



## **Governing Board**

Mr Vijay Bhushan	Chairman
Mr Mahender Kumar Gupta	Director
Mr Vinod Kumar Goel	Director
Mr. Hans Raj Kapoor	Director

## **Company Secretary**

Mr Sunil Bhatia

## **Auditors**

P. Bholusaria & Co.  
*Chartered Accountants*

## **Bankers:**

Canara Bank  
HDFC Bank

## **Registered Office:**

DSE House, 3/1, Asaf Ali Road  
New Delhi-110 002

## **Registrar & Transfer Agent :**

**Abhipra Capital Limited**  
Dilkhush Industrial Estate  
A-387, G. T. Karnal Road, Azadpur  
New Delhi-110 033



## CONTENTS

Governing Board	1
Directors' Report	3
Corporate Governance Report	6
Form AOC-2	10
MGT-9	11
Independent Auditors' Report	20
Balance Sheet	25
Profit & Loss Account	26
Cash Flow Statement	27
Notes	28
Form AOC-1	47
<b>Consolidated Financial Report</b>	
Independent Auditors' Report	48
Balance Sheet	54
Profit & Loss Account	55
Cash Flow Statement	56
Notes	57
<b>Delstox Stocks And Shares Ltd.</b>	
<i>(Formerly DSE Financial Services Ltd.)</i>	
Governing Board	78
Notice	79
Directors' Report	80
Corporate Governance Report	84
MGT-9	86
Form AOC-2	93
Independent Auditors' Report	94
Balance Sheet	99
Profit & Loss Account	100
Cash Flow Statement	101
Notes	102
Proxy	115
Map	116

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting 71st Annual Report on the operations of the Company and the audited accounts for the year ended March 31, 2019. The financial highlights including consolidated results of the Company for the year are as under:-

### FINANCIAL HIGHLIGHTS

(₹ in lacs)

Particulars	Stand-alone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross Income	328.17	378.49	410.83	451.68
Total Expenditure	175.25	229.51	243.29	300.05
Depreciation	43.76	53.18	44.65	53.66
Surplus after Depreciation	109.16	95.80	122.89	97.97
Exceptional Item	0	25.92	0	25.92
Provision for Taxation	30.60	23.77	30.60	23.76
Net Surplus	78.56	46.11	92.29	48.29
Balance brought forward	(4143.60)	(4189.71)	(4327.22)	(4375.51)
Balance	(4065.04)	(4143.60)	(4234.93)	(4327.22)

### PERFORMANCE HIGHLIGHTS

#### OPERATIONS

The gross revenue of the company during the financial year 2018-19 was ₹ 328.18 lacs as against ₹ 378.49 lacs in 2017-18. However, there is an accrued income of ₹ 90.42 Lakhs in Mutual Fund investment which will be accounted upon encashment.

Due to the efforts of the management the expenses declined during the financial year 2018-19. The Employee benefit Expenses declined from ₹ 60.43 lakhs to ₹ 49.51 lakhs which amounts to a reduction of 18%. The other expenses declined from ₹ 159.21 lakhs to ₹ 124.58 lakhs. This translates into a reduction of 21% over previous year expenses.

The Company's profit after taxation increased by 70% from ₹ 46.11 lacs in 2017-18 to ₹ 78.56 lacs in 2018-19.

#### DIVIDEND

The Board does not recommend any dividend for the year under review.

### YEAR 2018-19 FOR THE COMPANY

During the year the management accelerated the task of refunding the deposits and TGF of the erstwhile brokers of the company. As on date, refund has been given to 248 brokers for an aggregate amount of ₹ 659 Lakhs (including FDRs). The total amount recovered towards DSE dues is around ₹ 51 Lakhs.

The management is happy to report that we have successfully contested and have taken possession of our two commercial flats at Laxmi Nagar.

#### DIRECTORS

During the financial year 2018 -19 there was no change in constitution of the Board. Mr. Mahender Kumar Gupta retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

#### SUBSIDIARY COMPANY

Delstox Stocks And Shares Limited, a 100 percent Subsidiary of your Company is providing a trading platform to the members of DSE in National Stock



Exchange and Bombay Stock Exchange for Cash and F&O segments. DSSL, also a depository participant of CDSL provides the depository facilities to its clients.

During the financial year 2018 - 2019 the gross revenue from operations was ₹ 82.90 Lakhs against ₹ 73.44 Lakhs last year. The profit before provision, depreciation and interest amounted to ₹ 14.61 lakhs as against ₹ 2.65 Lakhs for the previous year. After accounting for depreciation of ₹ 0.89 lacs, Profit after tax amounted to ₹ 13.72 lakhs against the Profit of 2.18 Lakhs last year

The turnover of the company during the year in NSE (Cash and F&O) and BSE (Cash) is ₹ 1390.67 crores and ₹ 160.02 crores respectively. The company saw a modest increase in opening of demat account to the tune of 3310 as on March 31, 2019 from 3237 as on March 31, 2018. The audited annual accounts of the subsidiary company for the financial year 2018-19 together with the Report of Directors and Auditors and the statement under section 129 of the Companies Act, 2013 are annexed with this report.

#### **BOARD MEETINGS**

During the year, four Board meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered into with related parties during the financial year were in the ordinary course of business. None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company.

Information on transactions with related parties pursuant to section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, are given in Annexure in Form AOC-2 and the same forms part of this report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.. As per the provisions of section 135, the Company does not have CSR obligation for the year 2018-19.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of investments made by the company are given in the notes to the financial accounts.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has set up Internal Complaints Committee to redress complaints, if any. During the year under review, no complaint has been received in respect of Sexual Harassment from any of the employees of the Company.

#### **ANNUAL RETURN**

The extracts of Annual Return in Form MGT- 9, pursuant to the provisions of Section 92 (3) read with Rule 12 (1) of the Companies (Management

and administration) Rules, 2014 is in **Annexure 1** and is attached to this Report.

### **DEPOSITS**

Your Exchange has not accepted any deposits during the year under review.

### **CORPORATE GOVERNANCE**

Your Directors are of the firm belief that corporate governance is the system by which business corporations are directed and controlled.

Your Company has adopted highest standards of Corporate Governance principles. A report on Corporate Governance for the period under review is given as a separate statement and forms part of the Annual Report.

### **AUDITORS**

M/s P. Bholusaria & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### **AUDITORS' OBSERVATIONS**

The comments on the observation in the report of the Auditors on the stand-alone financial statements for the financial year 2018-19 are as under:

**Qualification on Note no. 30 of financial statements regarding non-provision of amount of ₹ 15,50,48,204/- in respect of fees of brokers/sub-brokers (inclusive of interest) paid to SEBI.**

Your Board feels that the Company is not liable to pay the said outstanding dues of brokers/sub-brokers and has paid the same to SEBI 'without prejudice' to get the refund of amount from SEBI if the excess amount has been paid. The amounts are recoverable from the respective brokers. Upto the year end the Company has recovered amount of ₹ 33,41,095/- From some brokers, sub-brokers. Subsequent to the year end, the Company has further recovered ₹ 20,566/-. The Board is making efforts to recover the remaining amount of ₹ 15,50,48,204/-. Hence, no provision is necessary at present.

**Point (i) of Emphasis of Matter on note no. 31 regarding accounts being prepared on going concern basis:**

The going concern concept of the company will not be impacted merely because of the Company has

been de-recognized as a Stock Exchange as the company will continue to be a corporate entity.

