



## The Calcutta Stock Exchange Limited

### NOTICE

Notice is hereby given that the 98th Annual General Meeting of the members of The Calcutta Stock Exchange Limited (The Exchange/Company) will be held on Friday, 31st December, 2021 at 4.00 p.m. Indian Standard Time ("IST"), through Video Conference / Other Audio-Visual Mode to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Report of the Auditors thereon.
2. To appoint the Statutory Auditors of the Company to hold office from the conclusion of ensuing 98th Annual General Meeting until the conclusion of the 103rd Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"Resolved that pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force] M/s. Ray & Ray, Chartered Accountants [Firm Registration No.: 301072E] be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors M/s. S. R. Batliboi & Co., LLP Chartered Accountants, [Firm Registration No.: 301003E] to hold office for a period of five consecutive financial years from the conclusion of this 98th Annual General Meeting until the conclusion of the 103rd Annual General Meeting to be held for the financial year ending 31st March, 2026 at such remuneration and out of pocket expenses, taxes etc. as may be mutually decided by and between the Auditors and the Board of Directors / Audit Committee of the Company for each such year."

By Order of the Board of Directors

Place: Kolkata  
Dated: 29th November, 2021

Anindo Majumdar  
Chairman  
DIN: 06984371



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### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out material facts relating to item no. 2 of Ordinary Business to be transacted at the Annual General Meeting has been voluntarily annexed hereto. The Board of Directors of the Company at its Meeting held on 29th November 2021 considered that no special business would be required to be transacted at the 98th AGM of the Company.
2. Presently the Board of Directors comprises of all Public Interest Directors nominated by Securities and Exchange Board of India [SEBI] whose appointment does not require approval of shareholders of the Company. As such information relating to the Directors seeking appointment / re-appointment at the Annual General Meeting does not form part of the Notice.
3. On an Application made by the Company vide SRN T42450320 dated 13.09.2021, the Registrar of Companies, West Bengal, Ministry of Corporate Affairs has extended the time for holding the ensuing 98th Annual General Meeting by a period of three months till 31st December, 2021. Accordingly, the due date for holding the 98th AGM stands extended till 31.12.2021. This meeting has been convened within the extended due date approved by the Registrar of Companies. The approval letter received from the Registrar of Companies, West Bengal, Ministry of Corporate Affairs extending the time for holding the AGM is available for inspection by the members at the Registered Office of the Company on all working days between 10 A.M. to 1 P.M. upto the date of AGM.
4. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said Form can be downloaded from the website of the Company [www.cse-india.com](http://www.cse-india.com). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's Registrar and Share Transfer Agent M/s. CB Management Services Private Limited in case the shares are held in physical form. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of shares who has made the nomination, by giving a notice of such cancellation or variation, to the company in Form No. SH-14. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the Company or by its Registrar and Share Transfer Agent.
5. All documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company between 10 A.M. to 1 P.M. on all working days prior to the date of the AGM and scanned copies will also be available at the meeting.
6. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their Bank particulars, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations and power of attorney as well as any change of name, address, Pin Code, E-mail IDs and mobile / other contact details, amongst others, to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent [M/s. CB Management Services Private Limited] to provide efficient services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.
7. Ministry of Corporate Affairs (MCA) has decided that, 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.
8. Members holding shares in physical form are also requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. The Company's equity shares have been admitted in NSDL and CDSL and ISIN: INE510101013 has been allotted. M/s CB Management Services Private Limited are the Registrar and Share Transfer Agents (RSTA). Members can contact the Company or Company's Registrar and Share Transfer Agent M/s. CB Management Services Pvt. Ltd. at P-22, Bondel Road, Kolkata - 700 019 for ease of knowing the process of dematerialization.
9. Mandatory submission of PAN: Government of India has mandated the submission of Permanent Account Numbers (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are



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- maintaining their Demat Account. Members holding shares in physical form are requested to update their PAN with the Company's Registrar and Share Transfer Agent.
10. Non-resident Indian Members are requested to inform the Company's Registrar and Share Transfer Agent immediately of:
    - (a) Change in their residential status on return to India for permanent settlement.
    - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member, as soon as possible. Members are advised not to leave their demat account(s) dormant for too long. Periodic statements of holdings should be obtained from the concerned Depository Participants and the holdings should be verified from time to time.
  12. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
  13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent/Depositories for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
  14. Members desiring any information about accounts, to be explained at the meeting are requested to inform the Company at least 5 [Five] days in advance, so that the papers relating thereto may be made available.
  15. In terms of Section 124 of the Act the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account and corresponding shares are required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company will be transferring the dividends for the financial year ended 31st March, 2015 and corresponding shares on or before 11th December, 2022. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. The due dates for transfer of unclaimed dividend to IEPF are provided in the report on Corporate Governance. Dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account and corresponding shares upto the financial year ending 31st March 2014 stands transferred to IEPF.
  16. The Company has uploaded information of unclaimed dividends as on date of the 97th Annual General Meeting held on 31st December, 2020 on the websites of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and of the Company [www.cse-india.com](http://www.cse-india.com).
  17. Pursuant to the MCA Circulars, in view of the prevailing situation, owing to the difficulties involved in dispatching of the physical copies of the Notice of the 98th AGM and the Annual Report of the Company for the financial year ended 31st March, 2021 including therein the Audited Financial Statements for the year 2020-21, the afore-mentioned documents are being sent only by email [electronic mode] to the Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.cse-india.com](http://www.cse-india.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com). Therefore, Members whose email addresses are not registered with the Company or with the Registrar and Share Transfer Agent (RTA) or with their respective Depository Participant/s (DPs), and who wish to receive the Notice of the 98th AGM of the Company along with the Annual Report for the year 2020-21 and all other communications from time to time, can get their email addresses registered by following the steps as mentioned herein below:-
    - a. For Members holding shares in physical form, please send a scanned copy of the signed request letter mentioning your Folio Number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the RTA's email address: [rta@cbmspl.com](mailto:rta@cbmspl.com)
    - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant(s).
  18. During the 98th AGM, Members may access the scanned copies of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and the



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Memorandum and Articles of Association of the Company, upon Log-in to CDSL e-Voting system at [www.evotingindia.com](http://www.evotingindia.com).

19. Pursuant to the provisions of Section 108 of the Act read with rules thereof, Mr. Debabrata Dutt, Practising Company Secretary, (Membership No. FCS - 5401) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and/or vote through the e-Voting system during the Meeting in a fair and transparent manner. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, make a consolidated Scrutinizer's Report.
20. The Results of voting will be declared within 48 hours from the conclusion of AGM. The declared results along with the Scrutinizer's Report will be available forthwith on the website of the Company [www.cse-india.com](http://www.cse-india.com) and on the website of CDSL. Such results will also be displayed on the Notice Board at the Registered Office of the Company.
21. The term 'Members' has been used to denote Shareholders of the Calcutta Stock Exchange Limited.
22. Instructions and other information relating to remote e-voting are given in the Notice under Note No. 23 and 24 below.
23. General instruction for accessing and participating in the 98th AGM through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility:
  - A. In view of the outbreak of the COVID-19 pandemic physical distancing is a norm to be followed. Considering the continuing restriction on movement of persons at several places in the country and pursuant to the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 followed by Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and all other relevant circulars issued from time-to-time companies are allowed to hold AGM during the calendar year 2021 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM). In compliance with the provisions of the Act, the 98th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 98th AGM shall be the Registered Office of the Company situated at 7, Lyons Range, Kolkata – 700 001. Hence, Members can attend and participate in the AGM through VC/OAVM only.
  - B. The Company has engaged the services of Central Depository Services (India) Limited (CDSL), as the authorized agency for conducting the e-AGM and providing remote e-voting and e-voting facility for/ during the 98th AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
- C. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no requirement for the appointment of proxies. Accordingly, the facility to appoint proxies to attend and cast vote for the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, the Body Corporate(s) are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes during the 98th AGM of the Company. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting at least three (3) days before the AGM.
- D. Since the AGM will be held through VC / OAVM facility, the Route Map is not annexed to this Notice.
- E. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- F. In line with MCA Circulars, the Notice of 98th AGM along with Financial Statements, Auditor's Report and Directors' Report are being sent only by electronic mode to the Members and all other persons so entitled at their email address registered with Company / its Registrar and Share transfer Agent.
- G. Members are encouraged to join the Meeting through Laptops for better experience. Accordingly, all members are requested to get connected through a laptop with webcam / a device with a video / camera along with stable internet speed. When the meeting is in progress, please keep your laptop / device under 'Mute' mode, except when you would be allowed to be a speaker by the Chairman and are invited to speak at the AGM.



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- H. Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, strongly recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- I. In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

### 24. Voting through electronic means:

#### CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020; April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Person-

nel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.cse-india.com](http://www.cse-india.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

#### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Tuesday, 28th December, 2021 (9.00 a.m.) and ends on Thursday, 30th December, 2021 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record



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date) on Friday, EOD of 24th December, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) It has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been

decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) Accordingly, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



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	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at: <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:



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	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of The Calcutta Stock Exchange Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [pdutta@cse-india.com](mailto:pdutta@cse-india.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.





## The Calcutta Stock Exchange Limited

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 (FIVE) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [pducta@cse-india.com](mailto:pducta@cse-india.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 (FIVE) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [pducta@cse-india.com](mailto:pducta@cse-india.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company at [pducta@cse-india.com](mailto:pducta@cse-india.com) or to RTA at [rta@cbmspl.com](mailto:rta@cbmspl.com)**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Ordinary Business attached voluntarily:

#### Item No. 2:

M/s. S. R. Batliboi & Co., LLP Chartered Accountants, [Firm Registration No. 301003E] were appointed by the Members at the 93rd Annual General Meeting (AGM) held on 29th September, 2016 as Statutory Auditors of the company for a second consecutive term of five financial years. Accordingly, their term of appointment expires at the conclusion of the ensuing 98th Annual General Meeting of the Company pertaining to the financial year ending 31st March, 2021.

The Audit Committee has selected and recommended for the approval of the Members, the appointment of M/s. Ray & Ray, Chartered Accountants [Firm Registration No. 301072E] as the Statutory Auditors of the Company in place of the retiring auditors M/s. S. R. Batliboi & Co., LLP Chartered Accountants, [Firm Registration No. 301003E] for a period of five consecutive financial years to hold office from the conclusion of the ensuing 98th Annual General Meeting until the conclusion of the 103rd Annual General Meeting to be held for the



## The Calcutta Stock Exchange Limited

financial year ending 31.03.2026 at a remuneration to be mutually determined by and between the Board of Directors / its Audit Committee and the Auditors for each such financial year. In addition to the above, the Board / its Audit Committee may approve the fee payable to the said Auditors for limited reviews, certifications and other permitted services to be rendered by the Auditors in accordance with the provisions of Section 144 of the Act, as deemed appropriate.

M/s. Ray & Ray, Chartered Accountants, have confirmed in writing their consent, eligibility, willingness and qualifications in accordance with the provisions of Section 139 / 141 of the Companies Act, 2013 to be appointed as the Statutory Auditors of the Company.

Hence the subject Resolution of the Notice has been proposed as an Ordinary Resolution.

The Directors recommend the resolution for adoption by the Members at the ensuing Annual General Meeting.

None of the Directors or their relatives are financially or otherwise concerned or interested in the subject resolution.

By Order of the Board of Directors

Place: Kolkata

Dated: 29th November, 2021

Anindo Majumdar

Chairman

DIN: 06984371

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# 98th Annual Report 2020-21



**The Calcutta Stock Exchange Limited**

## Corporate Information

### Chairman

Anindo Majumdar, IAS (Retd.)  
Public Interest Director

### Public Interest Directors

Chacko Joseph  
Gautam Ganguli

### Registered Office

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

### Registrar & Share Transfer Agents

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

### Bankers

Axis Bank  
HDFC Bank Limited  
Punjab National Bank

### Auditors

S R Batliboi & Co. LLP  
Chartered Accountants

### Internal Auditors

Ray & Ray  
Chartered Accountants

### Solicitors

Avijit Deb Partners LLP  
Sinha & Co  
Uttam Kumar Mandal, Advocate

## 98th Annual General Meeting

<b>Day</b>	:	Friday
<b>Date</b>	:	December 31st, 2021
<b>Venue</b>	:	Via Video Conference
<b>Time</b>	:	4 PM

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



**Anindo Majumdar**  
Chairman,  
Public Interest Director



**Chacko Joseph**  
Public Interest Director



**Gautam Ganguli**  
Public Interest Director





## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of The Calcutta Stock Exchange Limited (the 'Exchange / Company / CSE') presents the Company's 98th Annual Report for the Financial Year 2020-21 together with the Audited Financial Statements for the year ended 31st March, 2021. Consolidated financial performance of the Company together with 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 stood at Rs.1571.20 lakhs. The profit before tax and contributions to Settlement Guarantee Fund and Investors' Service Fund was 181.39 lakhs. After charging the year's contributions to these two funds the loss for the financial year 2020-21 stood at Rs.121.27 lakhs.

**A Financial Results summary is appended :**

Particulars	2020-21	2019-20
	Rupees In lakhs	Rupees in lakhs
<b>Income :</b>		
<b>Total Revenue (I)</b>	<b>1571.20</b>	<b>1652.28</b>
<b>Total Expenses (II)</b>	<b>1389.80</b>	<b>1517.42</b>
<b>Profit before Tax (I-II) and contribution to Settlement Guarantee Fund and Investors' Protection Fund</b>	<b>181.40</b>	<b>134.86</b>
<b>Total tax Expense</b>	<b>(8.12)</b>	<b>41.11</b>
<b>Profit after Tax and before contribution to Settlement Guarantee Fund and Investors' Service Fund</b>	<b>189.52</b>	<b>93.75</b>
Contribution to Settlement Guarantee Fund (Net of Tax)	<b>230.64</b>	<b>238.85</b>
Contribution to Stock Exchange Investors' Service Fund (Net of Tax)	<b>80.15</b>	<b>71.64</b>
Total of Contribution to Settlement Guarantee Fund & Investors' Service Fund	<b>310.79</b>	<b>310.48</b>
<b>(Loss) / Profit after tax and contribution to Settlement Guarantee Fund and Investors' Service Fund for the year</b>	<b>(121.27)</b>	<b>(216.73)</b>
<b>Profit brought forward from last year</b>	<b>(171.79)</b>	<b>177.58</b>
<b>Dividend declared</b>	<b>0</b>	<b>110.03</b>
<b>Tax on Dividend</b>	<b>0</b>	<b>22.62</b>
<b>Deficit</b>	<b>(293.06)</b>	<b>(171.79)</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 the Company's stand-alone financial statements. The financial statements for the year ended 31st March, 2021 have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with paragraph-7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

**1.2. Appropriations:**

**1.2.1 Dividend:**

In view of the loss incurred during the year under review, the Board does not propose any dividend for the financial year ended 31st March, 2021.

**1.2.2 Transfer to Reserves:**

In view of the loss incurred during the year under review, the Board does not propose to transfer any funds to any Reserve contemplated under Section 134 (3) (j) of the Companies Act, 2013.

**1.2.3 Consolidated Financial Statement:**

Consolidated Financial Statements relating to the Company and its Subsidiaries have been prepared in terms of Accounting Standard AS-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.

## 2. Operations:

The year under report can be categorized as an abnormal year largely because the infective Covid-19 virus spread across the world and became a harbinger for a worldwide pandemic that has had a devastating effect on the global economy. In India, the Central Government declared a total lockdown for some four months beginning 24th March, 2020. While the situation was slowly normalising, virus or a variant struck again around February, 2021, resulting in state-wise lockdown. Restrictions continued even to this day and one is less than certain whether the pandemic is at all receding.

The Governments in question as well as the Regulatory Authorities permitted the Exchange to function normally despite the lockdown. The Exchange therefore provided to its esteemed members the opportunity to trade uninterruptedly in the capital market as well as the F&O Segments of both BSE and NSE under Section 13 of Securities Contract (Regulation) Act, 1956. The unerring dedication of the Exchange employees made this possible and for this they deserve full credit.

Owing to regulatory policy changes in the past, the Exchange receive no application for direct listing during the year under report. However, the Exchange launched Amnesty Schemes from time to time for collection of old listing dues from suspended companies.

The Exchange, during the year under report, approved Voluntary Delisting of 55 companies from listing on its Stock Exchange under the SEBI (Voluntary Delisting) Regulations, 2009. As at 31st March, 2021, 2204 companies were listed in the Exchange. Owing to regulatory restrictions imposed by the Securities And Exchange Board of India (SEBI) through its Exit Circular dated 30th May, 2012, no new registration of fresh entities as trading members of the Exchange were entertained.

The appeal filed by the Exchange against the Order dated April 12, 2016 passed by the Single Judge Bench of the Calcutta High Court continues to remain pending in the High Court's Division Bench.

## 3. Highlights of the 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 the

performance of subsidiaries / associates and their contribution to the overall performance of the Company are as follows:

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

CSE Capital Markets Pvt. Ltd. (CCMPL) is a wholly owned subsidiary company of the Exchange and is engaged in depository operations with both CDSL and NSDL. At the end of the year under report, the total number of beneficiary accounts at CCMPL stood at **3332** for NSDL and **564** for CDSL respectively. Profit earned after tax for the year amounted to Rs.15.06 lakhs which has been considered for consolidation.

### 3.2 Clearing Corporation services by Lyons Range Securities Clearing Corporation Ltd. (LRSCCL):

Lyons Range Securities Clearing Corporation Ltd.(LRSCCL) continues as an indirect wholly owned subsidiary of the Exchange. It has not yet commenced commercial operations of a Clearing Corporation.

The Profit from LRSCCL was Rs 1.28 lakhs mainly through investment income.

