



**The Calcutta Stock Exchange Limited**

**97<sup>th</sup> Annual Report  
2019-20**

## Corporate Information

### Chairman

Dr. Bhaskar Banerjee  
Public Interest Director

### Public Interest Directors

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

### Shareholder Directors

Mr. Purushottam Saraf

### Registered Office

7, Lyons Range, Kolkata – 700 001  
Website: [www.cse-india.com](http://www.cse-india.com)

### Registrar & Share Transfer Agents

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

### Bankers

Axis Bank  
HDFC Bank Limited  
United Bank of India

### Auditors

S R Batliboi & Co. LLP  
Chartered Accountants

### Internal Auditors

Ray & Ray  
Chartered Accountants

### Solicitors

Avijit Dey, Partners, LLP  
Sinha & Co.

## 97th Annual General Meeting

<b>Day</b>	:	Thursday
<b>Date</b>	:	December 31st, 2020
<b>Venue</b>	:	Via Video Conference
<b>Time</b>	:	4 pm

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



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



**G. D. Gautama**  
Public Interest Director



**Prof. Ashok Banerjee**  
Public Interest Director



**Purushottam Saraf**  
Shareholder Director



**DIRECTORS' REPORT****Dear Shareholders,**

The Board of Directors of The Calcutta Stock Exchange Limited (the 'Exchange / Company / CSE') take great pleasure in presenting the 97th Annual Report for the Financial Year 2019-20 together with the Audited Financial Statements for the year ended 31st March, 2020. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

**1. Audited Results:****1.1 Financial Summary and Highlights for the year under review:**

The total income of the Exchange on a stand-alone basis was Rs.1652.28Lacs. The profit before tax and contribution to Settlement Guarantee Fund and Investors' Service Fund was Rs.134.86 Lacs. After charging the contribution to Settlement Guarantee Fund and Investors' Service Fund the loss for the current year Rs.216.73 lacs for the financial year 2019-20.

Particulars	2019-20	2018-19
	Rs. In Lacs	Rs. in Lacs
<b>Income:</b>		
<b>Total Revenue (I)</b>	<b>1652.28</b>	<b>2067.86</b>
<b>Total Expenses (II)</b>	<b>1517.42</b>	<b>1460.75</b>
<b>Profit before Tax (I-II) and contribution to Settlement Guarantee Fund and Investors' Protection Fund</b>	<b>134.86</b>	<b>607.11</b>
<b>Total tax Expense</b>	<b>41.11</b>	<b>103.36</b>
<b>Profit after Tax and before contribution to Settlement Guarantee Fund and Investors' Service Fund</b>	<b>93.75</b>	<b>505.75</b>
Contribution to Settlement Guarantee Fund (Net of Tax)	238.85	220.25
Contribution to Stock Exchange Investors' Service Fund (Net of Tax)	71.64	101.88
<b>Total of Contribution to Settlement Guarantee Fund &amp; Investors' Service Fund</b>	<b>310.48</b>	<b>322.13</b>
<b>(Loss)/ Profit after tax and contribution to Settlement Guarantee Fund and Investors' Service Fund for the year</b>	<b>(216.73)</b>	<b>183.62</b>
<b>Profit brought forward from last year</b>	<b>177.58</b>	<b>73.23</b>
<b>Transfer from General Reserve</b>	<b>0</b>	<b>56.00</b>
<b>Transfer to General Reserve</b>	<b>0</b>	<b>10.00</b>
<b>Dividend declared(2018-19)/(2017-18)</b>	<b>110.03</b>	<b>103.91</b>
<b>Tax on Dividend(2018-19)/(2017-18)</b>	<b>22.62</b>	<b>21.35</b>
<b>(Deficit) /Surplus</b>	<b>(171.79)</b>	<b>177.58</b>

In accordance with the provisions of Rule 8(1) of the Companies (Accounts) Rules, 2014 the financial highlights and other matters are presented on the basis of stand-alone financial statement of the Company. The financial statements for the year ended 31st March, 2020 have been prepared in accordance with generally accepted accounting principles in India (Indian GAPP). The Company has prepared this financial statement to comply in all material respect 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.

**1.2. Appropriations:****1.2.1 Dividend:**

In view of the loss incurred during the period under review, our Directors do not propose any dividend for the Financial Year ended March 31, 2020.

**1.2.2 Transfer to Reserves:**

In view of the loss incurred during the period under review, the Directors do not propose to transfer any fund to Reserve.



**1.2.3 Consolidated Financial Statement:**

Consolidated Financial Statements relating to the Company and its Subsidiaries has been prepared in terms of Accounting Standard AS-21 [Consolidated Financial Statement] 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.

**2. Operations:**

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

Due to policy changes by SEBI, CSE is not able to attract any company through Direct Listing norms. However, the Exchange had launched Amnesty Schemes time to time for collection of old listing dues from suspended companies. In response to this, many listed companies have come forward and availed the benefit of the Amnesty Scheme. CSE has approved Voluntary Delisting of 42 Companies under SEBI Voluntary Delisting Regulations. At the end of 31st March 2020 there are 2259 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 the CSE against the Order dated April 12, 2016 passed by the Single Bench against Securities and Exchange Board of India (SEBI) had been admitted by the Hon'ble Division Bench. The matter was heard from time to time but due to COVID-19 pandemic, it was not taken up until October 21, 2020. On October 21, 2020, the matter was heard before the Hon'ble Division Bench comprising of Hon'ble Justice I. P. Mukherji and Hon'ble Justice Md. Nizamuddin who were pleased to fix the matter for hearing in the month of November, 2020.

**3. Highlights of performance of subsidiaries / associates and their contribution to the overall performance of the company:**

Pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 highlights of performance of subsidiaries / associates and their contribution to the overall performance of the company are given below:

**3.1 Depository Services by CSE Capital Markets Pvt. Ltd.:**

CSE Capital Markets Pvt. Ltd. is a wholly owned subsidiary company of CSE. It is engaged in the business of continuing with the depository operations of both CDSL and NSDL. At the end of the current Financial Year 2019-20 the total number of beneficiary accounts at CCMPL stood at 3297 for NSDL and 584 for CDSL respectively. Profit earned for the year amounts to Rs. 40.45 Lakh which has been considered in consolidation.

**3.2 Clearing corporation services by Lyons Range Securities Clearing Corporations Ltd.:**

Lyons Range Securities Clearing Corporations Ltd. is also an indirect wholly owned subsidiary company of CSE. It is yet to commence its commercial operations of a Clearing Corporation. The company has incurred a Loss after Tax amounting to Rs. 9.18 Lakh which has been considered in consolidation.

**4. Investors' Services:**

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

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

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

**5. Investor Awareness and Education:**

The Exchange is continuing its efforts to reach out to large number of individuals for promoting investors awareness and spreading financial literacy. CSE is actively collaborating with premier academic institutes in the area of Investor Research and the related areas of Capital Market. CSE had also set up a Centre of Excellence on Financial Market (CUCSE-CEFM) at Calcutta University focusing on inter-disciplinary research initiatives on three thrust areas: capital markets, financial inclusiveness, and ethics in financial markets, with its endowment fund. The Centre of Excellence has been continuing One Year Post Graduate Diploma Course in Portfolio Management Services since November 2018 in order to imparting knowledge



on corporate financial analysis, portfolio management, asset valuation, depository and stock exchange functioning.

**6. Code of Conduct for Directors:**

To emphasize the values and principles of the Exchange and to set the standards for professional and ethical behaviour, the Code of Conduct for Directors, as recommended by SEBI, has been adopted by the Exchange. These are applicable to all Directors. All the Directors of the Exchange have affirmed compliance to the Code for the financial year ending March 31, 2020. A copy of the Code has been put on the Company's website at [www.cse-india.com](http://www.cse-india.com).

**7. CSE Board Structure and Governance:**

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

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

The number of Public Interest Directors shall not be less than the number of shareholder directors in a Recognized Stock Exchange. As at the close of financial year 2019-20 there were three Public Interest Directors and one Shareholder Director. 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:**

SEBI vide its letter dated 31st July, 2019 has exempted The Calcutta Stock Exchange from recruitment of new MD & CEO.

**Public Interest Directors:**

Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama continue to act as Public Interest Directors of the Exchange. Public Interest Directors are not liable to retire by rotation and shareholders' approval is not required for their appointment.

**Shareholder Directors:**

Mr. Ravi Poddar, a Shareholder Director resigned from the Board on 25th January, 2020. The Board places on record its sincere appreciation for the valuable contributions made by Mr. Ravi Poddar during his tenure on the Board. Mr. Purushottam Saraf, a Shareholder Director and representative of BSE continued to act as the sole Shareholder Director of the Exchange and his tenure is subject to retirement of directors by rotation. Accordingly Mr. Purushottam Saraf [holding DIN: 06570445] retires by rotation and being eligible, has offered

himself for re-appointment.

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 read with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 on procedural norms on recognition, ownership and governance for Stock Exchanges and Clearing Corporations, new Committees were constituted by the Board of CSE. The details of Committees formed, meeting details and attendance of Directors in the meetings of the various committees form part of Corporate Governance Report annexed to the Directors' Report. The Company is not required to appoint statutory committees enunciated under the provisions of Sections 177 or 178 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

**9. Meeting Details:**

During the Financial Year 2019-20, NINE (9) meetings of the Board were convened and held on 14th May, 2019; 26th June, 2019; 30th August, 2019; 23rd September, 2019; 23rd October, 2019; 15th November, 2019; 19th December, 2019; 24th January, 2020 and 3rd February, 2020. Since Section 177 or 178 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 were 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, 2020.



**11. Corporate Governance:**

Pursuant to Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as amended upto date 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, 2018 as amended upto date, a report on Corporate Governance as on 31st March 2020 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 CFO has given appropriate certifications to the Board of Directors.

As required by Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as amended upto date 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, 2018 as amended upto date, a report on Corporate Governance as on 31st March 2020 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 CFO has given appropriate certifications to the Board of Directors.

As required by Regulation 34(3) Schedule V(E) of the listing regulations, the Auditor's Certificate is annexed to this report.

**12. Directors' Responsibility Statement:**

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

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

**13. Public Deposits:**

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

**14. Material Changes and Commitments:**

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

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

The Company has two wholly-owned Subsidiary Companies viz. CSE Capital Markets Private Limited (CCMPL) and Lyons Range Securities Clearing Corporation Limited. It has no other Associate or Joint Venture Company. In accordance with Section 129(3) of the Companies Act, 2013, 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 the 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 consumption. Accordingly, the Company is not required to furnish information under the head “Conservation of Energy” as per the requirement of aforesaid rules. However, CSE continuously strives to optimise its energy usage and efficiency and has adopted several environment friendly measures to conserve energy such as –

- i. Installation of an environment friendly 10.2 KWP Grid Connected Solar Power Plant at its Registered Office.
- ii. Installation of Thin – Film Transistor (TFT) monitors that save power.
- iii. Power shutdown of idle monitors.
- iv. Minimising air-conditioning usage.
- v. Shutting off all the lights when not in use.
- vi. Educating and making the employees aware to save power.

**B. Technology Absorption:**

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

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

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

Corporations) Regulations, 2018 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

**17. Particulars of Employees:**

There was no person in the Company drawing remuneration in excess of the limits laid down in Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

In accordance with Regulation 27(5) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing

**18. Statutory Auditors:**

The members of the Company at the 93rd Annual General Meeting (‘AGM’) held on 29th September, 2016 approved the appointment of M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, [FRN:301003E] as the



Statutory Auditors of the Company for a period of five years to hold office until the conclusion of the 98th Annual General Meeting for the financial year ending 31st March, 2021. The Auditors have confirmed that they are eligible to continue as Statutory Auditors to audit the books of accounts of the Company for the Financial Year ending 31st March, 2021 and

accordingly they will continue to be the Statutory Auditors of the Company.

**19. Auditors' Report:**

The Auditors' Report on the financial statements of the Exchange for the Financial Year ended March 31, 2020 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 2019-20:**

Points as per Independent Auditor's Report	Management's Explanation
Attention is drawn to Note 31 (i) regarding recoverability of Rs. 94,96,16,925 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Company's profit for the year and year end loans and advances as carried forward in these financial statements is not ascertainable.	As on 31.3.2020 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.
<b>Points as per Auditor's Report on the internal financial control over financial reporting:</b>	<b>Management's Explanation:</b>
The Company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Company not recognising sufficient provision there against.	As on 31.3.2020 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.
<b>Material Uncertainty Related to Going Concern</b>	<b>Management's Explanation :</b>
We draw attention to Note 37 in the standalone financial statements which fully describes the uncertainties relating to the outcome of the Company's appeal pending before the Division Bench of the Hon'ble High Court at Calcutta. The ability of the Company to carry on the business of stock exchange is dependent on the outcome of the appeal pending before the Division Bench of the Hon'ble High Court at Calcutta. This indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern in respect of its stock exchange operations only.Our opinion is not modified in respect of the above matter.	As per the relevant Auditing Standards of the Institute of Chartered Accountants of India, the concept of going concern is applicable for the company as a whole and not to individual segment of operations. The management believe that irrespective of continuation of Stock Exchange operations, the company has sufficient resources to meet its obligations as and when they fall due. Accordingly, there is no uncertainty relating to the company's ability to continue as a going concern.



**21. Management Discussion & Analysis:**

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

**22. Cost Audit and Secretarial Audit:**

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

**23. Particulars of loans, guarantees or investments:**

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

**24. Related Party Disclosures:**

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

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

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

In terms of the provisions of section 134(3)(a) read with section 92(3) of the Companies Act, 2013 it is stated that the Extract of Annual Return relating to financial year ending 31.03.2020 onwards shall be placed on the Website of the company [www.cse-india.com](http://www.cse-india.com) and as such, pursuant to proviso to Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the company is not required to attach the extract of the annual return with this Board's Report in Form No. MGT-9.

**26. Internal Financial Control:**

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

code of conduct and company's policies for which they are responsible in financial or commercial transactions.

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

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2020. The assessment involved self-review, internal audit and external audit. The Statutory Auditors in their report on Internal Financial Control has identified certain material weaknesses on which the management has offered its explanation in the preceding paragraphs. The Company has appointed M/s. Ray & Ray, Chartered Accountants to oversee and carry out internal audit of the functions and activities of the Exchange. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in Section 177 of Companies Act 2013) the audit committee has concluded that, as of March 31, 2020, the Company's internal financial controls were adequate and operating effectively.

**27. Risk Management:**

Risks are events, situations or circumstances which may lead to negative consequences on the company's businesses. Risk management is the process of identifying, quantifying and managing the risks that an organization faces. The Company has in place an Enterprise Risk Management framework, based on which the risks are identified and managed. Key business risks and the related key performance indicators, along with the mitigating action plans are reviewed on need based periodicity to assess the



threats and opportunities that will impact the objectives set for the Company as a whole. The Risk Assessment and Minimization Procedures are periodically reviewed and modified by the Board. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The Company fulfils its legal requirements as per the Rules/Acts laid down in the statute and improving work place safety continues to be the top priority. As of now the Directors do not envisage any element of risk which may threaten the very existence of the company.

**28. Employee Relations / Human Resource Developments:**

The Company continued to maintain cordial personnel relation. The 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.11,00,000/- towards donation to IIT, Kharagpur towards research programmes. The CSR Policy of the company is placed on the website of the company. An extract of the Corporate Social Responsibility Policy [CSR Policy] as required to be disclosed under Rule 9 of the Companies (Accounts) Rules, 2014 and Annual Report on Corporate Social Responsibility activities containing particulars specified in the Format prescribed under Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for the financial year under review is attached as Annexure – 3 to this Report.

**30. Unpaid/Unclaimed Dividend:**

As on 31st March, 2020 the Company is having a sum of Rs.79.04 lakhs (as against Previous Year Rs.74.82 lakhs) as unpaid/unclaimed dividend lying in its Unpaid Dividend Account with Banks.

**31. Performance Evaluation:**

Pursuant to SECC Regulations and the SEBI Circular dated 5th February, 2019 a policy on performance review of Public Interest Directors (PIDs) has been framed by the Remuneration and Compensation Committee which has also been approved by the governing board of the exchange. The Policy included criteria for performance evaluation, methodology adopted for such evaluation, analyzing the result with scope for both internal and external evaluation. For the Financial Year ending 31st March, 2020 all the governing board members have evaluated the performance of each PIDs which in the opinion of the board has been carried out in a fair and objective manner and the review has been recorded in a standardized format (through circulation of detailed questionnaire to the PIDs and feedback received thereon) covering all the relevant criteria/aspects.

None of the PIDs were in the last year of their term and hence external evaluation of PIDs was not preemptory. Performance evaluation criteria for PIDs include various aspects as stated in Annexure A to the circular referred above with some additional principles as the governing board considered appropriate and the same has also been disclosed on the website of the exchange.

**32. General:**

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

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

**33. Acknowledgement**

Your Directors place on record their sincere appreciation for the continued assistance, cooperation 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

Dr. Bhaskar Banerjee

Chairman

Place: Kolkata

Date: 1st December, 2020

DIN: 00603201

**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
1	Name of the subsidiary	CSE Capital Markets Pvt. Ltd. Clearing Corporations Ltd	Lyons Range Securities
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31st March, 2020	Year ended 31st March, 2020
2	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)
4.	Share capital	5,77,50,020	50,00,000
5.	Reserves & surplus	3,72,02,506	(13,86,743)
6.	Total Assets	96,126,795	55,79,779
7.	Total Liabilities	96,126,795	55,79,779
8.	Investments	25,00,000	0
9.	Turnover	82,07,303	3,30,627
10.	Profit before taxation	40,44,812	(9,17,965)
11.	Provision for taxation	10,27,829	0
12.	Profit after taxation	30,16,983	(9,17,965)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

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

- Names of subsidiaries which are yet to commence operations: Lyons Range Securities Clearing Corporation Ltd
- Names of subsidiaries which have been liquidated or sold during the year: NIL

**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



**Annual Report on CSR Activities of the Company for the financial year  
ended 31st March, 2020**

(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	Mr. Bhaskar Banerjee - Public Interest Director Mr. Gyan Dutt Gautama- Public Interest Director
3.	Average net profit of Company for last 3 financial years	Rs.549.12lakhs
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Rs. 10.98lakhs
5.	a) Total amount to be spent during the financial year	Rs. 11 Lakhs
	b) Amount unspent, if any	Nil
	c) Manner in which the amount spent during the financial year is detailed below in the prescribed format	

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (i) Local area or other (ii) Specify the State and district where projects or programmes were undertaken	Amount outlay (Budget) projects or programme wise	Amount spent on the projects or programmes <b>Sub heads:</b> 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
	Indian Institute of Technology, Kharagpur	Education	West Bengal	—	Rs. 11 Lakhs	Rs. 11 Lakh	Direct
	<b>Total</b>				Rs. 11 Lakhs	Rs. 11 Lakh	
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 and on behalf of the Board

Place: Kolkata  
Date: 1st December, 2020

Dr. Bhaskar Banerjee  
Chairman  
DIN: 00603201



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Economic Environment:**

The COVID-19 pandemic is inflicting huge impact worldwide in all respect. The economic impact is already visible in the countries most affected by the outbreak. By the end of May 2020, most countries imposed Lockdown, including USA, China, India and European countries. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. Due to pandemic, the global economy is projected to contract by 3 percent in 2020, according to the International Monetary Fund (IMF) World Economic Report of April 2020. This is much worse than during the 2008-09 financial crisis, in fact as stated by IMF's Chief Economist Gita Gopinath, this year will very likely be the worst global economic contraction since the Great Depression of the 1930s. In a baseline scenario, which assumes that the pandemic fades in the 1st quarter of 2021 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. Similarly, the Economist Intelligence Unit (EIU) expects global real GDP growth to contract by 2.5% this year - a worse outturn than during the global financial crisis.

### **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 Stock

Exchanges in India remain among the most resilient globally.

Indian Capital Markets demonstrated steady growth despite the challenges posed by the Covid-19 pandemic. Stock Exchanges and all associated market infrastructure institutions in India were fully functional despite the lockdown, on back of government and regulatory support, meticulous planning and technological advances, thus ensuring uninterrupted business continuity for market participants. This also prove India's ability to run robust system with its resources for capital market operations. Its role in the domestic and global businesses to expand and invest. India's exchanges have shown extraordinary strength to bounce back with greater stability and sustainability in wake of any crisis and remain confident that they will emerge stronger from the covid-19 pandemic. Raising capital is a strategic priority in this current scenario, and the frontiers of Indian capital markets are not only increasing but has assumed far greater importance and urgency.

