) Except for the matter described in the Basis for Qualified Opinion paragraph, we / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) Except for the 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 appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the 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 and Companies (Accounting Standards) Amendment Rules, 2016;

- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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 of the Group's companies is disqualified as on March 31, 2018 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) 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, 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 material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.
 - 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, 2018.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2018

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, 2018, 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, 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 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 has been identified as at March 31, 2018:

- a) The Holding Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Holding Company not recognising sufficient provision there against. 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 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, 2018, 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, 2018, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated August 30, 2018 expressed a qualified opinion.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: August 30, 2018

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
		Rupees	Rupees
I. EQUITIES AND LIABILITIES			
1. SHAREHOLDERS' FUND			
Share Capital	3	618,750	618,750
Reserves and Surplus	4	1,795,647,025	1,651,058,693
2. NON CURRENT LIABILITIES			
Long Term Liabilities	5	969,294,037	969,294,037
3. CURRENT LIABILITIES			
Trade Payables	6	11,941,646	14,445,385
Other Current Liabilities	6	361,062,182	365,562,267
Short Term Provisions	7	6,317,201	1,200,001
		3,144,880,841	3,002,179,133
II. ASSETS			
1. NON CURRENT ASSETS			
Fixed assets			
Property, Plant and Equipment	8A	285,107,121	287,429,509
Intangible Assets	8B	353,624	595,594
Non Current Investments	9	102,735,617	83,239,776
Deferred Tax Assets (net)	10	2,181,509	1,547,194
Loans and Advances	11	1,123,027,909	1,169,089,471
Other Assets	15	646,964,693	807,599,904
2. CURRENT ASSETS			
Current Investments	12	195,387,893	19,493,724
Trade Receivables	13	21,094,712	14,826,839
Cash and Bank Balances	14	743,891,248	596,963,929
Loans and Advances	11	8,747,879	8,992,726
Other Assets	15	15,388,636	12,400,467
		3,144,880,841	3,002,179,133
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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Partha Ray
Director

Subrato Das
MD & CEO

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, 2018

Particulars	Notes	2017-18	2016-17
		Rupees	Rupees
Income :			
Revenue from Operations	16	51,811,363	49,461,597
Other Income	17	270,746,769	124,066,994
Total revenue (I)		322,558,132	173,528,591
Expenses :			
Employees Benefit Expense	18	71,030,857	74,272,940
Other Expenses	19	38,539,717	39,043,403
Depreciation and Amortization Expense	20	3,901,436	5,318,856
Contribution to SEBI		3,030,257	3,129,850
Contribution to Stock Exchange Investors' Protection Fund		2,632,081	3,206,410
Total expenses (II)		119,134,348	124,971,459
Profit before tax (I-II)		203,423,784	48,557,132
Tax Expenses :			
Current tax			
Pertaining to profit for the current year [Refer Note No. 34]		42,605,895	14,187,798
Adjustment of tax relating to earlier years		2,315,218	2,411
Deferred tax		(634,315)	975,994
Total tax expense		44,286,798	15,166,203
Profit after tax for the year		159,136,986	33,390,929
Earnings per equity share			
Basic and diluted (Rs.)	21	24.52	14.10
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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Partha Ray
Director

Subrato Das
MD & CEO

Prosenjit Dutta
Chief Financial Officer

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2018

	Particulars	2017-18	2016-17
		Rupees	Rupees
A.	Cash Flow from Operating Activities		
	Profit before tax	203,423,784	48,557,132
	Adjustment to reconcile profit before tax to net cash flows :-		
	Depreciation and Amortization expense	3,901,436	5,318,856
	(Profit) on sale/discard of property, plant and equipment	(34,764)	(143,868)
	Provision for Doubtful Debts and Advances	5,168,515	1,333,600
	Bad Debts	-	13,022
	Sundry balance written off	64,471	3,297
	Liabilities/Provisions no longer required, written back	(8,299)	(11,586)
	Settlement Guarantee Fund Contribution	165,112	140,777
	Interest on Fixed Deposits	(110,802,706)	(113,893,526)
	Interest on Bonds	(872,480)	(872,480)
	Interest on Income Tax Refunds	(18,526,513)	(197,362)
	Dividend Income from Investments	(6,031,383)	(3,345,550)
	Profit on sale of Investments	(129,549,942)	(354,102)
	Operating profit before working capital changes	(53,102,769)	(63,451,790)
	Movements in working capital:		
	Increase/(Decrease) in Short Term Provisions	2,729,729	(3,291,209)
	(Decrease) / Increase in Trade Payables	(2,503,739)	1,380,453
	(Decrease) / Increase in Other Current Liabilities	(5,439,446)	12,690,981
	(Increase) in Trade Receivables	(11,436,388)	(4,915,971)
	(Increase)/Decrease in Long Term Loans & Advances	(1,085,758)	94,403
	Decrease in Short Term Loans & Advances	258,787	977,946
	(Increase) in Other Current Assets	(367,730)	(146,796)
	Cash used in operations	(70,947,314)	(56,661,983)
	Refund / (Payment) of direct taxes (net)	4,535,267	(11,943,665)
	Net Cash used in Operating Activities	(66,412,047)	(68,605,648)
B.	Cash Flow from Investing Activities		
	Proceeds from sale of property, plant and equipment	106,000	261,459
	Purchase of property, plant and equipment	(904,155)	(1,751,042)
	Purchase of Non Current Investments	(20,000,000)	(30,000,000)
	Proceeds from Purchase and Sale of Current Investments (net)	(46,344,227)	48,184,895
	Dividend income from Investments	6,031,383	3,345,550
	Investment in Fixed Deposits	(628,449,624)	(450,600,000)
	Encashment of Fixed Deposits	634,710,254	421,917,390
	Interest on Fixed Deposits	107,125,211	114,888,405
	Interest on Income Tax Refund	18,526,513	197,362
	Interest on Bonds	872,480	872,480
	Net cash flow from investing activities	71,673,835	107,316,499
C.	Cash Flow from Financing Activities		
	Dividend Paid on equity shares	(11,277,340)	(11,545,000)
	Tax on equity dividend paid	(2,488,766)	(2,533,203)
	Net Cash used in Financing Activities	(13,766,106)	(14,078,203)
	Net (decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(8,504,318)	24,632,648
	Cash and Cash Equivalents as at the beginning of the year	63,795,942	39,163,294
	Cash and Cash equivalents as at the end of the year	55,291,624	63,795,942