## 4. Investor Services:

The Exchange, being a Self-Regulatory Organization, continues to work in the interest of investors and to protect their interest. It is also engaged in the task of educating investors as well as potential investors in stock market operations.

In parallel, the Exchange continues its efforts at collaborating with premier academic institutes in areas of investor research and related capital market areas. It has set up a Centre of Excellence on Financial Markets (CUCSE-CEFM) at the Calcutta University with an endowment focusing primarily on inter-disciplinary research initiatives in three thrust areas : capital markets, financial inclusiveness and ethics in the financial market. This Centre of Excellence has also been conducting a One Year Post Graduate Diploma Course in Portfolio Management Services through imparting of knowledge on corporate financial analysis, portfolio management, asset valuations, depository and stock exchange functioning.

The Investor Services Cell of the Exchange diligently handled complaints received from investors against corporate entities listed on the Exchange and/or against trading members and assisted in resolution of complaints and other grievances. Additionally, the Exchange took active part in resolution of investor grievances for complaints uploaded on SEBI's online complaint resolution system "SCORES" in respect of local companies listed on the Exchange, and, where required or necessary, updating action taken on SCORES.





**5. Code of Conduct for CSE Directors:**

To emphasize the values and principles of CSE and to set standards for professional and ethical behaviour, a Code of Conduct for Directors, as recommended by SEBI, has been adopted. These are applicable to all Directors. All Directors of the Exchange have affirmed compliance with this Code during the year under report. A copy of this Code is available on the Exchange's website at [www.cse-india.com](http://www.cse-india.com).

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

Pursuant to the SECC Regulations 2018, the Governing Board of every recognized stock exchange must 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 the year under report, there were three Public Interest Directors and one Shareholder Director. There are at present no Trading Members or their associates/ agents on the Board of the Exchange.

**7. Managing Director & CEO :**

SEBI has exempted the Company from on-boarding a new MD & CEO.

**8. Directorate**

Since the last Report, Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama IAS (Retd.) ceased to be Public Interest Directors.

Mr. Anindo Majumdar, IAS (Retd.) [DIN: 06984371], Mr. Chacko Joseph [DIN: 07528693] and Mr. Gautam Ganguli [DIN: 00871416] have since joined the Board as Public Interest Directors in their place based upon SEBI approval. Their initial appointment is for an initial term of three years. They are not subject to retirement by rotation and shareholder approval is not required for their appointment.

The Board puts on record its deep gratitude and warm appreciation of the efforts made by Dr. Banerjee, Prof. Banerjee Mr. Gautama in steering the Exchange through times that were indeed difficult, trying and immensely challenging.

Mr. Purushottam Saraf, a Shareholder Director representing BSE Limited, resigned on 2nd August, 2021. The Board wishes to put on record its deep appreciation for his contribution to its deliberations. The Exchange has since written to BSE Limited for nomination of a Shareholder Director in place of Mr. Saraf.

No Director is disqualified under Section 164(2) of the Companies Act, 2013.

**9. Changes in Board Committees:**

In accordance with the SEBI Circular dated December 13, 2012 read with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 on procedural norms for recognition, ownership and governance of Stock Exchanges and Clearing Corporations, new Board Members have been inducted in the various Board Committees of the Exchange. The names of the various Committees have been featured in the Corporate Governance Report. The Exchange is not required to appoint committees envisaged 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.

**10. Board Meetings :**

During the year under report, four Board Meetings took place virtually owing to the raging pandemic. Board meetings are now increasingly being held physically.

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

Board Members as well as the full-time functionaries of the Exchange owe a fiduciary duty to its members and corporate entities 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 in this respect. Individual Board Members as well as each full-time functionary have made the requisite disclosures under the said Code of Conduct for the Financial Year for the year under report.

**12. Corporate Governance:**

As required under Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, disclosure requirements and corporate governance norms as specified for listed companies applies *mutatis mutandis* to CSE. In accordance with best Corporate Governance practices and in order to comply with the above Regulations, 2018 a report on Corporate Governance as on 31st March, 2021 forms part of the Annual Report. The Exchange 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 [the Listing Regulations] as applicable, with regard to Corporate Governance. As required under Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Exchange CFO has given the required certifications to the Board of Directors.

As required under Regulation 34(3) read with Schedule V(E) of the Listing Obligations and Disclosure Requirements, 2018 (LODR), a Compliance Certificate from a practising company secretary regarding compliance of conditions of corporate governance is annexed to this Report.

**13. Directors' Responsibility Statement:**

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

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

**14. Public Deposits:**

The Exchange has neither accepted nor renewed fixed deposits either from public or shareholders during the year under report. As such, no amount of principal or interest was outstanding as on 31st March, 2021.

**15. Material Changes and Commitments:**

There were no material changes or commitments affecting the financial position of the Company from 1st April, 2021 and the date of this Report.

**16. Holding, Subsidiary, Joint Venture and Associate Companies:**

As already stated above, the Exchange 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 Company has prepared consolidated financial statements of the Company and these form part of this Annual Report. Further, the Report on the performance and financial position of the subsidiaries and salient features of the financial statements of the subsidiary companies 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 Company information and Audited Financial Statements of the Subsidiaries are available on the website [www.cse-india.com](http://www.cse-india.com). There are no companies which have become or ceased to be subsidiaries, joint ventures and associates during or at the end of the year under report.

**17. 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 fundamentally in business as a stock exchange is engaged in providing listing and related capital market trading services. Its operations do not account for energy consumption of a material nature. Accordingly, the Company is not required to furnish information under the head "Conservation of Energy" as per extant requirements. 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 can save power.
- iii. Power shutdown of idle monitors.
- iv. Minimising air-condition usage.
- v. Shutting off lights when not in use.
- vi. Educating and making employees aware of the need to save power.



**B. Technology Absorption:**

<p>1 Efforts, made towards technology absorption</p>	<p>CSE endeavours to keep itself abreast with technological advancements in its line of operations and ensures continued and sustained efforts towards absorption as well as development of the same to meet operational needs and objectives.</p>
<p>2 Benefits derived like Product improvement, cost reduction, product development, product substitution, or import substitution</p>	<p>Technological absorption has arguably resulted in CSE being able to further improve its quality of service. These benefits are however not quantifiable.</p>
<p>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 :</p> <p>(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</p>	<p>Nil Not Applicable Not Applicable Not Applicable</p>
<p>4. Expenditure incurred on Research and Development</p>	<p>The Company is primarily engaged in Stock Exchange related operation. There is therefore no material expenditure incurred on research and development.</p>

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

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

**18. Particulars of Employees:**

There was no employee receiving 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 Corporations) Regulations, 2018 compensation admissible to key management personnel as defined under Regulation 2(1)(i) of the above Regulations is disclosed in Corporate Governance Report.

**19. Statutory Auditors:**

The term of S. R. Batliboi & Co., LLP, Chartered Accountants, [FRN: 301003E] as Statutory Auditors will finally conclude at the end of the forthcoming 98th Annual General Meeting.

The Board based upon the recommendations of its Audit Committee recommends the appointment of

Messrs. Ray & Ray, Chartered Accountants, Kolkata (FRN No.301072E) as the Statutory Auditors for a term of five years from the conclusion of the 98th AGM at a remuneration to be mutually determined by and between the Auditors and the Exchange. Ray & Ray have confirmed in writing their consent, eligibility, willingness and that they are qualified for such appointment in accordance with the provisions of Section 139 / 141 of the Companies Act, 2013.

**20. Auditor's Report:**

The Auditors have made two adverse observations on the same subject matter. These pertain to settlement pay-in defaults by the then Members of the Exchange during the year 2001. The Board is of the considered opinion that these observations are not grounded on any firm basis since as the detailed explanation below will show the interest of the Exchange stands fully and completely safeguarded. It is intriguing that these observations are being routinely repeated from year to year.

The Board's specific response to the qualifications is as follows :-



Point as per Independent Auditor’s Report:	Board’s Response:
<p>Attention is drawn to Note 31 (i) regarding aggregate amount of Rs. 94,96,16,925 recoverable from members on account of settlements in earlier years. Based on information and explanations provided to us, we are unable to form an opinion as regards the extent of recoverability of aforesaid amount and consequently, the impact thereof on the Company’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.</p>	<p>As at 31st March,2021, and even thereafter, the amount recoverable from the then Members who have defaulted on account of settlement pay-in during the year 2000-01 amounts to Rs.94,96,16,925. Out of this amount, money suits have been filed against the 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 cannot be ascertained at this stage. However, liabilities side of the Exchange Balance Sheet includes an identical amount of Rs. 94.96 lakhs already received from the Settlement Guarantee Fund. Hence no impact on the financial position of the Exchange is foreseen. As such, the Exchange’s interest stands fully protected and the Board is unaware why the Auditors have in their wisdom chosen to “modify” their Report on this account.</p>
Point as per Auditor’s Report on the internal financial control over financial reporting:	Board’s Response:
<p>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.</p>	<p>It is not clear as to why the Auditors have any reason to doubt the Exchange’s internal financial controls over evaluation and assessment of recoverability on account of “settlement” in <i>earlier years</i> (but <i>not the year under report</i>) which “were not operating effectively”. The subject matter of this observation by auditors pertains to the same pay-in defaults of 2000-01 and <i>not thereafter</i>. If there was indeed a control flaw in 2000-01 that has since been addressed it would stand to reason that there was no internal financial control inadequacy during 2020-21 which is the subject matter of the audit and one is definitely unsure whether even this adverse observation is grounded on any firm basis. The facts governing this adverse observation are a replication of that set out in the Board’s response to the previous point and are not repeated here.</p> <p>The Board can only reiterate that the bottom line of its response remains that the interest of the Exchange is fully protected and that the true and fair view of the Exchange’s 31st March,2021 financials does NOT stand compromised under any circumstances.</p>

As per the relevant Auditing Standards of the Institute of Chartered Accountants of India, the concept of going concern is applicable to the company as a whole and not to any individual segment of operations. The Board believes that irrespective of continuation of Stock Exchange operations, the company has sufficient resources to meet its obligations. Accordingly, there is no uncertainty relating to the its ability to continue as a going concern.



**21. Management Discussion & Analysis:**

A Management Discussion & Analysis 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 security on any matter covered under section 186 of the Companies Act, 2013.

**24. Related Party Disclosures:**

All related party transactions, entered into during the year under report were on arm's length basis and in the ordinary course of business.

Material Transactions entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 during the year under report, which were in the ordinary course of business and on an arm's length basis are disclosed as required under Section 134(1)(h) of the Companies Act, 2013 in Form AOC – 2. This is attached in **Annexure -2**.

**25. Annual Return:**

In terms of the provisions of sections 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 will be placed on the website [www.cse-india.com](http://www.cse-india.com)

**26. Internal Financial Control:**

The Board confirms that the Company has a robust system of Internal Financial Control with reference to the Financial Statements and this is commensurate with the size, scale, complexity and operations of the Company. These are so designed to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliances. The Company's internal control system comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational performance, compliance with policies, procedures, applicable laws and regulations and the safeguarding of all Company assets and other resources. Self-certification exercises are conducted by which senior management certify as to the effectiveness of the Company's internal control system, adherence to code of conduct and laid down corporate policies.

**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 to ensure that risk management controls are operating satisfactorily. As on the date of this Report the Board does not envisage any risk that could jeopardise the very existence of the Company.

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

The Company continued to maintain cordial personnel relations. The Board expresses its appreciation for the dedication, commitment and sincere services rendered by the employees at all levels throughout the year under report.

**29. Corporate Social Responsibility:**

The Corporate Social Responsibility Policy [CSR Policy] appears on the Company's website [www.cse-india.com](http://www.cse-india.com). Disclosures as required under Rule-9 of the Companies (Accounts) Rules, 2014 and the Annual Report on CSR activities is attached in Annexure-3 to this Report.

**30. Unpaid/Unclaimed Dividend :**

The relevant regulatory provisions relating to unpaid/unclaimed dividend have been duly complied with.

**31. Performance Evaluation:**

This aspect has been dealt with in the Corporate Governance Report.

**32. ADHERENCE TO SECRETARIAL STANDARDS:**

Applicable Secretarial Standards issued by The Institute of Company Secretaries of India have been adhered to during the year under report.

**33. COVID-19 IMPACT:**

The infective effect of the COVID-19 virus, its impact on the Exchange and the fact that it operated normally during lockdowns have already been dealt with above under 'Operations'.



The Board reiterates that the health and safety of the Exchange's employees and their families constitute high priority and the Exchange addresses emerging issues on a continuous basis.

**34. General:**

The Board is of the opinion that no separate disclosure or reporting is called for in respect of the following items during the year under Report:

- a) No loan has been granted to any employee for purchase of Exchange's shares under any scheme.
- b) The Exchange has not, during the year under report, 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 Exchange under any Scheme.
- d) No Director receives any remuneration or commission from any of its subsidiaries.
- e) No significant or material orders were passed by the Regulators/ Courts /Tribunals during the year under report that could impact the Company's going concern status.
- f) No application was filed against the Company during the year under report under the Insolvency and Bankruptcy Code, 2016

- g) The Exchange has in place 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 violation has been conspicuously displayed at all workplaces of the Exchange. During the year under Report, no such case has either been reported or filed.

**35. Acknowledgement**

The Board places on record its sincere appreciation for the continued assistance, co-operation and guidance provided by the Government, Regulators and all other Statutory Bodies during the year under Report. The Board further wishes to put on record its gratitude to all members of the Exchange for their consistent support and confidence in the Exchange's functioning.

**For and on behalf of the Board**

**Anindo Majumdar**

**Chairman**

**DIN: 06984371**

Place: Kolkata

Date: 29th November, 2021

**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.	Lyons Range Securities Clearing Corporation Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31st March, 2021	Year ended 31st March, 2021
3.	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	3,8708,683	(12,58,333)
6.	Total Assets	9,89,28,938	37,81,875
7.	Total Liabilities	9,89,28,938	37,81,875
8.	Investments	25,00,000	0
9.	Turnover	70,58,271	1,64,205
10.	Profit before taxation	20,37,418	1,52,145
11.	Provision for taxation	5,31,241	23,735
12.	Profit after taxation	15,06,177	1,28,410
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 thereof.**

## 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	<b>Ongoing [Throughout the year]</b>	Not applicable	N.A.*	No
2.	CSE Capital Markets Private Limited	Reimbursement Transactions	<b>Ongoing [Throughout the year]</b>	Not applicable		Not ascertainable
3.	Lyons Range Securities Clearing Corporation Ltd	Reimbursement Transactions	<b>Ongoing [Throughout the year]</b>	Not applicable		No

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

For and on behalf of the Board  
Anindo Majumdar  
Chairman  
DIN: 06984371

Place: Kolkata  
Date: 29th November, 2021





**Annual Report on CSR Activities of the Company for the  
Financial Year ended 31st March, 2021**

[Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014]  
[Format for Annual Report on CSR Activities to be Included in the Board's Report for Financial Year commencing on or After 1st Day of April, 2020]

**1. Brief outline on CSR Policy of the Company:**

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:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Bhaskar Banerjee	Chairman	Nil	Nil
2	Mr. Gyan Dutt Gautama	Member	Nil	Nil

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:** Details of CSR Policy and CSR activities have been stated in the website of the Company [www.cse-india.com](http://www.cse-india.com)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** Not Applicable.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2017-18	NIL	NIL
2	2018-19	NIL	NIL
3	2019-20	NIL	NIL
	<b>Total</b>	NIL	NIL

6. Average net profit of the company as per section 135(5): Rs.358.50 Lacs Rs. in lacs

7. (a)	Applicable contribution based on profits	21.51
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	NIL
(c)	Amount required to be set off for the financial year, if any:	NIL
(d)	Total Applicable contribution for the financial year (7a+7b-7c):	21.51

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year(in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil	Nil	N.A.	Nil	Nil	Nil



(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.			
							State	District	Name	CSR Registration number.

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Nil

(g) Excess amount for set off, if any – Nil

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-



9. (a) Details of Unspent CSR amount for the preceding three financial years:  
Not Applicable for the current year.

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (In Rs.)
				Name of the Fund	Amount (In Rs)	Date of transfer	
1.							
2.							
3.							
Total							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1.								
2.								
3.								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): NIL  
(b) Amount of CSR spent for creation or acquisition of capital asset: NIL  
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL  
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The adverse effects of the lockdown considerably disrupted the administrative functioning of the Exchange although its stock exchange operations were not subject to disruption. This is because regulatory approval was only available for functioning of stock exchange operations.

For and on behalf of the Board

Anindo Majumdar  
Chairman  
DIN: 06984371

Place: Kolkata  
Date: 29th November, 2021



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Economic Environment:**

The global economy has, over much of the calendar year 2021, been reeling under severe depression as a consequence of the infective Covid-19 virus that spread worldwide during the previous calendar year. The spate of lockdowns across countries has been immensely detrimental to continued progress of economic activity. Just as it seemed that the virus was possibly on the decline, there have been fresh reports of mutation and variants across the world, first around February, 2021 and again in November, 2021. The need for increased caution in day to day economic activities has tended to retard smooth growth of the global economy.

### **Industry Structure & Development:**

In an economic environment that concentrates on all round growth of all means of production and services, financial intermediaries such as the stock exchange play a vital role. They help for instance in usefully channelising funds for more effective deployment.

The capital market in India has generally been on a growth mode ever since the Securities And Exchange Board of India (SEBI) as the Capital Markets Regulator came into existence and gradually began introducing codified regulations for orderly functioning of the capital market. To be sure, codification of regulations is a continuous process and designed to inspire confidence in stakeholders. During the calendar years 2000 and 2001, for instance, the regulators have permitted markets to normally function despite country wide and later state-wide lockdowns.