### **Current Market Developments :**

Despite the lockdown, a protracted return to normalcy has started from October 2020. The unprecedented scale and scope of policy responses will undoubtedly help to limit the extent of the collapse and will help the post-crisis recovery. The equity market crash in March 2020 also reveal the stunning rapidity and severity of the dislocation. Severe economic dislocation and massive pressures on small businesses will weigh heavily on post-crisis activity levels.

Indian Economy, like others, reeled under the impact of Covid and consequent lockdowns. In Quarter 1 of 2020-21, the GDP contracted by 23.9%. However, in Quarter 2 there were some shoots of revival, with the contraction rate going down to 7.5%. It is expected that Q3 and Q4 should fare better. The RBI estimates that for the full year 2020-21, the overall contraction rate will be 9.5%. The next year i.e. 2021-22 should be much better in the light of the progress in the discovery of Covid vaccines. However, the Indian stock market has sprung a big surprise, with Sensex crossing 44,000 and Nifty hovering around 13000. The Indian index emerged as the best performers among its global peers. From its lowest mark in late March it has shot up by more than 70%. In comparison the US Dow Jones was up around 60% in this period, Japanese Nikkei 55% and Britain's FTSE less than 30%. Only the US Nasdaq which comprises tech stocks, matched the Sensex growth.

In November 2020 foreign investments in shares were around Rs 69500 crores. There is a bigger flow into equity because the debt rates have collapsed.





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

Recently SEBI relaxed the leverage norms for AAA-rated Infrastructure Investment Trust (InvITs) to 70 percent from 49 percent earlier, provided there is a track record of six continuous bonus/dividend distributions to unit holders. The new leverage cap is not applicable to privately placed and unlisted InvITs. Though the amendment would increase adoption of the instrument, the impact can be seen in a slew of new InvITs being announced with the participation of marquee investors such as global private equity, and pension and sovereign wealth funds. As a result cumulative assets under InvITs are expected to increase to over Rs.2 trillion over the next two years, Crisil said in the report.

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

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

#### **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 had been 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. 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.

During the Financial Years 2018-19 and 2019-20, the Company have launched Amnesty Scheme for suspended

Listed companies with concession in interest and penalty, a good number of companies has opted for the scheme and revoke the suspension by complying the Regulations,

#### **Threats:**

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

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

#### **Key Strategies:**

A comprehensive plan has been prepared by CSE to create an iconic institution, unique of its kind, to enable it to make a significant contribution to the economy of eastern India. This proposal encompasses an immediate plan of (a) the setting up of a SME Exchange, (b) a MSME Advisory Centre, (c) an Incubation/Acceleration Centre, and (d) Training Services. In this regard, CSE will collaborate with respective state governments in the Eastern and North Eastern states, leading consultancy agencies and premier academic institutions to achieve its plans. Further, in the long run, CSE would also like to explore innovative areas of operations like a social stock exchange.

The SME application will be subject to approval of SEBI. As far as CSE’s credentials for operating as a SME Exchange are concerned, we believe that we comply with all the necessary requirements.

CSE will set up a comprehensive MSME Advisory Centre which will act as a one stop shop for the MSMEs to avail of advisory services, mentorship, financial training and advice on equity finance raising. This activity will



not be limited only to West Bengal but shall be extended to the North-Eastern States by setting up small advisory sub-centres in the respective State Capitals. CSE is further hopeful that collaboration for the MSME Centre will be forged with Indian Institute of Management, Calcutta and Bengal Chamber of Commerce & Industries. Exploratory discussions with these bodies have already taken place.

The Centre will work in close association with the MSME department of the West Bengal government.

In this connection a report has been prepared by M/s. Intueri Consulting LLP titled "A Comprehensive MSME Centre and MSME Exchange in East India-Socio-Economic relevance and role of the Calcutta Stock Exchange."

In addition, the Exchange proposes to create a large Incubation Centre primarily on Fintech and Financial Blockchain to allow ventures with potential to hone their ideas by working in the CSE premises and over a period of time be candidates for listing in the SME Exchange. Complete hand holding services will be provided. CSE has the infrastructure and financial capability to create a comprehensive facility. The Centre will also organise accelerator workshops to help existing startups in this region to upscale their business in quick time. The Exchange plans to collaborate with angel networks, and venture capital firms to help the budding entrepreneurs raise seed capital at the early stage of their business.

CSE shall continue to conduct its investors' awareness programmes and would approach the National Institute of Securities Markets (NISM) for collaboration in this regard. Further, the exchange will continue to run a post graduate course on capital markets in collaboration with Calcutta University. The Exchange proposes to tie-up with IIM Calcutta as an academic partner in various training programmes on capital markets and with the Bengal Chambers of Commerce, as industry partner, for bringing in industry perspectives in the training programmes

**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.

**Other Developments during the year :**

SEBI vide its letter No.SEBI/HO/MRD/CSC/OW/P/2019/19603/1 dated 1st August, 2019 had appointed Deloitte Touche Tohmatsu India LLP as Special Auditor for conducting the Special Audit from the Financial Years 2013-14 to 2018-19. The Auditors have submitted their report dated 1st September, 2020 to SEBI. On receipt of the report, SEBI had sent us a letter dated 4th September, 2020 seeking clarifications on some of the points mentioned in the report. In response to the SEBI's comments, CSE vide its email dated 30th September, 2020 had replied all the points raised by SEBI with proper clarifications.

The appeal filed by CSE against the order of the Hon'ble Bench of Calcutta High Court is still pending due to pandemic Covid-2019 hearing could not be held.

**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 ..

**Acknowledgement:**

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

Place: Kolkata  
Date: 1st December, 2020

Dr. Bhaskar Banerjee  
Director  
DIN - 00603201



## REPORT ON CORPORATE GOVERNANCE

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

### 1. The Company's philosophy on Code of Governance

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

### 2. Board of Directors

#### 2.1 Composition and Category of Directors

The Exchange is controlled and managed by its Governing Board comprised of Four Directors categorised as below:

- Public Interest Directors [Three]
- Shareholder Directors [One]

Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. G. D. Gautama (IAS Retd.) continue to act as Public Interest Directors of the Exchange. As per Regulation 2(1)(o) of SECC Regulations, Public Interest Director has been defined as an Independent Director representing the interest of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, is in conflict with the role.

Mr. Purushottam Saraf, as representative of BSE continued to act as Shareholder Director of the Exchange and his tenure of appointment is subject to retirement of directors by rotation. During the year 2019-20 Mr. Ravi Poddar, who was a Shareholder Director resigned on 25th January, 2020. Mr. Purushottam Saraf retires by rotation and being eligible, has offered himself for re-appointment.

The Board of the Company confirms that all the Public Interest Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'] and are independent of the Management.

Further, Regulation 23(4) of SECC Regulations prescribes that the Managing Director (MD) shall be included in the category of Shareholder Directors. SEBI vide its letter dated 31st July, 2019 has exempted the Exchange from recruitment of MD & CEO.

All the Directors are non-executive and there is no Nominee Director whether institutionally represented or not.

Being a Recognized Stock Exchange, appointment of all the categories of Directors of the Company have been approved by Securities and Exchange Board of India (SEBI). Pursuant to Regulation 20 of SECC Regulations, all the Directors of the Company ensured to be fit and proper persons at all times during the FY 2019-20.

### 2.2 Attendance of Directors at Board meetings and last Annual General Meetings:

Sl. No.	Name and Designation of Director	Board Meetings in 2019-20		Attendance in last AGM
		Held	Attended	
1	Dr. Bhaskar Banerjee Din: 00603201	9	9	YES
2	Prof. Ashok Banerjee Din: 06884670	9	6	YES
3	Gyan Dutt Gautama Din: 08243156	9	7	YES
4	Pursuhottam Saraf Din: 06570445	9	1	YES
5	Ravi Poddar* Din: 00031201	8	7*	YES

\*resigned on 25.01.2020 and holds 5,000 equity shares. None of the Directors of your Company are inter-se related to each other.

### 2.3 The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies and the shareholdings in the Company are given below:

Name of the Director	Category of Directorship	Number of Directorships held in other Public Limited Companies incorporated in India	Directorship in other listed entity (Category of Directorships)	Number of shares held in the company*
Dr. Bhaskar Banerjee Din: 00603201	PID	Nil	Nil	Nil
Prof. Ashok Banerjee Din: 06884670	PID	1	Nil	Nil
Gyan Dutt Gautama Din: 08243156	PID	2	Nil	Nil
Pursuhottam Saraf Din: 06570445	SHD	Nil	Nil	Nil

\* The company has not issued any Convertible Debentures.

### 2.4 Number of Meetings of the Board of Directors held and dates thereof during FY 2019-20:

During the Financial Year 2019-20, NINE (9) meetings of the Board were convened and held on 14th May, 2019; 26th June, 2019; 30th August, 2019; 23rd September, 2019; 23rd October, 2019; 15th November, 2019; 19th December, 2019; 24th January, 2020 and 3rd February, 2020 and not more than one hundred and twenty days elapsed between any two meetings. The Board of the Company meets to discuss and deliberate on the long-term business strategies of the Company. The necessary quorum was present for all the



meetings with the presence of maximum Public Interest Directors as required under SECC Regulations.

**2.5 Confirmation of Independence**

The Board at its meeting held on 1st December, 2020 reviewed the declaration of independence submitted by the Public Interest Directors and carried out due assessment of the veracity of the same noting that the Public Interest Directors of the Exchange fulfill the conditions specified under Section 149(6) of the Act and are independent of the Management.

During the financial year, there was no resignation of any independent director.

**2.6 Code of Conduct and Code of Ethics**

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company as recommended by SEBI. A copy of the Code has been put on the Company's website: www.cse-india.com

The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The Company, being a Recognized Stock Exchange, requires every Director and Key Management Personnel to affirm compliance with the Code of Ethics as prescribed by SEBI under Regulation 26(2) of SECC Regulations. The Code of Ethics is aimed at maintaining professional and ethical standards in functioning of the Company.

The necessary declaration by the Chairman of the Exchange as required under Regulation 34(3) read with Schedule V(D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2019-20 and is attached as **Annexure - A**.

**2.7 Familiarization Programmes**

The management conducts familiarization programmes for its Directors which includes discussion on industry outlook and updates on various matters viz. Regulatory, Business, Stock exchange operations, Finance, Internal Control, Information Technology etc. The details of programmes for familiarization of Directors are available on the Company's website www.cse-india.com

**2.8 Matrix setting out skills / expertise / competence of the Board of Directors:**

The Board has identified the skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board. The eligibility of a person to be appointed as a Director of the Exchange is dependent on whether the person possesses the requisite skill sets identified by the Board as above or is a proven academician in the field relevant to the Company's business or civil servants. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the capital market operations / listing/ delisting and / or similar fields from where they come. Names of Directors having identified skill / expertise are as stated in the Table below:

Sl. No.	Names of Directors	Areas of Expertise								
		Legal & Administrative	Stakeholder relationship	Strategy development	Stakeholder relationship	Finance	Corporate Governance	Leadership	Capital Market Understanding	Technology
a.	Dr. Bhaskar Banerjee	✓	✓	✓	✓	✓	✓	✓	✓	✓
b.	Prof. Ashok Banerjee	✓	✓	✓	✓	✓	✓	✓	✓	✓
c.	Gyan Dutt Gautama	✓	✓	✓	✓	✓	✓	✓	✓	✓
d.	Pursuhottam Saraf	✓			✓	✓	✓	✓	✓	✓

**3. Audit Committee:**

**3.1 Brief description and terms of reference:**

The provisions of Section 177 of the Companies Act, 2013 are not applicable for the composition of the Audit Committee. The Audit Committee meetings are attended by Statutory Auditors, Internal Auditors and other Officials from the Finance function of the Company. The minutes of the meetings of the Committee are placed before the Board for noting. The present terms of reference of Audit Committee includes the power as laid down in Regulation 18 and Part C of Schedule II of the Listing Regulations. The Audit Committee also reviews information as per the requirement of Part C of Schedule II of the Listing Regulations.

**Terms of Reference:** The terms of reference of Audit Committee are as follows:

- Review and monitor the auditors' independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company wherever it is necessary.
- Evaluation of internal financial control and risk management system.
- Monitoring the end use of the funds raised through public offer and related matters.
- 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.



**Review of Information**

The Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Committee.

**3.2 Composition, name of members and Chairperson:**

The composition of the Audit Committee is in accordance with the requirements of Regulation 18(1) of the Listing Regulations. As on 31st March 2020, the Committee comprised of three Public Interest Directors and one Shareholder Director. The Chairman of the Committee is a Public Interest Director. All the members of the Audit Committee are financially literate and have relevant finance or audit exposure.

**3.3 Audit Committee Meetings and Attendance Details:-**

Four Audit Committee Meetings were held on 16th July, 2019; 30th August, 2019; 19th December, 2019 and 12th March, 2020 respectively.

Sl. No.	Name of Director	No. of Meetings attended
1.	Dr. Bhaskar Banerjee	4
2.	Prof. Ashok Banerjee	4
3.	Mr. Gyan Dutt Gautama	4
4.	Mr. Purushottam Saraf	Nil

**4. Nomination, Remuneration, Compensation and HR Committee:**

**4.1 Brief description and terms of reference:**

The provisions of Section 178 of the Companies Act, 2013 are not applicable for the composition of the Nomination and Remuneration Committee. The Nomination, Remuneration, Compensation and HR Committee is vested with all the necessary powers and authority to identify persons who are qualified to become Directors and who may be appointed in senior management capacity in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every Director's performance. The Committee invites those executives, as it considers appropriate. The minutes of the meetings of the Committee are placed before the Board for noting.

The present terms of reference of Nomination & Remuneration Committee includes the power as laid down in Regulation 19 and Part D of Schedule II of the Listing Regulations.

Terms of Reference: The terms of the Nomination, Remuneration, 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
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**4.2 Composition, name of members and Chairperson:**

As at 31st March, 2020, the Committee consisted of three Public Interest Directors viz. Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama.

Dr. Bhaskar Banerjee is the Chairman of the Committee.

**4.3 Meeting and attendance during the year:**

Two meetings were held during the F.Y. 2019-20 on 04th July, 2019 and 20th November, 2019. The attendance of various members of the Committee as the then constituted are given below:-

Name of the Member	Status	No. of Meeting Attended
Dr. Bhaskar Banerjee	Public Interest Director	2
Prof. Ashok Banerjee	Public Interest Director	2
Mr. Gyan Dutt Gautama	Public Interest Director	2

**4.4 Performance Evaluation criteria for independent directors:**

Pursuant to SECC Regulations and the SEBI Circular dated 5th February, 2019, a policy on performance review of Public Interest Directors (PIDs) has been framed by the Nomination, Remuneration, Compensation and HR Committee which has also been approved by the governing board of the exchange. The Policy included criteria for performance evaluation, methodology adopted for such evaluation, analyzing the result with scope for both internal and external evaluation. The policy also provides guidance on evaluation of the performance of: (i) individual Directors (including the Chairperson and Public Interest Directors); (ii) the Board as



a whole; and (iii) various committees of the Board, on an annual basis. The criteria for evaluation for each of the above are as follows:

**Internal Evaluation of Individual Directors**

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

**External Evaluation of Public Interest Directors**

As per SECC Regulations, Public Interest Directors can be nominated by SEBI on the Board of a Recognized Stock Exchange for an initial term of three years, extendable by another term of three years subject to performance review prescribed by SEBI. SEBI vide its circular dated February 5, 2019, has mandated the Public Interest Directors of a Recognized Stock Exchange to be subject to an external evaluation during the last year of their term by a management or a human resource consulting firm.

- 4.5 For the Financial Year ending 31st March, 2020 all the governing board members have evaluated the performance of each PIDs which in the opinion of the board has been carried out in a fair and objective manner and the review has been recorded in a standardized format (through

circulation of detailed questionnaire to the PIDs and feedback received thereon) covering all the relevant criteria/ aspects. None of the PIDs were in the last year of their term and hence external evaluation of PIDs was not peremptory.

- 4.6 Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year: No observations.

Previous year’s observations and actions taken: Since no observations were received, no actions were taken.

Proposed actions based on current year observations: Since no observations were received, no actions were taken.

**4.7 Public Interest Directors Meetings**

The Company has complied with Regulation 26 read with Part A and Part B of Schedule II of SECC Regulations, 2018. As per the aforesaid Regulations, Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues.

**Composition and Attendance**

During the FY 2019-20, two Public Interest Directors Meetings were held on 26th November, 2019 and 05th March, 2020. All the PIDs were present at both the meetings and formed quorum.

**5. Remuneration of Directors**

**5.1 Criteria / Details of remuneration and sitting fees of Directors & KMPs:**

As per Regulation 24(9) of SECC Regulations, Public Interest Directors shall be remunerated only by way of sitting fees. The following table sets out the details of sitting fees paid [In Rupees] to the Directors for FY 2019–20:

Particulars of Remuneration	Dr. Bhaskar Banerjee	Prof. Ashok Banerjee	Dr. Bhaskar Banerjee	Mr. Purushottam Saraf*	Mr. Ravi Poddar
Sitting Fees for attending meetings of the Board / Committees	3,45,000	2,30,000	2,97,500	17,500	1,35,000

- 5.2 Apart from payment of sitting fees, there was no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the Exchange requiring any disclosure in the annual report. Additional disclosures with respect to remuneration under Companies Act, 2013 in the nature of elements of remuneration package of individual directors summarized under major groups - such as salary, benefits, bonuses, stock options, pension etc; details of fixed component and performance linked incentives, along with the performance criteria; service contracts, notice period, severance fees; stock option details are not applicable for the year 2019-20.
- 5.3 The employment of last Managing Director & CEO [Mr. Subrato Das] ceased w.e.f. 09th March, 2019 whose services were governed by a service contract with a notice period of three months. Subsequent to his cessation he has been paid gross arrear remuneration amounting to Rs. 38,60,391/- in the financial year 2019-20 comprising of salary, perquisites, benefits, allowances, leave travel assistance and encashment of leave at the end of tenure.
- 5.4 None of the Directors were in receipt of any Commission from the Company or any remuneration from its subsidiaries.

**6. Stakeholders’ Grievances Committee:**

The Company being an unlisted public company, its shares are not frequently traded and number of investors complaints or grievances are also minimal. Hence it does not have a Stakeholders Grievance Committee. However, as required by Regulation 29 of the SECC Regulations, 2018 it has an Grievance Redressal Committee [GRC] comprising of senior level officers of the Company. Two meetings of the GRC were held during the year 2019-20.

- 6.1 Name of Non Executive Director heading the GRC Committee: Nil
- 6.2 Name and designation of compliance officer: Mr. Dhiraj Chakraborty.



6.3 Details of shareholders' compliant

Number of shareholders' compliant received so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
Nil	Nil	Nil

Section 135 of the Act. As at the end of the financial year 2019-20 the CSR Committee is comprised of two Public Interest Directors viz. Dr. Bhaskar Banerjee and Mr. Gyan Dutt Gautama and one meeting was held on 05th March, 2020 which was attended by both the members. Other details relating to composition of CSR Committee, CSR Policy and CSR Expenditure have been given in Annexure to the Directors Report.

6.4. Corporate Social Responsibility Committee:

The Company has in place a Corporate Social Responsibility [CSR] Committee constituted as per the requirements of

7. General Body Meetings:

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

Details of General Meetings	Date	Time	Venue
94th Annual General Meeting for FY 2016-17	10th October, 2017	4.00P.M.	7, Lyons Range, Kolkata-1
95th Annual General Meeting for FY 2017-18	28th September, 2018	4.00P.M.	7, Lyons Range, Kolkata-1
96th Annual General Meeting for FY 2018-19	23rd October, 2019	4.00P.M.	7, Lyons Range, Kolkata-1
Extra Ordinary General Meeting during FY 2018-19	01st March, 2019	4.00 P.M.	7, Lyons Range, Kolkata-1

7.2 Special Resolutions passed in the General Body Meetings:

Special Resolutions adopted in the Extra Ordinary General Meeting of the company held on 1st March, 2019 are as under :-

- Board of Directors was authorised to negotiate with Securities and Exchange Board of India (SEBI), the appropriate process of finalisation of settlement of the legal proceedings with the Exchange without prejudice and subject to agreement as to the assistances to be accorded by SEBI. As litigation is pending, no further progress was made in this regard.
  - Pursuant to the provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 consent of the shareholders of the company was accorded to Board of Directors to exercise its powers to transfer, assign, sub-lease, deal with, dispose of or part with the possession of the Freehold land of the Exchange situated at Rajarhat, New Town.
- 7.3 Passing of Resolution by Postal Ballot: No special resolution was passed in last year through postal ballot.