Contd. in next page



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2018 (Contd.)

Particulars	2017-18	2016-17
	Rupees	Rupees
Components of Cash & Cash Equivalents*		
Cash on hand	35,780	36,875
Cheques / Drafts on hand	1,515,963	726,122
Balance with Scheduled Banks on Current Account:-		
Own Fund	39,860,894	48,684,444
Investors' Service Fund	5,746,341	5,013,914
Settlement Guarantee Fund	731,781	2,881,382
Unpaid Dividend Account	7,400,865	6,453,205
	55,291,624	63,795,942

* Includes the balance of Rs.74,00,865 (31st March, 2017: Rs.64,53,205) 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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee

Director

Partha Ray

Director

Subrato Das

MD & CEO

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, 2018****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, 2018	As at March 31, 2017
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 subsidiary have been consolidated in terms of Accounting Standard- 21, "Consolidated Financial Statements" on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profit/loss included therein.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the Company's separate financial statements.
- (iv) The excess/shortfall of cost to the Company of its investments in the subsidiary companies is recognized in the financial statements as goodwill/ capital reserve as the case may be.
- (v) Minority interest in the net asset of subsidiaries consists of:
- The amount of Equity attributable to minority at the date on which investment in a subsidiary is made.
 - Minority's share of movements in equity since the date parent subsidiary relationship came into existence.

NOTE – 1.1: Basis of preparation of 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 derecognition 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



The Calcutta Stock Exchange Limited

does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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

x) Earnings per Share

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

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

xi) Provisions

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

discounted to their present value and are determined based on best estimate required to settle the obligation at the 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, 2018

NOTE – 3 : Share Capital

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
a) AUTHORISED SHARES : 10,00,00,000 (31st March 2017 : 10,00,00,000) equity shares of Re.1 each	100,000,000	100,000,000
b) ISSUED SHARES : 6,18,750 (31st March 2017 : 6,18,750) equity shares of Re.1 each	618,750	618,750
c) SUBSCRIBED & PAID UP SHARES : 6,11,250 (31st March 2017 : 6,11,250) equity shares of Re.1 each fully paid up	611,250	611,250
Add : Forfeited Shares: 7,500 (31st March 2017 : 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, 2018

NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2018	As at 31st March, 2017
	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	350,064,057	350,089,985
Addition during the year	115,809,018	-
Deductions/adjustments during the year	(2,315,218)	(25,928)
Closing balance	463,557,857	350,064,057
Post-demutualisation period		
Balance as per last financial statements	56,015,205	55,015,205
Addition during the year	-	1,000,000
Closing balance	56,015,205	56,015,205
Total general reserve	519,573,062	406,079,262
Surplus in the statement of profit and loss - Post-demutualisation period		
Profit for the year	40,719,887	33,101,105
Appropriations:-	159,136,986	33,390,929
Less : Transferred to general reserve	-	(1,000,000)
Less : Income of Investor's Service Fund transferred	(7,685,217)	(7,371,701)
Less : Income of Settlement Guarantee Fund transferred	(23,753,566)	(21,426,791)
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	(12,225,000)	-
Less : Tax on final equity dividend	(2,488,766)	-
Less : Tax on proposed equity dividend relating to prior year	-	(44,438)
Add : Expenses of Settlement Guarantee Fund transferred	720,860	3,956,640
Add : Expenses of Investor's Service Fund transferred	63,186	88,215
Add : Current tax expenses relating to pre-demutualisation period adjusted with general reserve	2,315,218	-
Add : Loss on discard of fixed assets of pre-demutualisation period adjusted with general reserve	-	25,928
Total appropriations	(169,710,356)	(25,772,147)
Net Surplus in the Statement of Profit and Loss	30,146,517	40,719,887
Total of Own Fund	1,358,022,634	1,255,102,204
II. Investors' Service Fund - Post-demutualisation period		
Balance as per last financial statements	73,293,512	66,010,026
Addition during the year	7,685,217	7,371,701
Deductions/adjustments during the year	(63,186)	(88,215)
Total of Investors' Service Fund	80,915,543	73,293,512