### **Current Market Developments:**

There is confidence in the capital market that such infective viruses together with their variants and mutations would soon be behind. This would aid a much smoother economic recovery. As it is stock market indexes across the world have shown incredible resilience in consistently showing an upward climb despite the deleterious effects of infective viruses on humans. The Indian stock market has mirrored global trends and this curve upwards is expected to sustain. That probably explain the robustness of the IPO market.

Foreign Portfolio Investors/Foreign Institutional Investors (FPIs/FIIs) have been significant drivers of the Indian stock markets during the first six months of the current financial year. It is estimated that their investments ag-

gregate some US\$ 4.27 billion between early April and mid September 2021.

Despite its trading platform being non-operational for eight years, the Calcutta Stock Exchange continues to function by providing its members facilities to trade on the National Stock Exchange and Bombay Stock Exchange 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 separately listed at those Exchanges. CSE members have been availing the benefit of depository services through its wholly owned subsidiary viz. CSE Capital Markets Pvt. Limited.

### **Competitive Strength and Opportunities:**

CSE being perhaps the country's oldest stock exchange set up over a century back continues to be a formidable brand. With 2204 listed companies and around 700 registered trading members, CSE has always been a critical element in the Indian capital market and still maintains a net worth in tune with regulatory requirements.

### **Threats:**

CSE operations today is crucially dependent on the volume and value of trades executed by its existing trading members under both BSE & NSE trading platforms exclusively under Section 13 of the Securities Contracts (Regulation) Act, 1956. This limits its role on a broader landscape. For example, it cannot participate in Initial Public Offers or even direct listing. It cannot enrol new trading members either.

### **KEY STRATEGIES GOING FORWARD :**

CSE is today a heritage institution having been incorporated as far back as 1908. The Board would therefore wish to leverage this position and pursue value added opportunities for further growth in close consultation with the Capital Markets Regulator.

Such opportunities could open up immense growth potential in the region and this could readily fit in with the Government's overall growth imperatives for the country.

For and on behalf of the Board  
**Anindo Majumdar**  
Chairman  
DIN: 06984371

Place: Kolkata

Date: 29th November, 2021



## 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 managed by its Governing Board comprised of Three Directors categorised as below:

- Public Interest Directors [Three]

Pursuant to the recommendation of the Board of Directors, Securities and Exchange Board of India [SEBI] has nominated three Public Interest Directors viz. Mr. Anindo Majumdar, IAS (Retd.) [having DIN: 06984371] who joined in the Governing Board of Exchange on 3rd November, 2021 and Mr. Chacko Joseph [having DIN: 07528693] and Mr. Gautam Ganguli [having DIN: 00871416] who joined on 08th September, 2021 respectively.

The tenure of erstwhile three Public Interest Directors viz. Dr. Bhaskar Banerjee, [having DIN: 00603201] Prof. Ashok Banerjee [having DIN: 06884670] and Mr. G. D. Gautama (IAS Retd.) [having DIN: 08243156] were completed and they ceased to be Directors of the Company upon appointment of new Public Interest Directors in their stead.

Mr. Purushottam Saraf, Shareholder Director [having DIN: 06570445] representing BSE Limited had resigned on 2nd August, 2021 and till date BSE Limited did not propose any person to be appointed as a Shareholder Director on the Governing Board of the Exchange.

Presently, there is no Shareholder Director on the Board. 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.

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 2020-21.

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

Sl. No.	Name and Designation of Director	Board Meetings in 2020-21		Attendance in last AGM
		Held	Attended	
1	Dr. Bhaskar Banerjee DIN: 00603201	4	4	YES
2	Prof. Ashok Banerjee DIN: 06884670	4	4	YES
3	Gyan Dutt Gautama Din: 08243156	4	4	YES
4	Pursuhottam Saraf* DIN: 06570445	4	2	YES

\*resigned on 02.08.2021

#### 2.3 Number of other Board of Directors or Committees in which a Director is a Member or Chairperson and the category of Directorships:

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 2020-21:

During the Financial Year 2020-21, Four (4) meetings of the Board were convened and held on 17th June, 2020; 29th September, 2020; 1st December, 2020 and 31st March, 2021 and not more than one hundred and twenty days elapsed between any two meetings.

None of the Directors were related with each other and there was no inter-se relationship in any manner. None of the Directors hold any shares in the Company.

#### 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 fulfil 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 Public Interest Director ( 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 2020-21 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. Details of familiarisation programmes imparted to Public Interest Directors (Independent Directors) been put 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	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:

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

**Review of Information**

The Committee mandatorily reviews 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 2021, 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:-**

Five Audit Committee Meetings were held on 30th June, 2020; 28th October, 2020; 6th November, 2020; 1st December, 2020 and 31st March, 2021 respectively.

Sl. No.	Name of Director	No. of Meetings attended
1.	Dr. Bhaskar Banerjee	4
2.	Prof. Ashok Banerjee	5
3.	Mr. Gyan Dutt Gautama	5
4.	Mr. Purushottam Saraf	1

**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, 2021, the Committee consisted of three Public Interest Directors viz. Dr. Bhaskar Banerjee, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama.

Dr. Bhaskar Banerjee was the Chairman of the Committee.

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

No meeting of the Committee was held during the Financial Year 2020-21.

**4.4 Performance Evaluation criteria for Independent Directors:**

Pursuant to the relevant SEBI regulations, a policy on performance review of individual Public Interest Director has been framed by the Board's Remuneration and Compensation Committee and this has Board approval. In respect of the year under Report, the performance of each Public Interest Director has been evaluated in a fair and objective manner. However, in view of the recurrence of the pandemic and the consequent lockdown since publication of the last report, no external evaluation on performance has been conducted. Equally, Prof. Ashok Banerjee and Mr. Gyan Dutt Gautama were in the last year of their 3-years term and did not seek extension. In case of Dr. Bhaskar Banerjee his term ended since the last Report.

**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 2020-21, one Public Interest Directors Meeting was held on 6th November, 2020. All the PIDs were present in the one the meeting and formed quorum. Due to pandemic driven situation, PIDs were unable to meet in the first half of the financial year.



**5. Risk Management Committee:**

**(a) Brief description of terms of reference:**

The provisions of Listing Regulations relating to constitution and other terms of Risk Management Committee are not applicable to the Exchange. The Committee invites those executives / outside experts, 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 Risk Management Committee are as under:

Review and oversight with regards to identification, evaluation and mitigation of the strategic, operational, technology and compliance risks

Reviewing and approving risk related disclosures

Monitoring and approving the risk management framework and associated practices of the Company

To review the Annual plan for Risk Management Presentations by various departments.

To review the action taken report of Risk Management committee meetings.

**(b) Composition, Name of Members and Chairperson:**

The Committee is comprised of two public interest directors viz. Mr. G. D. Gautama and Dr. Bhaskar Banerjee.

Mr. G. D. Gautama was the chairman of the Committee.

**(c) No meeting of the Risk Management Committee was held during the financial year.**

**6. Remuneration of Directors**

**6.1 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 2020-21:

Particulars of Remuneration	Dr. Bhaskar	Prof. Ashok	Mr. Gyan Dutta Gautama	Mr. Purushottam Saraf
Sitting Fees for attending meetings of the Board / Committees	Rs. 1,70,000	Rs. 1,70,000	Rs. 1,82,500	Rs. 47,500

6.2 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 2020-21.

6.3 None of the Directors were in receipt of any Commission from the Company or any remuneration from its subsidiaries.

**7. Stakeholders' Grievances Committee:**

The Company being an unlisted public company, its shares are not frequently traded and number of investors complaints or grievances are also minimal. Hence it does not have a Stakeholders Grievance Committee. However, as required by Regulation 29 of the SECC Regulations, 2018 it has an Investors' Grievance Redressal Committee [IGRC] comprising of three outside experts. One meeting of the IGRC was held during the year 2020-21.

7.1 Name of Non Executive Director heading the IGRC Committee: Nil

7.2 Name of compliance officer: Mr. Dhiraj Chakraborty,

7.3 Details of shareholders' compliant

Number of shareholders' compliant received during the financial year	Number not solved to the satisfaction of shareholders	Number of pending complaints
Nil	Nil	Nil

**7.4. Corporate Social Responsibility Committee:**

The Company has in place a Corporate Social Responsibility [CSR] Committee constituted as per the requirements of Section 135 of the Act. As at the end of the financial year 2020-21 the CSR Committee is comprised of two Public Interest Directors viz. Dr. Bhaskar Banerjee and Mr. Gyan Dutt Gautama and due to pandemic no meeting was held. Other details relating to composition of CSR Committee and CSR Expenditure have been given in Annexure to the Directors Report.

**8. General Body Meetings:**

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

Details of General Meetings	Date	Time	Venue
95th Annual General Meeting for FY 2017-18	28th September, 2018	4.00 P.M.	7, Lyons Range, Kolkata-1
96th Annual General Meeting for FY 2018-19	23rd October, 2019	4.00 P.M.	7, Lyons Range, Kolkata-1
97th Annual General Meeting for FY 2019-20	31st December, 2020	4.00 P.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





8.2 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:-

- a) 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.
- b) 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.

8.3 Passing of Resolution by Postal Ballot: No special resolution was passed in last year through postal ballot.

9. Means of Communication:

- 9.1 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](http://www.cse-india.com).
- 9.2 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.

10. General Shareholder Information:

(a) 98th Annual General Meeting

Day & Date	31st December, 2021
Time	4.00 P.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, 2020 to 31st March, 2021
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	83.49% 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: .033-4025-3000, Email:cseadm@se-india.com Website : <a href="http://www.cse-india.com">www.cse-india.com</a>

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, 2021

Range of shares	Share	Folio	%Share	%Folios
1-500	232996	1160	38.12	94.54
501-1000	15791	20	2.58	1.63
1001-2000	22389	15	3.67	1.22
2001-3000	14551	6	2.38	0.49
3001-4000	7000	2	1.14	0.16
4001-5000	18481	4	3.02	0.33
5001-10000	68334	9	11.18	0.73
10001-50000	231708	11	37.91	0.90
50001-100000	NIL	NIL	NIL	Nil
Total	611250	1227	100.00	100.00

## (c) Category of Shareholders as on 31.03.2021

Category	No. of shareholders	No. of shares	%
Resident Individual	1010	254007	41.56
Bodies Corporate	211	295306	48.31
HUF			
Trust			
Bank/Financial Institution	2	21157	3.47
Non-Resident Indians	3	905	0.14
Foreign Bodies Corporate			
Foreign Institutional Investor			
Venture Capital			
I E PF	1	39875	6.52
Total	1227	611250	100.00

## Category of Shares in Physical and Electronic mode as on 31.03.2021

MODE	FOLIO	SHARES	Shares %
PHYSICAL	298	100915	16.51
N S D L	663	379079	62.01
CDSL	266	131256	21.48
TOTAL	1227	611250	100.00

## (d) List of top 10 Shareholders as on 31st March, 2021

Sl. No	FOLIO_NO	NAME	SHARES	%
1	1301190300069932	BSE LIMITED	30875	4.99
2	0001090	WEST BENGAL INFRASTRUCTURE DEV FIN CORPN LTD	20907	3.37
3	IN30002011740499	KIRTIVARDHAN FINVEST SERVICES LIMITED	20907	3.37
4	IN30032710224535	EAST INDIA SECURITIES LTD.	20907	3.37
5	IN30125028422773	PATTON INTERNATIONAL LTD	20907	3.37
6	IN30302852108896	MANNAKRISHNA INVESTMENTS PVT LTD	20907	3.37
7	IN30297810029846	DEEVEE COMMERCIALS ITD	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, 2021 is given below:

MODE	FOLIO	SHARES	Shares %
PHYSICAL	298	100915	16.51
N S D L	663	379079	62.01
CDSL	266	131256	21.48
TOTAL	1227	611250	100.00

**11. Other Disclosures:**

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

The Company does not have any material-related party transactions, which may have potential conflict with its interests at large. In any case, disclosures regarding the 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.

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.

**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:**

- a. The Board has a Non-Executive Chairman. The Chairman and other PIDs are only receiving sitting fees for attending meetings.
- b. 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.

- c. Audit qualifications: The qualifications contained in the Auditor’s Report on the standalone financial statement for the year ended 31st March, 2021 have been duly addressed in the Directors Report.
- d. Training of Board members: The Directors are also appraised of all important changes in applicable legislation, enactment, guidelines, accounting standards, etc. to enable them to take informed decisions.
- e. 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 Company 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. 17,50,000/-
Tax Audit Fee	::	Rs. 2,00,000/-
Others :	::	Rs. 25,000/-

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



**12. 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, Business 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, 2021.

For and on behalf of the Board

Place: Kolkata  
Dated: 29th November, 2021

Anindo Majumdar  
**Chairman**  
DIN 06984371

**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 23rd November, 2021.
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, 2021 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 the 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.

FOR D. DUTT & CO.  
COMPANY SECRETARIES  
UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)  
PROPRIETOR  
FCS-5401

Place: Kolkata  
Date: 29th November, 2021

C.P. NO. 3824  
UDIN NO.: F005401C001590908



## 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, 2021 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, 2021 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  
Dated: 29th November, 2021

Prosenjit Dutta  
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 23rd November, 2021.
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, 2021 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 date and applicable for the time being in force with Stock Exchanges in India.  
The Company is not listed on any Stock Exchange. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [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 draw attention to the following:
  - a) Only one separate meeting of the public interest directors were held during the financial year; and
  - b) External evaluation of public interest directors were not carried out in terms of para c(iii) of the SEBI Circular No. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019.Subject to above, 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, 2021.

FOR D. DUTT & CO.  
COMPANY SECRETARIES  
UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)  
PROPRIETOR  
FCS-5401

C.P. NO. 3824

Place: Kolkata  
Date: 29th November, 2021

UDIN No.: F005401C001590941





## 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 2021, 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 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, 2021, 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 aggregate amount of Rs. 94,96,16,925 recoverable from members on account of settlements in earlier years. Based on information and explanations provided to us, we are unable to form an opinion as regards the extent of recoverability of aforesaid amount and consequently, the impact thereof on the Company'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 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 38 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 qualified 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.

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

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

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

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

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

the Company has adequate internal financial controls 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (i) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
- (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, 37 and 38 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 an instance of delay of 54 days in transferring amounts of Rs. 9,96,300 in respect of unclaimed dividend 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: 21055596AAAAFC1400

Place of Signature: Kolkata

Date: November 29, 2021



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 equipment s/fixed assets.
- (b) Property, plant and equipment s/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 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. Accordingly, 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 provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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. Accordingly, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 55596

Place: Kolkata

Date: November 29, 2021



**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 with reference to standalone financial statements of The Calcutta Stock Exchange Limited ("the Company") as of March 31, 2021, 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 ("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 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone

financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

**Meaning of Internal Financial Controls With Reference to Standalone Financial Statements**

A Company's internal financial controls with reference to 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 with reference to 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 With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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 as at March 31, 2021:

(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 with reference to standalone financial statements, 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 with reference to standalone financial statements as of March 31, 2021, 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 issued by ICAI, 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 con-

trols with reference to standalone financial statements were operating effectively as of March 31, 2021.

#### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, 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, 2021, and the related 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of The Calcutta Stock Exchange Limited and this report affect our report dated November 29, 2021, 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: November 29, 2021



## BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
		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	182,33,17,285	180,43,65,269
<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		1,39,07,634	1,49,89,718
Other Current Liabilities	6	43,04,95,770	37,02,97,857
Short Term Provisions	7	2,36,80,359	1,31,19,069
		<b>324,16,36,723</b>	<b>315,30,07,588</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8A	28,02,64,592	28,14,34,002
Intangible Assets	8B	4,57,235	5,90,595
Non Current Investments	9	23,16,58,140	19,38,45,299
Deferred Tax Assets (net)	10	1,09,77,462	64,37,720
Loans and Advances	11	116,30,07,593	113,52,38,458
Other Assets	15	69,15,93,486	100,74,24,700
<b>2. CURRENT ASSETS</b>			
Current Investments	12	16,70,15,141	15,05,28,045
Trade Receivables	13	1,00,27,602	1,39,03,734
Cash and Bank Balances	14	64,33,02,943	33,79,08,510
Loans and Advances	11	95,24,084	1,05,27,807
Other Assets	15	3,38,08,445	1,51,68,718
		<b>324,16,36,723</b>	<b>315,30,07,588</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Standalone 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: 29th November, 2021

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

**Anindo Majumdar**  
Director

**Chacko Joseph**  
Director

**Gautam Ganguli**  
Director

**Prosenjit Dutta**  
Chief Financial Officer





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Notes	2020-21		2019-20	
		Rupees	Rupees	Rupees	Rupees
<b>Income :</b>					
Revenue from Operations	16		4,39,95,730		4,50,36,868
Other Income	17		11,31,23,834		12,01,91,295
<b>Total (I)</b>			<b>15,71,19,564</b>		<b>16,52,28,163</b>
<b>Expenses :</b>					
Employee Benefits Expense	18		8,42,96,684		9,45,81,218
Other Expenses (Current amount includes prior period item - Rs. 84,82,736)	19		4,51,69,044		4,76,82,765
Depreciation and Amortization Expense	20		22,65,418		28,01,213
Contribution to SEBI			26,35,325		25,84,096
Contribution to Stock Exchange					
Investors' Protection Fund			46,13,227		40,92,226
<b>Total (II)</b>			<b>13,89,79,698</b>		<b>15,17,41,518</b>
<b>Profit before Tax and contribution to Settlement Guarantee Fund and Investors' Service Fund (III = I-II)</b>			<b>1,81,39,866</b>		<b>1,34,86,645</b>
<b>Tax Expenses :</b>					
Total Current Tax (Net)					
Pertaining to profit for the current year		75,38,661		64,24,478	
Adjustment of tax relating to earlier years		-		29,58,325	
MAT Credit utilised during the year (Refer Note no - 35)		(38,11,069)	37,27,592	(39,77,970)	54,04,833
Deferred Tax			(45,39,742)		(12,93,660)
<b>Total Tax Expense (IV)</b>			<b>(8,12,150)</b>		<b>41,11,173</b>
<b>Profit after tax before contribution to Settlement Guarantee Fund and Investors' Service Fund (V = III-IV)</b>			<b>1,89,52,016</b>		<b>93,75,472</b>
Contribution to Settlement Guarantee Fund (Net of Tax)	21		2,30,64,370		2,38,84,770
Contribution to Investors' Service Fund (Net of Tax)	22		80,14,908		71,63,799
<b>Total of Contributions to Settlement Guarantee Fund and Investors' Service Fund (Net of Tax) [VI]</b>			<b>3,10,79,278</b>		<b>3,10,48,569</b>
<b>(Loss) / Profit after tax for the year (V-VI)</b>			<b>(1,21,27,262)</b>		<b>(216,73,097)</b>
<b>Earnings per equity share</b>					
Basic and Diluted (Rs.)	23		(19.84)		(35.46)
Nominal value of share (Re.)			1		1
Summary of significant accounting policies	2				