**Point (ii) of Emphasis of Matter on note no. 9.1 regarding accumulated losses of wholly owned Subsidiary company Delstox Stocks And Shares Ltd.:**

No provision is required to be made for any diminution in the value of investment in view of long term/ strategic involvement of the company and in view of such diminution being considered to be of temporary in nature.

### **DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

No director of the Company receives any remuneration except sitting fee for attending the meetings of the Board and Committees. The Company does not have any employee whose remuneration falls under the limits prescribed under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014.

### **ACKNOWLEDGEMENT**

Your Directors thankfully acknowledge and place on record the sincere appreciation for the continuous support, assistance and cooperation extended by the Securities and Exchange Board of India, Central Government, Registrar of Companies, Local Administration and Delstox Stocks And Shares Limited during the year under review.

Your Directors appreciate the valuable contributions made by the employees of the Company and look forward to their continued dedication and involvement as hitherto.

Your Directors are also grateful to the shareholders for their continued support and co- operation in the successful conduct of affairs of the Company.

On behalf of the Board of Directors

**Vijay Bhushan**  
Chairman  
DIN : 00002421

Place : New Delhi  
Dated: August 26, 2019



## CORPORATE GOVERNANCE REPORT

### 1. BRIEF STATEMENT ON THE COMPANY'S CODE ON CORPORATE GOVERNANCE

The Company's Code on Corporate Governance is based on ethical business conduct by adhering to laws, rules and regulations and amendments thereto that determine the management's ability to take decisions in convergence with its members, creditors, employees and regulators. The Company believes and strongly recommends that sound Corporate Governance is vital for boosting stakeholders' confidence and ensuring transparent and efficient conduct of the business with integrity. Hence, Corporate Governance provides a framework to govern the Company as per the highest standards of ethical and responsible conduct of business and translate into a much higher level of stakeholders confidence which is crucial to ensure the long term sustainability and value generation by business.

### 2. ABOUT THE COMPANY

Delhi Stock Exchange Limited (DSE) was incorporated under the Indian Companies Act, 1913 and was a recognized Stock Exchange within the meaning of Section 4 of the Securities Contracts (Regulation) Act, 1956 (SCRA). The Ministry of Finance, Government of India vide notification published on March 15, 2016 in the Gazette of India withdrew the recognition granted under the above section. SEBI also issued Exit Order to DSE on January 23, 2017. The Board of Directors and various Committees of DSE are responsible for the overall management of the Company.

### 3. BOARD OF DIRECTORS

#### i. Directors

During the financial year 2018-19, Mr Vijay Bhushan, Mr Mahender Kumar Gupta, Mr Vinod Kumar Goel, and Mr Hans Raj Kapur constituted the Board of Directors of the company.

#### ii. Composition and Attendance of each Director at the Board meetings from April 1, 2018 to March 31, 2019:

During 2018-19, four Board meetings were held on May 2, 2018, August 31, 2018, December 26, 2018 and February 16, 2019. The time-gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013.

The composition of the Board during the financial year 2018-19, the Board meetings attended by them during the Financial Year under review and their attendance at the last Annual General Meeting are as follow:

Sl. No.	Name of the Director	Designation	Held during tenure	No. of meetings attended	Attendance at the last AGM
1	Mr. Vijay Bhushan	Director	4	4	Yes
2	Mr. M.K.Gupta	Director	4	4	Yes
3	Mr.Vinod Kr Goel	Director	4	4	Yes
4	Hans Raj Kapoor	Director	4	4	No

iii) Sitting fees paid by the Company to Directors for attending Board and Committee meetings during Financial Year 2018-19 are given below:

Sl. No.	Name of the Director	Amount ₹
1.	Mr. Vijay Bhushan	65,000
2.	Mr. Mahender Kumar Gupta	65,000
3.	Mr. Vinod Kumar Goel	65,000
4.	Mr. Hans Raj Kapoor	45,000

#### 4. COMMITTEES

##### a) AUDIT COMMITTEE

The scope of the Audit Committee constituted is as under:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;

During the year under review, one meeting of the Audit Committee were held on 31<sup>st</sup> October 2018 .The composition of the Audit Committee and the attendance at its meetings during the financial year 2018-19 are given hereunder:

Sl. No.	Name of the Member	Designation	Held during tenure	No. of meetings attended
1	Mr. Vijay Bhushan	Director	1	1
2	Mr.M.K.Gupta	Director	1	1
3	Mr.Vinod Kr Goel	Director	1	1
4	Hans Raj Kapoor	Director	1	1



**b) OTHER COMMITTEES**

In addition, there was a CPF Trust Committee Meeting held on 31.08.2018 and 26.02.2019.

**5. DETAILS OF COMPLIANCE OFFICER**

<b>Name</b>	<b>Designation</b>	<b>Contact No. and e-mail id</b>
Mr Sunil Bhatia	Company Secretary	23298988 bhatia.s@dseindia.org.in

**6. GENERAL BODY MEETINGS**

Location and time of last three AGMs and EGMs are as follows:

Extra Ordinary General Meeting	November 29, 2016 at 4:00 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	December 31, 2016 at 11:30 AM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Extra Ordinary General Meeting	July 22, 2017 at 11:00 A.M. (Adjourned)	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	December 20, 2017 at 4:00 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	September 29, 2018 at 11:30 A.M.	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002

**7. DISCLOSURES**

- During the year there have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- The Company has complied with the requirements of regulatory authorities as applicable from time to time. During the last three years, there has been no non-compliance to the provisions/ requirements of SEBI or any other regulatory authorities.

**8. GENERAL SHAREHOLDER INFORMATION**

**i. Forthcoming AGM - Date, time and venue:**

The 71<sup>st</sup> Annual General Meeting of the Company is scheduled for Monday, September 30, 2019 at 4.00 P.M. at DSE House, 3/1, Asaf Ali Road, New Delhi-110002

**ii. Financial year:**

The Company's financial year was from April 1, 2018 to March 31, 2019.



**iii. Book Closure:**

The Register of Members of the Company shall be closed during the period September 25, 2019 to September 30, 2019 (both days inclusive).

**iv. Registrar & Share Transfer Agent:**

Abhipra Capitals Limited  
Abhipra Complex,  
A-387, Dilkhush Industrial Area,  
G.T. Karnal Road, Azadpur  
Delhi - 110 033

**v. Demat of Shares:**

Equity Shares of the Company have been admitted in NSDL and CDSL. The ISIN no. is INE275I01021. Face value of the shares is ₹ 1/- per share. Out of total Share Capital, 96.60% is held in demat form as on March 31, 2019.

**vi. Address for correspondence:**

Delhi Stock Exchange Limited  
DSE House,  
3/1, Asaf Ali Road,  
New Delhi- 110002  
Ph: 23298988  
The website of the Company is [www.dseindia.org.in](http://www.dseindia.org.in)

**vii. Nomination facility:**

In terms of Section 72 of the Companies Act, 2013, the members are allowed to nominate any person to whom they desire of making / changing a nomination in respect of their shareholding in the company. Members can avail the nomination facility by submitting Form SH. 13 (in duplicate) to the company or it's R&T Agent Abhipra Capitals Limited. The form can be furnished by Abhipra Capitals Limited on request.

On behalf of the Board of Directors

**(Vijay Bhushan)**  
Chairman  
DIN : 00002421

Date : August 26, 2019  
Place: New Delhi



## Form No. AOC-2

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

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

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

Delhi Stock Exchange Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

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

**(a) Name(s) of the related party and nature of relationship:**

Delstox Stocks And Shares Limited, wholly owned subsidiary of Delhi Stock Exchange Limited.