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 4 : Reserve and Surplus (Contd.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
III. Settlement Guarantee Fund - Post-demutualisation period		
Settlement Guarantee Fund for CSE-NSE Cash Segment		
Balance as per last financial statements	10,142,503	10,103,154
Addition during the year	56,424	39,349
Closing balance	10,198,927	10,142,503
Settlement Guarantee Fund for CSE-NSE Future and Option Segment		
Balance as per last financial statements	10,204,499	10,148,400
Addition during the year	85,010	56,099
Closing balance	10,289,509	10,204,499
Settlement Guarantee Fund for CSE-BSE Cash Segment		
Balance as per last financial statements	10,203,839	10,181,035
Addition during the year	23,678	22,804
Closing balance	10,227,517	10,203,839
Settlement Guarantee Fund for CSE-BSE Future and Option Segment		
Balance as per last financial statements	10,007,568	10,007,564
Addition during the year	-	4
Closing balance	10,007,568	10,007,568
Settlement Guarantee Fund Initial Membership Fees		
Balance as per last financial statements	260,000	250,000
Addition during the year	-	10,000
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	281,844,568	264,361,896
Addition during the year	23,753,566	21,439,312
Prior period expenses of Settlement Guarantee Fund (Net of tax) transferred from Profit and Loss Account [Refer Note - 29]	10,848,053	-
Deductions/adjustments during the year	(720,860)	(3,956,640)
Closing balance	315,725,327	281,844,568
Total of Settlement Guarantee Fund	356,708,848	322,662,977
Total of I+II+III	1,795,647,025	1,651,058,693

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	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)]	969,294,037	-	969,294,037	969,294,037	-	969,294,037
	969,294,037	-	969,294,037	969,294,037	-	969,294,037

NOTE – 6 : Trade Payables and Other Current Liabilities

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	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	-	11,941,646	11,941,646	-	14,445,385	14,445,385
	-	11,941,646	11,941,646	-	14,445,385	14,445,385
Other Liabilities :						
Sundry Deposits	15,899,367	43,878,636	59,778,003	15,913,275	38,331,926	54,245,201
Members' Security Deposits [Refer Note no.31]						
- Own Fund	-	94,413,454	94,413,454	-	96,142,891	96,142,891
- Settlement Guarantee Fund	-	120,979,166	120,979,166	-	121,472,595	121,472,595
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	75,865,986	75,865,986	-	83,936,203	83,936,203
Statutory Dues	-	2,624,708	2,624,708	-	3,312,172	3,312,172
Unclaimed Dividend	-	7,400,865	7,400,865	-	6,453,205	6,453,205
	15,899,367	345,162,815	361,062,182	15,913,275	349,648,992	365,562,267
	15,899,367	357,104,461	373,003,828	15,913,275	364,094,377	380,007,652

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, 2018	As at 31st March, 2017
	Rupees	Rupees
Provision for Employee Benefits:		
Provision for Gratuity [Refer Note no. 32]	2,729,729	-
Other Provisions:		
Income Tax [net of advance tax of Rs. 38,318,423 (31st March 2017 : Rs. 12,987,797)]	3,587,472	1,200,001
	6,317,201	1,200,001



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

(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 2016	415,300	2,157,399	12,700,896	6,827,915	8,478,785	-	172,744,471	203,324,766		
Disposals/Adjustment	-	-	-	(14,445)	(90,000)	-	(10,465,216)	(10,569,661)		
At 31st March 2017	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105		
At 31st March 2018	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105		
Depreciation										
At 1st April 2016	-	1,553,298	12,084,021	6,535,265	8,119,796	-	172,003,855	200,296,235		
Charge For the Year	-	26,508	806	-	-	-	-	27,314		
Disposals/Adjustment	-	-	-	(14,400)	(85,500)	-	(10,443,833)	(10,543,733)		
At 31st March 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		
Net Block										
At 31st March 2017	415,300	577,593	616,069	292,605	354,489	-	719,233	2,975,289		
At 31st March 2018	415,300	552,249	615,151	292,605	354,489	-	719,233	2,949,027		
ASSETS OF POST-DEMUTUALISATION PERIOD :										
At 1st April 2016	269,000,023	11,728,629	6,904,114	5,529,782	3,103,649	1,393,530	19,759,230	317,418,957		
Additions	-	-	55,247	-	57,055	1,329,080	309,660	1,751,042		
Disposals/Adjustment	-	-	(12,131)	-	(145,116)	(873,530)	(278,684)	(1,309,461)		
At 31st March 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		
Depreciation										
At 1st April 2016	-	2,900,142	3,240,939	3,723,073	2,720,024	1,201,631	16,478,124	30,263,933		
Charge For the Year	-	860,063	968,594	494,656	187,417	366,598	1,482,855	4,360,183		
Adjusted with General Reserves	-	-	(10,885)	-	(117,120)	(829,853)	(259,940)	(1,217,798)		
At 31st March 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		
Disposals/Adjustment	-	-	-	-	-	(448,764)	-	(448,764)		
At 31st March 2018	-	4,536,480	4,929,445	4,576,393	2,840,432	671,441	18,532,408	36,086,599		
Net Block										
At 31st March 2017	269,000,023	7,968,424	2,748,582	1,312,053	225,267	1,110,704	2,089,167	284,454,220		
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		
Total Net Block										
At 31st March 2017	269,415,323	8,546,017	3,364,651	1,604,658	579,756	1,110,704	2,808,400	287,429,509		
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		