The accompanying notes are an integral part of the Standalone 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: 29th November, 2021

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

**Anindo Majumdar**

Director

**Gautam Ganguli**

Director

**Chacko Joseph**

Director

**Prosenjit Dutta**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2021**

	Particulars	2020-21	2019-20
		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>18,139,866</b>	<b>13,486,645</b>
	<b>Adjustment to reconcile profit before tax to net cash flows :-</b>		
	Depreciation and Amortization expense	2,265,418	2,801,213
	Loss on sale/discard of property, plant and equipment	-	8,509
	Provision for Doubtful Debts and Advances	5,636,388	3,000,000
	Bad Debts (net of provision)	-	8,896,477
	Loss on fair valuation of current investments of Investors' Service Fund	-	778,868
	Sundry balance written off	6,440	147,335
	Liabilities/Provisions no longer required, written back	(633,657)	(1,217,992)
	Interest on Fixed Deposits	(92,456,691)	(105,654,754)
	Interest on Bonds	(872,480)	(872,480)
	Dividend Income from Investments	(572,165)	(77,978)
	Profit on sale of Investments	(11,364,738)	(7,695,123)
	<b>Operating profit before working capital changes</b>	<b>(79,851,619)</b>	<b>(86,399,280)</b>
	<b>Movements in working capital:</b>		
	(Decrease) in Long Term Liabilities	-	-
	Increase in Short Term Provisions	10,561,290	8,714,615
	(Decrease) / Increase in Trade Payables	(1,082,084)	(14,387,932)
	Increase in Other Current Liabilities	61,925,188	16,017,488
	(Increase) in Trade Receivables	(1,760,256)	(5,707,976)
	(Increase) / Decrease in Long Term Loans & Advances	(23,792,628)	(2,529,968)
	(Increase) in Short Term Loans & Advances	1,003,723	(16,030,020)
	(Increase) in Other Current Assets	(433,733)	(358,478)
	<b>Cash used in operations</b>	<b>(33,430,119)</b>	<b>(100,681,551)</b>
	Payment of direct taxes (net)	(7,710,539)	(11,192,662)
	<b>Net Cash used in Operating Activities</b>	<b>(41,140,658)</b>	<b>(111,874,213)</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	(458,489)	(148,823)
	Proceeds from Sale of Non Current Investments (net)	21,683,000	4,957,000
	Proceeds from Sale of Current Investments (net)	(5,122,358)	4,840,991
	Dividend income from Investments	572,165	77,978
	Investment in Fixed Deposits		
	Own Funds	(403,416,426)	(491,681,161)
	Investors' Service Fund	(29,498,934)	(37,548,934)
	Settlement Guarantee Fund	(263,223,362)	(300,627,408)
	Proceeds from maturity of Fixed Deposits		
	Own Funds	430,281,833	514,381,161
	Investors' Service Fund	18,998,934	27,550,000
	Settlement Guarantee Fund	258,100,000	289,900,000
	Interest on Fixed Deposits		
	Own Funds	51,152,218	63,719,305
	Investors' Service Fund	6,256,405	6,616,565
	Settlement Guarantee Fund	23,184,960	28,822,148
	Interest on Bonds	872,480	872,480
	<b>Net cash flow from investing activities</b>	<b>109,382,426</b>	<b>111,732,802</b>

Contd. in next page

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2021 (Contd.)**

Particulars		2020-21	2019-20
		Rupees	Rupees
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Dividend Paid on equity shares	(1,093,618)	(10,580,626)
	Tax on equity dividend paid	-	(2,262,120)
	<b>Net Cash used in Financing Activities</b>	<b>(1,093,618)</b>	<b>(12,842,746)</b>
	<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>67,148,150</b>	<b>(12,984,157)</b>
	<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>44,109,576</b>	<b>57,093,733</b>
	<b>Cash and Cash equivalents as at the end of the year</b>	<b>111,257,726</b>	<b>44,109,576</b>

Components of Cash & Cash Equivalents	2020-21	2019-20
Cash on hand	17,471	37,859
Balance with Scheduled Banks on Current Account		
Own Fund	91,678,417	33,041,004
Investors' Service Fund *	1,325,495	1,348,902
Settlement Guarantee Fund *	11,425,768	1,777,618
Unpaid Dividend Account **	6,810,575	7,904,193
	<b>111,257,726</b>	<b>44,109,576</b>

\* These can be utilised only towards the pupose of the respective funds (Refer Note no.14)

\*\* These can be utilised only towards settlement of the respective unpaid dividend (Refer Note no.14)

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: 29th November, 2021

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

**Anindo Majumdar**

Director

**Chacko Joseph**

Director

**Gautam Ganguli**

Director

**Prosenjit Dutta**

Chief Financial Officer



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

**NOTE – 1 : Basis of preparation of Financial Statements**

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. Taking into consideration the Company's obligation to transfer such net income to those funds, such transfers have been recognized as charge in the Profit & Loss Account.

The 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 amortization 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 THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 3 : Share Capital

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
a) <b>AUTHORISED SHARES :</b> 10,00,00,000 (31st March 2020 : 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 2020 : 6,18,750) equity shares of Re.1 each	618,750	618,750
c) <b>SUBSCRIBED &amp; PAID UP SHARES :</b> 6,11,250 (31st March 2020 : 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 2020 : 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, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>I. Own Fund</b>		
<b>Capital Reserve - Pre-Demutualisation period</b>	<b>618,860</b>	<b>618,860</b>
<b>Securities Premium Account</b>		
Pre-Demutualisation period	3,014,597	3,014,597
Post-Demutualisation period	631,778,051	631,778,051
<b>Total Securities Premium Account</b>	<b>634,792,648</b>	<b>634,792,648</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	-	38,841,547
Transfer to General Reserve of Pre-Demutualisation period (Refer Note no.39)	-	(38,841,547)
Closing balance as on March 31	-	-
<b>Development Fee Fund - Pre-Demutualisation period</b>	<b>134,050,000</b>	<b>134,050,000</b>
<b>General Reserve</b>		
<b>Pre-Demutualisation period</b>		
Opening balance as on April 1	502,399,407	463,557,860
Transfer from Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library - Pre-Demutualisation period (Refer Note no.39)	-	38,841,547
Closing balance as on March 31	<b>502,399,407</b>	<b>502,399,407</b>
<b>Post-Demutualisation period</b>		
Opening balance as on April 1	51,415,205	51,415,205
Closing balance as on March 31	<b>51,415,205</b>	<b>51,415,205</b>
<b>Total General Reserve</b>	<b>553,814,612</b>	<b>553,814,612</b>





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>Surplus in the Statement of Profit and Loss - Post-Demutualisation period</b>		
(Loss) / Profit for the year	(17,179,711)	17,758,006
Appropriations:-	(12,127,262)	(21,673,097)
Less : Transferred to General Reserve	-	-
Less : Final equity dividend for previous year	-	(11,002,500)
Less : Tax on above final equity dividend	-	(2,262,120)
Total appropriations	-	<b>(13,264,620)</b>
<b>Net surplus in the Statement of Profit and Loss</b>	<b>(29,306,973)</b>	<b>(17,179,711)</b>
<b>Total of own fund</b>	<b>1,293,969,147</b>	<b>1,306,096,409</b>
<b>II. Investors' Service Fund - Post-Demutualisation period</b>		
Opening balance as on April 1	98,266,979	91,103,180
Addition during the year (Refer Note no.-22)	8,030,942	8,012,898
Deductions/adjustments during the year (Refer Note no.-22)	(16,034)	(849,099)
<b>Total of Investors' Service Fund</b>	<b>106,281,887</b>	<b>98,266,979</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	10,272,769	10,243,259
Addition during the year (Refer Note no. 21)	28,277	29,510
Closing balance as on March 31	<b>10,301,046</b>	<b>10,272,769</b>
<b>Settlement Guarantee Fund for CSE-NSE Future and Option Segment</b>		
Opening balance as on April 1	10,508,060	10,437,395
Addition during the year (Refer Note no. 21)	39,770	70,665
Closing balance as on March 31	<b>10,547,830</b>	<b>10,508,060</b>
<b>Settlement Guarantee Fund for CSE-BSE Cash Segment</b>		
Opening balance as on April 1	10,250,403	10,237,171
Addition during the year (Refer Note no. 21)	10,223	13,232
Closing balance as on March 31	<b>10,260,626</b>	<b>10,250,403</b>
<b>Settlement Guarantee Fund for CSE-BSE Future and Option Segment</b>		
Opening balance as on April 1	10,007,568	10,007,568
Closing balance as on March 31	<b>10,007,568</b>	<b>10,007,568</b>
<b>Settlement Guarantee Fund Initial Membership Fees</b>		
Opening balance as on April 1	260,000	260,000
Closing balance as on March 31	<b>260,000</b>	<b>260,000</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	358,703,081	334,931,718
Addition during the year (Refer Note no. 21)	23,434,667	25,060,592
Deductions/adjustments during the year (Refer Note no. 21)	(448,567)	(1,289,229)
Closing balance as on March 31	<b>381,689,181</b>	<b>358,703,081</b>
<b>Total of Settlement Guarantee Fund</b>	<b>423,066,251</b>	<b>400,001,881</b>
<b>Total of I+II+III</b>	<b>1,823,317,285</b>	<b>1,804,365,269</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	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) & 31 (iii)]	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, 2021			As at 31st March, 2020		
	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	-	13,907,634	13,907,634	-	14,989,718	14,989,718
	-	13,907,634	13,907,634	-	14,989,718	14,989,718
<b>Other Liabilities :</b>						
Sundry Deposits	21,689,168	57,354,542	79,043,710	21,689,168	53,250,439	74,939,607
Members' Security Deposits [Refer Note no.32]						
- Own Fund	-	89,252,533	89,252,533	-	91,653,152	91,653,152
- Settlement Guarantee Fund	-	111,051,484	111,051,484	-	115,090,866	115,090,866
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	138,754,301	138,754,301	-	76,157,637	76,157,637
<b>Payable to related party:</b> [Refer Note no.34]						
CSE Capital Markets Private Limited	-	-	-	-	293,669	293,669
Stock Exchange Investors' Protection Fund	-	2,357,226	2,357,226	-	2,880,039	2,880,039
Statutory Dues	-	3,225,941	3,225,941	-	1,378,694	1,378,694
Unclaimed Dividend	-	6,810,575	6,810,575	-	7,904,193	7,904,193
	21,689,168	408,806,602	430,495,770	21,689,168	348,608,689	370,297,857
	21,689,168	422,714,236	444,403,404	21,689,168	363,598,407	385,287,575

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, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>Provision for Employee Benefits:</b>		
Leave	8,135,050	7,394,015
Provision for Gratuity [Refer Note no.33]	3,894,309	5,198,314
<b>Other Provisions:</b>		
CSR Expenses	2,151,000	-
Property Tax	9,500,000	526,740
	23,680,359	13,119,069



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

(Amount in Rs.)

NOTE - 8A : Property, Plant and Equipment

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 2019	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105
At 31st March 2020	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105
At 31st March 2021	415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105
<b>Depreciation</b>								
At 1st April 2019	-	1,629,382	12,085,745	6,520,865	8,034,296	-	161,560,022	189,830,310
Charge For the Year	-	23,168	-	-	-	-	-	23,168
At 31st March 2020	-	1,652,550	12,085,745	6,520,865	8,034,296	-	161,560,022	189,830,310
Charge For the Year	-	22,151	-	-	-	-	-	22,151
At 31st March 2021	-	1,674,701	12,085,745	6,520,865	8,034,296	-	161,560,022	189,830,310
<b>Net Block</b>								
At 31st March 2020	415,300	504,849	615,151	292,605	354,489	-	719,233	2,901,627
At 31st March 2021	415,300	482,698	615,151	292,605	354,489	-	719,233	2,879,476
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>								
At 1st April 2019	269,000,023	11,728,629	6,948,714	5,597,182	3,025,938	1,824,080	21,059,368	319,183,934
Additions	-	-	20,302	7,000	-	-	121,521	148,823
Disposals/Adjustment	-	-	(21,949)	-	-	-	-	(21,949)
At 31st March 2020	269,000,023	11,728,629	6,947,067	5,604,182	3,025,938	1,824,080	21,180,889	319,310,808
Additions	-	-	19,220	-	27,850	-	411,419	458,489
Disposals/Adjustment	-	-	-	-	-	-	-	-
At 31st March 2021	269,000,023	11,728,629	6,966,287	5,604,182	3,053,788	1,824,080	21,592,308	319,769,297
<b>Depreciation</b>								
At 1st April 2019	-	5,237,129	5,467,177	4,842,294	2,858,774	1,034,243	19,298,200	38,737,817
Charge For the Year	-	632,390	399,555	203,156	11,388	248,850	557,217	2,052,556
Disposals/Adjustment	-	-	(11,940)	-	-	-	-	(11,940)
At 31st March 2020	-	5,869,519	5,854,792	5,045,450	2,870,162	1,283,093	19,855,417	40,778,433
Charge For the Year	-	570,782	291,390	147,830	12,226	170,320	413,200	1,605,748
Disposals/Adjustment	-	-	-	-	-	-	-	-
At 31st March 2021	-	6,440,301	6,146,182	5,193,280	2,882,388	1,453,413	20,268,617	42,384,181
<b>Net Block</b>								
At 31st March 2020	269,000,023	5,859,110	1,092,275	558,732	155,776	540,987	1,325,472	278,532,375
At 31st March 2021	269,000,023	5,288,328	820,105	410,902	171,400	370,667	1,323,691	277,385,116
<b>Total Net Block</b>								
At 31st March 2020	269,415,323	6,363,959	1,707,426	851,337	510,265	540,987	2,044,705	281,434,002
At 31st March 2021	269,415,323	5,771,026	1,435,256	703,507	525,889	370,667	2,042,924	280,264,592



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## 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 2019	30,036,144	30,036,144
At 31st March 2020	30,036,144	30,036,144
At 31st March 2021	30,036,144	30,036,144
<b>Amortization</b>		
At 1st April 2019	30,036,108	30,036,108
At 31st March 2020	30,036,108	30,036,108
At 31st March 2021	30,036,108	30,036,108
<b>Net Block</b>		
At 31st March 2020	36	36
At 31st March 2021	36	36
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
At 1st April 2019	5,710,533	5,710,533
At 31st March 2020	5,710,533	5,710,533
At 31st March 2021	5,710,533	5,710,533
<b>Amortization</b>		
At 1st April 2019	4,898,644	4,898,644
Charge For the Year	221,330	221,330
At 31st March 2020	5,119,974	5,119,974
Charge For the Year	133,360	133,360
At 31st March 2021	5,253,334	5,253,334
<b>Net Block</b>		
At 31st March 2020	590,559	590,559
At 31st March 2021	457,199	457,199
<b>Total Net Block</b>		
At 31st March 2020	590,595	590,595
At 31st March 2021	457,235	457,235



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>INVESTMENT PROPERTY</b> (at cost less accumulated amortization) (Refer Note No.- 37)		
<b>Pre-Demutualisation Period</b>		
Cost of leasehold land	49,667,291	49,667,291
Less : Accumulated amortization	(10,090,826)	(9,586,667)
<b>Net Block</b>	<b>39,576,465</b>	<b>40,080,624</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 2020 : 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 2020: 57,75,000) equity shares of Rs.10 each fully paid up of CSE Capital Markets Pvt Ltd	64,575,000	64,575,000
25,00,000 (31st March 2020: 25,00,000) equity shares of Re.1 each fully paid up of Lyons Range Securities Clearing Corporation Ltd	2,500,000	2,500,000
<b>Non-Trade (valued at cost unless stated otherwise)</b>		
<b>Equity shares - Quoted</b>		
400 (31st March 2020: 400) equity shares of Rs.10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
Nil (31st March 2020: 4,222) equity shares of Rs.247 each fully paid up of Tata Steel Ltd	-	1,043,000
<b>Bonds - Quoted</b>		
Nil (31st March 2020: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd (N4 Series)	-	5,696,000
Nil (31st March 2020: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	-	4,944,000
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
Nil (31st March 2020: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OY (1218 days) - Direct Growth	-	10,000,000
5,00,000 (31st March 2020 : 5,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series SN (1099 days) - Direct Growth	5,000,000	5,000,000
<b>Investments in Fixed Deposits with Financial Institution - Unquoted</b>		
LIC Housing Finance Ltd	45,000,000	45,000,000
PNB Housing Finance Ltd (including Rs.50,00,000 in respect of Settlement Guarantee Fund)	75,000,000	15,000,000
	<b>192,081,674</b>	<b>153,764,674</b>
	<b>231,658,140</b>	<b>193,845,299</b>