8. Means of Communication:

- The Company being an unlisted public Company, provisions relating to preparation and newspaper publication of quarterly results are not applicable. 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. The Company's website contains two separate dedicated sections on Information Centre and Statutory Documents. These contain comprehensive database of information of interest to its members / investors including the Annual Report of the Company.

9. General Shareholder Information:

(a) 97th Annual General Meeting

Day & Date	1st day of December, 2020
Time	4.00P.M.
Venue	The Company is conducting meeting through Video Conferencing/Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020. For details, please refer Notice of this AGM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700001, which shall be the deemed venue of AGM.
Financial Year	01st April, 2019 to 31st March, 2020
Registrar & Share Transfer Agent	C B Management Services Pvt. Limited. P-22, Bondel Road, Kolkata-700019 Ph.No.: 033-40116726
Share Transfer System	Transfer of the shares is done through depository with no involvement of the company. with effect from 2nd October, 2018 pursuant to Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 securities of all unlisted public companies shall be transferred only in dematerialized form and, therefore, members holding shares in physical form are advised



	to dematerialize their holding as early as possible. Further pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the securities of a Recognized Stock Exchange are required to be maintained in Demat Form.
ISIN	INE 510101013
Dematerialization of shares and liquidity	82.35% of shares of the company are in electronic form / dematerialized. The Exchange being an unlisted public company, its shares are considered illiquid.
Address for correspondence	The Calcutta Stock Exchange Limited, Stock Exchange Building 7, Lyons Range, Kolkata - 700001 Phone: 033-40253000 Fax: 033-40253019 Email: pdudda@cse-india.com Website: www.cse-india.com

Other information like listing details with stock exchanges, payment of listing fees, stock code, market price data, performance in comparison to broad base indices, securities suspended for trading, outstanding global depository receipts or any other convertible instruments, commodity price risk, foreign exchange risk, hedging activities, plant locations and credit ratings of the entity for all debt instruments are not applicable.

**(b) Distribution of Shareholding as on 31st March, 2020**

RANGE OF SHARES	SHARES	FOLIOS	% SHARES	%FOLIOS
1-500	237915	1180	38.92	94.63
501-1000	14885	19	2.43	1.52
1001-2000	22589	15	3.70	1.20
2001-3000	19843	8	3.25	0.64
3001-4000	7000	2	1.14	0.16
4001-5000	13976	3	2.29	0.24
5001-10000	68334	9	11.18	0.72
10001-50000	226708	11	37.09	0.89
<b>TOTAL</b>	<b>611250</b>	<b>1247</b>	<b>100.00</b>	<b>100.00</b>

**(c) Category of Shareholders as on 31st March, 2020**

Category	No. of shareholders	No. of shares	% of shareholding
Resident Individual	1024	256245	41.92
Bodies Corporate	217	298068	48.77
HUF	0	0	0
Trust	0	0	0
Bank/Financial Institution	2	21157	3.46
Non-Resident Indians	3	905	0.14
Foreign Bodies Corporate	0	0	0
Foreign Institutional Investor	0	0	0
Venture Capital	0	0	0
IEPF Authority	1	34875	5.71
<b>Total</b>	<b>1247</b>	<b>611250</b>	<b>100.00</b>





## (d) List of top 10 Shareholders as on 31st March, 2020

Sl. No.	FOLIO_NO	NAME	SHARES	%
1	1301190300069932	BSE LIMITED	30875	4.99
2	0001090	WEST BENGAL INFRASTRUCTURE DEVELOPMENT FINANCE 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 PRIVATE LIMITED	20907	3.37
7	IN30297810029846	DEEVEE COMMERCIALS LTD	20607	3.33
8	IN30292710025324	ARADHANA INVESTMENTS LTD	14907	2.41
9	IN30009510125005	KESORAM INDUSTRIES LTD	10455	1.69
10	IN30355910022020	SAVITRI DEVI CHOWDHURY	10454	1.69

## (e) Bifurcation of the category of shares in physical and electronic mode as on March 31, 2020 is given below:

MODE	FOLIO	SHARE	%SHARE
PHYSICAL	326	107915	17.65
NSDL	672	379347	62.06
CDSL	249	123988	20.29
TOTAL	1247	611250	100.00

## 10. Other Disclosures:

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

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

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

There have been no penalties or strictures imposed by SEBI or any statutory authority on any matter related to the capital markets during the last three years. SEBI vide its letter dated 01st August, 2019 appointed M/s. Deloitte Touche Tohmatsu India LLP for conducting Special Audit for 5 years starting from 01st April, 2013. Deloitte had submitted their report on 01st September, 2020. SEBI has sent some queries based on the report vide their letter dated 04th September, 2020. Exchange has sent its point-wise reply to SEBI on 30th September, 2020.

- c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:

The Company's code of conduct encourages all its employees who have concerns about their work or the business of the Company, to discuss these issues with their line managers. 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 [www.cse-india.com](http://www.cse-india.com).

**Compliance with mandatory requirements**

The Company has complied with all the mandatory requirements prescribed under the Listing Regulations related to Corporate Governance read with SECC Regulations 2018 to the extent these are applicable for an unlisted public limited company.

**Disclosure on non-mandatory requirements:**

- The Board has a Non-Executive Chairman. The Chairman and other PIDs are 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, 2020 have been duly addressed in the Directors Report.
- Training of Board members: The Directors are also appraised of all important changes in applicable legislation, enactment, guidelines, accounting standards, etc. to enable them to take informed decisions.
- Disclosures of web-link for disclosing policy for determining 'material' subsidiaries, policy on dealing with related party transactions, disclosure of commodity price risks and commodity hedging activities and disclosure of details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) are not applicable to the Company.

**Practicing Company Secretary Certification**

A certificate from practicing company secretary confirming that none of the Directors on the Board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached as **Annexure - B**.

It is confirmed that the Board had accepted all



recommendations of all Committees of the Board.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Statutory Audit Fee:	Rs.	14,00,000/-
Tax Audit Fee:	Rs.	2,00,000/-
Others:	Rs.	25,000/-

Fees are exclusive of taxes as applicable. No payment has been made to the statutory auditors from subsidiaries of the Exchange or to any network firm/entity.

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

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

**11. Non-Compliance with the Conditions of Corporate Governance:**

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of the Listing

Regulations, to the extent as applicable, with regards to Corporate Governance.

**Chief Executive Officer/Chief Financial Officer Certificate**

In terms of Regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committees and taken on record by the Board. The same is attached as **Annexure - C**.

**COMPLIANCE CERTIFICATE**

Certificate from D. Dutt & Co., Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached as **Annexure - D**.

Equity Shares in the Suspense Account: NIL

**Annual Report**

Annual Report containing, inter alia, Audited Financial Statement, Auditor's Report, Boards' Report, Corporate Governance Report, Management Discussions and Analysis Report and other material and related matters/ information is circulated by email to the Shareholders and others entitled thereto. The copy of Annual Report is also available on Company's website at [www.cse-india.com](http://www.cse-india.com).



**Declaration Regarding Compliance by Board Members and Senior Management  
Personnel with the Company's Code of Conduct**

To  
The Members of  
The Calcutta Stock Exchange Limited

This is to declare 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, 2020.

Place: Kolkata

Dated: 01st December, 2020

For and on behalf of the Board  
Dr Bhaskar Banerjee  
Chairman  
DIN: 00603201

Note:

- (a) In this report 'the company' or 'the Exchange' or 'CSE' has been used to denote The Calcutta Stock Exchange Limited.
- (b) 'Members' has been used to denote shareholders of The Calcutta Stock Exchange Limited.



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

1. This certificate is issued in accordance with the terms of our engagement letter dated 02nd November, 2020.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Calcutta Stock Exchange Limited having CIN: U67120WB1923PLC004707 and having its Registered Office at 7, Lyons Range, Kolkata – 700 001 [hereinafter referred to as 'the Company'], produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para - C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number(s) [DIN] status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

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

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

Place: Kolkata

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

Date: 01.12.2020

(DEBABRATA DUTT)  
Proprietor  
FCS-5401  
C.P. No. 3824  
UDIN No. F005401B001418813



## CEO / CFO COMPLIANCE CERTIFICATE

The Board of Directors  
The Calcutta Stock Exchange Limited  
7, Lyons Range,  
Kolkata 700001

**I, Prosenjit Dutta, Chief Financial Officer do hereby certify the following:**

- a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of my knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or proposed to take, to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) that there was no instances of fraud.

Place: Kolkata

Prosenjit Dutta

Dated: 1st December, 2020

Chief Financial Officer



## Certificate on Corporate Governance

To  
The Members of  
The Calcutta Stock Exchange Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 2nd November, 2020.
2. We, have examined the compliance of conditions of Corporate Governance by The Calcutta Stock Exchange Limited('the Company') for the year ended on 31st March, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['the Listing Regulations'] as amended upto dateand applicable for the time being in force with Stock Exchanges in India.  
The Company is not listed on any Stock Exchange. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations']; '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.

### Management's Responsibility:

3. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations read with SECC Regulations.

### Practising Company Secretary's Responsibility:

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We 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.
6. We have examined the extract of relevant records and documents maintained by the Company and communicated to us for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
7. We have carried out examination of the relevant records and documents of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India (the ICSI), in so far as applicable for the purpose of this certification, and as per the Guidance Note on Non-Financial Disclosures and Guidance Note on Code of Conduct for CS issued by the ICSI requiring us to combine ethical standards with the performance of technical skills.
8. We have complied with the relevant applicable requirements of the Guidance Manual on Quality of Audit & Attestation Services issued by ICSI for the related service engagement.

### Opinion:

9. Based on our examination of the relevant records and according to information and explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the of the Listing Regulations read with Regulation 33 of the SECC Regulations, 2018 during the financial year ended 31st March, 2020.

Place: Kolkata

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

Date: 01.12.2020

(DEBABRATA DUTT)  
Proprietor  
FCS-5401  
C.P. No. 3824  
UDIN NO. F005401B001418835



## INDEPENDENT AUDITOR'S REPORT

To the Members of The Calcutta Stock Exchange Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of The Calcutta Stock Exchange Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

Attention is drawn to Note 31(i) regarding recoverability of Rs. 94,96,16,925 due from the members on account of settlement in earlier years and upon which we are unable to comment on and consequently, the impact whereof on the Company's profit for the year and year end loans and advances as carried forward in these financial statements is not ascertainable. Our opinion was also qualified in earlier years in respect of this matter.

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

opinion on the standalone financial statements.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 37 in the standalone financial statements which fully describes the uncertainties relating to the outcome of the Company's appeal pending before the Division Bench of the Hon'ble High Court at Calcutta. The ability of the Company to carry on the business of stock exchange is dependent on the outcome of the appeal pending before the Division Bench of the Hon'ble High Court at Calcutta. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern in respect of its stock exchange operations only. Our opinion is not modified in respect of the above matter.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

#### Responsibilities of the Management for the Standalone Financial Statements

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



policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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





- proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid 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 going concern matter described in Material Uncertainty Related to Going Concern paragraph above and 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (i) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26, 31, 36 and 37 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 55596

UDIN: 2005596AAAEM3617

Place of Signature: Kolkata

Date: December 1, 2020



**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. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the Company. There are no loans, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company. Further, the Company is not in the business of sale of any goods.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, service tax, goods and services tax, cess, employees’ state insurance 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 sales-tax, duty of customs, duty of excise and value added tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of service tax, goods and services tax cess and employees’ state insurance which have not been deposited on account of any dispute. The provisions relating to employees’ state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company. The dues outstanding of income-tax on account of any dispute, are as follows:

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

- (viii) According to the information and explanations given by the management, the Company did not have any outstanding loans or borrowing dues to a financial institution or bank or to Government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans, 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: December 1, 2020



**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, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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

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

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

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



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, 2020:

- (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, 2020, 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, 2020

#### 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, 2020, 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, 2020 standalone financial statements of The Calcutta Stock Exchange Limited and this report affect our report dated November 30, 2020, which expressed a qualified opinion on those financial statements. This report affect our report dated November 30, 2020, 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: December 1, 2020

**BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
		Rupees	Rupees
<b>I. EQUITIES AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUND</b>			
Share Capital	3	6,18,750	6,18,750
Reserves and Surplus	4	1,80,43,65,269	1,80,82,54,417
<b>2. NON CURRENT LIABILITIES</b>			
Long Term Liabilities	5	94,96,16,925	94,96,16,925
<b>3. CURRENT LIABILITIES</b>			
Trade Payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,55,16,458	2,93,77,650
Other Current Liabilities	6	37,02,97,857	35,50,76,487
Short Term Provisions	7	1,25,92,329	44,04,454
		<b><u>3,15,30,07,588</u></b>	<b><u>3,14,73,48,683</u></b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8A	28,14,34,002	28,33,70,912
Intangible Assets	8B	5,90,595	8,11,925
Non Current Investments	9	19,38,45,299	16,93,06,458
Deferred Tax Assets (net)	10	64,37,720	51,44,060
Loans and Advances	11	1,11,74,27,072	1,10,92,56,610
Other Assets	15	1,00,74,24,700	81,58,64,176
<b>2. CURRENT ASSETS</b>			
Current Investments	12	15,05,28,045	14,84,52,781
Trade Receivables	13	1,39,03,734	2,00,92,235
Cash and Bank Balances	14	33,79,08,510	56,61,43,733
Loans and Advances	11	2,83,39,193	1,23,09,173
Other Assets	15	1,51,68,718	1,65,96,620
		<b><u>3,15,30,07,588</u></b>	<b><u>3,14,73,48,683</u></b>
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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Notes	2019-20	2018-19
		Rupees	Rupees
<b>Income :</b>			
Revenue from Operations	16	4,50,36,868	6,99,20,948
Other Income	17	12,01,91,295	13,68,65,189
<b>Total</b>		<b>16,52,28,163</b>	<b>20,67,86,137</b>
<b>Expenses :</b>			
Employee Benefits Expense	18	9,45,81,218	8,82,45,246
Other Expenses	19	4,76,82,765	4,00,24,224
Depreciation and Amortization Expense	20	28,01,213	34,45,116
Contribution to SEBI		25,84,096	47,13,742
Contribution to Stock Exchange Investors' Protection Fund		40,92,226	94,46,752
<b>Total</b>		<b>15,17,41,518</b>	<b>14,58,75,080</b>
<b>Profit before Tax and contribution to Settlement Guarantee Fund and Investors' Service Fund (III = I-II)</b>		<b>1,34,86,645</b>	<b>6,09,11,057</b>
<b>Tax Expenses :</b>			
Current Tax			
Pertaining to profit for the current year		64,24,478	1,91,94,153
Adjustment of tax relating to earlier years		29,58,325	22,239
Adjustment of MAT Credit relating to earlier years (Refer Note no - 35)		(39,77,970)	(59,33,414)
Deferred Tax		(12,93,660)	(29,46,783)
<b>Total Tax Expense (IV)</b>		<b>41,11,173</b>	<b>1,03,36,195</b>
<b>Profit after tax before contribution to Settlement Guarantee Fund and Investors' Service Fund (V = III-IV)</b>		<b>93,75,472</b>	<b>5,05,74,862</b>
Contribution to Settlement Guarantee Fund (Net of Tax)	21	2,38,84,770	2,20,25,326
Contribution to Investors' Service Fund (Net of Tax)	22	71,63,799	1,01,87,637
<b>Total of Contributions to Settlement Guarantee Fund and Investors' Service Fund (Net of Tax) [VI]</b>		<b>3,10,48,569</b>	<b>3,22,12,963</b>
<b>(Loss) / Profit after tax for the year (V-VI)</b>		<b>(2,16,73,097)</b>	<b>1,83,61,899</b>
<b>Earnings per equity share</b>			
Basic and Diluted (Rs.)	23	(35.46)	30.04
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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer



**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2020**

	Particulars	2019-20	2018-19
		Rupees	Rupees
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Profit before Tax and contribution to Settlement Guarantee Fund and Investors' Service Fund</b>	<b>1,34,86,645</b>	<b>6,09,11,057</b>
	<b>Adjustment to reconcile profit before tax to net cash flows :-</b>		
	Depreciation and Amortization expense	28,01,213	34,45,116
	Loss on sale/discard of property, plant and equipment	8,509	-
	Provision for Doubtful Debts and Advances	30,00,000	60,93,662
	Bad Debts (net of provision)	88,96,477	-
	Loss on fair valuation of current investments of Investors' Service Fund	7,78,868	-
	Sundry balance written off	1,47,335	2,997
	Liabilities/Provisions no longer required, written back	(12,17,992)	(3,57,684)
	Interest on Fixed Deposits		
	Own Funds	(6,43,72,061)	(6,23,30,371)
	Investors' Service Fund	(70,60,016)	(62,25,952)
	Settlement Guarantee Fund	(3,42,22,677)	(3,15,91,035)
	Interest on Bonds	(8,72,480)	(8,72,480)
	Dividend Income from Investments	(77,978)	(16,02,408)
	Profit on sale of Investments	(76,95,123)	(1,75,72,746)
	<b>Operating profit before working capital changes</b>	<b>(8,63,99,280)</b>	<b>(5,00,99,844)</b>
	<b>Movements in working capital:</b>		
	(Decrease) in Long Term Liabilities	-	(2,07,83,795)
	Increase in Short Term Provisions	81,87,875	16,74,725
	(Decrease) / Increase in Trade Payables	(1,38,61,192)	1,75,35,976
	Increase / (Decrease) in Other Current Liabilities	1,60,17,488	(1,07,66,619)
	(Increase) in Trade Receivables	(57,07,976)	(69,87,606)
	(Increase) / Decrease in Long Term Loans & Advances	(25,29,968)	1,82,44,066
	(Increase) in Short Term Loans & Advances	(1,60,30,020)	(17,98,705)
	(Increase) in Other Current Assets	(3,58,478)	(4,90,588)
	<b>Cash used in operations</b>	<b>(10,06,81,551)</b>	<b>(5,34,72,390)</b>
	Payment of direct taxes (net)	(1,11,92,662)	(1,78,44,156)
	<b>Net Cash used in Operating Activities</b>	<b>(11,18,74,213)</b>	<b>(7,13,16,546)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Proceeds from sale of property, plant and equipment	1,500	-
	Purchase of property, plant and equipment	(1,48,823)	(17,47,097)
	Proceeds from Sale of Non Current Investments (net)	49,57,000	-
	Proceeds from Sale of Current Investments (net)	48,40,991	5,82,32,855
	Dividend income from Investments	77,978	16,02,408
	Investment in Fixed Deposits		
	Own Funds	(49,16,81,161)	(46,36,81,161)
	Investors' Service Fund	(3,75,48,934)	(1,60,00,000)
	Settlement Guarantee Fund	(30,06,27,408)	(25,11,00,000)
	Encashment of Fixed Deposits		
	Own Funds	51,43,81,161	43,78,81,161
	Investors' Service Fund	2,75,50,000	-
	Settlement Guarantee Fund	28,99,00,000	23,03,18,463
	Interest on Fixed Deposits		
	Own Funds	6,37,19,305	6,01,34,860
	Investors' Service Fund	66,16,565	58,14,274

Contd. in next page



**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2020 (Contd.)**

Particulars		2019-20	2018-19
		Rupees	Rupees
	Settlement Guarantee Fund	2,88,22,148	2,99,56,972
	Interest on Bonds	8,72,480	8,72,480
	<b>Net cash flow from investing activities</b>	<b>11,17,32,802</b>	<b>9,22,85,215</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Dividend Paid on equity shares	(1,05,80,626)	(1,03,09,796)
	Tax on equity dividend paid	(22,62,120)	(21,35,945)
	<b>Net Cash used in Financing Activities</b>	<b>(1,28,42,746)</b>	<b>(1,24,45,741)</b>
	<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,29,84,157)</b>	<b>85,22,928</b>
	<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>5,70,93,733</b>	<b>4,85,70,805</b>
	<b>Cash and Cash equivalents as at the end of the year</b>	<b>4,41,09,576</b>	<b>5,70,93,733</b>

Components of Cash & Cash Equivalents	2019-20	2018-19
Cash on hand	37,859	41,569
Cheques / Drafts on hand	-	-
Balance with Scheduled Banks on Current Account		
Own Fund	3,30,41,004	4,58,03,324
Investors' Service Fund *	13,48,902	17,62,970
Settlement Guarantee Fund *	17,77,618	20,03,551
Unpaid Dividend Account **	79,04,193	74,82,319
	<b>4,41,09,576</b>	<b>5,70,93,733</b>

\* These can be utilised only towards the pupose of the respective funds

\*\* These can be utilised 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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

**NOTE – 1 :** The standalone financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these standalone 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 standalone financial statements have been prepared on an accrual basis and under the historical cost convention.