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 8B : Intangible Assets

Amount in Rs.

Particulars	Computer Softwares	Total
ASSETS OF PRE-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2016	30,036,144	30,036,144
At 31st March 2017	30,036,144	30,036,144
At 31st March 2018	30,036,144	30,036,144
Amortization		
At 1st April 2016	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2017	30,036,108	30,036,108
Charge For the Year	-	-
At 31st March 2018	30,036,108	30,036,108
Net Block		
At 31st March 2017	36	36
At 31st March 2018	36	36
ASSETS OF POST-DEMUTUALISATION PERIOD :		
Gross Block		
At 1st April 2016	5,235,643	5,235,643
At 31st March 2017	5,235,643	5,235,643
At 31st March 2018	5,235,643	5,235,643
Amortization		
At 1st April 2016	4,212,885	4,212,885
Charge For the Year	427,200	427,200
At 31st March 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
Net Block		
At 31st March 2017	595,558	595,558
At 31st March 2018	353,588	353,588
Total Net Block		
At 31st March 2017	595,594	595,594
At 31st March 2018	353,624	353,624



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 9 : Non Current Investments (At Cost)

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
INVESTMENT PROPERTY		
Pre-Demutualisation Period		
Cost of leasehold land	49,667,291	49,667,291
Less : Accumulated depreciation	(8,578,349)	(8,074,190)
Net Block	41,088,942	41,593,101
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD		
Non-trade (valued at cost unless stated otherwise)		
Debentures- Quoted		
117 (31st March 2017 : 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 2017: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
Bonds- Quoted		
5,696 (31st March 2017: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation of India	5,696,000	5,696,000
4,944 (31st March 2017: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highway Securities Authority of India (N1 Series)	4,944,000	4,944,000
Investments in fixed maturity mutual funds- Unquoted		
1,00,000 (31st March 2017: 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 2017: Nil) 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	-
10,00,000 (31st March 2017: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OT(1117 days)- Growth	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	41,646,674
	102,735,617	83,239,776

* 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	31,000,000
Value of investment property	41,088,942	41,593,101
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, 2018

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
Deferred Tax Liability		
Impact of expenditure allowed for tax purposes on payment basis in the current year	1,551,842	992,115
Deferred Tax Asset		
Provision for doubtful debts and advances	2,415,441	2,212,115
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	565,788	327,194
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	752,122	-
Gross Deferred Tax Asset	3,733,351	2,539,309
Net Deferred Tax Asset	2,181,509	1,547,194

NOTE – 11 : Loans and Advances

Particulars	Non-Current		Current	
	As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees	As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees
Unsecured, considered good unless stated otherwise:				
Security Deposits				
Considered good	42,432,679	42,432,679	-	-
Considered doubtful	506,000	506,000	-	-
	42,938,679	42,938,679	-	-
Less : Provision for doubtful deposits	(506,000)	(506,000)	-	-
	42,432,679	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	-	-
	103,442,679	103,442,679	-	-
Advances recoverable in cash or in kind				
Settlement Guarantee Fund	2,404,682	2,439,882	-	-
	2,404,682	2,439,882	-	-
Receivable from other parties				
Considered good	8,515,400	8,792,900	2,860,899	1,266,472
Considered doubtful	1,242,825	-	-	-
	9,758,225	8,792,900	2,860,899	1,266,472
Less : Provision for doubtful advances	(1,242,825)	-	-	-
	8,515,400	8,792,900	2,860,899	1,266,472
Receivable from defaulting members	949,616,925	949,616,925	-	-
Receivable from related party:				
Stock Exchange Investors' Protection Fund	-	-	496,484	207,260
	958,132,325	958,409,825	3,357,383	1,473,732
Other Loans and Advances:				
Advance Income Tax and Tax Deducted at Source [Net of provision Rs. 74,391,433 (31st March 2017 : Rs. 59,647,400)]	49,083,342	96,166,191	13,940	-
Prepaid expenses	-	-	3,559,598	4,007,383
Gratuity plan assets (net)	-	667,785	-	-
Leave encashment fund assets (net)	3,994,155	1,212,383	-	-
Loan to employees - Interest bearing	5,970,726	6,750,726	1,747,871	1,825,575
Balances with statutory/government authorities	-	-	69,087	1,686,036
	59,048,223	104,797,085	5,390,496	7,518,994
	1,123,027,909	1,169,089,471	8,747,879	8,992,726