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

**Aggregate cost of Investments:**

Quoted	6,675	11,689,675
Unquoted	192,075,000	142,075,000
Value of investment property	39,576,465	40,080,624
Market value of quoted investments	353	12,640,803
Net asset value of mutual fund units	5,985,050	17,423,650



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>Deferred Tax Liability</b>		
Impact of expenditure allowed for tax purposes on payment basis in the current year	-	-
<b>Gross Deferred Tax Liability</b>	-	-
<b>Deferred Tax Asset</b>		
Provision for doubtful debts and advances	6,275,398	4,707,355
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	533,504	622,708
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,168,560	1,107,657
<b>Gross Deferred Tax Asset</b>	<b>10,977,462</b>	<b>6,437,720</b>
<b>Net Deferred Tax Asset</b>	<b>10,977,462</b>	<b>6,437,720</b>

## NOTE – 11 : Loans and Advances (Unsecured, considered good unless stated otherwise)

Particulars Non-Current	Non Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees	Rupees	Rupees
<b>Security Deposits</b>				
Considered good	143,891,633	119,753,019	-	-
Considered doubtful	506,000	506,000	-	-
	144,397,633	120,259,019	-	-
Less : Provision for doubtful deposits	(506,000)	(506,000)	-	-
	<b>143,891,633</b>	<b>119,753,019</b>	-	-
Receivable from defaulting members [Refer Note No.- 31(i)]	949,616,925	949,616,925	-	-
<b>Advances to related parties:</b> [Refer Note No.- 34]				
CSE Capital Markets Private Limited	-	-	1,382,117	-
Lyons Range Securities Clearing Corporation Limited	-	-	21,502	1,960,522
	<b>949,616,925</b>	<b>949,616,925</b>	<b>1,403,619</b>	<b>1,960,522</b>
<b>Advance Income Tax and Tax Deducted at Source</b>				
Considered good				
[Net of provision Rs. 108,826,264 (31st March 2020 : Rs.12,11,61,724)]	60,357,991	56,375,044	-	-
Considered doubtful	3,311,000	3,311,000	-	-
	63,668,991	59,686,044	-	-
Less : Provision for doubtful advance	(3,311,000)	(3,311,000)	-	-
	60,357,991	56,375,044	-	-
Prepaid expenses	-	-	3,751,933	3,606,621
Loan to employees - Interest bearing	8,793,196	9,145,622	2,884,501	2,735,709
Balances with statutory/ government authorities	-	-	-	205,336
	<b>69,151,187</b>	<b>65,520,666</b>	<b>6,636,434</b>	<b>6,547,666</b>
<b>Receivable from others</b>				
Considered good [Refer Note no.31(iii)]	347,848	347,848	1,484,031	2,019,619
Considered doubtful	1,182,825	1,182,825	-	-
	1,530,673	1,530,673	1,484,031	2,019,619
Less : Provision for doubtful advances	(1,182,825)	(1,182,825)	-	-
	<b>347,848</b>	<b>347,848</b>	<b>1,484,031</b>	<b>2,019,619</b>
	<b>1,163,007,593</b>	<b>1,135,238,458</b>	<b>9,524,084</b>	<b>10,527,807</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 12 : Current Investments

Particulars	As at 31st March, 2021	As at 31st March, 2020
	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>		
15,725 (31st March 2020: 58,968) units of Rs.1,112.88 each fully paid up of Aditya Birla Sun Life Overnight Fund - Growth Direct Plan	17,500,000	63,683,222
2,60,226 (31st March 2020 : Nil) units of Rs.269 each fully paid up of Aditya Birla Sun Life Floating Rate Fund - Growth Direct Plan	70,000,000	-
60,548 (31st March 2020: 76,368) units of Rs.19.64 each fully paid up of Aditya Birla Sun Life Interval Income Fund - Qrtly Plan- Series 1 Growth- Direct Plan *	1,189,266	1,500,000
Nil (31st March 2020: 13,371) units of Rs.1000 each fully paid up of Baroda Overnight Fund - Direct Plan Growth	-	14,015,151
1,55,804 (31st March 2020: Nil) units of Rs.10 each fully paid up of Baroda Banking and PSU Bond Fund - Direct Plan Growth *	1,558,040	-
Nil (31st March 2020: 1,016) units of Rs.1000 each fully paid up of Baroda Treasury Advantage Fund - Plan B Growth *	-	1,273,913
Nil (31st March 2020: 1,887) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth **	-	4,000,000
8,162 (31st March 2020: 8,162) units of Rs.1,044.65 each fully paid up of Franklin India Overnight Fund - Direct - Growth	8,526,438	8,526,438
2,35,481 (31st March 2020: 2,36,126) units of Rs.110.41 each fully paid up of Nippon India Overnight Fund - Direct Growth Plan	26,000,000	25,305,311
583 (31st March 2020 : 578 ) units of Rs.2,232.24 each fully paid up of Axis Liquid Fund - Direct Growth	1,301,397	1,224,010
18,670 (31st March 2020 : 18,951 ) units of Rs.1,087.25 each fully paid up of Axis Overnight Fund - Direct Growth	20,300,000	20,000,000
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
Nil (31st March 2020 : 1,00,000) units of Rs.10 each fully paid up of HDFC Charity Fund for Cancer Cure - Debt plan - Direct Option - 50% Dividend Donation	-	1,000,000
Nil (31st March 2020: 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	-	10,000,000
10,00,000 (31st March 2020: Nil) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OY (1218 days) - Direct Growth	10,000,000	-
<b>Bonds - Quoted</b>		
5,696 (31st March 2020: Nil) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd (N4 Series)	5,696,000	-
4,944 (31st March 2020: Nil) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	4,944,000	-
	<b>167,015,141</b>	<b>150,528,045</b>

\* Investment out of Investors' Service Fund

\*\* Investment out of Settlement Guarantee Fund

**Aggregate cost of Investments:**

Quoted	10,640,000	-
Unquoted	156,375,141	150,528,045
Market value of quoted investments	11,402,203	-
Net asset value of mutual fund units	160,236,146	153,423,773



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2021		As at 31st March, 2020	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	623,591		1,086,562	
Unsecured Considered good	7,669,145		12,402,810	
Unsecured, Considered doubtful	20,868,321		15,231,933	
	29,161,057		28,721,305	
Less: Provision for Doubtful Debts	(20,868,321)	8,292,736	(15,231,933)	13,489,372
Other Receivables:				
Secured, Considered good	52,487		26,653	
Unsecured, Considered good	1,682,379	1,734,866	387,709	414,362
		<b>10,027,602</b>		<b>13,903,734</b>





NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees	Rupees	Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	91,678,417	33,041,004
Investors' Service Fund	-	-	1,325,495	1,348,902
Settlement Guarantee Fund	-	-	11,425,768	1,777,618
Unpaid Dividend Account	-	-	6,810,575	7,904,193
Cash on hand	-	-	17,471	37,859
	-	-	<b>111,257,726</b>	<b>44,109,576</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	21,689,168	-	-
<b>Post-Demutualisation Period</b>				
Own Funds	402,926,586	625,891,993	-	-
Earmarked Funds:				
Settlement Guarantee Fund	185,055,553	310,327,408	-	-
Investors' Service Fund	76,398,934	37,650,000	-	-
<b>Fixed deposits with remaining maturity for less than 12 months :</b>				
<b>Post-Demutualisation Period</b>				
Own Funds	-	-	243,000,000	106,900,000
Earmarked Funds:				
Settlement Guarantee Fund	-	-	257,295,217	126,900,000
Investors' Service Fund	-	-	31,750,000	59,998,934
	<b>686,070,241</b>	<b>995,558,569</b>	<b>532,045,217</b>	<b>293,798,934</b>
Amount disclosed under Non-current assets (Refer Note 15)	<b>(686,070,241)</b>	<b>(995,558,569)</b>	-	-
	-	-	<b>643,302,943</b>	<b>337,908,510</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)*	327,100,000	359,632,525		
HDFC Bank Ltd**	83,650,893	109,600,000		
BSE Ltd *	1,500,000	-		
<b>Deposits with remaining maturity for less than 12 months pledged with :</b>				
Indian Clearing Corporation Limited (ICCL)*				
NSE Clearing Limited (NCL)*				
HDFC Bank Ltd **				
	<b>412,250,893</b>	<b>469,232,525</b>	-	-
Deposits with remaining maturity for less than 12 months [Refer Note no.26(g)]	17,716,426	17,481,161		
*The aforesaid fixed deposits are under lien with indicated entities for utilization of their Trading Platform by the members of the Company.				
**Against sanctioned credit limit yet to be utilized				
	<b>17,716,426</b>	<b>17,481,161</b>	-	-



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 15 : Other Assets

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees	Rupees	Rupees
<b>Non-current bank balances (Refer Note no. 14)</b>	686,070,241	995,558,569	-	-
<b>Other receivables</b>				
Secured, Considered good				
Rent & Electricity	1,495,697	764,172	242,640	513,716
Others	-	-	104,475	104,475
Unsecured, considered good unless stated otherwise				
Rent & Electricity	1,232,026	809,772	224,619	673,589
<b>Interest accrued on fixed deposits:</b>				
Own Funds	2,337,917	4,569,969	13,077,272	7,551,474
Settlement Guarantee Fund	92,216	5,686,021	19,181,505	4,946,128
Investors' Service Fund	365,389	36,197	563,195	964,597
<b>Interest accrued on investments in bonds:</b>				
Own Funds	-	-	414,739	414,739
	<b>691,593,486</b>	<b>1,007,424,700</b>	<b>33,808,445</b>	<b>15,168,718</b>

## NOTE – 16 : Revenue from Operations

Particulars	2020-21	2019-20
	Rupees	Rupees
<b>SALE OF SERVICES :</b>		
Turnover charges on other trading platform :		
- BSE	471,737	582,235
- NSE	2,430,923	3,149,776
Listing fees	22,468,000	21,212,500
Subscriptions	1,590,000	1,566,000
Processing charges	10,598,000	11,188,082
Commission on PAN services	12,350	24,700
<b>Other operating revenue :</b>		
Bad debts recovered		
- Listing	2,385,250	2,032,537
Recovery of penal charges from clients	3,713,329	3,103,646
Income from NISM Operation	326,141	2,127,392
Technology charges from new members	-	50,000
	<b>43,995,730</b>	<b>45,036,868</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 17 : Other Income

Particulars	2020-21	2019-20
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	6,184,195	7,060,016
Interest on fixed deposits of Settlement Guarantee Fund	31,826,532	34,222,677
	<b>38,010,727</b>	<b>41,282,693</b>
Interest income on own fund:		
Fixed deposits	54,445,964	64,372,061
Tax Free PSU bonds	872,480	872,480
Security deposit with CESC Ltd	140,597	140,923
Security deposit with National Stock Exchange of India Ltd	48,689	54,348
Interest on delayed payment of listing fees	2,840,627	1,444,759
Others	1,290,024	1,093,991
	<b>59,638,381</b>	<b>67,978,562</b>
Profit on sale of Current investments	6,260,832	7,695,123
Profit on sale of Current investments of Investors' Service Fund	390,794	-
Profit on sale of Current investments of Settlement Guarantee Fund	467,560	-
Profit on sale of Long term investments	4,245,552	-
	<b>11,364,738</b>	<b>7,695,123</b>
Dividend income from investments:		
Long term investments of own fund	564,741	-
Current investments of own fund	7,424	77,978
	<b>572,165</b>	<b>77,978</b>
Other Income:		
Rent	1,102,526	1,042,552
Tenancy right transfer fees	553,260	-
Miscellaneous receipts	1,248,380	896,395
Liabilities/Provisions no longer required, written back	633,657	1,217,992
	<b>3,537,823</b>	<b>3,156,939</b>
	<b>113,123,834</b>	<b>120,191,295</b>

## NOTE – 18 : Employee Benefits Expense

Particulars	2020-21	2019-20
	Rupees	Rupees
Salaries, bonus etc.	67,895,697	74,158,315
Contribution to provident and other funds [Refer Note no.33(iii)]	10,248,609	9,977,782
Gratuity Expense [Refer Note no.33]	3,058,504	7,472,693
Staff welfare Expense	3,093,874	2,972,428
	<b>84,296,684</b>	<b>94,581,218</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 19 : Other Expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Advertisement		25,500		15,438
Electricity charges	5,812,820		6,966,783	
Less : recovered from tenants	(475,842)	5,336,978	(1,483,496)	5,483,287
Rates & Taxes [(Current amount includes prior period item - Rs.84,82,736) Refer Note - 36]		9,803,020		2,028,271
Insurance		169,165		201,342
Printing & Stationary		169,646		350,961
Telephone charges		623,033		629,514
Travelling & Conveyance		20,735		194,939
Motor car expenses		205,613		108,400
Repairs & Maintenance:				
Building	156,904		287,784	
Others *	9,887,201	10,044,105	12,233,296	12,521,080
Expenses for Other Trading Platform:				
BSE	152,000		134,107	
NSE	184,876		274,526	
Interest on delayed payment of statutory dues		6,058		124,127
Security Expenses		890,102		1,087,452
Legal & Professional Fees		5,192,659		6,342,471
Auditor's Remuneration:				
Audit Fee (Current year's amount includes Rs.3,50,000 related to previous year)	2,100,000		1,400,000	
Tax Audit Fee	200,000		200,000	
In other capacity	25,000		42,112	
Reimbursement of Expenses	10,285	2,335,285	96,503	1,738,615
Investors' Service Expenses		16,034		70,231
Loss on fair valuation of current investments of Investors' Service Fund		-		778,868
Directors Sitting Fee		570,000		1,025,000
CSR Expenditure **		2,151,000		1,100,000
Provision for Doubtful Debts and Advances		5,636,388		3,000,000
Bad Debts	-		9,775,907	
Less : Adjusted against Provision for Doubtful Debts	-	-	879,430	8,896,477
Miscellaneous Expenses		1,636,847		1,577,659
		<b>45,169,044</b>		<b>47,682,765</b>

\* Including Rs.84,09,505 (31st March 2020 : Rs.1,07,07,693) for computer maintenance and service charges.

\*\* Amount yet to be spent by the company for the Current Year.

## NOTE – 20 : Depreciation and Amortization Expense

Particulars	2020-21	2019-20
	Rupees	Rupees
Depreciation of property, plant and equipment	1,627,899	20,75,724
Amortization of Intangible Assets	133,360	2,21,330
Depreciation on Investment Property	504,159	5,04,159
	<b>2,265,418</b>	<b>28,01,213</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 21 : Contribution to Settlement Guarantee Fund

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest on Fixed Deposits of Settlement Guarantee Fund		31,826,532		34,222,677
Profit on sale of Current investments of Settlement Guarantee Fund		467,560		—
Less : Expenses of Settlement Guarantee Fund				
Legal & Professional expenses	169,967		928,886	
Audit expenses	250,000		250,000	
Other expenses	28,600	448,567	110,343	1,289,229
Less : Tax expenses (Net of above expenses)		8,859,425		9,162,085
		22,986,100		23,771,363
Add : Contribution to Settlement Guarantee Fund on Turnover				
Exchange's contribution to CSE-NSE SGF on turnover for Cash Segment	28,277		29,510	
Exchange's contribution to CSE-NSE SGF on turnover for FO Segment	39,770		70,665	
Exchange's contribution to CSE-BSE SGF on turnover for Cash Segment	10,223	78,270	13,232	113,407
		<b>23,064,370</b>		<b>23,884,770</b>

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

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	6,184,195		7,060,016	
Profit on sale of Current investments of Investors' Service Fund	390,794		-	
20% Listing fees contribution on collection	4,545,102	11,120,091	3,713,991	10,774,007
Less : Expenses of Investors' Service Fund				
Service Charges for ISC	3,000		33,000	
Miscellaneous Expenses	13,034		37,231	
Loss on fair valuation of current investments of Investors' Service Fund	-	16,034	778,868	849,099
Less : Tax expenses (Net of above expenses)		3,089,149		2,761,109
		<b>8,014,908</b>		<b>7,163,799</b>

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

Particulars	2020-21	2019-20
	Rupees	Rupees
Net (Loss) / Profit after Tax as per Statement of Profit and Loss	(12,127,262)	(2,16,73,097)
Weighted average number of equity shares	611,250	6,11,250
<b>Earnings per share - Basic &amp; Diluted (Rs.)</b>	<b>(19.84)</b>	<b>(35.46)</b>
<b>Nominal Value of share (Re.)</b>	<b>1</b>	<b>1</b>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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.
- d) In respect of Assessment year 2018-19, the Assessing Officer has raised a demand of Rs.35,277 on account of interest on late deposit of dividend distribution tax. The Exchange has filed an appeal before Ld. Commissioner of Income Tax (Appeals) against the said Assessment Order on 28.04.2021, which is pending disposal as on date.
- Other matters:**
- e) 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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.