In accordance with clause 7 of the Chapter-XVII of the Bye-Laws of the Company on Composition of Settlement Guarantee Fund (SGF) and directions received from the Security Exchange board of India (SEBI), the Company is required to transfer all the income earned from the investments from the corpus of the Company's Settlement Guarantee fund net of certain permitted expenses to that fund. Similarly, in accordance with directions received from SEBI, the Company is also required to transfer income earned from investments from the corpus of the Investor Service Funds (ISF) net of permitted expenses to that fund.

Hitherto such transfers to those funds were disclosed in the Company's Profit & Loss Account as appropriation of profits for previous years. However, taking into consideration the Company's obligation to transfer such net income to those funds, management believes that disclosure of such transfers as charge against profit for year is more appropriate. Accordingly, such transfers have been recognized as charge in the Profit & Loss Account for the year with corresponding restatement for previous year. Consequently, the Company's profit for the previous year has been reduced to Rs. 18,361,899 from previously reported profit of Rs. 5,03,72,990 due to such transfers to abovementioned funds. This adjustment has no impact on the Company's financial position as at the current and previous year-end.

Other accounting policies adopted in the preparation of standalone 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. The Company collects goods and services tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

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.

**Interest**

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

**Dividend**

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

**iii) Property, Plant and Equipment**

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

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.



**iv) Depreciation on property, plant and equipment**

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

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

**v) Intangible Assets**

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

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

**vi) Impairment of property, plant and equipments and intangible 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 higher 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.

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

**Investment Property:**

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

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

Investment Property comprising of the leasehold land is amortized over the period of lease, i.e. 99 years.

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

**viii) Taxes**

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

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



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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**ix) Retirement and other Employee Benefits**

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

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.



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

**x) Earnings per Share**

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

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

**xi) Provisions**

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

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

**xii) Contingent Liabilities**

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

**xiii) Cash and cash equivalents**

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 3 : Share Capital

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>a) AUTHORISED SHARES :</b> 10,00,00,000 (31st March 2019 : 10,00,00,000) equity shares of Re.1 each	100,000,000	100,000,000
<b>b) ISSUED SHARES :</b> 6,18,750 (31st March 2019 : 6,18,750) equity shares of Re.1 each	618,750	618,750
<b>c) SUBSCRIBED &amp; PAID UP SHARES :</b> 6,11,250 (31st March 2019 : 6,11,250) equity shares of Re.1 each fully paid up	611,250	611,250
<b>Add : Forfeited Shares:</b> 7,500 (31st March 2019 : 7,500) equity shares paid up of Re.1 each	7,500	7,500
	<b>618,750</b>	<b>618,750</b>

**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, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>I. Own Fund</b>		
<b>Capital Reserve - Pre-Demutualisation period</b>	<b>6,18,860</b>	<b>6,18,860</b>
<b>Securities Premium Account</b>		
Pre-Demutualisation period	30,14,597	30,14,597
Post-Demutualisation period	63,17,78,051	63,17,78,051
<b>Total Securities Premium Account</b>	<b>63,47,92,648</b>	<b>63,47,92,648</b>
<b>Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library - Pre-Demutualisation period</b>		<b>3,88,41,547</b>
Opening balance as on April 1	3,88,41,547	3,88,41,547
Transfer to General Reserve of Pre-Demutualisation period	(3,88,41,547)	-
Closing balance as on March 31 (Refer Note No. 38)	-	<b>3,88,41,547</b>
<b>Development Fee Fund - Pre-Demutualisation period</b>	<b>13,40,50,000</b>	<b>13,40,50,000</b>
<b>General Reserve</b>		
<b>Pre-Demutualisation period</b>		
Opening balance as on April 1	46,35,57,860	46,35,57,860
Transfer from Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library - Pre-Demutualisation period	3,88,41,547	-
Closing balance as on March 31	<b>50,23,99,407</b>	<b>46,35,57,860</b>
<b>Post-Demutualisation period</b>		
Balance Opening balance as on April 1	5,14,15,205	5,60,15,205
Addition during the year	-	10,00,000
Deduction during the year	-	(56,00,000)
Closing balance as on March 31	<b>5,14,15,205</b>	<b>5,14,15,205</b>
<b>Total General Reserve</b>	<b>55,38,14,612</b>	<b>51,49,73,065</b>



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

NOTE – 4 : Reserve and Surplus (Contd.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>Surplus in the Statement of Profit and Loss - Post-Demutualisation period</b>		
(Loss) / Profit for the year	1,77,58,006 (2,16,73,097)	73,23,302 1,83,61,899
Appropriations:-		
Less : Transferred to General Reserve	-	(10,00,000)
Less : Final equity dividend for previous year	(1,10,02,500)	(1,03,91,250)
Less : Tax on above final equity dividend	(22,62,120)	(21,35,945)
Add : Transferred from General Reserve of Post-Demutualisation Period	-	56,00,000
Total appropriations	<b>(1,32,64,620)</b>	<b>(79,27,195)</b>
<b>Net surplus in the Statement of Profit and Loss</b>	<b>(1,71,79,711)</b>	<b>1,77,58,006</b>
<b>Total of own fund</b>	<b>1,30,60,96,409</b>	<b>1,34,10,34,126</b>
<b>II. Investors' Service Fund - Post-Demutualisation period</b>		
Opening balance as on April 1	9,11,03,180	8,09,15,543
Addition during the year (Refer Note no.-22)	80,12,898	1,02,54,731
Deductions/adjustments during the year (Refer Note no.-22)	(8,49,099)	(67,094)
<b>Total of Investors' Service Fund</b>	<b>9,82,66,979</b>	<b>9,11,03,180</b>
<b>III. Settlement Guarantee Fund - Post-Demutualisation period</b>		
<b>Settlement Guarantee Fund for CSE-NSE Cash Segment</b>		
Opening balance as on April 1	1,02,43,259	1,01,98,927
Addition during the year (Refer Note no. 21)	29,510	44,332
Closing balance as on March 31	<b>1,02,72,769</b>	<b>1,02,43,259</b>
<b>Settlement Guarantee Fund for CSE-NSE Future and Option Segment</b>		
Opening balance as on April 1	1,04,37,395	1,02,89,509
Addition during the year (Refer Note no. 21)	70,665	1,47,886
Closing balance as on March 31	<b>1,05,08,060</b>	<b>1,04,37,395</b>
<b>Settlement Guarantee Fund for CSE-BSE Cash Segment</b>		
Opening balance as on April 1	1,02,37,171	1,02,27,517
Addition during the year (Refer Note no. 21)	13,232	9,654
Closing balance as on March 31	<b>1,02,50,403</b>	<b>1,02,37,171</b>
<b>Settlement Guarantee Fund for CSE-BSE Future and Option Segment</b>		
Opening balance as on April 1	1,00,07,568	1,00,07,568
Closing balance as on March 31	<b>1,00,07,568</b>	<b>1,00,07,568</b>
<b>Settlement Guarantee Fund Initial Membership Fees</b>		
Opening balance as on April 1	2,60,000	2,60,000
Closing balance as on March 31	<b>2,60,000</b>	<b>2,60,000</b>
<b>Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the exchange)</b>		
Opening balance as on April 1	33,49,31,718	30,86,25,327
Addition during the year (Refer Note no. 21)	2,50,60,592	2,31,79,723
Proportionate distribution for SGF out of recovery from defaulters	-	44,82,937
Deductions/adjustments during the year (Refer Note no. 21)	(12,89,229)	(13,56,269)
Closing balance as on March 31	<b>35,87,03,081</b>	<b>33,49,31,718</b>
<b>Total of Settlement Guarantee Fund</b>	<b>40,00,01,881</b>	<b>37,61,17,111</b>
<b>Total of I+II+III</b>	<b>1,80,43,65,269</b>	<b>1,80,82,54,417</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	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.31(ii)]	949,616,925	-	949,616,925	949,616,925	-	949,616,925
	949,616,925	-	949,616,925	949,616,925	-	949,616,925

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

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Pre-Demutalisation Period	Post Demutalisation Period	Total	Pre-Demutalisation Period	Post Demutalisation Period	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	15,516,458	15,516,458	-	29,377,650	29,377,650
	-	15,516,458	15,516,458	-	29,377,650	29,377,650
<b>Other Liabilities :</b>						
Sundry Deposits	21,689,168	53,250,439	74,939,607	21,689,168	51,132,623	72,821,791
Members' Security Deposits [Refer Note no.32]						
- Own Fund	-	91,653,152	91,653,152	-	93,218,581	93,218,581
- Settlement Guarantee Fund	-	115,090,866	115,090,866	-	117,978,707	117,978,707
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	76,157,637	76,157,637	-	56,005,602	56,005,602
<b>Payable to related party:</b> [Refer Note no.34]						
CSE Capital Markets Private Limited	-	293,669	293,669	-	-	-
Stock Exchange Investors' Protection Fund	-	2,880,039	2,880,039	-	1,161,867	1,161,867
Statutory Dues	-	1,378,694	1,378,694	-	6,407,620	6,407,620
Unclaimed Dividend	-	7,904,193	7,904,193	-	7,482,319	7,482,319
	21,689,168	348,608,689	370,297,857	21,689,168	333,387,319	355,076,487
	21,689,168	364,125,147	385,814,315	21,689,168	362,764,969	384,454,137

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, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>Provision for Employee Benefits:</b>		
Leave	73,94,015	5,53,702
Provision for Gratuity [Refer Note no.33]	51,98,314	38,50,752
	1,25,92,329	44,04,454





NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

		(Amount in Rs.)												
Cost or Valuation	Freehold Land	Building	Electrical Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total						
<b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>														
At 1st April 2018	4,15,300	21,57,399	1,27,00,896	68,13,470	83,88,785	-	16,22,79,255	19,27,55,105						
At 31st March 2019	4,15,300	21,57,399	1,27,00,896	68,13,470	83,88,785	-	16,22,79,255	19,27,55,105						
At 31st March 2020	4,15,300	21,57,399	1,27,00,896	68,13,470	83,88,785	-	16,22,79,255	19,27,55,105						
<b>Depreciation</b>														
At 1st April 2018	-	16,05,150	1,20,85,745	65,20,865	80,34,296	-	16,15,60,022	18,98,06,078						
Charge For the Year	-	24,232	-	-	-	-	-	24,232						
At 31st March 2019	-	16,29,382	1,20,85,745	65,20,865	80,34,296	-	16,15,60,022	18,98,30,310						
Charge For the Year	-	23,168	-	-	-	-	-	23,168						
At 31st March 2020	-	16,52,550	1,20,85,745	65,20,865	80,34,296	-	16,15,60,022	18,98,53,478						
<b>Net Block</b>														
At 31st March 2019	4,15,300	5,28,017	6,15,151	2,92,605	3,54,489	-	7,19,233	29,24,795						
At 31st March 2020	4,15,300	5,04,849	6,15,151	2,92,605	3,54,489	-	7,19,233	29,01,627						
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>														
At 1st April 2018	26,90,00,023	1,17,28,629	69,47,230	55,29,782	30,17,738	18,24,080	1,99,99,355	31,80,46,837						
Additions	-	-	1,484	67,400	8,200	-	10,60,013	11,37,097						
At 31st March 2019	26,90,00,023	1,17,28,629	69,48,714	55,97,182	30,25,938	18,24,080	2,10,59,368	31,91,83,934						
Additions	-	-	20,302	7,000	-	-	1,21,521	1,48,823						
Disposals/Adjustment	-	-	(21,949)	-	-	-	-	(21,949)						
At 31st March 2020	26,90,00,023	1,17,28,629	69,47,067	56,04,182	30,25,938	18,24,080	2,11,80,890	31,93,10,808						
<b>Depreciation</b>														
At 1st April 2018	-	45,36,480	49,29,445	45,76,393	28,40,432	6,71,441	1,83,95,573	3,59,49,764						
Charge For the Year	-	7,00,649	5,37,732	2,65,901	18,342	3,62,802	9,02,627	27,88,053						
At 31st March 2019	-	52,37,129	54,67,177	48,42,294	28,58,774	10,34,243	1,92,98,200	3,87,37,817						
Charge For the Year	-	6,32,390	3,99,555	2,03,156	11,388	2,48,850	5,57,217	20,52,556						
Disposals/Adjustment	-	-	(11,940)	-	-	-	-	(11,940)						
At 31st March 2020	-	58,69,519	58,54,792	50,45,450	28,70,162	12,83,093	1,98,55,417	4,07,78,433						
<b>Net Block</b>														
At 31st March 2019	26,90,00,023	64,91,500	14,81,537	7,54,888	1,67,164	7,89,837	17,61,168	28,04,46,117						
At 31st March 2020	26,90,00,023	58,59,110	10,92,275	5,58,732	1,55,776	5,40,987	13,25,473	27,85,32,375						
<b>Total Net Block</b>														
At 31st March 2019	26,94,15,323	70,19,517	20,96,688	10,47,493	5,21,653	7,89,837	24,80,401	28,33,70,912						
At 31st March 2020	26,94,15,323	63,63,959	17,07,426	8,51,337	5,10,265	5,40,987	20,44,706	28,14,34,002						



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 8B : Intangible Assets

(Amount in Rs.)

Particulars	Computer Softwares	Total
<b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
At 1st April 2018	3,00,36,144	3,00,36,144
At 31st March 2019	3,00,36,144	3,00,36,144
At 31st March 2020	3,00,36,144	3,00,36,144
<b>Amortization</b>		
At 1st April 2018	3,00,36,108	3,00,36,108
At 31st March 2019	3,00,36,108	3,00,36,108
At 31st March 2020	3,00,36,108	3,00,36,108
<b>Net Block</b>		
At 31st March 2019	36	36
At 31st March 2020	36	36
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
At 1st April 2018	51,00,533	51,00,533
Additions	6,10,000	6,10,000
At 31st March 2019	57,10,533	57,10,533
At 31st March 2020	57,10,533	57,10,533
<b>Amortization</b>		
At 1st April 2018	47,69,972	47,69,972
Charge For the Year	1,28,672	1,28,672
At 31st March 2019	48,98,644	48,98,644
Charge For the Year	2,21,330	2,21,330
At 31st March 2020	51,19,974	51,19,974
<b>Net Block</b>		
At 31st March 2019	8,11,889	8,11,889
At 31st March 2020	5,90,559	5,90,559
<b>Total Net Block</b>		
At 31st March 2019	8,11,925	8,11,925
At 31st March 2020	5,90,595	5,90,595



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 9 : Non Current Investments (At Cost)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>INVESTMENT PROPERTY</b> (at cost less accumulated depreciation) (Refer Note No.- 36)		
<b>Pre-Demutualisation Period</b>		
Cost of leasehold land	4,96,67,291	4,96,67,291
Less : Accumulated depreciation	(95,86,667)	(90,82,508)
<b>Net Block</b>	<b>4,00,80,624</b>	<b>4,05,84,783</b>
<b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b>		
<b>Non-trade (valued at cost unless stated otherwise)</b>		
<b>Debentures - Quoted</b>		
117 (31st March 2019 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *	1	1
	<b>1</b>	<b>1</b>
<b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>		
<b>Trade (valued at cost unless stated otherwise)</b>		
<b>Equity shares - Unquoted</b>		
<b>Investment in Subsidiaries</b>		
57,75,000 (31st March 2019: 57,75,000) equity shares of Rs.10 each fully paid up of CSE Capital Markets Pvt Ltd	6,45,75,000	6,45,75,000
25,00,000 (31st March 2019: 25,00,000) equity shares of Re.1 each fully paid up of Lyons Range Securities Clearing Corporation Ltd	25,00,000	25,00,000
<b>Non-Trade (valued at cost unless stated otherwise)</b>		
<b>Equity shares - Quoted</b>		
400 (31st March 2019: 400) equity shares of Rs.10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
4,222 (31st March 2019: Nil) equity shares of Rs.247 each fully paid up of Tata Steel Ltd.	10,43,000	-
<b>Bonds - Quoted</b>		
5,696 (31st March 2019: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd (N4 Series) 56,96,000	56,96,000	
4,944 (31st March 2019: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	49,44,000	49,44,000
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
Nil (31st March 2019 : 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
10,00,000 (31st March 2019: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series OY (1218 days) - Direct Growth	1,00,00,000	1,00,00,000
Nil (31st March 2019: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OT (1117 days) - Growth Direct	-	1,00,00,000
5,00,000 (31st March 2019 : Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series SN (1099 days) - Direct Growth	50,00,000	-
<b>Investments in Fixed Deposits with Financial Institution - Unquoted</b>		
LIC Housing Finance Ltd	4,50,00,000	1,50,00,000
PNB Housing Finance Ltd (including Rs.50,00,000 in respect of Settlement Guarantee Fund)	1,50,00,000	1,50,00,000
	<b>15,37,64,674</b>	<b>12,87,21,674</b>
	<b>19,38,45,299</b>	<b>16,93,06,458</b>

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

**Aggregate cost of Investments:**

Quoted	1,16,89,675	1,06,46,675	
Unquoted		14,20,75,000	11,80,75,000
Value of investment property		4,00,80,624	4,05,84,783
Market value of quoted investments		1,26,40,803	1,15,49,391
Net asset value of mutual fund units		1,74,23,650	2,30,70,430



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>Deferred Tax Liability</b>		
Impact of expenditure allowed for tax purposes on payment basis in the current year	-	6,93,502
<b>Gross Deferred Tax Liability</b>	-	<b>6,93,502</b>
<b>Deferred Tax Asset</b>		
Provision for doubtful debts and advances	47,07,355	41,17,413
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	6,22,708	6,48,870
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	11,07,657	10,71,279
<b>Gross Deferred Tax Asset</b>	<b>64,37,720</b>	<b>58,37,562</b>
<b>Net Deferred Tax Asset</b>	<b>64,37,720</b>	<b>51,44,060</b>

NOTE – 11 : Loans and Advances

Particulars Non-Current	Non Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees	Rupees	Rupees
<b>Unsecured, considered good unless stated otherwise:</b>				
<b>Security Deposits</b>				
Considered good	10,19,41,633	10,19,41,633	-	-
Considered doubtful	5,06,000	5,06,000	-	-
	10,24,47,633	10,24,47,633	-	-
Less : Provision for doubtful deposits	(5,06,000)	(5,06,000)	-	-
	<b>10,19,41,633</b>	<b>10,19,41,633</b>	-	-
Receivable from other parties				
Considered good	3,47,848	13,90,847	1,98,31,005	13,35,506
Considered doubtful	11,82,825	11,82,825	-	-
	15,30,673	25,73,672	1,98,31,005	13,35,506
Less : Provision for doubtful advances	(11,82,825)	(11,82,825)	-	-
	3,47,848	13,90,847	1,98,31,005	13,35,506
Receivable from defaulting members [Refer Note No.- 31(i)]	94,96,16,925	94,96,16,925	-	-
<b>Receivable from related party:</b> [Refer Note No.- 34]				
CSE Capital Markets Private Ltd	-	-	-	44,79,887
Lyons Range Securities Clearing Corporation Ltd	-	-	19,60,522	6,58,830
	<b>94,99,64,773</b>	<b>95,10,07,772</b>	<b>2,17,91,527</b>	<b>64,74,223</b>
<b>Other Loans &amp; Advances:</b>				
<b>Advance Income Tax and Tax Deducted at Source</b>				
Considered good [Net of provision Rs. 11,82,03,399 (31st March 2019 : Rs.11,59,12,903)]	5,63,75,044	5,05,87,215	-	-
Considered doubtful	33,11,000	-	-	-
	5,96,86,044	5,05,87,215	-	-
Less : Provision for doubtful advance	(33,11,000)	-	-	-
	5,63,75,044	5,05,87,215	-	-
Prepaid expenses	-	-	36,06,621	33,68,934
Loan to employees - Interest bearing	91,45,622	57,19,990	27,35,709	24,66,016
Balances with statutory/government authorities -	-	2,05,336	-	-
	<b>6,55,20,666</b>	<b>5,63,07,205</b>	<b>65,47,666</b>	<b>58,34,950</b>
	<b>1,11,74,27,072</b>	<b>1,10,92,56,610</b>	<b>2,83,39,193</b>	<b>1,23,09,173</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 12 : Current Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>		
<b>(Valued at lower of cost and fair value)</b>		
<b>Non - Trade</b>		
<b>Investments in mutual funds - Unquoted</b>		
Nil (31st March 2019: 2,20,971) units of Rs.100 each fully paid up of Aditya Birla Sun Life Liquid Fund- Growth - Direct Plan(formely known as Aditya Birla Sun Life Cash Plus)	-	6,62,00,000
58,968 (31st March 2019: Nil) units of Rs.1000 each fully paid up of Aditya Birla Sun Life Overnight Fund - Growth Direct Plan	6,36,83,222	-
76,368 (31st March 2019: 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 *	15,00,000	15,00,000
Nil (31st March 2019: 6,156) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth	-	1,32,00,000
13,371 (31st March 2019: Nil) units of Rs.1000 each fully paid up of Baroda Overnight Fund - Direct Plan Growth	1,40,15,151	-
1,016 (31st March 2019: 1,016) units of Rs.1000 each fully paid up of Baroda Treasury Advantage Fund - Plan B Growth *	12,73,913	20,52,781
1,887 (31st March 2019: 1,887) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth **	40,00,000	40,00,000
Nil (31st March 2019: 2,872) units of Rs.1000 each fully paid up of Franklin India Liquid Fund - Super Institutional Plan -Direct (erstwhile Franklin India Treasury Management Account - Super Institutional Plan - Direct) - Growth	-	80,00,000
8,162 (31st March 2019: Nil) units of Rs.1000 each fully paid up of Franklin India Overnight Fund - Direct - Growth	85,26,438	-
Nil (31st March 2019: 7,366) units of Rs.1000 each fully paid up of Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option (formely Reliance Liquid Fund-Direct Plan Growth Plan- Growth Option)	-	3,35,00,000
2,36,126 (31st March 2019: Nil) units of Rs.100 each fully paid up of Nippon India Overnight Fund - Direct Growth Plan	2,53,05,311	-
578 (31st March 2019 : 9,688 ) units of Rs.1,000 each fully paid up of Axis Liquid Fund - Direct Growth	12,24,010	2,00,00,000
18,951 (31st March 2019 : Nil ) units of Rs.1,000 each fully paid up of Axis Overnight Fund - Direct Growth	2,00,00,000	-
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
1,00,000 (31st March 2019 : Nil) 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	-
10,00,000 (31st March 2019: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OT (1117 days) - Growth Direct	1,00,00,000	-
	<b>15,05,28,045</b>	<b>14,84,52,781</b>