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 12 : Current Investments

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
INVESTMENTS OF PRE-DEMUTUALISATION PERIOD - CURRENT PORTION OF LONG TERM INVESTMENTS (Valued at cost)		
Non- Trade		
Equity shares- Unquoted		
Nil (31st March 2017: 1,000,000) equity shares of Rs. 10 each fully paid up of Central Depository Services (India) Ltd (by way of equity participation as a co-sponsor)	-	10,000,000
	-	10,000,000
INVESTMENTS OF POST-DEMUTUALISATION PERIOD (Valued at lower of cost and fair value)		
Non- Trade		
Investments in mutual funds- Unquoted		
8,310 (31st March 2017: Nil) units of Rs.1,000 each fully paid up of HDFC Cash Management Fund- Savings Plan- Direct Plan - Growth Option	28,700,000	-
21,353 (31st March 2017: Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Low Duration Fund - Growth - Direct Plan (formerly Aditya Birla Sun Life Cash Manager)	9,000,000	-
34,545 (31st March 2017: Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	8,000,000	-
1,80,349 (31st March 2017: Nil) units of Rs.100 each fully paid up of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan (formerly Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	41,059,764	-
76,368 (31st March 2017: 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
Nil (31st March 2017: 1,968) units of Rs.1,000 each fully paid up of Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend -Reinvestment *	-	1,900,000
29,945 (31st March 2017: Nil) units of Rs.1,000 each fully paid up of Baroda Pioneer Liquid Fund - Plan B Daily Dividend- Reinvestment	30,000,000	-
1,016 (31st March 2017: Nil) units of Rs.1,000 each fully paid up of Baroda Pioneer Treasury Advantage Fund - Plan B Growth *	2,052,781	-
1,95,652 (31st March 2017: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Banking & PSU Debt Fund Growth - Direct Plan	10,000,000	-
6,541 (31st March 2017: Nil) units of Rs.1,000 each fully paid up of Reliance Liquid Fund-Direct Plan Daily Dividend Option Dividend Reinvestment	10,000,000	-
7,367 (31st March 2017: Nil) units of Rs.1,000 each fully paid up of Reliance Liquid Fund-Treasury Fund- Direct Growth Plan- Growth Option	30,550,345	-
9,749 (31st March 2017: Nil) units of Rs.1,000 each fully paid up of Axis Liquid Fund- Direct Growth	18,250,000	-
6,066 (31st March 2017: 6,066) units of Rs.1,001 each fully paid up of Invesco India Liquid Fund - Direct Plan Daily Dividend	6,251,554	6,071,288
22 (31st March 2017: 22) units of Rs.1,008 each fully paid up of Reliance Money Manager Fund - Daily Dividend Plan Dividend Reinvestment	23,449	22,436
	195,387,893	9,493,724
	195,387,893	19,493,724

* Investment out of Investors' Service Fund

Aggregate cost of Investments:

Unquoted	195,387,893	19,493,724
Net asset value of mutual fund units	199,669,002	9,694,552

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2018		As at 31st March,2017	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	1,368,126		755,262	
Unsecured				
- Considered good	18,188,085		12,362,267	
- Considered doubtful	7,017,702	26,573,913	7,522,582	20,640,111
Other Receivables:				
Secured, Considered good	-		550,310	
Unsecured, Considered good	1,538,501	1,538,501	1,159,000	1,709,310
		28,112,414		22,349,421
Less: Provision for Doubtful Debts		(7,017,702)		(7,522,582)
		21,094,712		14,826,839



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees	As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees
a. CASH AND CASH EQUIVALENTS				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	39,860,894	48,684,444
Investors' Service Fund	-	-	5,746,341	5,013,914
Settlement Guarantee Fund	-	-	731,781	2,881,382
Unpaid Dividend Account	-	-	7,400,865	6,453,205
Cheques / Drafts on hand	-	-	1,515,963	726,122
Cash on hand	-	-	35,780	36,875
	-	-	55,291,624	63,795,942
b. OTHER BANK BALANCES				
Deposits with remaining maturity of more than 12 months :				
Pre-Demutualisation Period				
Own Funds	35,576,479	-	-	-
Post-Demutualisation Period				
Own Funds	362,881,254	531,300,000	-	-
Earmarked Funds:				
Settlement Guarantee Fund	175,400,000	213,900,000	-	-
Investors' Service Fund	71,650,000	62,000,000	-	-
Deposits with remaining maturity for less than 12 months :				
Own Funds	-	-	458,281,161	372,167,987
Earmarked Funds:				
Settlement Guarantee Fund	-	-	230,318,463	158,000,000
Investors' Service Fund	-	-	-	3,000,000
	645,507,733	807,200,000	688,599,624	533,167,987
Amount disclosed under Non-current assets (Refer Note 15)	(645,507,733)	(807,200,000)	-	-
	-	-	743,891,248	596,963,929
Deposits with remaining maturity for more than 12 months : *				
with ICCL	65,900,000	96,000,000		
with NSCCL	193,000,000	162,800,000		
with HDFC Bank Ltd	-	59,900,000		
Deposits with remaining maturity for less than 12 months : *				
with ICCL			98,918,463	261,900,000
with NSCCL			75,300,000	126,900,000
with HDFC Bank Ltd			109,400,000	49,500,000
	258,900,000	318,700,000	283,618,463	438,300,000
* The aforesaid fixed deposits is lien marked as margin for utilization of their Trading Platform by the members of the Company				
Deposits with remaining maturity for more than 12 months :				
Deposit with Victor Moses & Co	-	3,500,000		
Deposits with remaining maturity for less than 12 months :				
Deposit with Victor Moses & Co			17,481,161	13,917,987
	-	3,500,000	17,481,161	13,917,987