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 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.1,77,16,426 by way of fixed deposit to be kept with the concerned lawyer on record till further order or disposal of the case. During the current year, the fixed deposit was renewed after maturity and hence this renewed fixed deposit was lying with the Company as on March 31, 2021. The Company is in the process of complying with the directions of the Division Bench of High Court of Calcutta as regards to placement of fixed deposit with the concerned lawyer on record. These 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: (Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Property Tax demand from Kolkata Municipal Corporation (Refer note 36)	-	2,35,30,772
Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata	5,00,00,000	5,00,00,000
Others	2,32,423	2,18,059

**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. Taking into consideration the Company's obligation to transfer such net income to those funds, such transfers have been recognized as charge in the statement of Profit & Loss.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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, 2021	As at March 31, 2020
	<b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b>		
I	Settlement Guarantee Fund of the Exchange	38,45,18,068	36,14,53,698
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>42,30,66,251</b>	<b>40,00,01,881</b>
	<b>Under Other Current Liabilities (Settlement Guarantee Fund):</b>		
IV	Members BMC/SGF in Cash	9,97,70,567	10,32,36,370
V	Interest Adjustable with BMC/ABMC	93,68,136	99,26,715
VI	Members' deposit towards BSE/NSE-SGF	19,12,781	19,27,781
	<b>Total</b>	<b>11,10,51,484</b>	<b>11,50,90,866</b>
	<b>Grand Total</b>	<b>53,41,17,735</b>	<b>51,50,92,747</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, 2021	As at March 31, 2020
I	Investments in Fixed Deposits	44,23,50,770	43,72,27,408
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Investments in Mutual Fund Units	-	40,00,000
IV	Balances in Current Account	1,14,25,768	17,77,618
V	Interest accrued on Fixed Deposits	1,92,73,721	1,06,32,149
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	(39,32,524)	(35,44,428)
	<b>Total</b>	<b>53,41,17,735</b>	<b>51,50,92,747</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





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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 account 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	2020-21	2019-20
<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
- Legal & Professional Fees	1,69,967	9,28,886
	<b>4,48,567</b>	<b>12,89,229</b>
<b>Investors' Service Expenses</b>	<b>16,034</b>	<b>8,49,099</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 31.03.2021. 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 31.03.2021, 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.94,96,16,925 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 an 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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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 Company had recognized adhoc 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.45,21,80,187 (Rs.26,73,90,209) and fixed deposits of Rs.17,39,24,939 (Rs.17,84,81,459) as at 31.03.2021, 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	2020-21	2019-20
Discount rate	6.71%	6.55%
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	2020-21	2019-20
Contribution to Provident/Pension Fund	64,01,759	62,74,724
Contribution to Superannuation Fund	27,20,446	27,22,020
Contribution to National Pension Scheme	11,11,787	8,49,806
Contribution to Employees State Insurance Scheme	14,617	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

**Key Management Personnel**

Mr. Subrata Das (MD & CEO) – Up to March 8, 2019



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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

**Trust set-up by the Company**

(Amount in Rupees)

Name	Particulars	2020-21	2019-20
<b>Stock Exchange Investors' Protection Fund</b>	Contribution to Stock Exchange Investors' Protection Fund	46,56,227	41,24,476
	Expenses recoverable / incurred on behalf related party	1,79,040	24,95,643
	Amount paid / (Received)	50,00,000	(89,339)
	Amount (payable) outstanding	(23,57,226)	(28,80,039)

**Subsidiaries (wholly owned)**

(Amount in Rupees)

Name	Particulars	2020-21	2019-20
<b>CSE Capital Markets Private Limited</b>	Expenses incurred on behalf of Subsidiary	59,48,027	38,91,724
	Received from Subsidiary	36,37,480	81,28,287
	Income earned on behalf of Subsidiary	-	5,395
	Expenses payable to subsidiary	6,34,761	5,31,598
	Amount (payable) / receivable outstanding	13,82,117	(2,93,669)

(Amount in Rupees)

Name	Particulars	2020-21	2019-20
<b>Lyons Range Securities Clearing Corporation Limited</b>	Expenses incurred on behalf of Subsidiary	10,980	13,01,692
	Received from Subsidiary	19,50,000	-
	Amount receivable outstanding	21,502	19,60,522

**Key Management Personnel**

(Amount in Rupees)

Name	Particulars	2020-21	2019-20
<b>Mr. Subrato Das (MD &amp; CEO)</b>	Remuneration and other allowances	Nil	41,37,881

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.50,68,541 (after adjusting MAT credit utilized during the current year Rs.38,11,069) in the absence of convincing evidence to claim the above tax credit in future years.
36. The demand towards property tax from Kolkata Municipal Corporation in respect of The Calcutta Stock Exchange Building was shown as contingent liability in the previous year ended 31st March 2020. The Company has made a representation to Kolkata Municipal Corporation to re-assess the property tax payable to them for the said property. Pending re-assessment, management has estimated a liability of Rs.95,00,000 (including prior period expenses of Rs.84,82,736) provided in these standalone financial statements, based on an estimated annual valuation of the property. Consequently, no contingent liability has been shown for the demand this year.
37. **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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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.

38. 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.

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.

39. 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 previous year.

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: 29th November, 2021

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

**Anindo Majumdar**  
Director

**Chacko Joseph**  
Director

**Gautam Ganguli**  
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 2021, 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, 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, 2021, their consolidated loss and their consolidated cash flows for the year ended on that date.

#### Basis for Qualified Opinion

Attention is drawn to Note 31 (i) regarding aggregate amount of Rs. 94,96,16,925 recoverable from members on account of settlements in earlier years. Based on information and explanations provided to us, we are unable to form an opinion as regards the extent of recoverability of aforesaid amount and consequently, the impact thereof on the Group's loss for the year and year end loans and advances as carried forward in these consolidated financial statements is not ascertainable. Our opinion was also qualified in earlier years in respect of this matter.

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

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 38 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 qualified 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 appli-



cation 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 entities or business activities within the Group 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 such entities included in the consolidated financial statements of which we are the independent auditors. 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**

- (a) We did not audit the financial statements and other financial information, in respect of 2 subsidiaries whose financial statements include total assets of Rs. 10,26,94,455 as at March 31, 2021, and total revenues



of Rs. 15,60,602 and net cash outflows of Rs. 21,76,428 for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the 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.

#### 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, 2021 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, 2021 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (i) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiaries incorporated in India for the year ended March 31, 2021;
- (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, 37 and 38 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, 2021;
  - iii. There has been an instance of delay of 54 days in transferring amounts of Rs. 9,96,300 in respect of unclaimed dividend required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership Number: 55596

UDIN: 21055596AAAAFD5859

Place of Signature: Kolkata

Date: November 29, 2021



**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 (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the companies included in the Group, 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated financial statements.

**Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A company's internal financial control with reference to 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 with reference to 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 With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to 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, material weakness has been identified as at March 31, 2021 in respect of the holding company's internal financial controls over evaluation and assessment of recoverability including any provision to be made there against in respect of dues from the members on account of settlement in earlier years were not operating effectively which could potentially result in the Holding Company not recognising sufficient provision there against. This matter was also qualified in the earlier years.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, 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 companies included in the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively

as at March 31, 2021, 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 issued by the ICAI".

#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to these 2 subsidiaries, 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 ICAI 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, 2021, and 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. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 consolidated financial statements of the Holding Company and this report affect our report dated November 29, 2021, which 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: November 29, 2021



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021**

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
		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	1,85,39,42,634	1,83,33,56,033
<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		1,43,14,373	1,55,30,238
Other Current Liabilities	6	43,11,06,759	37,06,26,165
Short Term Provisions	7	2,37,53,116	1,31,19,069
		<b><u>3,27,33,52,557</u></b>	<b><u>3,18,28,67,180</u></b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8A	28,03,40,156	28,14,52,425
Intangible Assets	8B	4,70,464	6,03,824
Non Current Investments	9	16,45,83,140	12,67,70,299
Deferred Tax Assets (net)	10	1,09,68,604	64,27,430
Loans and Advances	11	1,16,45,18,638	1,13,67,49,504
Other Assets	15	75,33,45,472	1,03,60,58,741
<b>2. CURRENT ASSETS</b>			
Current Investments	12	16,70,42,341	15,05,53,762
Trade Receivables	13	1,39,67,390	1,72,99,111
Cash and Bank Balances	14	67,49,04,044	40,08,24,273
Loans and Advances	11	83,84,533	91,51,424
Other Assets	15	3,48,27,775	1,69,76,387
		<b><u>3,27,33,52,557</u></b>	<b><u>3,18,28,67,180</u></b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated 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: 29th November, 2021

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

**Anindo Majumdar**

Director

**Chacko Joseph**

Director

**Gautam Ganguli**

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, 2021

Particulars	Notes	2020-21		2019-20	
		Rupees	Rupees	Rupees	Rupees
<b>Income :</b>					
Revenue from Operations	16		4,55,56,332		4,65,15,953
Other Income	17		11,87,85,707		12,72,50,140
<b>Total (I)</b>			<b>16,43,42,039</b>		<b>17,37,66,093</b>
<b>Expenses :</b>					
Employee Benefits Expense	18		8,58,46,582		9,59,73,655
Other Expenses (Current amount includes prior period item - Rs. 84,82,736)	19		4,86,35,701		5,16,85,359
Depreciation and Amortization Expense	20		22,81,777		28,17,265
Contribution to SEBI			26,35,325		25,84,096
Contribution to Stock Exchange Investors' Protection Fund			46,13,227		40,92,226
<b>Total (II)</b>			<b>14,40,12,612</b>		<b>15,71,52,601</b>
<b>Profit before Tax and contribution to Settlement Guarantee Fund and Investors' Service Fund (III = I-II)</b>			<b>2,03,29,427</b>		<b>1,66,13,492</b>
<b>Tax Expenses :</b>					
Total Current Tax (Net)					
Pertaining to profit for the current year		80,95,069		74,54,153	
Adjustment of tax relating to earlier years		-		29,58,325	
MAT Credit utilised during the year (Refer Note no-35)		(38,11,069)	42,84,000	(39,77,970)	64,34,508
Deferred Tax			(45,41,174)		(12,95,506)
<b>Total Tax Expense (IV)</b>			<b>(2,57,174)</b>		<b>51,39,002</b>
<b>Profit after tax before contribution to Settlement Guarantee Fund and Investors' Service Fund (V=III-IV)</b>			<b>2,05,86,601</b>		<b>1,14,74,490</b>
Contribution to Settlement Guarantee Fund (Net of Tax)	21		2,30,64,370		2,38,84,770
Contribution to Investors' Service Fund (Net of Tax)	22		80,14,908		71,63,799
<b>Total of Contributions to Settlement Guarantee Fund and Investors' Service Fund (Net of Tax) [VI]</b>			<b>3,10,79,278</b>		<b>3,10,48,569</b>
<b>(Loss) / Profit after tax for the year (V-VI)</b>			<b>(1,04,92,677)</b>		<b>(1,95,74,079)</b>
<b>Earnings per equity share</b>					
Basic and Diluted (Rs.)	23		(17.17)		(32.02)
Nominal value of share (Re.)			1		1
Summary of significant accounting policies	2				

The accompanying notes are an integral part of the consolidated 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: 29th November, 2021

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

**Anindo Majumdar**

Director

**Chacko Joseph**

Director

**Gautam Ganguli**

Director

**Prosenjit Dutta**

Chief Financial Officer



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

	Particulars	2020-21	2019-20
		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>20,329,427</b>	<b>16,613,492</b>
	<b>Adjustment to reconcile profit before tax to net cash flows :-</b>		
	Depreciation and Amortization expense	2,281,777	2,817,265
	Loss on sale/discard of property, plant and equipment	-	8,509
	Provision for Doubtful Debts and Advances	5,636,388	3,000,000
	Bad Debts (net of provision)	-	8,896,477
	Loss on fair valuation of current investments of Investors' Service Fund	-	778,868
	Sundry balance written off	6,440	147,335
	Liabilities/Provisions no longer required, written back	(633,657)	(1,217,992)
	Interest on Fixed Deposits	(98,114,228)	(112,405,340)
	Interest on Bonds	(872,480)	(872,480)
	Dividend Income from Investments	(573,764)	(200,247)
	Profit on sale of Investments	(11,364,738)	(7,695,123)
	<b>Operating profit before working capital changes</b>	<b>(83,304,835)</b>	<b>(90,129,236)</b>
	<b>Movements in working capital:</b>		
	Increase in Short Term Provisions	10,953,170	8,714,615
	(Decrease) / Increase in Trade Payables	(1,608,824)	(13,933,925)
	Increase / (Decrease) in Other Current Liabilities	62,208,949	15,635,408
	(Increase) in Trade Receivables	(2,304,667)	(6,267,980)
	(Increase) / Decrease in Long Term Loans & Advances	(23,792,627)	(2,529,967)
	(Increase) in Short Term Loans & Advances	685,061	(19,301,700)
	(Increase) in Other Current Assets	(433,733)	(358,478)
	<b>Cash used in operations</b>	<b>(37,597,505)</b>	<b>(108,171,263)</b>
	Payment of direct taxes (net)	(8,194,190)	(11,900,362)
	<b>Net Cash used in Operating Activities</b>	<b>(45,791,695)</b>	<b>(120,071,625)</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	(531,989)	(148,823)
	Proceeds from Sale of Non Current Investments (net)	21,715,961	4,957,000
	Proceeds from Sale of Current Investments (net)	(5,122,358)	11,402,833
	Investment in Mutual Fund	(1,481)	-
	Dividend income from Investments	573,764	200,247
	Investment in Fixed Deposits		
	Own Funds	(411,896,137)	(492,315,202)
	Investors' Service Fund	(29,498,934)	(37,548,934)
	Settlement Guarantee Fund	(263,223,362)	(300,627,408)
	Proceeds from maturity of Fixed Deposits		
	Own Funds	434,781,833	514,381,161
	Investors' Service Fund	18,998,934	27,550,000
	Settlement Guarantee Fund	258,100,000	289,900,000



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)**

Particulars		2020-21	2019-20
		Rupees	Rupees
	Interest on Fixed Deposits		
	Own Funds	57,646,959	70,320,924
	Investors' Service Fund	6,256,405	6,616,565
	Settlement Guarantee Fund	23,184,960	28,822,148
	Interest on Bonds	872,480	872,480
	<b>Net cash flow from investing activities</b>	<b>111,857,035</b>	<b>124,384,491</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Dividend Paid on equity shares	(1,093,618)	(10,580,626)
	Tax on equity dividend paid	-	(2,262,120)
	<b>Net Cash used in Financing Activities</b>	<b>(1,093,618)</b>	<b>(12,842,746)</b>
	<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>64,971,722</b>	<b>(8,529,880)</b>
	<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>50,167,606</b>	<b>58,697,486</b>
	<b>Cash and Cash equivalents as at the end of the year</b>	<b>115,139,328</b>	<b>50,167,606</b>

Components of Cash & Cash Equivalents	2020-21	2019-20
Cash on hand	20,471	40,859
Cheques / Drafts on hand	-	-
Balance with Scheduled Banks on Current Account		
Own Fund	95,557,019	39,096,034
Investors' Service Fund *	1,325,495	1,348,902
Settlement Guarantee Fund *	11,425,768	1,777,618
Unpaid Dividend Account **	6,810,575	7,904,193
	<b>115,139,328</b>	<b>50,167,606</b>

\* These can be utilised only towards the purpose of the respective funds (Refer Note no.14)

\*\* These can be utilised only towards settlement of the respective unpaid dividend (Refer Note no.14)

Summary of significant accounting policies (Refer Note 2)

As per our Report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

Firm Registration No. 301003E/E300005

**Anindo Majumdar**  
Director

**Chacko Joseph**  
Director

per **Bhaswar Sarkar**

Partner

Membership No. 55596

**Gautam Ganguli**  
Director

**Prosenjit Dutta**  
Chief Financial Officer

Place: Kolkata

Date: 29th November, 2021



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

**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, 2021	As at March 31, 2020
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.

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. Similarly, in accordance with directions received from SEBI, the Holding 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. Taking into consideration the Holding Company’s obligation to transfer such net income to those funds, such transfers have been recognized as charge in the Profit & Loss Account.