\* Investment out of Investors' Service Fund

\*\* Settlement Guarantee Fund

**Aggregate cost of Investments:**

Unquoted	15,05,28,045	14,84,52,781
Net asset value of mutual fund units	15,34,23,773	14,95,16,544



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2020		As at 31st March, 2019	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	10,86,562		14,13,457	
Unsecured				
- Considered good	1,24,02,810		1,77,99,533	
- Considered doubtful	1,52,31,933		1,31,11,364	
	2,87,21,305		3,23,24,354	
Less: Provision for Doubtful Debts	(1,52,31,933)	1,34,89,372	(1,31,11,364)	1,92,12,990
Other Receivables:				
Secured, Considered good	26,653		6,132	
Unsecured, Considered good	3,87,709	4,14,362	8,73,113	8,79,245
		<b>1,39,03,734</b>		<b>2,00,92,235</b>



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees	Rupees	Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	33,041,004	45,803,324
Investors' Service Fund	-	-	1,348,902	1,762,970
Settlement Guarantee Fund	-	-	1,777,618	2,003,551
Unpaid Dividend Account	-	-	7,904,193	7,482,319
Cash on hand	-	-	37,859	41,569
	-	-	<b>44,109,576</b>	<b>57,093,733</b>
<b>b. OTHER BANK BALANCES</b>				
<b>Fixed deposits with remaining maturity of not less than 12 months : Pre-Demutualisation Period</b>				
Own Funds *	27,682,485	28,789,168	-	-
<b>Post-Demutualisation Period</b>				
Own Funds	619,898,676	453,891,993	-	-
Earmarked Funds:				
Settlement Guarantee Fund	310,327,408	269,500,000	-	-
Investors' Service Fund	37,650,000	60,100,000	-	-
<b>Fixed deposits with remaining maturity for less than 12 months : Post-Demutualisation Period</b>				
Own Funds	-	-	106,900,000	324,500,000
Earmarked Funds:				
Settlement Guarantee Fund	-	-	126,900,000	157,000,000
Investors' Service Fund	-	-	59,998,934	27,550,000
	<b>995,558,569</b>	<b>812,281,161</b>	<b>293,798,934</b>	<b>509,050,000</b>
Amount disclosed under Non-current assets (Refer Note 15)	<b>(995,558,569)</b>	<b>(812,281,161)</b>	-	-
	-	-	<b>337,908,510</b>	<b>566,143,733</b>
* Appropriated out of total year end fixed deposits to the extent of year end net liabilities pertaining to pre-demutualisation period.				
<b>Details of fixed deposits lien marked (included above)</b>				
<b>Deposits with remaining maturity of not less than 12 months pledged with : *</b>				
Indian Clearing Corporation Limited (ICCL)	359,632,525	30,000,000		
NSE Clearing Limited (NCL)	-	7,500,000		
HDFC Bank Ltd **	109,600,000	43,400,000		
<b>Deposits with remaining maturity for less than 12 months pledged with : *</b>				
Indian Clearing Corporation Limited (ICCL)		87,000,000		
NSE Clearing Limited (NCL)		226,800,000		
HDFC Bank Ltd **		66,000,000		
	<b>469,232,525</b>	<b>460,700,000</b>	-	-
* The aforesaid fixed deposits are under lien with indicated entities for utilization of their Trading Platform by the members of the Company.				
<b>Deposits with remaining maturity of not less than 12 months :</b>				
Lodged with Victor Moses & Co [Refer Note no.26(f)]	17,481,161	3,500,000		
<b>Deposits with remaining maturity for less than 12 months :</b>				
Lodged with Victor Moses & Co [Refer Note no.26(f)]		13,981,161		
**Against sanctioned credit limit yet to be utilized				
	<b>17,481,161</b>	<b>17,481,161</b>	-	-



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees	Rupees	Rupees
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Non-current bank balances (Refer Note no. 14)</b>	99,55,58,569	81,22,81,161	-	-
<b>Other receivables Secured, Considered good</b>				
Others	-	-	1,04,475	1,10,375
Rent & Electricity	7,64,172	-	5,13,716	10,16,738
<b>Unsecured, Considered good</b>				
Rent & Electricity	8,09,772	-	6,73,589	13,80,133
<b>Interest accrued on fixed deposits:</b>				
Own Funds	45,69,969	29,18,158	75,51,474	85,50,529
Settlement Guarantee Fund	56,86,021	5,83,842	49,46,128	46,47,778
Investors' Service Fund	36,197	81,015	9,64,597	4,76,328
<b>Interest accrued on investments in bonds:</b>				
Own Funds	-	-	4,14,739	4,14,739
	<b>1,00,74,24,700</b>	<b>81,58,64,176</b>	<b>1,51,68,718</b>	<b>1,65,96,620</b>

## NOTE – 16 : Revenue from Operations

Particulars	2019-20	2018-19
	Rupees	Rupees
<b>SALE OF SERVICES :</b>		
Turnover charges on other trading platform :		
- BSE	5,82,235	4,96,864
- NSE	31,49,776	40,35,636
Listing fees 2,12,12,500	3,65,59,500	
Subscriptions	15,66,000	15,80,500
Processing charges	1,11,88,082	85,10,499
Commission on PAN services	24,700	40,221
<b>Other operating revenue :</b>		
Bad debts recovered		
- Listing 20,32,537	85,77,916	
- Subscription and others	-	1,45,859
Recovery of penal charges from clients	31,03,646	70,22,633
Income from NISM Operation	21,27,392	29,50,505
Technology charges from new members	50,000	-
Miscellaneous operating income	-	815
	<b>4,50,36,868</b>	<b>6,99,20,948</b>





## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 17 : Other Income

Particulars	2019-20	2018-19
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	70,60,016	62,25,952
Interest on fixed deposits of Settlement Guarantee Fund	3,42,22,677	3,15,91,035
	<b>4,12,82,693</b>	<b>3,78,16,987</b>
Interest income on own fund:		
Fixed deposits	6,43,72,061	6,23,30,371
Tax Free PSU bonds	8,72,480	8,72,480
Security deposit with CESC Ltd	1,40,923	1,37,669
Security deposit with National Stock Exchange of India Ltd	54,348	19,373
Interest on delayed payment of listing fees	14,44,759	1,16,06,803
Others	10,93,991	8,31,114
	<b>6,79,78,562</b>	<b>7,57,97,810</b>
Profit on sale of Current investments	76,95,123	1,75,72,746
	<b>76,95,123</b>	<b>1,75,72,746</b>
Dividend income from investments:		
Current investments of own fund	77,978	16,02,408
	<b>77,978</b>	<b>16,02,408</b>
Other Income:		
Rent 10,42,552	10,48,821	
Miscellaneous receipts	8,96,395	26,68,733
Liabilities/Provisions no longer required, written back	12,17,992	3,57,684
	<b>31,56,939</b>	<b>40,75,238</b>
	<b>12,01,91,295</b>	<b>13,68,65,189</b>

## NOTE – 18 : Employee Benefits Expense

Particulars	2019-20	2018-19
	Rupees	Rupees
Salaries, bonus etc.	7,41,58,315	7,02,37,352
Contribution to provident and other funds [Refer Note no.33 (iii)]	99,77,782	87,49,932
Gratuity Expense [Refer Note no.33]	74,72,693	64,58,633
Staff welfare Expense	29,72,428	27,99,329
	<b>9,45,81,218</b>	<b>8,82,45,246</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 19 : Other Expenses

Particulars	2019-20		2018-19	
	Rupees	Rupees	Rupees	Rupees
Advertisement			15,438	10,43,487
Electricity charges	69,66,783		69,36,017	
Less : recovered from tenants	(14,83,496)	54,83,287	(15,33,712)	54,02,305
Rates & Taxes		20,28,271		7,25,102
Insurance		2,01,342		1,55,762
Printing & Stationary		3,50,961		4,89,184
Telephone charges		6,29,514		8,07,468
Travelling & Conveyance		1,94,939		3,55,403
Motor car expenses		1,08,400		1,64,060
Repairs & Maintenance:				
Building	2,87,784		1,95,721	
Others *	1,22,33,296	1,25,21,080	1,23,90,944	1,25,86,665
Expenses for Other Trading Platform:				
BSE		1,34,107		1,88,117
NSE		2,74,526		3,70,307
Interest on delayed payment of statutory dues		1,24,127		11,106
Security Expenses		10,87,452		10,84,716
Legal & Professional Fees		63,42,471		51,64,497
Auditor's Remuneration:				
Audit Fee	14,00,000		14,00,000	
Tax Audit Fee	2,00,000		2,00,000	
In other capacity	42,112		3,25,000	
Reimbursement of Expenses	96,503	17,38,615	86,823	20,11,823
Investors' Service Expenses		70,231		67,094
Loss on fair valuation of Current Investments of Investors' Service Fund		7,78,868		-
Directors Sitting Fee		10,25,000		11,15,000
CSR Expenditure		11,00,000		10,00,000
Provision for Doubtful Debts and Advances		30,00,000		60,93,662
Bad Debts	97,75,907	-		
Less : Adjusted against Provision for Doubtful Debts	8,79,430	88,96,477	-	-
Miscellaneous Expenses		15,77,659		11,88,466
		<b>4,76,82,765</b>		<b>4,00,24,224</b>

\* Including Rs.1,07,07,693 (31st March 2019 : Rs.1,08,22,389) for computer maintenance and service charges.

## NOTE – 20 : Depreciation and Amortization Expense

Particulars	2019-20	2018-19
	Rupees	Rupees
Depreciation of property, plant and equipment	20,75,724	28,12,285
Amortization of Intangible Assets	2,21,330	1,28,672
Depreciation on Investment Property	5,04,159	5,04,159
	<b>28,01,213</b>	<b>34,45,116</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 21 : Contribution to Settlement Guarantee

Particulars	2019-20		2018-19	
	Rupees	Rupees	Rupees	Rupees
Interest on Settlement Guarantee Fund		3,42,22,677		3,15,91,035
Less : Expenses of Settlement Guarantee Fund				
Legal & Professional expenses	9,28,886		9,40,419	
Audit expenses	2,50,000		2,50,000	
Other expenses	1,10,343	12,89,229	1,65,850	13,56,269
Less : Tax expenses (Net of above expenses)		91,62,085		84,11,312
		2,37,71,363		2,18,23,454
Add : Contribution to Settlement Guarantee Fund on Turnover				
Exchange's contribution to CSE-NSE SGF on turnover for Cash Segment	29,510		44,332	
Exchange's contribution to CSE-NSE SGF on turnover for FO Segment	70,665		1,47,886	
Exchange's contribution to CSE-BSE SGF on turnover for Cash Segment	13,232	1,13,407	9,654	2,01,872
		<b>2,38,84,770</b>		<b>2,20,25,326</b>

## NOTE – 22 : Contribution to Investors' Service Fund

Particulars	2019-20		2018-19	
	Rupees	Rupees	Rupees	Rupees
Interest on Investors' Service Fund	70,60,016		62,25,952	
20% Listing fees contribution on collection	37,13,991	1,07,74,007	79,55,352	1,41,81,304
Less : Expenses of Investors' Service Fund				
Service Charges for ISC	33,000		36,000	
Miscellaneous Expenses	37,231		31,094	
Loss on fair valuation of Current Investments of Investors' Service Fund	7,78,868	8,49,099	-	67,094
Less : Tax expenses (Net of above expenses)		27,61,109		39,26,573
		<b>71,63,799</b>		<b>1,01,87,637</b>

## NOTE – 23 : Earning Per Share (EPS)

Particulars	2019-20	2018-19
	Rupees	Rupees
Net (Loss) / Profit after Tax as per Statement of Profit and Loss	(2,16,73,097)	1,83,61,899
Weighted average number of equity shares	6,11,250	6,11,250
<b>Earnings per share - Basic &amp; Diluted (Rs.)</b>	<b>(35.46)</b>	<b>30.04</b>
<b>Nominal Value of share (Re.)</b>	<b>1</b>	<b>1</b>



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

24. 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.

25. 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 standalone financial statements.

26. **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) During the year 1999-2000, the Company had received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Company. The Company has filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.

e) Stock Holding Corporation of India Limited (SHCIL) was registered on the online trading system of the Calcutta Stock Exchange (CSE) as a "Custodian" for settling the Institutional Trades. In 2001, SHCIL introduced a scheme "Sell n Cash" (payment on sale of securities) Scheme for the



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

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 atan 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 Suitin 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.1,74,81,161 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, 2020	As at March 31, 2019
Corporation Tax demand from Kolkata Municipal Corporation	2,35,30,772	2,02,93,860
Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata	5,00,00,000	5,00,00,000
Others	2,18,059	2,03,656

**27. 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 byelaws 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. In accordance with clause 7 of the Chapter-XVII of the Bye-Laws of the Company on Composition of Settlement Guarantee Fund (SGF) and directions received from the Security Exchange board of India (SEBI), the Company is required to transfer all the income earned from the investments from the corpus of the Company’s Settlement Guarantee fund net of certain permitted expenses to that fund. Hitherto such transfers to those funds were disclosed in the Company’s statement of Profit & Loss as appropriation of profits for previous years. However, taking into consideration the Company’s obligation to transfer such net income to those funds, management believes that disclosure of such transfers as charge against profit for year is more appropriate. Accordingly, such transfers have been recognized as charge in the statement of Profit & Loss for the year with corresponding restatement for previous year. 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 27(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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

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

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

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

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

(Amount in Rupees)

Sl No	Particulars	As at March 31, 2020	As at March 31, 2019
	<b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b>		
I	Settlement Guarantee Fund of the Exchange	36,14,53,698	33,75,68,928
II	Members' Ad-hoc contribution to SGF	2,40,27,700	2,40,27,700
III	Dividend on Members' Security Deposit	1,45,20,483	1,45,20,483
	<b>Total</b>	<b>40,00,01,881</b>	<b>37,61,17,111</b>
	<b>Under Other Current Liabilities (Settlement Guarantee Fund):</b>		
IV	Members BMC/SGF in Cash	10,32,36,370	10,60,09,211
V	Interest Adjustable with BMC/ABMC	99,26,715	99,26,715
VI	Members' deposit towards BSE/NSE-SGF	19,27,781	20,42,781
	<b>Total</b>	<b>11,50,90,866</b>	<b>11,79,78,707</b>
	<b>Grand Total</b>	<b>51,50,92,747</b>	<b>49,40,95,818</b>

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

(Amount in Rupees)

Sl No	Particulars	As at March 31, 2020	As at March 31, 2019
I	Investments in Fixed Deposits	43,72,27,408	42,65,00,000
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Investments in Mutual Fund Units	40,00,000	40,00,000
IV	Balances in Current Account	17,77,618	20,03,551
V	Interest accrued on Fixed Deposits	1,06,32,149	52,31,620
VI	Deposit with BSE Ltd	5,81,25,000	5,81,25,000
VII	Deposit with Indian Clearing Corporation Ltd	18,75,000	18,75,000
VIII	(Payable) to the Exchange	(35,44,428)	(86,39,353)
	<b>Total</b>	<b>51,50,92,747</b>	<b>49,40,95,818</b>

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

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.

**28. 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.

**29. 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.

**30.** 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	2019-20	2018-19
<b>Settlement Guarantee Fund Expenses:</b>		
- 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	81,743	1,37,250
- Legal & Professional Fees	9,28,886	9,40,419
	<b>12,89,229</b>	<b>13,56,269</b>
<b>Investors’ Service Expenses</b>	<b>8,49,099</b>	<b>67,094</b>

**31. 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 HandDelivery 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 31.03.2020. Out of the above, the Company has filed recovery suits amounting to Rs.93,10,53,245 (Rs.93,10,53,245) from 15 defaulting members. As the matter is sub-Judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.

**ii)** Sundry Deposits as at 31.03.2020, in Note-5, under the head “Long Term Liabilities” includes Rs.94,96,16,925 (Rs.94,96,16,925) being contribution received from Settlement Guarantee Fund on account of payment crisis in earlier years which is refundable on receipt of settlement amount from defaulting members. The above balance of Rs.95,56,10,242 was partially contributed by part of corpus in members’ base minimum capital amounting to Rs.23,90,80,520 as well as ad-hoc contribution from certain members amounting to Rs.28,06,89,708. Such contribution by members are refundable only out of the money recovered by the Company from the defaulters and such refund shall be subject to resolution of specific issues, which are sub-judice in certain cases.

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

- iii) In a prior year, the Company had recognised ad-hoc contribution of Rs.71,00,000 receivable from a member towards Settlement Guarantee Fund. The said contribution is yet to be received and, consequently, management has considered it appropriate to adjust the said receivable against balance in Settlement Guarantee Fund. Management will continue to take steps for receipt of such contribution.
- iv) The Company had further received ad-hoc non-refundable contributions aggregating Rs.2,39,92,390 to the Settlement Guarantee Fund from certain members in earlier years. These had not been utilized for any purpose until date. The amount so contributed is lying in reserves and surplus of Settlement Guarantee Fund.

32. 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.26,73,90,209 (Rs.31,13,52,625) and fixed deposits of Rs.17,84,81,459 (Rs.18,29,12,924) as at 31.03.2020, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

33. **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	2019-20	2018-19
Discount rate	6.55%	7.43%
Salary escalation rate (Inflation rate)	6.50%	6.50%
Withdrawal rates	1.00% - 3.00%	1.00% - 3.00%

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

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

Particulars	2019-20	2018-19
Contribution to Provident/Pension Fund	62,74,724	55,77,701
Contribution to Superannuation Fund	27,22,020	26,28,494
Contribution to National Pension Scheme	8,49,806	5,43,737
Contribution to Employees State Insurance Scheme	1,31,232	-

34. **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

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

**Trust set-up by the Company**





## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in Rupees)

Name	Particulars	2019-20	2018-19
<b>Stock Exchange Investors' Protection Fund</b>	Contribution to Stock Exchange Investors' Protection Fund	41,24,476	94,82,252
	Expenses recoverable / incurred on behalf related party	24,95,643	11,96,395
	Amount paid	(89,339)	66,35,006
	Amount (payable) / receivable outstanding	(28,80,039)	(11,61,867)

**Subsidiaries (wholly owned)**

(Amount in Rupees)

Name	Particulars	2019-20	2018-19
<b>CSE Capital Markets Private Limited</b>	Expenses incurred on behalf of Subsidiary	38,91,724	49,42,502
	Received from Subsidiary	81,28,287	16,98,158
	Income earned on behalf of Subsidiary	5,395	8,453
	Interest on fixed deposits received from bank on behalf of subsidiary	5,31,598	-
	Expenses payable to subsidiary (Demat Charges for Clearing House)	5,31,598	4,54,162
	Amount receivable outstanding	(2,93,669)	44,79,887

(Amount in Rupees)

Name	Particulars	2019-20	2018-19
<b>Lyons Range Securities Clearing Corporation Limited</b>	Expenses incurred on behalf of Subsidiary	13,01,692	4,98,155
	Amount receivable outstanding	19,60,522	6,58,830

35. The Company has paid taxes as per provisions of section 115JB of the Income Tax Act, 1961 in the year 2017-18. However, the Company had not recognized Minimum Alternative Tax (MAT) Credit entitlement of Rs.1,12,22,030 (after adjusting MAT credit utilized during the current year Rs.39,77,970) in the absence of convincing evidence to claim the above tax credit in future years.