**(b) Nature of contracts/arrangements/transactions:**

By a resolution in its meeting held on January 5, 2018, the Board approved a resolution under which space in DSE House 3/1, Asaf Ali Road, New Delhi was continued to be given to Delstox Stocks And Shares Limited for its operational use against payment of rent, maintenance charges and electricity expenses.

**(c) Duration of the contracts / arrangements/transactions:** Continuing

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

The terms provided for payment of rent and maintenance charges for the usage of space, fixtures, furniture and security provided by the company to DFSL at monthly charges for ₹ 2,100/- on account of rent and maintenance and ₹ 10,000/- for electricity consumption.

**(e) Date of approval by the Board, if any:**

The decision was approved by the Board of Directors of the Exchange in its meeting held on January 5, 2018

**(f) Amount paid as advances, if any: Nil**

On behalf of the Board of Directors

**(Vijay Bhushan)**

Chairman

DIN : 00002421

Date : August 26, 2019

Place : New Delhi

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

for the financial year ended on 31st March 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U91120DL1947PLC001239
- ii) Registration Date : 25.06.1947
- iii) Name of the Company : DELHI STOCK EXCHANGE LIMITED
- iv) Category / Sub-Category of the Company : Non-Government Company Limited by shares
- v) Address of the Regd. Office of the Company & contact details : DSE HOUSE  
3/1, Asaf Ali Road, New Delhi - 110002  
Phone: 011-23278988
- vi) Whether listed company : No
- vii) Name Address & Contact details of the Registrar & Transfer Agent, if any : Abhipra Capital Limited  
Dilkhush Industrial Estate  
A-387, G. T. Karnal Road, Azadpur  
New Delhi - 110033

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Nil	NA	Nil

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	Delstox Stocks And Shares Limited (formerly DSE Financial Services Ltd.)	U67110DL1996PLC079973	Subsidiary Company	100%	Section 2 (87) (ii)

**IV. SHARE HOLDING PATTERN**  
**(Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>1 Indian</b>									
(a) Individuals/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total(A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 Foreign</b>									
a NRI-Individuals	0	0	0	0	0	6	6	0	0
b Other-Individuals	0	0	0	0	0	6	6	0	0
c Bodies Corporate	0	0	0	0	0	6	6	0	0
d Banks/FI	0	0	0	0	0	6	6	0	0
e Any Other (Specify)	0	0	0	0	0	6	6	0	0
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(B) Public shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	80,000	0	80,000	0.27	80,000	0	80,000	0.26	0
(c) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e) Insurance Companies	0	0	0	0	0	0	0	0	0
(f) FIs	0	0	0	0	0	0	0	0	0
(g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(h) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>	<b>0.27</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>	<b>0.26</b>	<b>0</b>

<b>2 Non- institutions</b>									
(a) Bodies Corporate									
i) Indian	15500819	749600	16250419	53.73	15153658	749600	15903258	52.58	-1.15
ii) Overseas									
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lac	7143068	280031	7423099	24.54	7413198	280031	7693229	25.43	0.89
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	156000	0	156000	0.52	156000	0	156000	0.52	-
(d) Others:									
NRIs	4000	—	4000	0.01	4000	—	4000	0.01	-
HUF	48982	—	48982	0.16	126013	0	126013	0.42	0.26
Foreign Corporate Bodies	6283500	—	6283500	20.78	6283500	0	6283500	20.78	-
<b>Sub-Total (B)(2)</b>	<b>29216369</b>	<b>1029631</b>	<b>30246000</b>	<b>100</b>	<b>29216369</b>	<b>1029631</b>	<b>30246000</b>	<b>100</b>	<b>0</b>
<b>(B) Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>29216369</b>	<b>1029631</b>	<b>30246000</b>	<b>100</b>	<b>29216369</b>	<b>1029631</b>	<b>30246000</b>	<b>100</b>	<b>0</b>
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>29216369</b>	<b>1029631</b>	<b>30246000</b>	<b>100</b>	<b>29216369</b>	<b>1029631</b>	<b>30246000</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged /encumbered to total shares	
	NIL							

**(iii) Change in Promoters' Shareholding**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Not Applicable			
2	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
3	At the end of the year				

**(iv) Shareholding of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)**

Sl No.	For each of the top 10 shareholders	Shareholding at the end of the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Parsvnath Developers Ltd	1496500	4.95	1496500	4.95
2.	Omaxe Limited	1496500	4.95	1496500	4.95
3.	63 Moons Technologies Limited	1496500	4.95	1496500	4.95
4.	Bennett, Coleman and Company Ltd.	1496500	4.95	1496500	4.95
5.	New Vernon Private Equity Limited	1496500	4.95	1496500	4.95
6.	EHL Eastern Holdings Ltd	1496500	4.95	1496500	4.95
7.	Wilmette Holdings Limited	1496500	4.95	1496500	4.95
8.	LFP DSE Limited	1495000	4.94	1495000	4.94
9.	TV18 Broadcast Limited	898500	2.97	748250	2.97
10.	Nahar Capital and Financial Services Ltd.	748250	2.47	898500	2.47

**(v) Shareholding of Directors and Key Managerial Personnel**

SI No.	Director's Name	Shareholding at the end of the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr Vijay Bhushan				
1.	At the beginning of the year	36037	0.12	36037	0.12
2.	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity shares etc.)	—	—	—	—
3.	At the end of the year	36037	0.12	36037	0.12

SI No.	Director's Name	Shareholding at the end of the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr Mahender Kumar Gupta				
1.	At the beginning of the year	34031	0.11	34031	0.11
2.	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity shares etc.)	—	—	—	—
3.	At the end of the year	34031	0.11	34031	0.11

SI No.	Director's Name	Shareholding at the end of the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr Vinod Kumar Goel				
1.	At the beginning of the year	60000	0.20	60000	0.20
2.	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity shares etc.)	—	—	—	—
3.	At the end of the year	60000	0.20	60000	0.20

SI No.	Director's Name	Shareholding at the end of the year		Shareholding at the beginning of the year	
	Mr Hans Raj Kapoor	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	0	0	0	0
2.	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity shares etc.)	—	—	—	—
3.	At the end of the year	0	0	0	0

SI No.	Key Managerial Person	Shareholding at the end of the year		Shareholding at the beginning of the year	
	Mr Sunil Bhatia	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	0	0	0	0
2.	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity shares etc.)	—	—	—	—
3.	At the end of the year	0	0	0	0



## V. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profit in lieu of salary under section 17(3) income tax Act, 1961	<b>NIL</b>	
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of Profit		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

**B. Remuneration to Other Directors:**

(in ₹)

Sr. No.	Particulars of Remuneration	Fee for attending Board Meetings	Fee for attending Committee Meetings	Commission	Others CPF Trust Committee	Total Amount
	Non-Executive Directors					
1.	Mr Vijay Bhushan	40,000	5,000	NIL	20,000	65,000
2.	Mr Mahender Kumar Gupta	40,000	5,000	NIL	20,000	65,000
3.	Mr Vinod Kumar Goel	40,000	5,000	NIL	20,000	65,000
4.	Mr Hans Raj Kapoor	40,000	5,000	NIL	NIL	45,000

Sl. No	Particulars of Remuneration	Name of MD/WTM/Manager						Total Amount
1.	Independent Directors							
	a) Fee for attending Board Meeting b) Fee for attending Committee Meeting c) Commission d) Other, Please Specify							
	Total (1)							
2.	Other Non-Executive Directors a) Fee for attending board Committee Meeting b) Commission c) Other, Please Specify							
	Total (2)							
	Total (B)=(1+2)							
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

NIL

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

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the income tax Act, 1961	—	10,68,981	—	10,68,981
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of Profit	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	10,68,981	—	10,68,981

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give Details)
A.	Company - Exit order issued by SEBI on 23.01.2017 Penalty Punishment Compounding	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL
B.	DIRECTORS Penalty Punishment Compounding	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL
C.	OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL

By Order of the Board of Directors  
For Delhi Stock Exchange Ltd.