The accounting policies adopted in the preparation of consolidated 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 Group and the revenue can be reliably measured. The Group 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****NOTE – 1.1: Basis of preparation of Accounts**

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated 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 consolidated 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 Holding Company on Composition of Settlement Guarantee Fund (SGF) and directions received from the Security Exchange board of India (SEBI), the



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

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

**v) Intangible Assets**

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

Software costs related to computers are amortized on straight line basis over a period of six years from the date the asset become 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 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 amortization 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 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, 2021

#### NOTE – 3 : Share Capital

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
a) <b>AUTHORISED SHARES :</b> 10,00,00,000 (31st March 2020 : 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 2020 : 6,18,750) equity shares of Re.1 each	618,750	618,750
c) <b>SUBSCRIBED &amp; PAID UP SHARES :</b> 6,11,250 (31st March 2020 : 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 2020 : 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, 2021

## NOTE – 4 : Reserve and Surplus

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>I. Own Fund</b>		
<b>Capital Reserve - Pre-Demutualisation period</b>	<b>618,860</b>	<b>618,860</b>
<b>Securities Premium Account</b>		
Pre-Demutualisation period	3,014,597	3,014,597
Post-Demutualisation period	631,778,051	631,778,051
<b>Total Securities Premium Account</b>	<b>634,792,648</b>	<b>634,792,648</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	-	38,841,547
Transfer to General Reserve of Pre-Demutualisation period (Refer Note no.39)	-	(38,841,547)
Closing balance as on March 31	-	-
<b>Development Fee Fund - Pre-Demutualisation period</b>	<b>134,050,000</b>	<b>134,050,000</b>
<b>General Reserve</b>		
<b>Pre-Demutualisation period</b>		
Opening balance as on April 1	502,399,404	463,557,857
Transfer from Reserve for Establishment of Centre for Training and Statistical Information and Setting up a Library - Pre-Demutualisation period (Refer Note no.39)	-	38,841,547
Closing balance as on March 31	<b>502,399,404</b>	<b>502,399,404</b>
<b>Post-Demutualisation period</b>		
Opening balance as on April 1	51,415,205	51,415,205
Closing balance as on March 31	<b>51,415,205</b>	<b>51,415,205</b>
<b>Total General Reserve</b>	<b>553,814,609</b>	<b>553,814,609</b>
<b>Surplus in the Statement of Profit and Loss - Post-Demutualisation period</b>		
(Loss) / Profit for the year	11,811,056 (10,492,677)	44,649,755 (19,574,079)
Appropriations:-		
Less : Final equity dividend for previous year	-	(11,002,500)
Less : Tax on above final equity dividend	-	(2,262,120)
Total appropriations	-	<b>(13,264,620)</b>
<b>Net surplus in the Statement of Profit and Loss</b>	<b>1,318,379</b>	<b>11,811,056</b>
<b>Total of own fund</b>	<b>1,324,594,496</b>	<b>1,335,087,173</b>
<b>II. Investors' Service Fund - Post-Demutualisation period</b>		
Opening balance as on April 1	98,266,979	91,103,180
Addition during the year (Refer Note no.-22)	8,030,942	8,012,898
Deductions/adjustments during the year (Refer Note no.-22)	(16,034)	(849,099)
<b>Total of Investors' Service Fund</b>	<b>106,281,887</b>	<b>98,266,979</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<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	10,272,769	10,243,259
Addition during the year (Refer Note no. 21)	28,277	29,510
Closing balance as on March 31	<b>10,301,046</b>	<b>10,272,769</b>
<b>Settlement Guarantee Fund for CSE-NSE Future and Option Segment</b>		
Opening balance as on April 1	10,508,060	10,437,395
Addition during the year (Refer Note no. 21)	39,770	70,665
Closing balance as on March 31	<b>10,547,830</b>	<b>10,508,060</b>
<b>Settlement Guarantee Fund for CSE-BSE Cash Segment</b>		
Opening balance as on April 1	10,250,403	10,237,171
Addition during the year (Refer Note no. 21)	10,223	13,232
Closing balance as on March 31	<b>10,260,626</b>	<b>10,250,403</b>
<b>Settlement Guarantee Fund for CSE-BSE Future and Option Segment</b>		
Opening balance as on April 1	10,007,568	10,007,568
Closing balance as on March 31	<b>10,007,568</b>	<b>10,007,568</b>
<b>Settlement Guarantee Fund Initial Membership Fees</b>		
Opening balance as on April 1	260,000	260,000
Closing balance as on March 31	<b>260,000</b>	<b>260,000</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	358,703,081	334,931,718
Addition during the year (Refer Note no. 21)	23,434,667	25,060,592
Deductions/adjustments during the year (Refer Note no. 21)	(448,567)	(1,289,229)
Closing balance as on March 31	<b>381,689,181</b>	<b>358,703,081</b>
<b>Total of Settlement Guarantee Fund</b>	<b>423,066,251</b>	<b>400,001,881</b>
<b>Total of I+II+III</b>	<b>1,853,942,634</b>	<b>1,833,356,033</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 5 : Long Term Liabilities

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	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) & 31 (iii)]	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, 2021			As at 31st March, 2020		
	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	-	14,314,373	14,314,373	-	15,530,238	15,530,238
	-	14,314,373	14,314,373	-	15,530,238	15,530,238
<b>Other Liabilities :</b>						
Sundry Deposits	21,689,168	57,946,344	79,635,512	21,689,168	53,826,687	75,515,855
Members' Security Deposits [Refer Note no.32]						
- Own Fund	-	89,252,533	89,252,533	-	91,653,152	91,653,152
- Settlement Guarantee Fund	-	111,051,484	111,051,484	-	115,090,866	115,090,866
- Members' deposit including deposits for additional base capital requirement and margin in Cash	-	138,754,302	138,754,302	-	76,157,637	76,157,637
<b>Payable to related party:</b> [Refer Note no.34]						
Stock Exchange Investors' Protection Fund	-	2,349,726	2,349,726	-	2,872,539	2,872,539
Statutory Dues	-	3,252,627	3,252,627	-	1,431,923	1,431,923
Unclaimed Dividend	-	6,810,575	6,810,575	-	7,904,193	7,904,193
	21,689,168	409,417,591	431,106,759	21,689,168	348,936,997	370,626,165
	21,689,168	423,731,964	445,421,132	21,689,168	364,467,235	386,156,403

**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, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>Provision for Employee Benefits:</b>		
Leave	8,135,050	7,394,015
Provision for Gratuity [Refer Note no.33]	3,894,309	5,198,314
<b>Other Provisions:</b>		
CSR Expenses	2,151,000	-
Property Tax	9,500,000	526,740
Income Tax [net of advance tax of Rs.4,83,651(31st March 2020 : Nil)]	72,757	-
	23,753,116	13,119,069



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

		(Amount in Rs.)							
		Freehold Land	Building	Electrical Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
<b>ASSETS OF PRE-DEMUTUALISATION PERIOD :</b>									
At 1st April 2019		415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105
At 31st March 2020		415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105
At 31st March 2021		415,300	2,157,399	12,700,896	6,813,470	8,388,785	-	162,279,255	192,755,105
<b>Depreciation</b>									
At 1st April 2019		-	1,629,382	12,085,745	6,520,865	8,034,296	-	161,560,022	189,830,310
Charge For the Year		-	23,168	-	-	-	-	-	23,168
At 31st March 2020		-	1,652,550	12,085,745	6,520,865	8,034,296	-	161,560,022	189,853,478
Charge For the Year		-	22,151	-	-	-	-	-	22,151
At 31st March 2021		-	1,674,701	12,085,745	6,520,865	8,034,296	-	161,560,022	189,875,629
<b>Net Block</b>									
At 31st March 2020		415,300	504,849	615,151	292,605	354,489	-	719,233	2,901,627
At 31st March 2021		415,300	482,698	615,151	292,605	354,489	-	719,233	2,879,476
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>									
At 1st April 2019		269,000,023	11,728,629	6,948,714	5,597,182	3,025,938	1,824,080	21,257,224	319,381,790
Additions		-	-	20,302	7,000	-	-	121,521	148,823
Disposals/Adjustment		-	-	(21,949)	-	-	-	-	(21,949)
At 31st March 2020		269,000,023	11,728,629	6,947,067	5,604,182	3,025,938	1,824,080	21,378,745	319,508,664
Additions		-	-	19,220	-	27,850	-	484,919	531,989
Disposals/Adjustment		-	-	-	-	-	-	-	-
At 31st March 2021		269,000,023	11,728,629	6,966,287	5,604,182	3,053,788	1,824,080	21,863,664	320,040,653
<b>Depreciation</b>									
At 1st April 2019		-	5,237,129	5,467,177	4,842,294	2,858,774	1,034,243	19,461,581	38,901,198
Charge For the Year		-	632,390	399,555	203,156	11,388	248,850	573,269	2,068,608
Disposals/Adjustment		-	-	(11,940)	-	-	-	-	(11,940)
At 31st March 2020		-	5,869,519	5,854,792	5,045,450	2,870,162	1,283,093	20,034,850	40,957,866
Charge For the Year		-	570,782	291,390	147,830	12,226	170,320	429,559	1,622,107
Disposals/Adjustment		-	-	-	-	-	-	-	-
At 31st March 2021		-	6,440,301	6,146,182	5,193,280	2,882,388	1,453,413	20,464,409	42,579,973
<b>Net Block</b>									
At 31st March 2020		269,000,023	5,859,110	1,092,275	558,732	155,776	540,987	1,343,895	278,550,798
At 31st March 2021		269,000,023	5,288,328	820,105	410,902	171,400	370,667	1,399,255	277,460,680
<b>Total Net Block</b>									
At 31st March 2020		269,415,323	6,363,959	1,707,426	851,337	510,265	540,987	2,063,128	281,452,425
At 31st March 2021		269,415,323	5,771,026	1,435,256	703,507	525,889	370,667	2,118,488	280,340,156



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## 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 2019	30,036,144	30,036,144
At 31st March 2020	30,036,144	30,036,144
At 31st March 2021	30,036,144	30,036,144
<b>Amortization</b>		
At 1st April 2019	30,036,108	30,036,108
At 31st March 2020	30,036,108	30,036,108
At 31st March 2021	30,036,108	30,036,108
<b>Net Block</b>		
At 31st March 2020	36	36
At 31st March 2021	36	36
<b>ASSETS OF POST-DEMUTUALISATION PERIOD :</b>		
<b>Gross Block</b>		
At 1st April 2019	5,845,643	5,845,643
At 31st March 2020	5,845,643	5,845,643
At 31st March 2021	5,845,643	5,845,643
<b>Amortization</b>		
At 1st April 2019	5,020,525	5,020,525
Charge For the Year	221,330	221,330
At 31st March 2020	5,241,855	5,241,855
Charge For the Year	133,360	133,360
At 31st March 2021	5,375,215	5,375,215
<b>Net Block</b>		
At 31st March 2020	603,788	603,788
At 31st March 2021	470,428	470,428
<b>Total Net Block</b>		
At 31st March 2020	603,824	603,824
At 31st March 2021	470,464	470,464



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>INVESTMENT PROPERTY</b> (at cost less accumulated amortization) (Refer Note No.- 37)		
<b>Pre-Demutualisation Period</b>		
Cost of leasehold land	49,667,291	49,667,291
Less : Accumulated amortization	(10,090,826)	(9,586,667)
<b>Net Block</b>	<b>39,576,465</b>	<b>40,080,624</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 2020 : 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 2020: 400) equity shares of Rs.10 each fully paid up of Beeyu Overseas Ltd	6,674	6,674
Nil (31st March 2020: 4,222) equity shares of Rs.247 each fully paid up of Tata Steel Ltd	-	1,043,000
<b>Bonds - Quoted</b>		
Nil (31st March 2020: 5,696) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd (N4 Series)	-	5,696,000
Nil (31st March 2020: 4,944) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	-	4,944,000
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
Nil (31st March 2020: 10,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan -Series OY (1218 days) - Direct Growth	-	10,000,000
5,00,000 (31st March 2020 : 5,00,000) units of Rs.10 each fully paid up of Aditya Birla Sun Life Fixed Term Plan - Series SN (1099 days) - Direct Growth	5,000,000	5,000,000
<b>Investments in Fixed Deposits with Financial Institution - Unquoted</b>		
LIC Housing Finance Ltd	45,000,000	45,000,000
PNB Housing Finance Ltd (including Rs.50,00,000 in respect of Settlement Guarantee Fund)	75,000,000	15,000,000
	<b>125,006,674</b>	<b>86,689,674</b>
	<b>164,583,140</b>	<b>126,770,299</b>

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

**Aggregate cost of Investments:**

Quoted	6,675	11,689,675
Unquoted	125,000,000	75,000,000
Value of investment property	39,576,465	40,080,624
Market value of quoted investments	353	12,640,803
Net asset value of mutual fund units	5,985,050	17,423,650



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

NOTE – 10 : Deferred Tax Assets (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>Deferred Tax Liability</b>		
Impact of expenditure allowed for tax purposes on payment basis in the current year	-	10,290
<b>Gross Deferred Tax Liability</b>	-	<b>10,290</b>
<b>Deferred Tax Asset</b>		
Provision for doubtful debts and advances	6,275,398	4,707,355
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	524,646	622,708
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,168,560	1,107,657
<b>Gross Deferred Tax Asset</b>	<b>10,968,604</b>	<b>6,437,720</b>
<b>Net Deferred Tax Asset</b>	<b>10,968,604</b>	<b>6,427,430</b>

NOTE – 11 : Loans and Advances (Unsecured, Considered good unless stated otherwise)

Particulars	Non-Current		Current	
	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
<b>Security Deposits</b>				
Considered good	145,402,679	121,264,065	-	-
Considered doubtful	506,000	506,000	-	-
Less : Provision for doubtful deposits	145,908,679 (506,000)	121,770,065 (506,000)	-	-
	<b>145,402,679</b>	<b>121,264,065</b>	-	-
Receivable from defaulting members [Refer Note No.- 31(i)]	949,616,925	949,616,925	-	-
	<b>949,616,925</b>	<b>949,616,925</b>	-	-
<b>Advance Income Tax and Tax Deducted at Source</b>				
Considered good [Net of provision Rs. 116,187,673 (31st March 2020 : Rs.12,02,71,450)]	60,357,991	56,375,044	210,874	445,774
Considered doubtful	3,311,000	3,311,000	-	-
Less : Provision for doubtful advance	63,668,991 (3,311,000)	59,686,044 (3,311,000)	210,874	445,774
	60,357,991	56,375,044	210,874	445,774
Prepaid expenses	-	-	3,769,193	3,610,967
Loan to employees - Interest bearing	8,793,196	9,145,622	2,884,501	2,735,709
Balances with statutory/ government authorities	-	-	6,415	205,336
	<b>69,151,187</b>	<b>65,520,666</b>	<b>6,870,983</b>	<b>6,997,786</b>
<b>Receivable from others</b>				
Considered good [Refer Note no.31(iii)]	347,847	347,848	1,513,550	2,153,638
Considered doubtful	1,182,825	1,182,825	-	-
Less : Provision for doubtful advances	1,530,672 (1,182,825)	1,530,673 (1,182,825)	1,513,550	2,153,638
	<b>347,847</b>	<b>347,848</b>	<b>1,513,550</b>	<b>2,153,638</b>
	<b>1,164,518,638</b>	<b>1,136,749,504</b>	<b>8,384,533</b>	<b>9,151,424</b>





## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 12 : Current Investments

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees
<b>INVESTMENTS OF POST-DEMUTUALISATION PERIOD</b>		
(Valued at lower of cost and fair value)		
<b>Non - Trade</b>		
<b>Investments in mutual funds - Unquoted</b>		
15,725 (31st March 2020: 58,968) units of Rs.1,112.88 each fully paid up of Aditya Birla Sun Life Overnight Fund - Growth Direct Plan	1,75,00,000	6,36,83,222
2,60,226 (31st March 2020 : Nil) units of Rs.269 each fully paid up of Aditya Birla Sun Life Floating Rate Fund - Growth Direct Plan	7,00,00,000	-
60,548 (31st March 2020: 76,368) units of Rs.19.64 each fully paid up of Aditya Birla Sun Life Interval Income Fund - Qrtly Plan- Series 1 Growth- Direct Plan *	11,89,266	15,00,000
Nil (31st March 2020: 13,371) units of Rs.1000 each fully paid up of Baroda Overnight Fund - Direct Plan Growth	-	1,40,15,151
1,55,804 (31st March 2020: Nil) units of Rs.10 each fully paid up of Baroda Banking and PSU Bond Fund - Direct Plan Growth *	15,58,040	-
Nil (31st March 2020: 1,016) units of Rs.1000 each fully paid up of Baroda Treasury Advantage Fund - Plan B Growth *	-	12,73,913
Nil (31st March 2020: 1,887) units of Rs.1000 each fully paid up of Baroda Liquid Fund - Plan B Growth **	-	40,00,000
8,162 (31st March 2020: 8,162) units of Rs.1,044.65 each fully paid up of Franklin India Overnight Fund - Direct - Growth	85,26,438	85,26,438
2,35,481 (31st March 2020: 2,36,126) units of Rs.110.41 each fully paid up of Nippon India Overnight Fund - Direct Growth Plan	2,60,00,000	2,53,05,311
583 (31st March 2020 : 578 ) units of Rs.2,232.24 each fully paid up of Axis Liquid Fund - Direct Growth	13,01,397	12,24,010
18,670 (31st March 2020 : 18,951 ) units of Rs.1,087.25 each fully paid up of Axis Overnight Fund - Direct Growth	2,03,00,000	2,00,00,000
27 (31st March 2020: 25) units of Rs.1,008 each fully paid up of Nippon India Low Duration Fund - Daily Dividend Plan Dividend Reinvestment	27,200	25,717
<b>Investments in fixed maturity mutual funds - Unquoted</b>		
Nil (31st March 2020 : 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
Nil (31st March 2020: 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
10,00,000 (31st March 2020: Nil) 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	-
<b>Bonds - Quoted</b>		
5,696 (31st March 2020: Nil) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years Power Finance Corporation Ltd (N4 Series)	56,96,000	-
4,944 (31st March 2020: Nil) 8.2% Bonds of Rs.1,000 each fully paid up of 10 years National Highways Authority of India (N1 Series)	49,44,000	-
	<b>16,70,42,341</b>	<b>15,05,53,762</b>

\* Investment out of Investors' Service Fund

\*\* Investment out of Settlement Guarantee Fund

**Aggregate cost of Investments:**

Quoted	1,06,40,000	-
Unquoted	15,64,02,341	15,05,53,762
Net asset value of mutual fund units	1,14,02,203	-
Market value of quoted investments	16,02,63,346	15,34,23,773



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 13 : Trade Receivables

Particulars	As 31st March, 2021		As at 31st March, 2020	
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they became due for payment:				
Secured, Considered good	6,23,591		10,86,562	
Unsecured Considered good	1,02,98,622		1,57,98,187	
Unsecured, Considered doubtful	2,08,68,321		1,52,31,933	
	3,17,90,534		3,21,16,682	
Less: Provision for Doubtful Debts	(2,08,68,321)	1,09,22,213	(1,52,31,933)	1,68,84,749
Other Receivables:				
Secured, Considered good	52,487		26,653	
Unsecured, Considered good	29,92,690	30,45,177	3,87,709	4,14,362
		<b>1,39,67,390</b>		<b>1,72,99,111</b>