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

The original lease deeds of E.M. Bypass land has been deposited in the Alipore Court in respect of the Title Suit No. 298 of 2011 filed by the Company against Chittaranjan Prasad & Others. This title suit 298 of 2011 was subsequently withdrawn by the Company and an application was filed for withdrawal of original lease deeds submitted to the court. However, various other cases were filed by Chittaranjan Prasad & Others claiming to be owner of a portion of those land and on few other matters. In terms of the order received from the learned court, the documents filed by the Company including original lease deeds has been kept under safe custody of the court until the disposal of the case. Based on the management assessment and duly supported with a legal opinion obtained by the management, the outcome of this matter is expected to be in favour of the Company.

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 standalone financial statements in an earlier year, in terms of AS-13: Accounting for Investments.

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



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

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

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

Subsequently, vide order dated June 26, 2019, the Division Bench had directed the Company to put up a credible and acceptable proposal for the consideration of the SEBI so that the Company can continue and function as a stock exchange. In accordance with such direction, the Company had organized meetings with concerned SEBI officials and submitted a proposal to SEBI for its approvals to operate as a Stock Exchange for small and medium enterprises (SMEs). The response from SEBI in respect of this proposal submitted by the Company is awaited as on date.

Management believes that the Company's appeal pending before the Division Bench has merits and considers it probable that the decision will be in favour of the Company which is duly supported by a legal opinion obtained. However, Management has also made an internal evaluation and concluded that irrespective of the Hon'ble High Court decision, the Company has sufficient resources to meet its current obligation including arising from past events as on now and foreseeable future. In view of the aforesaid matters, management has considered it appropriate to prepare these financial statements on a going concern basis.

38. Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library of Pre-Demutualisation period were appropriated out of profit in earlier years. These were not utilized for any purpose till date and hence, the same was transferred to General Reserve pertaining to the Pre-Demutualisation Period in the current year.
39. Previous year's figures including those given in brackets, have been regrouped/reclassified wherever considered necessary to conform to current year's classification.

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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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

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

### Qualified Opinion

We have audited the accompanying consolidated financial statements of The Calcutta Stock Exchange Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated loss and their consolidated cash flows for the year ended on that date.

### Basis for Qualified Opinion

Attention is drawn to Note 29 (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 Group's loss for the year and year end loans and advances as carried forward in these financial statements is not ascertainable. Our opinion was also qualified in earlier years in respect of this matter.

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

dence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 35 in the consolidated financial statements which fully describes the uncertainties relating to the outcome of the Holding Company's appeal pending before the Division Bench of the Hon'ble High Court at Calcutta. The ability of the Holding Company to carry on the business of stock exchange is dependent on the outcome of the appeal pending before the Division Bench of the Hon'ble High Court at Calcutta. This indicates the existence of a material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern in respect of its stock exchange operations only. Our opinion is not modified in respect of the above matter.

### Other Information

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

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

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

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application



of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

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

operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

#### **Other Matter**

We did not audit the financial statements and other financial information, in respect of 2 (two) subsidiaries, whose financial statements include total assets of Rs.101,706,574 as at March 31, 2020, and total revenues of Rs.8,537,930 and net cash inflows of Rs.4,454,277 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's



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

**Report on Other Legal and Regulatory Requirements**

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 we report, to the extent applicable, that:

- (a) We/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated financial statements;
- (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the 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 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended);
- (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above and 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, 2020 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, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director of respective entities in terms of Section 164 (2) of the Act;

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 1" to this report;
- (i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 26, 31, 36 and 37 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
  - 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, 2020.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 55596

UDIN: 20055596AAAAEN9873

Place of Signature: Kolkata

Date: December 1, 2020



**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, 2020, we have audited the internal financial controls over financial reporting of The Calcutta Stock Exchange Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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



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

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

**Qualified Opinion**

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements in case of its subsidiary companies, which are companies incorporated in India, the material weakness has been identified as at March 31, 2020 in respect of holding Company's internal financial control over evaluation.

Assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Holding Company not recognising sufficient provision there against. This matter was also qualified in the earlier years.

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

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

tained 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, 2020, 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, 2020, 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 December 1st, 2020 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: December 1, 2020



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
		Rupees	Rupees
<b>I. EQUITIES AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUND</b>			
Share Capital	3	6,18,750	6,18,750
Reserves and Surplus	4	1,83,33,56,033	1,83,51,46,163
<b>2. NON CURRENT LIABILITIES</b>			
Long Term Liabilities	5	94,96,16,925	94,96,16,925
<b>3. CURRENT LIABILITIES</b>			
Trade Payables	6	1,60,56,978	2,94,64,163
Other Current Liabilities	6	37,06,26,165	35,57,86,875
Short Term Provisions	7	1,25,92,329	44,04,454
		<b><u>3,18,28,67,180</u></b>	<b><u>3,17,50,37,330</u></b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8A	28,14,52,425	28,34,05,387
Intangible Assets	8B	6,03,824	8,25,154
Non Current Investments	9	12,67,70,299	10,22,31,458
Deferred Tax Assets (net)	10	64,27,430	51,31,924
Loans and Advances	11	1,11,89,38,118	1,11,07,67,657
Other Assets	15	1,03,60,58,741	84,38,64,176
<b>2. CURRENT ASSETS</b>			
Current Investments	12	15,05,53,762	15,50,40,340
Trade Receivables	13	1,72,99,111	2,29,27,608
Cash and Bank Balances	14	40,08,24,273	62,46,05,219
Loans and Advances	11	2,69,62,810	79,83,085
Other Assets	15	1,69,76,387	1,82,55,322
		<b><u>3,18,28,67,180</u></b>	<b><u>3,17,50,37,330</u></b>
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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer





## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	Notes	2019-20 Rupees	2018-19 Rupees
<b>Income :</b>			
Revenue from Operations	16	4,65,15,953	7,20,73,104
Other Income	17	12,72,50,140	14,33,66,459
<b>Total (I)</b>		<b>17,37,66,093</b>	<b>21,54,39,563</b>
<b>Expenses :</b>			
Employee Benefits Expense	18	9,59,73,655	8,95,91,800
Other Expenses	19	5,16,85,359	4,17,60,640
Depreciation and Amortization Expense	20	28,17,265	34,81,460
Contribution to SEBI		25,84,096	47,13,742
Contribution to Stock Exchange Investors' Protection Fund		40,92,226	94,46,752
<b>Total (II)</b>		<b>15,71,52,601</b>	<b>14,89,94,394</b>
<b>Profit before Tax and contribution to Settlement Guarantee Fund and Investors' Service Fund (III = I-II)</b>		<b>1,66,13,492</b>	<b>6,64,45,169</b>
<b>Tax Expenses :</b>			
Current tax			
Pertaining to profit for the current year [Refer Note no - 34]		74,54,153	2,06,63,363
Adjustment of tax relating to earlier years		29,58,325	22,239
Adjustment of MAT Credit relating to earlier years		(39,77,970)	(59,33,414)
Deferred tax		(12,95,506)	(29,50,415)
<b>Total Tax Expense (IV)</b>		<b>51,39,002</b>	<b>1,18,01,773</b>
<b>Profit after tax before contribution to Settlement Guarantee Fund and Investors' Service Fund (V = III-IV)</b>		<b>1,14,74,490</b>	<b>5,46,43,396</b>
Contribution to Settlement Guarantee Fund (Net of Tax)	21	2,38,84,770	2,20,25,326
Contribution to Investors' Service Fund (Net of Tax)	22	71,63,799	1,01,87,637
<b>Total of Contributions to Settlement Guarantee Fund and Investors' Service Fund (Net of Tax) [VI]</b>		<b>3,10,48,569</b>	<b>3,22,12,963</b>
<b>(Loss) / Profit after tax for the year (V-VI)</b>		<b>(1,95,74,079)</b>	<b>2,24,30,433</b>
<b>Earnings per equity share</b>			
Basic and diluted (Rs.)	23	(32.02)	36.70
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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2020

	Particulars	2019-20	2018-19
		Rupees	Rupees
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Profit before Tax and contribution to Settlement Guarantee Fund and Investors' Service Fund</b>	<b>1,66,13,492</b>	<b>6,64,45,169</b>
	<b>Adjustment to reconcile profit before tax to net cash flows :-</b>		
	Depreciation and Amortization expense	28,17,265	34,81,460
	Loss on sale/discard of property, plant and equipment	8,509	-
	Provision for Doubtful Debts and Advances	30,00,000	60,93,662
	Bad Debts (net of provision)	88,96,477	-
	Loss on fair valuation of current investments of Investors' Service Fund	7,78,868	-
	Sundry balance written off	1,47,335	2,997
	Liabilities/Provisions no longer required, written back	(12,17,992)	(3,58,465)
	Interest on Fixed Deposits		
	Own Funds	(7,11,22,647)	(6,85,18,304)
	Investors' Service Fund	(70,60,016)	(62,25,952)
	Settlement Guarantee Fund	(3,42,22,677)	(3,15,91,035)
	Interest on Bonds	(8,72,480)	(8,72,480)
	Interest on Income Tax Refunds	-	-
	Dividend Income from Investments	(2,00,247)	(19,14,964)
	Profit on sale of Investments	(76,95,123)	(1,75,72,746)
	<b>Operating profit before working capital changes</b>	<b>(9,01,29,236)</b>	<b>(5,10,30,658)</b>
	<b>Movements in working capital:</b>		
	(Decrease) in Long Term Liabilities	-	(2,07,83,795)
	Increase in Short Term Provisions	81,87,875	16,74,725
	Increase / (Decrease) in Trade Payables	(1,34,07,185)	1,75,22,517
	(Decrease) in Other Current Liabilities	1,56,35,408	(1,09,91,613)
	(Increase) in Trade Receivables	(62,67,980)	(79,26,558)
	Decrease / (Increase) in Long Term Loans & Advances	(25,29,967)	1,82,44,065
	(Increase) / Decrease in Short Term Loans & Advances	(1,93,01,700)	7,50,854
	(Increase) in Other Current Assets	(3,58,478)	(4,90,588)
	<b>Cash used in operations</b>	<b>(10,81,71,263)</b>	<b>(5,30,31,051)</b>
	Payment of direct taxes (net)	(1,19,00,362)	(1,98,29,593)
	<b>Net Cash used in Operating Activities</b>	<b>(12,00,71,625)</b>	<b>(7,28,60,644)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Proceeds from sale of property, plant and equipment	1,500	-
	Purchase of property, plant and equipment	(1,48,823)	(17,47,097)
	Proceeds from Sale of Non Current Investments (net)	49,57,000	-
	Proceeds from Purchase and Sale of Current Investments (net)	1,14,02,833	5,79,20,299
	Dividend income from Investments	2,00,247	19,14,964
	Investment in Fixed Deposits		
	Own Funds	(49,23,15,202)	(47,71,81,161)
	Investors' Service Fund	(3,75,48,934)	(1,60,00,000)
	Settlement Guarantee Fund	(30,06,27,408)	(25,11,00,000)
	Encashment of Fixed Deposits		
	Own Funds	51,43,81,161	44,18,81,161
	Investors' Service Fund	2,75,50,000	-
	Settlement Guarantee Fund	28,99,00,000	23,03,18,463
	Interest on Fixed Deposits		
	Own Funds	7,03,20,924	6,60,61,892



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2020 (Contd.)**

Particulars		2018-19	2017-18
		Rupees	Rupees
	Investors' Service Fund	66,16,565	58,14,274
	Settlement Guarantee Fund	2,88,22,148	2,99,56,972
	Interest on Income Tax Refund	-	-
	Interest on Bonds	8,72,480	8,72,480
	<b>Net cash flow from investing activities</b>	<b>12,43,84,491</b>	<b>8,87,12,247</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Dividend Paid on equity shares	(1,05,80,626)	(1,03,09,796)
	Tax on equity dividend paid	(22,62,120)	(21,35,945)
	<b>Net Cash used in Financing Activities</b>	<b>(1,28,42,746)</b>	<b>(1,24,45,741)</b>
	<b>Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(85,29,880)</b>	<b>34,05,862</b>
	<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>5,86,97,486</b>	<b>5,52,91,624</b>
	<b>Cash and Cash equivalents as at the end of the year</b>	<b>5,01,67,606</b>	<b>5,86,97,486</b>

**Components of Cash & Cash Equivalents**

	<b>*2019-20</b>	<b>2018-19</b>
Cash on hand	40,859	44,569
Cheques / Drafts on hand	-	-
Balance with Scheduled Banks on Current Account:-		
Own Fund 3,90,96,034	4,74,04,077	
Investors' Service Fund	13,48,902	17,62,970
Settlement Guarantee Fund	17,77,618	20,03,551
Unpaid Dividend Account	79,04,193	74,82,319
	<b>5,01,67,606</b>	<b>5,86,97,486</b>

\* Includes the balance of Rs.79,04,193 (31st March 2019: Rs.74,82,319) 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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**

Director

**Prof. Ashok Banerjee**

Director

**Gyan Dutt Gautama**

Director

**Prosenjit Dutta**

Chief Financial Officer



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## 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, 2020	As at March 31, 2019
CSE Capital Markets Private Limited	India	100%	100%
Lyons Range Securities Clearing Corporation Ltd	India	100%	100%

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

**NOTE – 1.1: Basis of preparation of Accounts**

The financial statements of the group Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The group 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 group financial statements have been prepared on an accrual basis and under the historical cost convention.

In accordance with clause 7 of the Chapter-XVII of the Bye-Laws of the Company on Composition of Settlement Guarantee Fund (SGF) and directions received from the Security Exchange board of India (SEBI), the group

Company is required to transfer all the income earned from the investments from the corpus of the Company’s Settlement Guarantee fund net of certain permitted expenses to that fund. Similarly, in accordance with directions received from SEBI, the Company is also required to transfer income earned from investments from the corpus of the Investor Service Funds (ISF) net of permitted expenses to that fund.

Hitherto such transfers to those funds were disclosed in the Company’s Profit & Loss Account as appropriation of profits for previous years. However, taking into consideration the Company’s obligation to transfer such net income to those funds, management believes that disclosure of such transfers as charge against profit for year is more appropriate. Accordingly, such transfers have been recognized as charge in the Profit & Loss Account for the year with corresponding restatement for previous year. Consequently, the Company’s profit for the previous year has been reduced to Rs. 18,361,899 from previously reported profit of Rs. 5,03,72,990 due to such transfers to abovementioned funds. This adjustment has no impact on the Company’s financial position as at the current and previous year-end. Other accounting policies adopted in the preparation of group 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 prob-



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

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

#### **Interest**

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

#### **Dividend**

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

#### **iii) Property, Plant and Equipment**

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

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The Group identifies and determines cost of each component / part of asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life and that is materially different from that of the remaining asset.

#### **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 rec-

ognition 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 property, plant & equipment**

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

#### **vii) Investments**

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

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

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

#### **Investment Property:**

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

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

Investment Property comprising 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 pro-



ceeds is charged or credited to the statement of profit and loss.

**viii) Taxes**

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as

current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

**ix) Retirement and other Employee Benefits**

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated



absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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

**x) Earnings per Share**

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

**xi) Provisions**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying

economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the 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, 2020**

**NOTE – 3 : Share Capital**

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>a) AUTHORISED SHARES :</b> 10,00,00,000 (31st March 2019 : 10,00,00,000) equity shares of Re.1 each	100,000,000	100,000,000
<b>b) ISSUED SHARES :</b> 6,18,750 (31st March 2019 : 6,18,750) equity shares of Re.1 each	618,750	618,750
<b>c) SUBSCRIBED &amp; PAID UP SHARES :</b> 6,11,250 (31st March 2019 : 6,11,250) equity shares of Re.1 each fully paid up	611,250	611,250
<b>Add : Forfeited Shares:</b> 7,500 (31st March 2019 : 7,500) equity shares paid up of Re.1 each	7,500	7,500
	<b>618,750</b>	<b>618,750</b>

**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, 2020

## NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>I. Own Fund</b>		
<b>Capital reserve - Pre-demutualisation period</b>	<b>6,18,860</b>	<b>6,18,860</b>
<b>Securities premium account</b>		
Pre-demutualisation period	30,14,597	30,14,597
Post-demutualisation period	63,17,78,051	63,17,78,051
<b>Total securities premium account</b>	<b>63,47,92,648</b>	<b>63,47,92,648</b>
<b>Reserve for establishment of centre for training and statistical information and setting up a library - Pre-demutualisation period</b>		
Opening balance as on April 1	3,88,41,547	3,88,41,547
Transfer to General Reserve of Pre-Demutualisation period	(3,88,41,547)	-
Closing balance as on March 31	-	<b>3,88,41,547</b>
<b>Development fee fund - Pre-demutualisation period</b>	<b>13,40,50,000</b>	<b>13,40,50,000</b>
<b>General reserve</b>		
<b>Pre-demutualisation period</b>		
Opening balance as on April 1	46,35,57,857	46,35,57,857
Transfer from Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library - Pre-Demutualisation period	3,88,41,547	-
Closing balance as on March 31	<b>50,23,99,404</b>	<b>46,35,57,857</b>
<b>Post-demutualisation period</b>		
Balance Opening balance as on April 1	5,14,15,205	5,60,15,205
Addition during the year	-	10,00,000
Deduction during the year	-	(56,00,000)
Closing balance as on March 31	<b>5,14,15,205</b>	<b>5,14,15,205</b>
<b>Total general reserve</b>	<b>55,38,14,609</b>	<b>51,49,73,062</b>
<b>Surplus in the statement of profit and loss - Post-demutualisation period</b>		
(Loss) / Profit for the year	4,46,49,755 (1,95,74,079)	3,01,46,517 2,24,30,433
Appropriations:-		
Less : Transferred to general reserve	-	(10,00,000)
Less : Final equity dividend for previous year	(1,10,02,500)	(1,03,91,250)
Less : Tax on above final equity dividend	(22,62,120)	(21,35,945)
Add : Transferred from General Reserve of Post-Demutualisation Period	-	56,00,000
Total appropriations	<b>(1,32,64,620)</b>	<b>(79,27,195)</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>1,18,11,056</b>	<b>4,46,49,755</b>
<b>Total of Own Fund</b>	<b>1,33,50,87,173</b>	<b>1,36,79,25,872</b>
<b>II. Investors' Service Fund - Post-demutualisation period</b>		
Balance as per last financial statements	9,11,03,180	8,09,15,543
Addition during the year (Refer Note no.-22)	80,12,898	1,02,54,731
Deductions/adjustments during the year (Refer Note no.-22)	(8,49,099)	(67,094)
<b>Total of Investors' Service Fund</b>	<b>9,82,66,979</b>	<b>9,11,03,180</b>





## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 4 : Reserve and Surplus (Contd.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>III. Settlement Guarantee Fund - Post-demutualisation period</b>		
<b>Settlement Guarantee Fund for CSE-NSE Cash Segment</b>		
Balance as per last financial statements	1,02,43,259	1,01,98,927
Addition during the year (Refer Note no. 21)	29,510	44,332
Closing balance	<b>1,02,72,769</b>	<b>1,02,43,259</b>
<b>Settlement Guarantee Fund for CSE-NSE Future and Option Segment</b>		
Balance as per last financial statements	1,04,37,395	1,02,89,509
Addition during the year (Refer Note no. 21)	70,665	1,47,886
Closing balance	<b>1,05,08,060</b>	<b>1,04,37,395</b>
<b>Settlement Guarantee Fund for CSE-BSE Cash Segment</b>		
Balance as per last financial statements	1,02,37,171	1,02,27,517
Addition during the year (Refer Note no. 21)	13,232	9,654
Closing balance	<b>1,02,50,403</b>	<b>1,02,37,171</b>
<b>Settlement Guarantee Fund for CSE-BSE Future and Option Segment</b>		
Balance as per last financial statements	1,00,07,568	1,00,07,568
Closing balance	<b>1,00,07,568</b>	<b>1,00,07,568</b>
<b>Settlement Guarantee Fund Initial Membership Fees</b>		
Balance as per last financial statements	2,60,000	2,60,000
Closing balance	<b>2,60,000</b>	<b>2,60,000</b>
<b>Settlement Guarantee Fund (Governed by the Bye-Laws of the Settlement Guarantee Fund of the exchange)</b>		
Balance as per last financial statements	33,49,31,718	30,86,25,327
Addition during the year (Refer Note no. 21)	2,50,60,592	2,31,79,723
Proportionate distribution for SGF out of recovery from defaulters	-	44,82,937
Deductions/adjustments during the year (Refer Note no. 21)	(12,89,229)	(13,56,269)
Closing balance	<b>35,87,03,081</b>	<b>33,49,31,718</b>
<b>Total of Settlement Guarantee Fund</b>	<b>40,00,01,881</b>	<b>37,61,17,111</b>
<b>Total of I+II+III</b>	<b>1,83,33,56,033</b>	<b>1,83,51,46,163</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	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.31(ii)]	94,96,16,925	-	94,96,16,925	94,96,16,925	-	94,96,16,925
	94,96,16,925	-	94,96,16,925	94,96,16,925	-	94,96,16,925