Date : August 26, 2019  
Place: New Delhi

**Vijay Bhushan**  
Chairman  
DIN : 00002421



## Independent Auditors' Report

**To The Members of  
Delhi Stock Exchange Limited  
(Formerly, The Delhi Stock Exchange Association  
Limited)**

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

#### **Qualified Opinion**

**We have audited the standalone financial statement of DELHI STOCK EXCHANGE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss and statement of cash flows 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 matter 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Companies Accounting Standard prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

*Reference is invited to Note no. 30 of financial statements regarding non-provision of amount of ₹ 15,50,48,204/- in respect of fees of brokers/sub-brokers (inclusive of interest) paid to SEBI during the earlier year (net of recovery and refund). In the opinion of management no provision is required for the said amount. In our opinion, on the basis of information and explanations made available to us by the management, there is uncertainty of the refund / recovery of the aforesaid amount and, therefore, provision is required to be made for the same. As a result of this, profit for the year as shown in the statement of Profit & loss is higher by ₹ 15,50,48,204/-; amount of Reserve & Surplus as shown in the Balance sheet is overstated to that extent; Short Term loans and advances as shown in the Balance sheet is overstated to that extent. Our opinion is qualified on this issue. We had also given qualified opinion on this issue in our audit report on the financial statements as on/ for the year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018.*

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rule 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 opinion.

#### **Emphasis of Matter**

Without qualifying our opinion, we invite reference to:

- i) Note no. 31 regarding account being prepared on going concern basis.  
SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 had passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock Exchange, as the company intends to continue as a corporate entity.
- ii) Note no. 9.1 regarding accumulated losses of wholly owned subsidiary company DSE Financial Services Ltd.

As per Audited Financial Statements of the wholly owned subsidiary company DSE Financial Services Ltd., it has accumulated losses of ₹ 1,69,89,284/- as on 31.03.2019. In the opinion of the management, no provision is required to be made for any diminution in the value of investment in view of long term/ strategic involvement of the company and in view of such diminution being considered to be of temporary in nature.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's management and 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

accounting principles generally accepted in India including the Accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 'A'** a



statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
  - (a) We 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.
  - (b) 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) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note no. 29 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (h) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act: The Company has not paid any managerial remuneration for the year ended 31st March, 2019 to its directors.

FOR P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration No. 000468N

Place : New Delhi  
Date : August 26, 2019

AMIT GOEL  
(Partner)  
M.No. 092648

## **Annexure 'A' to Independent Auditors' Report** **(Delhi Stock Exchange Limited)**

The annexure referred to in our report to the members of the company on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2019, we Report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2. The Company does not hold any inventory.
3. As explained to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013('the Act').
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the investment made, to the extent applicable to the company. As per the information and explanation given to us, the Company has neither given any loan nor given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public. However, sum of Rs. 156000/- is reflected as Share allotment kept in abeyance as explained in note no. 4 of financial statements.
6. The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Goods and Service Tax, Value added tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly

deposited by the company during the year with the appropriate authorities. However, there are some delays in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date of becoming payable.

- b. The disputed statutory dues aggregating to ₹ 33,600/- that has not been deposited on account of matters pending before appropriate authorities are as under:

S. No.	Nature of the Dues	Forum where Dispute is pending	Amt. (₹)
1.	Income Tax dem- and creat- ed u/s 143(1) by CPC for A.Y. 2015-16	Response filed before CPC	33,600
		Total	33,600

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the

records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

FOR P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration No. 000468N

Place : New Delhi  
Date : August 26, 2019

AMIT GOEL  
(Partner)  
M.No. 092648

#### **Annexure – B to the Auditors' Report** **(Delhi Stock Exchange Limited)**

#### **Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")**

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration No. 000468N

Place : New Delhi  
Date : August 26, 2019

AMIT GOEL  
(Partner)  
M.No. 092648



## Balance Sheet as at 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	77,71,32,316	76,92,76,748
		80,73,74,316	79,95,18,748
<b>Share Allotment Kept in abeyance</b>	4	1,56,000	1,56,000
<b>Non-Current Liabilities</b>			
Other Long-term Liabilities	5	2,63,00,996	3,48,63,958
Long Term Provisions	6	1,53,858	8,93,236
		2,6454,854	3,57,57,194
<b>Current Liabilities</b>			
Other Current Liabilities	7	78,78,438	1,66,02,744
Short Term Provisions	6	25,81,421	21,49,118
		1,04,59,859	1,87,51,862
		84,44,45,029	85,41,83,804
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Property, Plant &amp; Equipment</b>	8		
Tangible assets		5,41,05,464	5,88,74,580
Capital work In Progress		6,43,500	22,16,900
Non-Current Investments	9	18,00,00,000	18,00,00,000
Deferred Tax Assets (Net)	10	4,92,830	11,49,996
Long-term Loans and Advances	11	73,43,670	72,31,407
		24,25,85,464	24,94,72,883
<b>Current Assets</b>			
Current Investments	12	49,81,759	46,28,083
Trade Receivables	13	17,41,624	24,43,805
Cash and Bank balances	14	40,12,02,428	40,10,52,351
Short-Term Loans and Advances	11	18,44,56,930	18,64,42,411
Other Current Assets	15	94,76,824	1,01,44,271
		60,18,59,565	60,47,10,921
		84,44,45,029	85,41,83,804
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 35		

As per our report on even date

For P. BHOLUSARIA & CO.

Chartered Accountants

Firm Regd. No. 000468N

**Amit Goel**

(Partner)

M.No. 092648

Place : New Delhi

Date : August 26, 2019

### FOR AND ON BEHALF OF THE BOARD

**VIJAY BHUSHAN**

(CHAIRMAN)

DIN:00002421

**MAHENDER KUMAR GUPTA**

(DIRECTOR)

DIN:01194791

**VINOD KUMAR GOEL**

(DIRECTOR)

DIN:00039086

**SUNIL BHATIA**

(Company Secretary)



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Income :</b>			
Other Income	16	3,28,17,836	3,78,49,210
<b>Total Revenue</b>		<b>3,28,17,836</b>	<b>3,78,49,210</b>
<b>Expenses:</b>			
Employee Benefits Expense	17	49,51,322	60,43,511
Finance costs	18	0	2,79,927
Depreciation/Amortisation Expense	8	43,76,794	53,17,832
Provision for Impairment	8	1,15,900	7,07,600
Other Expenses	19	1,24,58,359	1,59,20,507
<b>Total Expenses</b>		<b>2,19,02,375</b>	<b>2,82,69,377</b>
Profit for the year before exceptional items and Tax		1,09,15,461	95,79,834
Exceptional Item [Employee State Insurance (ESI) demand]		0	25,92,363
Profit for the year before Tax		1,09,15,461	69,87,471
<b>Tax expense:</b>			
Provision for Taxation			
- Current		19,00,000	19,00,000
- Earlier Year		5,02,728	3,77,459
- Deferred		6,57,166	98,621
Profit for the year		78,55,568	46,11,391
<b>Earning Per Share:</b>	20		
Equity share of par value ₹ 1/-each			
Basic		0.26	0.15
Diluted		0.26	0.15
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 35		

As per our report on even date

For P. BHOLUSARIA &amp; CO.