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer Note no. 14)				
Other receivables				
Secured, Considered good				
Others - -			110,375	110,375
Unsecured, Considered good				
Rent & Electricity			1,906,283	1,538,553
Interest accrued on fixed deposits:				
Own Funds	1,456,960	399,904	9,214,017	7,891,719
Settlement Guarantee Fund	-	-	3,597,557	2,135,694
Investors' Service Fund	-	-	145,665	309,387
Interest accrued on investments in bonds:				
Own Funds	-	-	414,739	414,739
	646,964,693	807,599,904	15,388,636	12,400,467

NOTE – 16 : Revenue from Operations

Particulars	2017-18	2016-17
	Rupees	Rupees
SALE OF SERVICES :		
Turnover charges on other trading platform :		
- BSE	1,098,217	2,364,773
- NSE	3,637,088	2,702,626
Listing fees	27,590,324	27,641,750
Subscriptions	1,518,000	1,478,500
Processing charges	11,270,423	8,663,000
Income from depository participant operation	2,669,884	1,791,079
Commission on PAN services	41,352	83,725
Other operating revenue :		
Bad debts recovered	712,250	2,189,161
Recovery of penal charges from clients	1,595,741	1,258,147
Income from NISM Operation	1,627,454	1,271,436
Technology charges from new members	50,000	-
Miscellaneous operating income	630	17,400
	51,811,363	49,461,597



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 17 : Other Income

Particulars	2017-18	2016-17
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	5,448,383	5,552,326
Interest on fixed deposits of Settlement Guarantee Fund	30,002,800	30,056,033
	35,451,183	35,608,359
Interest income on own fund:		
Fixed deposits	75,351,523	78,285,167
Tax Free PSU bonds	872,480	872,480
Security deposit with CESC Ltd	135,306	130,780
Security deposit with National Stock Exchange of India Ltd	73,809	-
Income Tax refunds	18,526,513	197,362
Interest on delayed payment of listing fees	1,844,256	1,766,263
Others	878,652	998,235
	97,682,539	82,250,287
Profit on sale of Current investments	846,130	-
Profit on sale of Current investments of Investors' Service Fund	-	354,102
Profit on sale of Long term investments	128,703,812	-
	129,549,942	354,102
Dividend income from investments:		
Current investments of Investors' Service Fund	152,781	-
Long term investments	3,000,000	2,500,000
Current investments of own fund	2,878,602	845,550
	6,031,383	3,345,550
Other non-operating Income:		
Rent	1,074,941	1,065,242
Miscellaneous receipts	913,718	1,288,000
Profit on sale of property, plant and equipment	34,764	143,868
Liabilities/Provisions no longer required, written back	8,299	11,586
	2,031,722	2,508,696
	270,746,769	124,066,994

NOTE – 18 : Employee Benefits Expense

Particulars	2017-18	2016-17
	Rupees	Rupees
Salaries, bonus etc.	55,479,297	61,496,881
Contribution to provident and other funds [Refer Note no. 32 (iii)]	7,711,727	8,553,426
Gratuity Expense [Refer Note no. 32]	4,769,307	689,990
Staff welfare Expense	3,070,526	3,532,643
	71,030,857	74,272,940

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE – 19 : Other Expenses

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Advertisement		20,750		498,932
Electricity charges	7,312,732		7,338,498	
Less : recovered from tenants	(1,595,045)	5,717,687	(1,499,795)	5,838,703
Rates & Taxes		336,436		394,879
Insurance		262,684		263,536
Printing & Stationary		366,904		621,861
Telephone charges		1,187,785		1,289,202
Travelling & Conveyance		399,264		860,646
Motor car expenses		266,272		290,223
Repairs & Maintenance:				
Building	218,414		219,843	
Others *	11,613,633	11,832,047	12,498,569	12,718,412
Expenses for Other Trading Platform:				
BSE		360,529		349,980
NSE		172,584		204,862
Interest on delayed payment of statutory dues		99,694		10,914
Security Expenses		944,053		951,024
Expenses for Depository Services		526,501		702,756
Legal & Professional Fees		3,749,403		8,050,049
Auditor's Remuneration				
As Audit Fees	1,900,000		1,410,000	
Tax Audit	200,000		200,000	
In other capacity	300,000		50,000	
Reimbursement of Expenses	101,648	2,501,648	72,446	1,732,446
Investors' Service Expenses		63,186		88,215
Directors Sitting Fee		1,062,500		942,500
CSR Expenditure		2,000,000		-
Provision for Doubtful Debts and Advances		5,168,515		1,333,600
Bad Debts	4,430,570		13,022	
Less : Adjusted against Provision for Doubtful Debts	4,430,570	-	-	13,022
Contribution to Settlement Guarantee Fund on CSE-NSE Turnover		141,434		95,448
Contribution to Settlement Guarantee Fund on CSE-BSE Turnover		23,678		22,808
Miscellaneous Expenses		1,336,164		1,769,385
		38,539,717		39,043,403