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

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Pre-Demutalisation Period	Post Demutalisation Period	Total	Pre-Demutalisation Period	Post Demutalisation Period	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>						
Total outstanding dues of micro enterprises and small enterprises -	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	16,056,978	16,056,978	-	29,464,163	29,464,163
	-	16,056,978	16,056,978	-	29,464,163	29,464,163
<b>Other Liabilities :</b>						
Sundry Deposits	21,689,168	53,826,687	75,515,855	21,689,168	51,781,948	73,471,116
Members' Security Deposits [Refer Note no.32]						
- Own Fund	-	91,653,152	91,653,152	-	93,218,581	93,218,581
- Settlement Guarantee Fund	-	115,090,866	115,090,866	-	117,978,707	117,978,707
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	76,157,637	76,157,637	-	56,005,602	56,005,602
<b>Payable to related party:</b> [Refer Note no.34]						
Stock Exchange Investors' Protection Fund	-	2,872,539	2,872,539	-	1,154,367	1,154,367
Statutory Dues	-	1,431,923	1,431,923	-	6,476,183	6,476,183
Unclaimed Dividend	-	7,904,193	7,904,193	-	7,482,319	7,482,319
	21,689,168	348,936,997	370,626,165	21,689,168	334,097,707	355,786,875
	21,689,168	364,993,975	386,683,143	21,689,168	363,561,870	385,251,038

## NOTE – 7 : Short Term Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>Provision for Employee Benefits:</b>		
Leave	73,94,015	553,702
Provision for Gratuity [Refer Note no. 33]	51,98,314	3,850,752
	1,25,92,329	4,404,454



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

		(Amount in Rs.)												
Cost or Valuation	Freehold Land	Building	Electrical Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total						
<b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>														
At 1st April 2018	4,15,300	21,57,399	1,27,00,896	68,13,470	83,88,785	-	16,22,79,255	19,27,55,105						
At 31st March 2019	4,15,300	21,57,399	1,27,00,896	68,13,470	83,88,785	-	16,22,79,255	19,27,55,105						
At 31st March 2020	4,15,300	21,57,399	1,27,00,896	68,13,470	83,88,785	-	16,22,79,255	19,27,55,105						
Depreciation														
At 1st April 2018	-	16,05,150	1,20,85,745	65,20,865	80,34,296	-	16,15,60,022	18,98,06,078						
Charge For the Year	-	24,232	-	-	-	-	-	24,232						
At 31st March 2019	-	16,29,382	1,20,85,745	65,20,865	80,34,296	-	16,15,60,022	18,98,30,310						
Charge For the Year	-	23,168	-	-	-	-	-	23,168						
At 31st March 2020	-	16,52,550	1,20,85,745	65,20,865	80,34,296	-	16,15,60,022	18,98,53,478						
<b>Net Block</b>														
At 31st March 2019	4,15,300	5,28,017	6,15,151	2,92,605	3,54,489	-	7,19,233	29,24,795						
At 31st March 2020	4,15,300	5,04,849	6,15,151	2,92,605	3,54,489	-	7,19,233	29,01,627						
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>														
At 1st April 2018	26,90,00,023	1,17,28,629	69,47,230	55,29,782	30,17,738	18,24,080	2,01,97,211	31,82,44,693						
Additions	-	-	1,484	67,400	8,200	-	10,60,013	11,37,097						
Disposals/Adjustment	-	-	-	-	-	-	-	-						
At 31st March 2019	26,90,00,023	1,17,28,629	69,48,714	55,97,182	30,25,938	18,24,080	2,12,57,224	31,93,81,790						
Additions	-	-	20,302	7,000	-	-	1,21,521	1,48,823						
Disposals/Adjustment	-	-	(21,949)	-	-	-	-	(21,949)						
At 31st March 2020	26,90,00,023	1,17,28,629	69,47,067	56,04,182	30,25,938	18,24,080	2,13,78,745	31,95,08,664						
<b>Depreciation</b>														
At 1st April 2018	-	45,36,480	49,29,445	45,76,393	28,40,432	6,71,441	1,85,32,408	3,60,86,599						
Charge For the Year	-	7,00,649	5,37,732	2,65,901	18,342	3,62,802	9,29,173	28,14,599						
At 31st March 2019	-	52,37,129	54,67,177	48,42,294	28,58,774	10,34,243	1,94,61,581	3,89,01,198						
Charge For the Year	-	6,32,390	3,99,555	2,03,156	11,388	2,48,850	5,73,269	20,68,608						
Disposals/Adjustment	-	-	(11,940)	-	-	-	-	(11,940)						
At 31st March 2020	-	58,69,519	58,54,792	50,45,450	28,70,162	12,83,093	2,00,34,850	4,09,57,866						
<b>Net Block</b>														
At 31st March 2019	26,90,00,023	64,91,500	14,81,537	7,54,888	1,67,164	7,89,837	17,95,643	28,04,80,592						
At 31st March 2020	26,90,00,023	58,59,110	10,92,275	5,58,732	1,55,776	5,40,987	13,43,895	27,85,50,798						
<b>Total Net Block</b>														
At 31st March 2019	26,94,15,323	70,19,517	20,96,688	10,47,493	5,21,653	7,89,837	25,14,876	28,34,05,387						
At 31st March 2020	26,94,15,323	63,63,959	17,07,426	8,51,337	5,10,265	5,40,987	20,63,128	28,14,52,425						



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 8B : Intangible Assets

Amount in Rs.

Particulars	Computer Softwares	Total
<b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
At 1st April 2018	3,00,36,144	3,00,36,144
At 31st March 2019	3,00,36,144	3,00,36,144
At 31st March 2020	3,00,36,144	3,00,36,144
<b>Amortization</b>		
At 1st April 2018	3,00,36,108	3,00,36,108
At 31st March 2019	3,00,36,108	3,00,36,108
At 31st March 2020	3,00,36,108	3,00,36,108
<b>Net Block</b>		
At 31st March 2019	36	36
At 31st March 2020	36	36
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
At 1st April 2018	52,35,643	52,35,643
Additions 6,10,000	6,10,000	
At 31st March 2019	58,45,643	58,45,643
At 31st March 2020	58,45,643	58,45,643
<b>Amortization</b>		
At 1st April 2018	48,82,055	48,82,055
Charge For the Year	1,38,470	1,38,470
At 31st March 2019	50,20,525	50,20,525
Charge For the Year	2,21,330	2,21,330
At 31st March 2020	52,41,855	52,41,855
<b>Net Block</b>		
At 31st March 2019	8,25,118	8,25,118
At 31st March 2020	6,03,788	6,03,788
<b>Total Net Block</b>		
At 31st March 2019	8,25,154	8,25,154
At 31st March 2020	6,03,824	6,03,824



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 9 : Non Current Investments (At Cost)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>INVESTMENT PROPERTY (at cost less accumulated depreciation)</b> (Refer Note No.- 34)		
<b>Pre-Demutualisation Period</b>		
Cost of leasehold land	4,96,67,291	4,96,67,291
Less : Accumulated depreciation	(95,86,667)	(90,82,508)
<b>Net Block</b>	<b>4,00,80,624</b>	<b>4,05,84,783</b>
<b>INVESTMENTS OF PRE-DEMUTUALISATION PERIOD</b>		
<b>Non-trade (valued at cost unless stated otherwise)</b>		
<b>Debentures- Quoted</b>		
117 (31st March 2018 : 117) debentures of Rs.100 each fully paid up of 15% Bengal Paper Mills Co Ltd *	1	1
	<b>1</b>	<b>1</b>
<b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>		
<b>Non-Trade (valued at cost unless stated otherwise)</b>		
<b>Equity shares- Quoted</b>		
400 (31st March 2018: 400) equity shares of Rs. 10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
4,222 (31st March 2019: Nil) equity shares of Rs.247 each fully paid up of Tata Steel Ltd (Refer Note No.- 36)	10,43,000	-
<b>Bonds- Quoted</b>		
5,696 (31st March 2018: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd. (N4 Series)	56,96,000	56,96,000
4,944 (31st March 2018: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	49,44,000	49,44,000
<b>Investments in fixed maturity mutual funds- Unquoted</b>		
1,00,000 (31st March 2018: 1,00,000) units of Rs.10 each fully paid up of HDFC Charity Fund for Cancer Cure - Debt plan - Direct Option - 50% Dividend Donation	-	10,00,000
10,00,000 (31st March 2018:10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OY(1218 days)- Direct Growth	1,00,00,000	1,00,00,000
10,00,000 (31st March 2018: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OT(1117 days)- Growth	-	1,00,00,000
5,00,000 (31st March 2019 : Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series SN (1099 days) - Direct Growth	50,00,000	-
<b>Investments in Fixed Deposits with Financial Institution - Unquoted</b>		
Fixed Deposit with LIC Housing Finance Ltd	4,50,00,000	1,50,00,000
Fixed Deposit with PNB Housing Finance Ltd (including Rs.50,00,000 in respect of Settlement Guarantee Fund)	1,50,00,000	1,50,00,000
	<b>8,66,89,674</b>	<b>6,16,46,674</b>
	<b>12,67,70,299</b>	<b>10,22,31,458</b>

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

**Aggregate cost of Investments:**

Quoted	1,16,89,675	1,06,46,675	
Unquoted		7,50,00,000	5,10,00,000
Value of investment property		4,00,80,624	4,05,84,783
Market value of quoted investments		1,26,40,803	1,17,83,851
Net asset value of mutual fund units		1,74,23,650	2,15,30,880



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>Deferred Tax Liability</b>		
Impact of expenditure allowed for tax purposes on payment basis in the current year	10,290	6,93,502
<b>Gross Deferred Tax Liability</b>	<b>10,290</b>	<b>6,93,502</b>
<b>Deferred Tax Asset</b>		
Provision for doubtful debts and advances	47,07,355	41,17,412
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	6,22,708	6,36,734
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	11,07,657	10,71,280
<b>Gross Deferred Tax Asset</b>	<b>64,37,720</b>	<b>58,25,426</b>
<b>Net Deferred Tax Asset</b>	<b>64,27,430</b>	<b>51,31,924</b>

NOTE – 11 : Loans and Advances

Particulars	Non-Current		Current	
	As at 31st March, 2020 Rupees	As at 31st March, 2019 Rupees	As at 31st March, 2020 Rupees	As at 31st March, 2019 Rupees
<b>Unsecured, considered good unless stated otherwise:</b>				
<b>Security Deposits</b>				
Considered good	10,34,52,679	10,34,52,679	-	-
Considered doubtful	5,06,000	5,06,000	-	-
	10,39,58,679	10,39,58,679	-	-
Less : Provision for doubtful deposits	(5,06,000)	(5,06,000)	-	-
	<b>10,34,52,679</b>	<b>10,34,52,679</b>	-	-
Receivable from other parties				
Considered good	3,47,848	13,90,848	1,99,65,024	13,54,219
Considered doubtful	11,82,825	11,82,825	-	-
	15,30,673	25,73,673	1,99,65,024	13,54,219
Less : Provision for doubtful advances	(11,82,825)	(11,82,825)	-	-
	3,47,848	13,90,848	1,99,65,024	13,54,219
Receivable from defaulting members [Refer Note No.- 31(i)]	94,96,16,925	94,96,16,925	-	-
	<b>94,99,64,773</b>	<b>95,10,07,773</b>	<b>1,99,65,024</b>	<b>13,54,219</b>
<b>Other Loans &amp; Advances:</b>				
<b>Advance Income Tax and Tax Deducted at Source</b>				
Considered good [Net of provision Rs.12,02,71,450 (31st March 2019 : Rs.11,69,51,279)]	5,63,75,044	5,05,87,215	4,45,774	7,67,749
Considered doubtful	33,11,000	-	-	-
	5,96,86,044	5,05,87,215	4,45,774	7,67,749
Less : Provision for doubtful advance	(33,11,000)	-	-	-
	5,63,75,044	5,05,87,215	4,45,774	7,67,749
Prepaid expenses	-	-	36,10,967	33,95,101
Loan to employees - Interest bearing	91,45,622	57,19,990	27,35,709	24,66,016
Balances with statutory/ government authorities	-	-	2,05,336	-
	<b>6,55,20,666</b>	<b>5,63,07,205</b>	<b>69,97,786</b>	<b>66,28,866</b>
	<b>1,11,89,38,118</b>	<b>1,11,07,67,657</b>	<b>2,69,62,810</b>	<b>79,83,085</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 12 : Current Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees
<b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD (Valued at lower of cost and fair value)</b>		
<b>Non- Trade</b>		
<b>Investments in mutual funds- Unquoted</b>		
Nil (31st March 2019: 2,20,971) units of Rs.100 each fully paid up of Aditya Birla Sun Life Liquid Fund- Growth - Direct Plan (formerly known as Aditya Birla Sun Life Cash Plus)	-	6,62,00,000
58,968 (31st March 2019: Nil) units of Rs.1000 each fully paid up of Aditya Birla Sun Life Overnight Fund - Growth Direct Plan	6,36,83,222	-
76,368 (31st March 2019: 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 *	15,00,000	15,00,000
Nil (31st March 2019: 6,156) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth	-	1,32,00,000
13,371 (31st March 2019: Nil) units of Rs.1000 each fully paid up of Baroda Overnight Fund - Direct Plan Growth	1,40,15,151	-
1,016 (31st March 2019: 1,016) units of Rs.1000 each fully paid up of Baroda Treasury Advantage Fund - Plan B Growth *	12,73,913	20,52,781
1,887 (31st March 2019: 1,887) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth **	40,00,000	40,00,000
Nil (31st March 2019: 2,872) units of Rs.1000 each fully paid up of Franklin India Liquid Fund - Super Institutional Plan -Direct (erstwhile Franklin India Treasury Management Account - Super Institutional Plan - Direct) - Growth	-	80,00,000
8,162 (31st March 2019: Nil) units of Rs.1000 each fully paid up of Franklin India Overnight Fund - Direct - Growth	85,26,438	-
Nil (31st March 2019: 7,366) units of Rs.1000 each fully paid up of Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option (formely Reliance Liquid Fund-Direct Plan Growth Plan- Growth Option)	-	3,35,00,000
2,36,126 (31st March 2019: Nil) units of Rs.100 each fully paid up of Nippon India Overnight Fund - Direct Growth Plan	2,53,05,311	-
578 (31st March 2019 : 9,688 ) units of Rs.1,000 each fully paid up of Axis Liquid Fund - Direct Growth	12,24,010	2,00,00,000
18,951 (31st March 2019 : Nil ) units of Rs.1,000 each fully paid up of Axis Overnight Fund - Direct Growth	2,00,00,000	-
6,557 (31st March 2019: 6,066) units of Rs.1,001 each fully paid up of Invesco India Liquid Fund - Direct Plan Daily Dividend	-	65,62,886
25 (31st March 2019: Nil) units of Rs.1,008 each fully paid up of Nippon India Low Duration Fund - Daily Dividend Plan Dividend Reinvestment	25,717	-
Nil (31st March 2019: 24) units of Rs.1,028 each fully paid up of Reliance Low Duration Fund - Daily Dividend Plan Dividend Reinvestment	-	24,673
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
1,00,000 (31st March 2019 : Nil) 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	-
10,00,000 (31st March 2019: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OT (1117 days) - Growth Direct	1,00,00,000	-
-		
	<b>15,05,53,762</b>	<b>15,50,40,340</b>

\* Investment out of Investors' Service Fund

**Aggregate cost of Investments:**

Unquoted	15,05,53,762	15,50,40,340
Net asset value of mutual fund units	15,34,23,773	15,61,02,916



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2020		As at 31st March, 2019	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	10,86,562		32,19,499	
Unsecured				
- Considered good	1,57,98,187		1,88,28,864	
- Considered doubtful	1,52,31,933		1,31,11,364	
	3,21,16,682		3,51,59,727	
Less: Provision for Doubtful Debts	(1,52,31,933)	1,68,84,749	(1,31,11,364)	2,20,48,363
Other Receivables:				
Secured, Considered good	26,653		6,132	
Unsecured, Considered good	3,87,709	4,14,362	8,73,113	8,79,245
		<b>1,72,99,111</b>		<b>2,29,27,608</b>





THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees	As at 31st March, 2019 Rupees	As at 31st March, 2018 Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	39,096,034	47,404,077
Investors' Service Fund	-	-	1,348,902	1,762,970
Settlement Guarantee Fund	-	-	1,777,618	2,003,551
Unpaid Dividend Account	-	-	7,904,193	7,482,319
Cash on hand	-	-	40,859	44,569
	-	-	<b>50,167,606</b>	<b>58,697,486</b>
<b>b. OTHER BANK BALANCES</b>				
<b>Fixed deposits with remaining maturity of not less than 12 months :</b>				
<b>Pre-Demutualisation Period</b>				
Own Funds *	21,689,168	28,789,168	-	-
<b>Post-Demutualisation Period</b>				
Own Funds	654,526,034	481,891,993	-	-
Earmarked Funds:				
Settlement Guarantee Fund	310,327,408	269,500,000	-	-
Investors' Service Fund	37,650,000	60,100,000	-	-
<b>Fixed deposits with remaining maturity for less than 12 months :</b>				
Own Funds	-	-	163,757,733	381,357,733
Earmarked Funds:				
Settlement Guarantee Fund	-	-	126,900,000	157,000,000
Investors' Service Fund	-	-	59,998,934	27,550,000
	<b>1,024,192,610</b>	<b>840,281,161</b>	<b>350,656,667</b>	<b>565,907,733</b>
Amount disclosed under Non-current assets (Refer Note 15)	<b>(1,024,192,610)</b>	<b>(840,281,161)</b>	-	-
	-	-	<b>400,824,273</b>	<b>624,605,219</b>
* Appropriated out of total year end fixed deposits to the extent of year end net liabilities pertaining to pre-demutualisation period.				
<b>Details of fixed deposits lien marked (included above)</b>				
<b>Deposits with remaining maturity of not less than 12 months pledged with : *</b>				
Indian Clearing Corporation Limited (ICCL)	359,632,525	30,000,000		
NSE Clearing Limited (NCL)	-	7,500,000		
HDFC Bank Ltd	109,600,000	43,400,000		
<b>Deposits with remaining maturity for less than 12 months pledged with : *</b>				
Indian Clearing Corporation Limited (ICCL)		87,000,000		
NSE Clearing Limited (NCL)		226,800,000		
HDFC Bank Ltd		66,000,000		
	<b>469,232,525</b>	<b>460,700,000</b>	-	-
* The aforesaid fixed deposits are under lien with indicated entities for utilization of their Trading Platform by the members of the Company.				
<b>Deposits with remaining maturity of not less than 12 months :</b>				
Lodged with Victor Moses & Co [Refer Note no.26(g)]	17,481,161	3,500,000		
<b>Deposits with remaining maturity for less than 12 months :</b>				
Lodged with Victor Moses & Co [Refer Note no.26(g)]		13,981,161		
	<b>17,481,161</b>	<b>17,481,161</b>	-	-



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good unless stated otherwise				
<b>Non-current bank balances (Refer Note no. 14)</b>	1,02,41,92,610	84,02,81,161	-	-
<b>Other receivables</b>				
<b>Secured, Considered good</b>				
Others	-	-	1,04,475	1,10,375
Rent & Electricity	7,64,172	-	5,13,716	10,16,738
<b>Unsecured, Considered good</b>				
Rent & Electricity	8,09,772	-	6,73,589	13,80,133
<b>Interest accrued on fixed deposits:</b>				
Own Funds	45,69,969	29,18,158	93,59,143	1,02,09,231
Settlement Guarantee Fund	56,86,021	5,83,842	49,46,128	46,47,778
Investors' Service Fund	36,197	81,015	9,64,597	4,76,328
<b>Interest accrued on investments in bonds:</b>				
Own Funds	-	-	4,14,739	4,14,739
	<b>1,03,60,58,741</b>	<b>84,38,64,176</b>	<b>1,69,76,387</b>	<b>1,82,55,322</b>