Chartered Accountants

Firm Regd. No. 000468N

**Amit Goel**

(Partner)

M.No. 092648

Place : New Delhi

Date : August 26, 2019

**FOR AND ON BEHALF OF THE BOARD****VIJAY BHUSHAN**

(CHAIRMAN)

DIN:00002421

**MAHENDER KUMAR GUPTA**

(DIRECTOR)

DIN:01194791

**VINOD KUMAR GOEL**

(DIRECTOR)

DIN:00039086

**SUNIL BHATIA**

(Company Secretary)

## CASH FLOW STATEMENT

For the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

	Year ended 31st March,2019	Year ended 31st March,2018
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before tax as per statement of Profit & Loss	1,09,15,461	69,87,471
Adjustment for :		
Depreciation	43,76,794	53,17,832
Exceptional Items	0	25,92,363
Interest on Income Tax	0	2,79,927
Provision for Impairment	1,15,900	7,07,600
Interest Income	(3,04,01,484)	(3,31,50,253)
Rental Income	(8,48,071)	(3,17,276)
Profit on redemption of mutual funds	(3,60,676)	(23,083)
Profit on sale of Fixed Assets	(7,46,772)	0
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>(1,69,48,848)</b>	<b>(1,76,05,419)</b>
Adjustment for :		
Trade,other Receivables and loans and advances	39,89,887	1,00,417
Current and Non-current Liabilities	(1,75,94,341)	(1,39,49,873)
<b>Cash Generated from operation</b>	<b>(3,05,53,302)</b>	<b>(3,14,54,875)</b>
Income tax paid	31,49,770	52,86,809
<b>Net Cash from Operating Activities</b>	<b>(3,37,03,072)</b>	<b>(3,67,41,684)</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Interest Income	3,04,01,484	3,31,50,253
Rental Income	8,48,071	3,17,276
Sale of fixed assets	25,96,594	0
Purchase of investments	(1,90,93,000)	(13,25,05,000)
Sale/Redemption of investments	1,91,00,000	79,00,000
<b>Net Cash used in Investing Activities</b>	<b>3,38,53,149</b>	<b>(9,11,37,471)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest on Income Tax	0	(2,79,927)
<b>Net Cash used in Financing Activities</b>	<b>0</b>	<b>(2,79,927)</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>1,50,077</b>	<b>(12,81,59,082)</b>
<b>Cash and Cash Equivalents</b>	<b>40,08,58,293</b>	<b>52,90,17,375</b>
(Opening Balance)		
<b>Cash and Cash Equivalents</b>	<b>40,10,08,370</b>	<b>40,08,58,293</b>
(Closing Balance)		



*Delhi Stock Exchange Limited*

CIN:U91120DL1947PLC001239

*Cash Flow Statement...(Contd.)*

	Year ended 31st March,2019	Year ended 31st March,2018
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
<u>Balances with Banks</u>		
In Current and Deposit Accounts	40,09,64,148	40,08,58,169
Cash-on-hand	44,222	124
<b>Total (I)</b>	<b>40,10,08,370</b>	<b>40,08,58,293</b>
<u>Other Bank Balances</u>		
Deposit with bank	1,94,058	1,94,058
Lien marked with Registrar of High Court.		
<b>Total (II)</b>	<b>1,94,058</b>	<b>1,94,058</b>
<b>Total Cash and Bank Balances (I+II)</b>	<b>40,12,02,428</b>	<b>40,10,52,351</b>

As per our report on even date

For P. BHOLUSARIA & CO.

Chartered Accountants  
Firm Regd. No. 000468N

**Amit Goel**

(Partner)

M.No. 092648

Place : New Delhi

Date : August 26, 2019

**FOR AND ON BEHALF OF THE BOARD**

**VIJAY BHUSHAN**

(CHAIRMAN)

DIN:00002421

**MAHENDER KUMAR GUPTA**

(DIRECTOR)

DIN:01194791

**VINOD KUMAR GOEL**

(DIRECTOR)

DIN:00039086

**SUNIL BHATIA**

(Company Secretary)

## NOTES FORMING PART OF ACCOUNTS

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2019**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **1.1 GENERAL**

- 1.1.1 These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.
- 1.1.2 The preparation of Financial Statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of Financial Statements and reported amount of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### **1.2 BASIS OF ACCOUNTING**

Income and Expenditure are accounted for on accrual basis, except to the extent stated otherwise.

##### **1.3 REVENUE RECOGNITION**

- 1.3.1 Income is accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking, revenue recognition is postponed to the extent of uncertainty involved as per Accounting Standard – Revenue Recognition (AS-9).
- 1.3.2 Interest earned is recognized as income on accrual basis.

##### **1.4 INVESTMENTS**

Non Current/Long Term Investments are carried at cost and decline in value other than temporary, is provided for. Current investments are valued at lower of cost and fair value.

##### **1.5 FIXED ASSETS (Property, Plant & Equipment)**

Fixed assets are stated at cost of acquisition including installation expenditure, if any less accumulated depreciation and impairment loss, if any.

##### **1.6 DEPRECIATION**

- 1.6.1 Depreciation on tangible assets except Leasehold land is provided on Written down value method over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013.
- 1.6.2 Leasehold land is amortized over unexpired period of lease.
- 1.6.3 Intangible Assets viz., Softwares are amortised over a period of three years.

##### **1.7 EMPLOYEE BENEFITS**

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under :-

- 1.7.1 Short term employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss for the year in which they are incurred.
- 1.7.2 Employee benefits under defined contribution plans, comprises of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Statement of Profit & Loss.



## *Notes forming part of Accounts...*

- 1.7.3 Employee Benefits under defined benefit plans, comprises of gratuity and leave encashment, which are accounted for, as at the year end, based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.
- 1.7.4 Termination benefits are recognized as an expense, as and when incurred.
- 1.7.5 The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss for the year without resorting to any amortization.

### **1.8 TAXATION**

Tax expenses for the year comprises of Current tax and Deferred tax charge or credit. The Deferred Tax Asset/Liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax law are recognized only if there is virtual certainty of its realisation. Other Deferred Tax Assets are recognized only to the extent there is a reasonable certainty of realisation in future. Deferred Tax Assets/Liabilities are reviewed at each balance sheet date based on development during the year, further future expectations and available case laws to reassess realisation/liabilities.

### **1.9 EARNING PER SHARE**

Basic Earning 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 diluting earning 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 are adjusted for the effect of all dilutive potential equity shares, if any.

### **1.10 CASH & CASH EQUIVALENTS**

Cash and Cash equivalents for the purpose of Cash Flow Statements comprise Cash at bank and in hand, demand deposits with banks, deposits with banks which are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

### **1.11 CASH FLOW STATEMENT**

Cash flows are reported using indirect method. The Cash flows from operating, investing and financing activities of the Company are segregated based on the information available.