* Including Rs.1,03,85,501 (31st March 2017 : Rs.1,10,31,782) for computer maintenance and service charges.



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE – 20 : Depreciation and Amortization Expense

Particulars	2017-18	2016-17
	Rupees	Rupees
Depreciation of property, plant and equipment	3,155,307	4,387,497
Amortization of Intangible Assets	241,970	427,200
Depreciaiton on Investment Property	504,159	504,159
	3,901,436	5,318,856

NOTE – 21 : Earning Per Share (EPS)

Particulars	2017-18	2016-17
	Rupees	Rupees
Net Profit after Tax as per Statement of Profit and Loss	159,136,986	33,390,929
Less/Add : Adjustment with General Reserve of Pre-demutualisation period	(113,493,800)	25,928
Less : Tax on Equity Dividend paid during the year relating to prior year	-	(44,438)
Less : Transferred to Investors' Service Fund	(7,622,031)	(7,283,486)
Less : Transferred to Settlement Guarantee Fund	(23,032,706)	(17,470,151)
Profit attributable to equity shareholders	14,988,449	8,618,782
Weighted average number of equity shares	611,250	611,250
Earnings per share - Basic & Diluted (Rs.)	24.52	14.10
Nominal Value of share (Re.)	1	1

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

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 Appel-

late 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.

Other matters:

- d) The Holding Company has received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Holding Company. The Holding Company has filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.
- 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



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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 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.

g) **Other miscellaneous claims not acknowledged as debts by Holding Company—**

(Amount in Ruppes)

Particulars	As at March 31, 2018	As at March 31, 2017
Corporation Tax demand from Kolkata Municipal Corporation	1,78,10,523	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	1,89,292	174,928

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 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.

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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, 2018	As at March 31, 2017
	Under Reserves & Surplus (Settlement Guarantee Fund):		
I.	Settlement Guarantee Fund of the Exchange	31,10,60,665	27,70,14,794
II.	Members' Ad-hoc contribution to SGF	3,11,27,700	3,11,27,700
III.	Dividend on Members' Security Deposit	1,45,20,483	1,45,20,483
	Total	35,67,08,848	32,26,62,977
	Under Other Current Liabilities (Settlement Guarantee Fund):		
IV.	Members BMC/SGF in Cash	10,88,49,670	10,93,73,099
V.	Interest Adjustable with BMC/ABMC	99,26,715	99,26,715
VI.	Members' deposit towards BSE/NSE-SGF	22,02,781	21,72,781
	Total	12,09,79,166	12,14,72,595
	Grand Total	47,76,88,014	44,41,35,572

- (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, 2018	As at March 31, 2017
I	Investments in Fixed Deposits	40,57,18,463	37,19,00,000
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Balances in Current Account	7,31,781	28,81,382
IV	Interest accrued on Fixed Deposits	35,97,557	21,35,694
V	Deposit with BSE Ltd	5,81,25,000	5,81,25,000
VI	Deposit with Indian Clearing Corporation Ltd	18,75,000	18,75,000
VII	BMC Receivable from Members (Net of Liability)	24,04,682	24,39,882
VIII	Receivable from/ (Payable to) the Exchange	2,35,531	(2,21,386)
	Total	47,76,88,014	44,41,35,572

- (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.



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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	2017-18	2016-17
Settlement Guarantee Fund Expenses:		
- Staff Cost (Also Ref. Note 29)	-	22,61,494
- 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	50,700	1,07,000
- Legal & Professional Fees	3,91,560	13,09,546
	7,20,860	39,56,640
Investors' Service Expenses	63,186	88,215

- 29.** Vide its report dated July 5, 2018 on the special purpose inspection of the Calcutta Stock Exchange Limited carried out during the 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 has reversed such allocations to the Settlement Guarantee Fund recognised in earlier years.
- 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 31.03.2018. Out of the above, the Company has filed recovery suits amounting to Rs.93,00,50,704 (Rs.93,00,50,704) from 14 defaulting members. As the matter is sub-judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.
- ii) Sundry Deposits as at 31.03.2018, in Note-5, under the head "Long Term Liabilities" includes Rs.96,92,94,037 (Rs.96,92,94,037) being contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years which is refundable on receipt of settlement amount from defaulting members. The above balance of Rs.96,92,94,037 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.