## NOTE – 16 : Revenue from Operations

Particulars	2019-20	2018-19
	Rupees	Rupees
<b>SALE OF SERVICES :</b>		
Turnover charges on other trading platform :		
- BSE	5,82,235	4,96,864
- NSE	31,49,776	40,35,636
Listing fees	2,12,12,500	3,65,59,500
Subscriptions	15,66,000	15,80,500
Processing charges	1,11,88,082	85,10,499
Income from depository participant operation	14,79,085	21,52,156
Commission on PAN services	24,700	40,221
<b>Other operating revenue :</b>		
Bad debts recovered		
- Listing	20,32,537	85,77,916
- Subscription and others	-	1,45,859
Recovery of penal charges from clients	31,03,646	70,22,633
Income from NISM Operation	21,27,392	29,50,505
Technology charges from new members	50,000	-
Miscellaneous operating income	-	815
	<b>4,65,15,953</b>	<b>7,20,73,104</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 17 : Other Income

Particulars	2019-20	2018-19
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	70,60,016	62,25,952
Interest on fixed deposits of Settlement Guarantee Fund	3,42,22,677	3,15,91,035
	<b>4,12,82,693</b>	<b>3,78,16,987</b>
Interest income on own fund:		
Fixed deposits	7,11,22,647	6,85,18,304
Tax Free PSU bonds	8,72,480	8,72,480
Security deposit with CESC Ltd	1,40,923	1,37,669
Security deposit with National Stock Exchange of India Ltd	54,348	19,373
Interest on delayed payment of listing fees	14,44,759	1,16,06,803
Others	10,93,991	8,31,114
	<b>7,47,29,148</b>	<b>8,19,85,743</b>
Profit on sale of Current investments	76,95,123	1,75,72,746
	<b>76,95,123</b>	<b>1,75,72,746</b>
Dividend income from investments:		
Current investments of own fund	2,00,247	19,14,964
	<b>2,00,247</b>	<b>19,14,964</b>
Other Income:		
Rent	10,42,552	10,48,821
Miscellaneous receipts	10,82,385	26,68,733
Liabilities/Provisions no longer required, written back	12,17,992	3,58,465
	<b>33,42,929</b>	<b>40,76,019</b>
	<b>12,72,50,140</b>	<b>14,33,66,459</b>

## NOTE – 18 : Employee Benefits Expense

Particulars	2019-20	2018-19
	Rupees	Rupees
Salaries, bonus etc.	7,55,50,752	7,15,83,906
Contribution to provident and other funds [Refer Note no.33 (iii)]	99,77,782	87,49,932
Gratuity Expense [Refer Note no.33]	74,72,693	64,58,633
Staff welfare Expense	29,72,428	27,99,329
	<b>9,59,73,655</b>	<b>8,95,91,800</b>



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

## NOTE – 19 : Other Expenses

Particulars	2019-20		2018-19	
	Rupees	Rupees	Rupees	Rupees
Advertisement		15,438		10,43,487
Electricity charges	69,66,783		69,36,017	
Less : recovered from tenants	(14,83,496)	54,83,287	(15,33,712)	54,02,305
Rates & Taxes		20,34,001		7,30,832
Insurance		2,01,342		1,55,762
Printing & Stationary		3,74,048		4,97,287
Telephone charges		6,29,514		8,07,468
Travelling & Conveyance		1,94,939		3,55,403
Motor car expenses		1,08,400		1,64,060
Repairs & Maintenance:				
Building	2,87,784		1,95,721	
Others *	1,23,82,879	1,26,70,663	1,26,01,794	1,27,97,515
Expenses for Other Trading Platform:				
BSE		1,34,107		1,88,117
NSE		2,74,526		3,70,307
Interest on delayed payment of statutory dues		1,24,127		59,999
Security Expenses		10,87,452		10,84,716
Expenses for Depository Services		6,14,927		7,68,432
Legal & Professional Fees		94,67,472		58,50,122
Auditor's Remuneration				
As Audit Fees	14,00,000		14,00,000	
Tax Audit	2,00,000		2,00,000	
In other capacity	42,112		3,25,000	
Reimbursement of Expenses	96,503	17,38,615	86,823	20,11,823
Investors' Service Expenses		70,231		67,094
Loss on Diminution of Mutual Fund				
Investments of Investors' Service Fund		7,78,868		-
Directors Sitting Fee		10,25,000		11,15,000
CSR Expenditure		11,00,000		10,00,000
Provision for Doubtful Debts and Advances	30,00,000			60,93,662
Bad Debts	97,75,907	-		
Less : Adjusted against Provision for Doubtful Debts	8,79,430	88,96,477	-	-
Miscellaneous Expenses		16,61,925		11,97,249
		<b>5,16,85,359</b>		<b>4,17,60,640</b>

\* Including Rs.1,08,57,276 (31st March 2019 : Rs.1,08,22,389) for computer maintenance and service charges.

## NOTE – 20 : Depreciation and Amortization Expense

Particulars	2019-20	2018-19
	Rupees	Rupees
Depreciation of property, plant and equipment	20,91,776	31,55,307
Amortization of Intangible Assets	2,21,330	2,41,970
Depreciation on Investment Property	5,04,159	5,04,159
	<b>28,17,265</b>	<b>39,01,436</b>



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2020

## NOTE – 21 : Contribution to Settlement Guarantee

Particulars	2019-20		2018-19	
	Rupees	Rupees	Rupees	Rupees
Interest on Settlement Guarantee Fund		3,42,22,677		3,15,91,035
Less : Expenses of Settlement Guarantee Fund				
Legal & Professional expenses	9,28,886		9,40,419	
Audit expenses	2,50,000		2,50,000	
Other expenses	1,10,343	12,89,229	1,65,850	13,56,269
Less : Tax expenses (Net of above expenses)		91,62,085		84,11,312
		2,37,71,363		2,18,23,454
Add : Contribution to Settlement Guarantee Fund on Turnover				
Exchange's contribution to CSE-NSE SGF on turnover for Cash Segment	29,510		44,332	
Exchange's contribution to CSE-NSE SGF on turnover for FO Segment	70,665		1,47,886	
Exchange's contribution to CSE-BSE SGF on turnover for Cash Segment	13,232	1,13,407	9,654	2,01,872
		<b>2,38,84,770</b>		<b>2,20,25,326</b>

## NOTE – 22 : Contribution to Investors' Service Fund

Particulars	2019-20		2018-19	
	Rupees	Rupees	Rupees	Rupees
Interest on Investors' Service Fund	70,60,016		62,25,952	
20% Listing fees contribution on collection	37,13,991	1,07,74,007	79,55,352	1,41,81,304
Less : Expenses of Investors' Service Fund				
Service Charges for ISC	33,000		36,000	
Miscellaneous Expenses	37,231		31,094	
Loss on Diminution of Mutual Fund Investments of Investors' Service Fund	7,78,868	8,49,099	-	67,094
Less : Tax expenses (Net of above expenses)		27,61,109		39,26,573
		<b>71,63,799</b>		<b>1,01,87,637</b>

## NOTE – 23 : Earning Per Share (EPS)

Particulars	2019-20	2018-19
	Rupees	Rupees
Net (Loss) / Profit after Tax as per Statement of Profit and Loss	(1,95,74,079)	2,24,30,433
Weighted average number of equity shares	6,11,250	6,11,250
<b>Earnings per share - Basic &amp; Diluted (Rs.)</b>	<b>(32.02)</b>	<b>36.70</b>
<b>Nominal Value of share (Re.)</b>	<b>1</b>	<b>1</b>



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

24. 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.

25. 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.

**26. Contingent Liabilities not provided for:**

Claims against the Group not acknowledged as debts.

**Taxation matters:**

a) In respect of Assessment Years 1991-92 and 1992-93, total demands aggregating Rs.3,66,74,684 raised by the Assessing Officer on the Holding Company due to development fees received from members was considered revenue receipt instead of capital receipt. The aforesaid demand had been vacated by the Income Tax Appellate Tribunal vide its Order dated 28.02.2006. However, the Income Tax Department filed an application before the Hon'ble High Court at Calcutta for condonation of delay in filing an appeal against the order of

the Income Tax Appellate Tribunal which is pending disposal.

- b) In respect of Assessment Year 2001-02, the Assessing Officer raised a demand for Rs.2,69,21,819 on the Holding Company. The Income Tax Appellate Tribunal had given an Order allowing contribution to Settlement Guarantee Fund as application of income and referred back the other matters to Assessing Officer. The Assessing Officer, while giving effect of the Order of the Income Tax Appellate Tribunal dated 16.06.2006 reversed the demand and confirmed that Rs.3,57,70,449 including interest of Rs.88,48,630 is refundable vide Order dated 29.08.2006. However, the Income Tax Department filed an application for condonation of delay for filing an appeal before the Hon'ble High Court at Calcutta against the above Order of the Income Tax Appellate Tribunal. The Holding Company has received the refund for the aforesaid amount along with applicable interest in June, 2017 from the office of the Deputy Commissioner of Income Tax after deducting Rs.12,87,668 being outstanding demand for various years which is pending resolutions.
- c) In respect of Assessment Year 2009-10, the Assessing Officer has raised a demand of Rs.5,49,719 under section 14A of the Income Tax Act, 1961 and have also imposed a penalty of Rs.4,99,745. The Holding Company filed an appeal before the Commissioner of Income Tax (Appeals) against the aforesaid demand by the Income Tax Authorities, however the same was dismissed on July 19, 2016 due to technical ground. The holding Company has further filed an application to the Assessing Officer on June 21, 2017 to reconsider the case.
- d) The Income Tax authority has raised a demand to the subsidiary, namely CSE Capital Markets Private Ltd, u/s. 143(1) for Rs.55,920, by adding the exempt dividend income for Assessment year 2018-19. The subsidiary filed an appeal u/s.154 for rectification of the same.

**Other matters:**

e) The Holding Company has received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount aggregating to Rs.44,59,799 as contribution payable by the Holding Company. The Holding Company has



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

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

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

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

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

(Amount in Ruppes)

Particulars	As at March 31, 2020	As at March 31, 2019
Corporation Tax demand from Kolkata Municipal Corporation	2,35,30,772	2,02,93,860
Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata	5,00,00,000	5,00,00,000
Others	2,18,059	2,03,656

**27. 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 byelaws 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. In accordance with clause 7 of the Chapter-XVII of the Bye-Laws of the Holding Company on Composition of Settlement Guarantee Fund (SGF) and directions received from the Security Exchange board of India (SEBI), the Holding Company is required to transfer all the income earned from the investments from the corpus of the Holding Company's Settlement Guarantee fund net of certain permitted expenses to that fund. Hitherto such transfers to those funds were disclosed in the Holding Company's statement of Profit & Loss as appropriation of profits for previous years. However, taking into consideration the Holding Company's obligation to transfer such net income to those funds, management believes that disclosure of such transfers as charge against profit for year is more appropriate. Accordingly, such transfers have been recognized as charge in the statement of



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Profit & Loss for the year with corresponding restatement for previous year. 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 27(d) below.

- (b) Additional contribution of Rs.19,93,55,380/- made by the Company to the Settlement Guarantee Fund during 2000-01 was charged off to the Profit and Loss Account in the said year in accordance with the decision of the erstwhile Board of Directors taken at its meeting dated 03.10.2001. In the same meeting it was also decided to adjust the additional contribution against the future contribution payable to Settlement Guarantee Fund. Accordingly, a sum of Rs.1,30,34,622/- which would have accrued since 2001-02 to 2013-14 towards annual contribution payable by the Company to its Settlement Guarantee Fund has not been recognized in these financial statements for year commencing after March 31, 2001. Similarly, the balance additional contribution of Rs.18,63,20,758/- has not been carried forward towards adjustment against annual contribution in subsequent year since the aforesaid amount has already been charged off to Statement of Profit and Loss.

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

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

(Amount in Rupees)

Sl No	Particulars	As at March 31, 2020	As at March 31, 2019
	<b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b>		
I	Settlement Guarantee Fund of the Exchange	36,14,53,698	33,75,68,928
II	Members' Ad-hoc contribution to SGF	2,40,27,700	2,40,27,700
III	Dividend on Members' Security Deposit	1,45,20,483	1,45,20,483
	<b>Total</b>	<b>40,00,01,881</b>	<b>37,61,17,111</b>
	<b>Under Other Current Liabilities (Settlement Guarantee Fund):</b>		
IV	Members BMC/SGF in Cash	10,32,36,370	10,60,09,211
V	Interest Adjustable with BMC/ABMC	99,26,715	99,26,715
VI	Members' deposit towards BSE/NSE-SGF	19,27,781	20,42,781
	<b>Total</b>	<b>11,50,90,866</b>	<b>11,79,78,707</b>
	<b>Grand Total</b>	<b>51,50,92,747</b>	<b>49,40,95,818</b>

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

(Amount in Rupees)

Sl No	Particulars	As at March 31, 2020	As at March 31, 2019
I	Investments in Fixed Deposits	43,72,27,408	42,65,00,000
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Investments in Mutual Fund Units	40,00,000	40,00,000
IV	Balances in Current Account	17,77,618	20,03,551
V	Interest accrued on Fixed Deposits	1,06,32,149	52,31,620
VI	Deposit with BSE Ltd	5,81,25,000	5,81,25,000
VII	Deposit with Indian Clearing Corporation Ltd	18,75,000	18,75,000
VIII	(Payable) to the Exchange	(35,44,428)	(86,39,353)
	<b>Total</b>	<b>51,50,92,747</b>	<b>49,40,95,818</b>





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- (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.

**28. 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.

**29. 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.

30. 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	2019-20	2018-19
<b>Settlement Guarantee Fund Expenses:</b>		
- 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	81,743	1,37,250
- Legal & Professional Fees	9,28,886	9,40,419
	<b>12,89,229</b>	<b>13,56,269</b>
<b>Investors' Service Expenses</b>	<b>8,49,099</b>	<b>67,094</b>

31. i) Receivables from defaulting members in Note 11 "Loans and Advances" includes Rs.94,96,16,925 (Rs.94,96,16,925) due from Members on account of settlements in prior years comprising Rs.94,22,58,636 (Rs.94,22,58,636) towards Hand Delivery Settlement, Rs.26,36,540 (Rs.26,36,540) for Cash Settlement and Rs.47,21,749 (Rs.47,21,749) on account of Demat Settlement as on 31.03.2019. Out of the above, the Company has filed recovery suits amounting to Rs.93,10,53,245 (Rs.93,10,53,245) from 15 defaulting members. As the matter is sub-judice, the extent of recoverability of the aforesaid amounts is presently not ascertainable.
- ii) Sundry Deposits as at 31.03.2020, in Note-5, under the head "Long Term Liabilities" includes Rs.95,56,10,242 (Rs. 95,56,10,242) 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



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balance of Rs.95,56,10,242 was partially contributed by part of corpus in members' base minimum capital amounting to Rs.23,90,80,520 as well as ad-hoc contribution from certain members amounting to Rs.28,06,89,708. Such contribution by members are refundable only out of the money recovered by the Company from the defaulters and such refund shall be subject to resolution of specific issues, which are sub-judice in certain cases.

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

- iii) In a prior year, the Holding Company had recognised ad-hoc contribution of Rs.71,00,000 receivable from a member towards Settlement Guarantee Fund. The said contribution is yet to be received and, consequently, management has considered it appropriate to adjust the said receivable against balance in Settlement Guarantee Fund. Management will continue to take steps for receipt of such contribution.
- iv) The Holding Company had further received ad-hoc non-refundable contributions aggregating Rs.2,39,92,390 to the Settlement Guarantee Fund from certain members in earlier years. These had not been utilized for any purpose until date. The amount so contributed is lying in reserves and surplus of Settlement Guarantee Fund.

32. 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.22,42,30,333 (Rs.31,13,52,625) and fixed deposits of Rs.17,84,81,459 (Rs.18,29,12,924) as at 31.03.2020, have not been included in the financial statements and has been disclosed by way of Notes to the financial statement.

33. **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	2019-20	2018-19
Discount rate	6.55%	7.43%
Salary escalation rate (Inflation rate)	6.50%	6.50%
Withdrawal rates	1.00% - 3.00%	1.00% - 3.00%

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

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

(Amount in Rupees)

Particulars	2019-20	2018-19
Contribution to Provident/Pension Fund	62,74,724	55,77,701
Contribution to Superannuation Fund	27,22,020	26,28,494
Contribution to National Pension Scheme	8,49,806	5,43,737
Contribution to Employees State Insurance Scheme	1,31,232	-



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**34. Related party disclosures:**

Name of related parties and related party relationship

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

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

**Trust set-up by the Holding Company**

(Amount in Rupees)

Name	Particulars	2019-20	2018-19
<b>Stock Exchange Investors' Protection Fund</b>	Contribution to Stock Exchange Investors' Protection Fund	41,24,476	94,82,252
	Expenses recoverable / incurred on behalf related party	24,95,643	11,96,395
	Amount paid	(89,339)	66,35,006
	Amount (payable) / receivable outstanding	(28,72,539)	11,54,367

**35.** The Holding Company has paid taxes as per provisions of section 115JB of the Income Tax Act, 1961 in the previous year. However, the Holding Company had not recognized Minimum Alternative Tax (MAT) Credit entitlement of Rs.1,12,22,030 (after adjusting MAT credit utilized during the current year Rs.39,77,970) in the absence of convincing evidence to claim the above tax credit in future years.

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

The original lease deeds of E.M. Bypass land has been deposited in the Alipore Court in respect of the Title Suit No. 298 of 2011 filed by the Holding Company against Chittaranjan Prasad & Others. This title suit 298 of 2011 was subsequently withdrawn by the Holding Company and an application was filed for withdrawal of original lease deeds submitted to the court. However, various other cases were filed by Chittaranjan Prasad & Others claiming to be owner of a portion of those land and on few other matters. In terms of the order received from the learned court, the documents filed by the Company including original lease deeds has been kept under safe custody of the court until the disposal of the case. Based on the management assessment and duly supported with a legal opinion obtained by the management, the outcome of this matter is expected to be in favour of the Holding Company.

The Holding 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 Holding 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 standalone financial statements in an earlier year, in terms of AS-13: Accounting for Investments.

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

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

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



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

Division Bench vide order dated March 29, 2017 has stayed the exit process initiated by SEBI till the appeals are heard.

Subsequently, vide order dated June 26, 2019, the Division Bench had directed the Holding Company to put up a credible and acceptable proposal for the consideration of the SEBI so that the Holding Company can continue and function as a stock exchange. In accordance with such direction, the Holding Company had organized meetings with concerned SEBI officials and submitted a proposal to SEBI for its approvals to operate as a Stock Exchange for small and medium enterprises (SMEs). The response from SEBI in respect of this proposal submitted by the Holding Company is awaited as on date.

Management believes that the Holding Company's appeal pending before the Division Bench has merits and considers it probable that the decision will be in favour of the Holding Company which is duly supported by a legal opinion obtained. However, Management has also made an internal evaluation and concluded that irrespective of the Hon'ble High Court decision, the Holding Company has sufficient resources to meet its current obligation including arising from past events as on now and foreseeable future. In view of the aforesaid matters, management has considered it appropriate to prepare these financial statements on a going concern basis.

38. Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library of Pre-Demutualisation period were appropriated out of profit in earlier years. These were not utilized for any purpose till date and hence, the same was transferred to General Reserve pertaining to the Pre-Demutualisation Period in the current year.
39. 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	2019-2020		2019-2020		2018-2019		2018-2019	
	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.
<b>Parent</b>								
The Calcutta Stock Exchange Limited	94.5%	1,73,31,54,828	110.72%	(2,16,73,097)	94.46%	1,73,41,51,950	81.86%	1,83,61,899
<b>Indian Subsidiary</b>								
CSE Capital Markets Private Limited	5.41%	9,91,67,219	-15.41%	30,16,982	5.25%	9,64,22,911	19.49%	43,70,637
Lyons Range Securities Clearing Corporation Limited	0.09%	16,52,735	4.69%	(9,17,965)	0.29%	51,90,052	-1.35%	-3,02,103

40. 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: 1st December, 2020

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

**Dr. Bhaskar Banerjee**  
Director

**Prof. Ashok Banerjee**  
Director

**Gyan Dutt Gautama**  
Director

**Prosenjit Dutta**  
Chief Financial Officer

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## **The Calcutta Stock Exchange Limited**

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