### **1.12 CONTINGENCIES:**

The company creates a provision when there is present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
10,00,00,000 (Previous Year 10,00,00,000)	10,00,00,000	10,00,00,000
Equity Shares of ₹ 1/- each	10,00,00,000	10,00,00,000
<b>Issued</b>		
3,03,20,000 (Previous Year 3,03,20,000)	3,03,20,000	3,03,20,000
Equity Shares of ₹ 1/- each	3,03,20,000	3,03,20,000
<b>Subscribed</b>		
3,03,20,000 (Previous Year 3,03,20,000)	3,03,20,000	3,03,20,000
Equity Shares of ₹ 1/- each	3,03,20,000	3,03,20,000
<b>Paid up</b>		
3,02,42,000 (Previous Year 3,02,42,000)	3,02,42,000	3,02,42,000
Equity Shares of ₹ 1/- each fully paid up	3,02,42,000	3,02,42,000

- Issued Share Capital of the company has only one class of shares referred to as equity shares having par value of ₹ 1/-. Each holder of Equity Shares is entitled to One vote per share.
- In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- In certain Secretarial records of the Company, there is difference of 4000 (Previous year 4000) equity shares in the paid up capital. The correct figure of paid up equity share is 30242000 (Previous year 30242000) shares of ₹ 1/- each as stated above. However, as per certain secretarial records, the total number of shares are 30246000 (Previous year 30246000). The rectification in the secretarial records is pending.
- The Dividend Proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.
- Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2019 & 31st March, 2018 is as under:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Number of shares at the beginning	3,02,42,000	3,02,42,000	3,02,42,000	3,02,42,000
Number of shares at the end	3,02,42,000	3,02,42,000	3,02,42,000	3,02,42,000

- There are no shareholders holding more than 5% shares in the company as at 31st March, 2019 & 31st March, 2018.



*Notes forming part of Accounts...*

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>3. RESERVES AND SURPLUS</b>		
Capital Reserve - Opening Balance	51,35,66,587	51,35,66,587
	51,35,66,587	51,35,66,587
Settlement Guarantee Fund Reserve (SGF)- Opening Balance*	66,94,92,106	66,94,92,106
	66,94,92,106	66,94,92,106
General Reserve-Opening Balance	5,77,717	5,77,717
	5,77,717	5,77,717
Surplus - opening balance	(41,43,59,662)	(41,89,71,053)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	78,55,568	46,11,391
Surplus-Closing balance	(40,65,04,094)	(41,43,59,662)
	77,71,32,316	76,92,76,748

- \* Settlement Guarantee Fund had been created with the objective of guarantee of the settlement of bonafide transactions of the members of the exchange, *inter se*, which formed part of the erstwhile exchange's settlement system. Fund balance represented initial contribution of the exchange and certain collections made from the members and income on investments attributable to fund balances upto 31/03/2016. (Also refer Note No. 28)



Notes forming part of Accounts...

4. SHARE ALLOTMENT KEPT IN ABEYANCE

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Share allotment kept in abeyance	1,56,000	1,56,000
	1,56,000	1,56,000

Share allotment kept in abeyance represents amount of ₹ 78000/- each received from two persons during the Financial Year 2007-08. The same is pending allotment because of pending completion of legal formalities/requirements by the applicants. Against the share application money, equity shares of face value of ₹ 1/- each, will be issued at par, in accordance with the provision of the Act and after completion of legal formalities/requirements by the applicants such as production of Letter of Probate, Court Order, Succession certificate etc. No separate interest is payable on the amount. The present authorised share capital of the company is sufficient to cover the shares to be issued against the share allotment kept in abeyance. However, the issued Capital and consequently the subscribed capital will be required to be increased by 78000 Shares if all the 156000 Shares are allotted. As a precautionary measure and as a matter of prudence, the Company has made earmarked bank FDRs of equivalent amount of ₹ 1,56,000/- in the name of the aforesaid applicants.

5. OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit*	2,23,10,246	3,05,67,208
Other Security Deposits	0	3,06,000
Payable for Capital contracts	15,21,509	15,21,509
Other Liabilities	24,69,241	24,69,241
	2,63,00,996	3,48,63,958

\* Net of admission fees receivable of ₹ 64,00,000/-  
(Previous Year ₹ 64,00,000/-)



*Notes forming part of Accounts...*

**6. PROVISIONS**

(Amount in ₹)

Particulars	As At 31st March, 2019		As At 31st March, 2018	
	Long Term	Short term	Long Term	Short term
<b>Provisions For Employees Benefit</b>				
Leave encashment	1,53,858	5,52,823	5,99,273	90,852
Gratuity	0	1,28,598	2,93,963	1,58,266
<b>Others</b>				
Income Tax	0	19,00,000	—	19,00,000
	<b>1,53,858</b>	<b>25,81,421</b>	<b>8,93,236</b>	<b>21,49,118</b>

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>7. OTHER CURRENT LIABILITIES</b>		
Investor Service Cell Fund-Payable to SEBI	13,61,406	13,61,406
Amount Refundable to brokers towards Settlement	53,10,000	98,10,000
Guarantee Fund (SGF / TGF) in terms of SEBI order (Refer Note no. 28)		
Income Received in Advance	0	16,000
Statutory dues payable	1,28,898	22,00,796
Expenses Payable	10,78,134	32,14,542
	<b>78,78,438</b>	<b>1,66,02,744</b>

## Notes forming part of Accounts...

## 8. FIXED ASSET

(Amount in ₹)

S. No.	Particulars	Gross Block at Cost			Depreciation/Amortisation					Net Block			
		As at 1st April 2018	Additions during the year	Deduct-ions during the year	As at March 31, 2019	Up to 31st March 2018	For the year ending March 31, 2019	Dedu-ction during the year	Adjust-ment for Impair-ment	Total upto March 31, 2019	As on 31st March 2019	As on 31st March 2018	
A	Tangible Assets												
	1	Land (Lease hold)	5,43,85,303	0	0	5,43,85,303	2,11,15,960	10,05,522	0	0	2,21,21,482	3,22,63,821	3,32,69,343
	2	Buildings	7,07,66,654	0	0	7,07,66,654	4,91,08,759	27,52,348	0	0	5,18,61,107	1,89,05,547	2,16,57,895
	3	Electric Installation & Equipments	3,43,37,899	0	35,78,718	3,07,59,181	3,18,55,886	5,66,925	33,99,225	0	2,90,23,586	17,35,595	24,82,013
	4	Furniture & Fixtures	1,24,55,876	0	1,62,900	1,22,92,976	1,18,25,172	46,640	1,61,200	0	1,17,10,612	5,82,364	6,30,704
	5	Vehicles	23,97,479	0	23,97,479	0	22,62,944	608	22,63,552	0	0	0	1,34,535
	6	Office Equipment	83,96,059	0	5,04,679	78,91,380	80,81,064	4,751	4,80,225	0	76,05,590	2,85,790	3,14,995
	7	Computers & Peripherals	81,16,580	0	13,74,904	67,41,676	77,31,485	0	13,22,156	0	64,09,329	3,32,347	3,85,095
	8	Library Books	2,97,749	0	0	2,97,749	2,97,749	0	0	0	2,97,749	0	0
9	Online Trading System & Commu-nication Equipments	4,36,167	0	0	4,36,167	4,36,167	0	0	0	4,36,167	0	0	
	Total Tangible Assets (A)	19,15,89,766	0	80,18,680	18,35,71,086	13,27,15,186	43,76,794	76,26,358	0	12,94,65,622	5,41,05,464	5,88,74,580	
	Previous Year	19,15,89,766	0	0	19,15,89,766	12,73,97,354	53,17,832	0	0	13,27,15,186	5,88,74,580	6,41,92,411	
B	Intangible Assets												
	1	Softwares	54,82,596	0	0	54,82,596	54,82,596	0	0	0	54,82,596	0	0
		Total Intangible Assets (B)	54,82,596	0	0	54,82,596	54,82,596	0	0	0	54,82,596	0	0
	Previous Year	54,82,596	0	0	54,82,596	54,82,596	0	0	0	54,82,596	0	0	
C	Capital Work In Progress												
	Capital Work In Progress	9,68,42,307	0	62,60,560	9,05,81,747	9,46,25,407	0	48,03,060	1,15,900	8,99,38,247	6,43,500	22,16,900	
	Total Capital Work In Progress (C )	9,68,42,307	0	62,60,560	9,05,81,747	9,46,25,407	0	48,03,060	1,15,900	8,99,38,247	6,43,500	22,16,900	
	Previous Year	9,68,42,307	0	0	9,68,42,307	9,39,17,807	0	0	7,07,600	9,46,25,407	22,16,900	29,24,500	
	Total ( A+B+C)	29,39,14,669	0	1,42,79,240	27,96,35,429	23,28,23,189	43,76,794	1,24,29,418	1,15,900	22,48,86,465	5,47,48,964	6,10,91,479	
	Previous Year	29,39,14,669	0	0	29,39,14,669	22,67,97,757	53,17,832	0	7,07,600	23,28,23,189	6,10,91,481	6,71,16,910	



Notes forming part of Accounts...