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

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

31. Fixed Deposits and shares are being received by the Holding Company from the members as security deposit. Since the rights on aforesaid shares and fixed deposits remained with the members and the same is kept with the Holding Company only as security deposits, the value of such shares of Rs.29,59,31,246(Rs.25,02,71,266)and fixed deposits of Rs.18,24,95,168(Rs.17,96,68,025) as at 31.03.2018, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

32. Employee Benefits:

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

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

- i) The principle actuarial assumptions are as follows:

Particulars	2017-18	2016-17
Discount rate	7.64%	7.50%
Salary escalation rate (Inflation rate)	6.50%	7.50%
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	2017-18	2016-17
Contribution to Provident/Pension Fund	49,13,146	54,36,736
Contribution to Superannuation Fund	22,61,799	24,66,607
Contribution to National Pension Scheme	5,36,782	6,50,083

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- From May 9, 2016)
Mr. B Madhav Reddy (President- Till August 31, 2016)

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



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

Trust set-up by the Holding Company

(Amount in Rupees)

Name	Particulars	2017-18	2016-17
Stock Exchange Investors' Protection Fund	Contribution to Stock Exchange Investors' Protection Fund	26,70,581	32,78,410
	Expenses recoverable / incurred on behalf related party	14,13,056	19,16,124
	Income earned on behalf of related party	-	13,84,285
	Amount paid	15,46,749	20,40,233
	Amount receivable outstanding	4,96,484	2,07,260

Key Management Personnel :

(Amount in Rupees)

Name	Particulars	2017-18	2016-17
Mr. Subrato Das (MD & CEO)	Remuneration and other allowances (From May 9, 2016)	60,93,692	56,65,405
Mr. B Madhav Reddy (President)	Remuneration and other allowances (Till August 31, 2016)	-	31,63,627

34. The Holding Company has paid taxes as per provisions of section 115JB of the Income Tax Act, 1961 in the current year. However, the Company has not recognized Minimum Alternative Tax (MAT) Credit entitlement of Rs.2,06,67,634 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. The Holding Company has in an earlier year filed a writ petition in the Hon'ble High Court of Calcutta against the intimation dated November 3, 2014 from SEBI initiating the process of compulsory exit as a stock exchange. The Hon'ble High Court had directed both the parties to hold a meeting for working out the issue that has arisen between the parties. In view of the aforesaid intimation from SEBI, the Holding Company had suspended Stock Market Operations w.e.f. April 3, 2013.

On December 22, 2014 the representatives of the Holding Company attended a meeting with the SEBI and submitted a "proposal for consideration" which was rejected by SEBI without attributing any reason for such rejection.

On May 18, 2015 SEBI again issued a letter stating that it has initiated the process of compulsory exit and that a valuation agency would be appointed by SEBI for the purpose of verification and valuation of the assets and liabilities of the stock exchange; SEBI had also asked the Holding Company to co-ordinate with nationwide stock exchange and place the listed companies in dissemination board of nationwide stock exchange within 15 days of the receipt of the said letter and also settle outstanding dues of the brokers and sub-brokers in a time bound manner.

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

THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

Being aggrieved with the Orders of Hon'ble High Court, the Holding Company has filed appeals and stay petition before the Hon'ble Division Bench, High Court Calcutta. The Division Bench has stayed the exit process of the Holding Company initiated by SEBI till further hearing. The appeal filed by the Holding Company is yet to be disposed of by the Hon'ble Division Bench, High Court of Calcutta.

The management believes the outcome of the above litigation will depend on the judgement of the Hon'ble Division Bench, High Court of Calcutta which is currently pending.

In the meantime, the Holding Company has made arrangements with National Stock Exchange and Bombay Stock Exchange to enable its member to trade on those Exchanges and thereby earn turnover charges from members who are engaged in such trading. As an alternative source for augmentation of its revenue and networth, the Holding Company is also contemplating to develop its freehold land at Rajarhat and is in talks for evaluating the commercialisation of its leasehold land at EM Bypass in Kolkata. Consequently, the management has considered it appropriate to prepare the financial statements on the going concern assumption.

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	2017-2018		2017-2018		2016-2017		2016-2017	
	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	94.75%	1,70,20,08,730	96.62%	15,37,64,887	95.04%	1,56,97,04,229	86.79%	2,89,80,786
Indian Subsidiary								
CSE Capital Markets Private Limited	4.98%	8,94,23,719	3.48%	55,38,773	4.96%	8,19,73,214	13.21%	44,10,143
Lyons Range Securities Clearing Corporation Limited	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: 30th August, 2018

For and on behalf of the Board of Directors

Dr. Bhaskar Banerjee
Director

Partha Ray
Director

Subrato Das
MD & CEO

Prosenjit Dutta
Chief Financial Officer



Notes

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The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata-700001

Ph.: 033 4025 3000, Fax: 033 4025 3030, E-mail: cseadm@cse-india.com, Website: www.cse-india.com