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

NOTE – 14 : Cash and Bank Balances

Particulars	Non-Current		Current	
	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees	As at 31st March, 2021 Rupees	As at 31st March, 2020 Rupees
<b>a. CASH AND CASH EQUIVALENTS</b>				
Balance with Scheduled Banks on current accounts:				
Own Fund	-	-	9,55,57,019	3,90,96,034
Investors' Service Fund	-	-	13,25,495	13,48,902
Settlement Guarantee Fund	-	-	1,14,25,768	17,77,618
Unpaid Dividend Account	-	-	68,10,575	79,04,193
Cash on hand	-	-	20,471	40,859
	-	-	<b>11,51,39,328</b>	<b>5,01,67,606</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 *	2,16,89,168	2,16,89,168	-	-
<b>Post-Demutualisation Period</b>				
Own Funds	46,46,78,572	65,45,26,034	-	-
Earmarked Funds:				
Settlement Guarantee Fund	18,50,55,553	31,03,27,408	-	-
Investors' Service Fund	7,63,98,934	3,76,50,000	-	-
<b>Fixed deposits with remaining maturity for less than 12 months :</b>				
<b>Post-Demutualisation Period</b>				
Own Funds	-	-	27,07,19,499	16,37,57,733
Earmarked Funds:				
Settlement Guarantee Fund	-	-	25,72,95,217	12,69,00,000
Investors' Service Fund	-	-	3,17,50,000	5,99,98,934
	<b>74,78,22,227</b>	<b>1,02,41,92,610</b>	<b>55,97,64,716</b>	<b>35,06,56,667</b>
Amount disclosed under Non-current assets (Refer Note 15)	<b>(74,78,22,227)</b>	<b>(1,02,41,92,610)</b>	-	-
	-	-	<b>67,49,04,044</b>	<b>40,08,24,273</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)*	32,71,00,000	35,96,32,525		
HDFC Bank Ltd **	8,36,50,893	10,96,00,000		
BSE Ltd *	15,00,000	-		
<b>Deposits with remaining maturity for less than 12 months pledged with :</b>				
Indian Clearing Corporation Limited (ICCL)*				
NSE Clearing Limited (NCL) *				
HDFC Bank Ltd **				
	<b>41,22,50,893</b>	<b>46,92,32,525</b>	-	-
Deposits with remaining maturity of not less than 12 months [Refer Note no.26(h)]	1,77,16,426	1,74,81,161		
Deposits with remaining maturity for less than 12 months [Refer Note no.26(h)]	<b>1,77,16,426</b>	<b>1,74,81,161</b>	-	-



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 15 : Other Assets (Unsecured, considered good unless stated otherwise)

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rupees	Rupees	Rupees	Rupees
<b>Non-current bank balances (Refer Note no. 14)</b>	74,78,22,227	1,02,41,92,610	-	-
<b>Other receivables</b>				
Secured, Considered good				
Rent & Electricity	14,95,697	7,64,172	2,42,640	5,13,716
Others	-	-	1,04,475	1,04,475
Unsecured, considered good unless stated otherwise				
Rent & Electricity	12,32,026	8,09,772	2,24,619	6,73,589
Others	-	-	48,869	-
<b>Interest accrued on fixed deposits:</b>				
Own Funds	23,37,917	45,69,969	1,40,47,733	93,59,143
Settlement Guarantee Fund	92,216	56,86,021	1,91,81,505	49,46,128
Investors' Service Fund	3,65,389	36,197	5,63,195	9,64,597
<b>Interest accrued on investments in bonds:</b>				
Own Funds	-	-	4,14,739	4,14,739
	<b>75,33,45,472</b>	<b>1,03,60,58,741</b>	<b>3,48,27,775</b>	<b>1,69,76,387</b>

## NOTE – 16 : Revenue from Operations

Particulars	2020-21	2019-20
	Rupees	Rupees
<b>SALE OF SERVICES :</b>		
Turnover charges on other trading platform :		
- BSE	4,71,737	5,82,235
- NSE	24,30,923	31,49,776
Listing fees	2,24,68,000	2,12,12,500
Subscriptions	15,90,000	15,66,000
Processing charges	1,05,98,000	1,11,88,082
Income from depository participant operation	15,60,602	14,79,085
Commission on PAN services	12,350	24,700
<b>Other operating revenue :</b>		
Bad debts recovered		
- Listing	23,85,250	20,32,537
Recovery of penal charges from clients	37,13,329	31,03,646
Income from NISM Operation	3,26,141	21,27,392
Technology charges from new members	-	50,000
	<b>4,55,56,332</b>	<b>4,65,15,953</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 17 : Other Income

Particulars	2020-21	2019-20
	Rupees	Rupees
Interest on fixed deposits of Investors' Service Fund	61,84,195	70,60,016
Interest on fixed deposits of Settlement Guarantee Fund	3,18,26,532	3,42,22,677
	<b>3,80,10,727</b>	<b>4,12,82,693</b>
Interest income on own fund:		
Fixed deposits	6,01,04,259	7,11,22,647
Tax Free PSU bonds	8,72,480	8,72,480
Security deposit with CESC Ltd	1,40,597	1,40,923
Security deposit with National Stock Exchange of India Ltd	48,689	54,348
Income Tax refunds	1,979	-
Interest on delayed payment of listing fees	28,40,627	14,44,759
Others	12,90,024	10,93,991
	<b>6,52,98,655</b>	<b>7,47,29,148</b>
Profit on sale of Current investments	62,60,832	76,95,123
Profit on sale of Current investments of Investors' Service Fund	3,90,794	-
Profit on sale of Current investments of Settlement Guarantee Fund	4,67,560	-
Profit on sale of Long term investments	42,45,552	-
	<b>1,13,64,738</b>	<b>76,95,123</b>
Dividend income from investments:		
Long term investments of own fund	5,64,741	-
Current investments of own fund	9,023	2,00,247
	<b>5,73,764</b>	<b>2,00,247</b>
Other Income:		
Rent	11,02,526	10,42,552
Tenancy right transfer fees	5,53,260	-
Miscellaneous receipts	12,48,380	10,82,385
Liabilities/Provisions no longer required, written back	6,33,657	12,17,992
	<b>35,37,823</b>	<b>33,42,929</b>
	<b>11,87,85,707</b>	<b>12,72,50,140</b>

## NOTE – 18 : Employee Benefits Expense

Particulars	2020-21	2019-20
	Rupees	Rupees
Salaries, bonus etc.	6,94,45,595	7,55,50,752
Contribution to provident and other funds [Refer Note no.33(iii)]	1,02,48,609	99,77,782
Gratuity Expense [Refer Note no.33]	30,58,504	74,72,693
Staff welfare Expense	30,93,874	29,72,428
	<b>8,58,46,582</b>	<b>9,59,73,655</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

## NOTE – 19 : Other Expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Advertisement		25,500		15,438
Electricity charges	58,12,820		69,66,783	
Less : recovered from tenants	(4,75,842)	53,36,978	(14,83,496)	54,83,287
Rates & Taxes [(Current amount includes prior period item - Rs.84,82,736) Refer Note - 36]		98,48,488		20,34,001
Insurance		1,69,165		2,01,342
Printing & Stationary		2,16,160		3,74,048
Telephone charges		6,23,033		6,29,514
Travelling & Conveyance		20,735		1,94,939
Motor car expenses		2,05,613		1,08,400
Repairs & Maintenance:				
Building	1,56,904		2,87,784	
Others *	1,00,29,673	1,01,86,577	1,23,82,879	1,26,70,663
Expenses for Other Trading Platform:				
BSE		1,52,000		1,34,107
NSE		1,84,876		2,74,526
Interest on delayed payment of statutory dues		13,212		1,24,127
Security Expenses		8,90,102		10,87,452
Expenses for depository services		5,17,136		6,14,927
Legal & Professional Fees		78,88,361		94,67,472
Auditor's Remuneration:				
Audit Fee (Current year's amount includes Rs.3,50,000 related to previous year)	21,00,000		14,00,000	
Tax Audit Fee	2,00,000		2,00,000	
In other capacity	25,000		42,112	
Reimbursement of Expenses	10,285	23,35,285	96,503	17,38,615
Investors' Service Expenses		16,034		70,231
Loss on fair valuation of current investments of Investors' Service Fund		-		7,78,868
Directors Sitting Fee		5,70,000		10,25,000
CSR Expenditure **		21,51,000		11,00,000
Provision for Doubtful Debts and Advances		56,36,388		30,00,000
Bad Debts	-		97,75,907	
Less : Adjusted against Provision for Doubtful Debts	-	-	8,79,430	88,96,477
Miscellaneous Expenses		16,49,058		16,61,925
		<b>4,86,35,701</b>		<b>5,16,85,359</b>

\* Including Rs.85,51,977 (31st March 2020 : Rs.1,08,57,276) for computer maintenance and service charges.

\*\* Amount yet to be spent by the company for the Current Year.

## NOTE – 20 : Depreciation and Amortization Expense

Particulars	2020-21	2019-20
	Rupees	Rupees
Depreciation of property, plant and equipment	16,44,258	20,91,776
Amortization of Intangible Assets	1,33,360	2,21,330
Depreciation on Investment Property	5,04,159	5,04,159
	<b>22,81,777</b>	<b>28,17,265</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE – 21 : Contribution to Settlement Guarantee Fund

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest on Fixed Deposits of Settlement Guarantee Fund		3,18,26,532		3,42,22,677
Profit on sale of Current investments of Settlement Guarantee Fund		4,67,560		
Less : Expenses of Settlement Guarantee Fund				
Legal & Professional expenses	1,69,967		9,28,886	
Audit expenses	2,50,000		2,50,000	
Other expenses	28,600	4,48,567	1,10,343	12,89,229
Less : Tax expenses (Net of above expenses)		88,59,425		91,62,085
		2,29,86,100		2,37,71,363
Add : Contribution to Settlement Guarantee Fund on Turnover				
Exchange's contribution to CSE-NSE SGF on turnover for Cash Segment	28,277		29,510	
Exchange's contribution to CSE-NSE SGF on turnover for FO Segment	39,770		70,665	
Exchange's contribution to CSE-BSE SGF on turnover for Cash Segment	10,223	78,270	13,232	1,13,407
		2,30,64,370		2,38,84,770

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

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest on fixed deposits Investors' Service Fund	61,84,195		70,60,016	
Profit on sale of Current investments of Investors' Service Fund	3,90,794		-	
20% Listing fees contribution on collection	45,45,102	1,11,20,091	37,13,991	1,07,74,007
Less : Expenses of Investors' Service Fund				
Service Charges for ISC	3,000		33,000	
Miscellaneous Expenses	13,034		37,231	
Loss on fair valuation of current investments of Investors' Service Fund	-	16,034	7,78,868	8,49,099
Less : Tax expenses (Net of above expenses)		30,89,149		27,61,109
		80,14,908		71,63,799

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

Particulars	2020-21	2019-20
	RUPEES	RUPEES
Net Loss after Tax as per Statement of Profit and Loss	(1,04,92,677)	(1,95,74,079)
Weighted average number of equity shares	6,11,250	6,11,250
<b>Earnings per share - Basic &amp; Diluted (Rs.)</b>	<b>(17.17)</b>	<b>(32.02)</b>
<b>Nominal Value of share (Re.)</b>	<b>1</b>	<b>1</b>



THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

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) In respect of Assessment year 2018-19, the Assessing Officer has raised a demand of Rs.35,277 on account of interest on late deposit of dividend distribution tax. The Exchange has filed an appeal before Ld. Commissioner of Income Tax (Appeals) against the said Assessment Order on 28.04.2021, which is pending disposal as on date.
- e) 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 said subsidiary has filed an appeal u/s.154 for rectification of the same, which is pending disposal as on date.

**Other matters:**

- f) During the year 1999-2000, the Holding Company had received three show cause notices from the Employees State Insurance Corporation of West Bengal demanding an amount





## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

- aggregating to Rs.44,59,799 as contribution payable by the Holding Company. The Holding Company has filed a Writ Petition before the Hon'ble High Court at Calcutta for quashing the notices. As the matter is Sub-Judice, the claim has not been acknowledged and no provision has been made for the same.
- g) 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.
- h) 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.1,77,16,426 by way of fixed deposit to be kept with the concerned lawyer on record till further order or disposal of the case. During the current year, the fixed deposit was renewed after maturity and hence this renewed fixed deposit was lying with the Holding Company as on March 31, 2021. The Holding Company is in the process of complying with the directions of the Division Bench of High Court of Calcutta as regards to placement of fixed deposit with the concerned lawyer on record. These fixed deposits are separately disclosed as part of the Cash and bank balance in the Note 14.

i) **Other miscellaneous claims not acknowledged as debts by Holding Company** (Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Property Tax demand from Kolkata Municipal Corporation (Refer Note 36)	-	2,35,30,772
Demand of penalty from HIDCO for non-utilisation of land at New Town, Kolkata	5,00,00,000	5,00,00,000
Others	2,32,423	2,18,059

**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. Taking into consideration the Holding



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

Company's obligation to transfer such net income to those funds, such transfers have been recognized as charge in the statement of Profit & Loss.

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 Holding 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 Holding 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 Holding 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 Holding Company, no additional contributions to the Settlement Guarantee Fund after the aforesaid date was considered necessary.

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

SI No	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>Under Reserves &amp; Surplus (Settlement Guarantee Fund):</b>		
I	Settlement Guarantee Fund of the Exchange	38,45,18,068	36,14,53,698
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>42,30,66,251</b>	<b>40,00,01,881</b>
	<b>Under Other Current Liabilities (Settlement Guarantee Fund):</b>		
IV	Members BMC/SGF in Cash	9,97,70,567	10,32,36,370
V	Interest Adjustable with BMC/ABMC	93,68,136	99,26,715
VI	Members' deposit towards BSE/NSE-SGF	19,12,781	19,27,781
	<b>Total</b>	<b>11,10,51,484</b>	<b>11,50,90,866</b>
	<b>Grand Total</b>	<b>53,41,17,735</b>	<b>51,50,92,747</b>

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

(Amount in Rupees)

SI No	Particulars	As at March 31, 2021	As at March 31, 2020
I	Investments in Fixed Deposits	44,23,50,770	43,72,27,408
II	Investments in Fixed Deposit with Financial Institution	50,00,000	50,00,000
III	Investments in Mutual Fund Units	-	40,00,000
IV	Balances in Current Account	1,14,25,768	17,77,618
V	Interest accrued on Fixed Deposits	1,92,73,721	1,06,32,149
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	(39,32,524)	(35,44,428)
	<b>Total</b>	<b>53,41,17,735</b>	<b>51,50,92,747</b>



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

- (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 Holding 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 Holding 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 account 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 Holding Company had suspended trading operations w.e.f. April 3, 2013. Till then the Holding Company had settled all trading transactions through its own clearing/settlement mechanism. Consequently, the aforesaid order of SEBI is not applicable to the Holding 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: (Amount in Rupees)

Particulars	2020-21	2019-20
<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
- Legal & Professional Fees	1,69,967	9,28,886
	<b>4,48,567</b>	<b>12,89,229</b>
<b>Investors' Service Expenses</b>	<b>16,034</b>	<b>8,49,099</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 31.03.2021. Out of the above, the Holding 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 31.03.2021, 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.94,96,16,925 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 Holding Company from the defaulters and such refund shall be subject to resolution of specific issues, which are sub-judice in certain cases.



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

During an 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 recognized adhoc 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.45,21,80,187 (Rs.26,73,90,209) and fixed deposits of Rs.17,39,24,939 (Rs.17,84,81,459) as at 31.03.2021, have not been included in the consolidated 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	2020-21	2019-20
Discount rate	6.71%	6.55%
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	2020-21	2019-20
Contribution to Provident/Pension Fund	64,01,759	62,74,724
Contribution to Superannuation Fund	27,20,446	27,22,020
Contribution to National Pension Scheme	11,11,787	8,49,806
Contribution to Employees State Insurance Scheme	14,617	1,31,232

34. **Related party disclosures:**

Name of related parties and related party relationship

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

**Key Management Personnel** Mr. Subrata Das (MD & CEO)- Upto March 8, 2019



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

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

**Trust set-up by the Holding Company (Amount in Rupees)**

Name	Particulars	2020-21	2019-20
Stock Exchange Investors' Protection Fund	Contribution to Stock Exchange Investors' Protection Fund	46,56,227	41,24,476
	Expenses recoverable / incurred on behalf related party	1,79,040	24,95,643
	Amount paid	50,00,000	(89,339)
	Amount (payable) / receivable outstanding	(23,57,226)	(28,72,539)

**Key Management Personnel**

Name	Particulars	2020-21	2019-20
Mr. Subrato Das (MD & CEO)	Remuneration and other allowances	Nil	41,37,881

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.50,68,541 (after adjusting MAT credit utilized during the current year Rs.38,11,069) in the absence of convincing evidence to claim the above tax credit in future years.
36. The demand towards property tax from Kolkata Municipal Corporation in respect of The Calcutta Stock Exchange Building was shown as contingent liability in the previous year ended 31st March 2020. The Holding Company has made a representation to Kolkata Municipal Corporation to re-assess the property tax payable to them for the said property. Pending re-assessment, management has estimated a liability of Rs.95,00,000 (including prior period expenses of Rs.84,82,736) provided in these consolidated financial statements, based on an estimated annual valuation of the property. Consequently, no contingent liability has been shown for the demand this year.
37. **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 Holding 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.
38. 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



## THE CALCUTTA STOCK EXCHANGE LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

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

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

39. 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 previous year.
40. 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	2020-2021		2020-2021		2019-2020		2019-2020	
	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	94.52%	1,75,29,57,415	115.58%	(1,21,27,262)	94.5%	1,73,31,54,828	110.72%	(2,16,73,097)
<b>Indian Subsidiary</b>								
CSE Capital Markets Private Limited	5.28%	9,78,40,801	-14.35%	15,06,172	5.41%	9,91,67,219	-15.41%	30,16,982
Lyons Range Securities Clearing Corporation Limited	0.20%	37,63,169	-1.22%	1,28,410	0.09%	16,52,735	4.69%	(9,17,965)

41. 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: 29th November, 2021

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

**Anindo Majumdar**  
Director

**Chacko Joseph**  
Director

**Gautam Ganguli**  
Director

**Prosenjit Dutta**  
Chief Financial Officer









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