**8.1 Capital Work-in-Progress consists of amount paid for development of On-Line Trading Platform/ Data Centre and it comprises of following:-**

(Amount in ₹)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>CAPITAL WORK IN PROGRESS</b>		
Amount paid for development of Data Center	2,29,99,046	2,29,99,046
Paid for Hardware Equipments	2,46,42,598	3,09,03,158
Networking & Cabling	94,14,406	94,14,406
Other Expenditures	86,78,146	86,78,146
License/service fee paid for Customized Exchange Technology and other License Fees	2,48,47,551	2,48,47,551
<b>Total Capital Work in Progress</b>	9,05,81,747	9,68,42,307
Less: Provision for Impairment	(8,99,38,247)	(9,46,25,407)
<b>Balance</b>	6,43,500	22,16,900

**8.2** Provision for Impairment on capital work in progress has been made on the basis of Valuation Report by Independent Valuer. The total provision made upto the year end is ₹ 8,99,38,247/- (Previous Year ₹ 9,46,25,407/-). In the opinion of management, the same has been made as a matter of prudence and to reflect a true and fair picture of the financial statements.

**9. NON CURRENT INVESTMENTS**

(Amount in ₹)

Name of the Company	Face Value (₹)	As at 31st March, 2019		As at 31st March, 2018	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
<b>LONG TERM INVESTMENTS (At Cost)</b>					
<b>NON TRADE (Unquoted)</b>					
<b>(A) Investment in Equity Instruments</b>					
- Fully Paid up Equity Shares					
- In Wholly Owned Subsidiary Company Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.)	1000	60000	6,00,00,000	60000	6,00,00,000
<b>TOTAL</b>		60000	6,00,00,000	60000	6,00,00,000
<b>(B) INVESTMENTS IN MUTUAL FUNDS</b>					
<b>- FULLY PAID UP UNITS</b>					
Aditya Birla Sun Life Credit Risk Fund	10	4539642	6,00,00,000	4539642	6,00,00,000
- Growth					
HSBC FTS 131- Growth Direct Plan	10	6000000	6,00,00,000	6000000	6,00,00,000
<b>TOTAL B</b>		10539642	12,00,00,000	10539642	12,00,00,000
<b>TOTAL (A+B)</b>		10599642	18,00,00,000	10599642	18,00,00,000

*Notes forming part of Accounts...*

- 9.1** As per Audited Financial Statements of the wholly owned subsidiary company Delstox Stocks and Shares Limited, it has accumulated losses of ₹1,69,89,284/- as on 31.03.2019 (Previous year ₹ 1,83,62,048/-). In the opinion of the management, no provision is required to be made for any diminution in the value of investment in view of long term/strategic involvement of the company and in view of such diminution being considered to be of temporary in nature.
- 9.2** Aggregate cost of investment in mutual fund as on 31.03.2019 ₹ 12,00,00,000/- (previous year ₹ 12,00,00,000). Net Asset Value there of as on 31.03.2019 ₹ 12,90,41,891/- (previous year ₹ 12,06,09,489/-).

**10. DEFERRED TAX ASSETS (Net)**

(Amount in ₹)

Particulars	As At 31st March,2019	As At 31st March,2018
<b>Deferred Tax Asset</b>		
Expenses allowable under Income Tax Act on payment basis	2,17,173	3,17,803
Expenses on VRS allowable under Income Tax Act in subsequent years	4,39,543	9,40,623
Less:Deferred Tax Liability		
Fixed Assets	1,63,886	1,08,430
	<b>4,92,830</b>	<b>11,49,996</b>

**11. LOANS AND ADVANCES**

(Amount in ₹)

Particulars	As At 31st March, 2019		As At 31st March, 2018	
	Long Term	Short term	Long Term	Short term
<b>Unsecured, Considered Good, Unless otherwise stated:</b>				
<b>Others</b>				
Security Deposit with Government Department and others	21,09,500	0	22,98,000	0
Prepaid Expenses/Advance against expenses	0	7,61,178	0	8,78,294
Amount paid to SEBI toward broker / Sub broker fees (Net of recovery) (Refer Note no. 30)	0	15,50,68,770	0	15,76,84,177
GST Recoverable	52,34,170	0	4933406	0
Advance Tax/TDS/Income Tax refunds due	0	2,86,26,982	0	2,78,79,940
Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 11.1)				
—Considered Doubtful	7,15,90,627	0	7,15,90,627	0
Less: Provision for Doubtful Advances	-7,15,90,627	0	-7,15,90,627	0
	<b>73,43,670</b>	<b>18,44,56,930</b>	<b>7231407</b>	<b>18,64,42,411</b>

*Notes forming part of Accounts...*

**11.1** The company had entered into a technology agreement in September 2008 with Financial Technologies (India) Ltd. (hereinafter referred to as "FTIL") for availing license of its trading software. Due to various deficiencies/defects in the license/software and services, the agreement was terminated by the company in April 2011. The company had paid/incurred a sum of ₹ 7,80,13,317/- (₹ 7,15,90,627/- net of service tax) which includes payments made to FTIL, other expenses like travelling, Legal and Professional Charges etc., in connection therewith, and also service tax of ₹ 64,22,690/-. Consequent upon the termination of the agreement, the amount had been shown recoverable from FTIL. On the other hand, FTIL has made counter claim of further amount of ₹ 10,09,17,161/-. In the opinion of management, the claim of FTIL is not tenable at all and the management is hopeful of recovery of the amount from FTIL. However, as a matter of prudence, provision for the amount of ₹ 71590627/- was made and charged in the Statement of Profit & Loss in the earlier year.

**12. Current Investments***(valued at lower of cost and fair value)*

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹
Investment in Mutual Funds- (Unquoted, fully paid up) Non-Trade ICICI Prudential Saving Fund- Direct Plan-Growth*	13,878	49,81,759	13,852	4,62,8083
	13,878	49,81,759	13,852	4,62,8083

\* Net Asset Value as on 31.03.2019 ₹ 50,12,260/- (Previous year ₹ 46,43,929).

*(Amount in ₹)*

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>13. TRADE RECEIVABLES</b>		
Outstanding for a Period exceeding six months Unsecured Considered Good	17,41,624	24,43,805
	17,41,624	24,43,805
<b>14. CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash equivalents</b>		
Balances with Banks		
-In Current Accounts	16,35,900	5,22,287
-In Deposit Accounts*	39,93,28,248	40,03,35,882
Cash-on-Hand	44,222	124
<b>Other Bank balances</b>		
Deposit with bank**	1,94,058	1,94,058
	40,12,02,428	40,10,52,351

\* Balance with Banks in deposits accounts represents time deposits with banks which can be withdrawn by the company at any point of time without prior notice or penalty on the Principal.

-Balance with banks in deposits accounts includes deposits of ₹ 44,38,247/- (Previous year Nil) With maturity of more than 12 months.

\*\* Lien marked with Registrar of High Court.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018
<b>15. OTHER CURRENT ASSETS</b>			
Interest accrued on bank deposits	30,85,711		35,15,853
-Recoverable from Wholly owned subsidiary company (Rent & other) (Refer Note no. 22)	54,48,016		54,48,016
Recoverable from Customer Protection Fund	0		25,620
Other recoverable (including Cabin rent, expense recoverable etc.)	7,87,097		9,98,782
Bank FDR earmarked against amount of Share Allotment Kept in abeyance (Refer Note No. 4) [Value with accrued interest as on 31/03/2019 ₹ 3,21,351/- (Previous Year ₹ 3,02,386/-)]	1,56,000		1,56,000
	<b>94,76,824</b>		<b>1,01,44,271</b>
<b>16. OTHER INCOME</b>			
Interest (Gross) on			
a) Fixed Deposits with banks	3,03,12,815	3,30,66,785	
b) Electricity Security Deposit	88,669	83,469	
	<b>3,04,01,484</b>		<b>3,31,50,253</b>
Profit on sale/redemption of current investments	3,60,676		23,083
Profit on sale/disposal of Fixed Assets (Net) (Property, Plant and Equipment)	7,46,772		0
Distribution of Transfer deeds	19,880		75,390
Miscellaneous Income	1,25,953		67,767
Compensation received	3,15,000		0
Rent Income	8,48,071		3,17,276
Liabilities/Balances no longer required written back	0		42,15,440
	<b>3,28,17,836</b>		<b>3,78,49,210</b>
<b>17. EMPLOYEE BENEFIT EXPENSES</b>			
Salaries and Benefits	45,27,763		52,49,924
Contribution to Provident Fund and Gratuity Fund	2,57,511		6,14,893
Staff Welfare	1,66,048		1,78,694
	<b>49,51,322</b>		<b>60,43,511</b>
<b>18. FINANCE COSTS</b>			
Interest on Income Tax	0		2,79,927
	<b>0</b>		<b>2,79,927</b>



*Notes forming part of Accounts...*

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018
<b>19. Other Expenses</b>			
Electricity	24,69,357		32,03,802
Water	8,41,744		9,73,435
Property Management Services	39,23,614		36,05,021
<u>Repairs and Maintenance</u>			
- Others	3,65,748	3,62,858	3,62,858
Advertisement Expense	79,866		0
Rates & Taxes	7,05,919		8,36,106
Insurance	8,81,514		8,37,284
Director's Sitting Fees	2,40,000		2,45,000
Communication	1,45,384		2,20,724
Auditor's Remuneration (Refer Note No. 26)	3,80,000		3,80,000
Legal and Professional	6,93,250		10,03,900
Depository Charges	9,321		10,350
Printing and Stationery	1,19,735		1,75,085
Travelling and Conveyance	82,497		68,796
Refund of Admission and other fees	0		2,19,783
Board and Committee Meetings	51,167		34,889
Vehicle Running and Maintenance	3,140		1,25,170
Bad debts/Advances / Misc. Balances written-off	6,04,988		10,86,461
CSR Expenditure	0		9,08,264
Festival	1,48,642		1,12,721
General Meetings of Members	2,24,492		2,27,793
Claim/ Interest paid pursuant to Court Order/ Settlement	0		8,18,076
Miscellaneous	4,87,982		4,64,988
	<b>1,24,58,359</b>		<b>1,59,20,507</b>



Notes forming part of Accounts...

20. Earning Per Share pursuant to Accounting Standard (AS-20) "Earning Per Share"

Particulars	Current Year (₹)	Previous Year (₹)
Net Profit/(Loss) after Tax as per Statement of Profit and Loss	78,55,568	4611391
Net Profit/(Loss) attributable to Equity Shareholders	78,55,568	4611391
<b>Basic Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average No. of Equity Shares Outstanding	3,02,42,000	3,02,42,000
Basic Earning per share (₹)	0.26	0.15
<b>Diluted Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average No. of Equity Shares Outstanding	3,03,98,000	3,03,98,000
Diluted Earning per share (₹)	0.26	0.15

21. CONTINGENT LIABILITIES AND COMMITMENTS  
(To The Extent Not Provided For)

- Claims against the Company not acknowledged as debts:- ₹ 11,09,11,025/-  
(Previous Year ₹ 11,09,11,025/-)
- The Assessing Officer had disallowed the Company's claim of exemption under section 11 of Income Tax Act, 1961 from the Assessment Year 1996-97 to 1999-2000 and from Assessment Year 2001-02 to 2006-07. The total demands raised by assessing officer for these years were ₹ 31,44,40,999/- (Previous Year ₹ 31,44,40,999/-) . The Commissioner of Income Tax (Appeals) as well as Income Tax Appellate Tribunal (ITAT) upheld the claim of exemption by the Company for all the above years. As per the information to the company, the Income Tax Department has filed appeal before Hon'ble High Court of Delhi against the decision of ITAT.

22. RELATED PARTY TRANSACTIONS

22.1 List of related parties with whom transactions have taken place and relationship:

- Wholly owned Subsidiary Company  
Delstox Stocks and Shares Limited  
(Earlier known as DSE Financial Services Ltd.)
- Key Managerial Personnel  
Mr. Sunil Bhatia (Company Secretary)
- Directors

Current Year	Previous Year
Hans Raj Kapoor Vijay Bhushan Mahender Kumar Gupta Vinod Kumar Goel	Mohinder Singh Shanker Singal Sudhangshu S Biswal Vijay Bhushan Mahender Kumar Gupta Vinod Kumar Goel Sanjeev Gandhi Rajinder Kumar Goel

- Concerns in which directors are interested:  
Vijay Bhushan & Co. (Vijay Bhushan is Proprietor)



*Notes forming part of Accounts...*

Bharat Bhushan & Co. (Vijay Bhushan is Partner)

Emmkay Share & Stock Brokers Ltd. (Mahender Kumar Gupta is Director and Member)

Vinod Kumar Goel & Co (Vinod Kumar Goel is Proprietor)

e) Relative of Director:

Murari Lal Goel (Father of Mr. Vinod Kumar Goel)

**22.2 Transaction during the with related Parties :**

Sr. No.	Name of the Related party	Nature of Transactions	Amount Current Year	Amount Previous Year
1	Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.)	Rent income and Maintenance Charges (including GST)	29736	29736
		Expenses recovered	120000	120000
		Amount recoverable at year end	5448016	5448016
		Investments as at the year end	6,00,00,000	6,00,00,000
2	Sunil Bhatia	Remuneration paid	1068981	1109581
3	Mohinder Singh	Sitting Fees paid	0	80000
4	Shanker Singal	Sitting Fees paid	0	20000
5	Sudhangshu S Biswal	Sitting Fees paid	0	30000
6	Vijay Bhushan	Sitting Fees paid	65000	10000
7	Mahender Kumar Gupta	Sitting Fees paid	65000	10000
8	Vinod Kumar Goel	Sitting Fees paid	65000	10000
		Security Deposit received and repaid	182157	0
9	Hans Raj Kapoor	Sitting Fees paid	45000	0
10	Sanjeev Gandhi	Sitting Fees paid	0	30000
11	Rajinder Kumar Goel	Sitting Fees paid	0	55000
12	Vijay Bhushan & Co.	Refund of Margin Deposits	0	12500
		Turnover fees recovered	0	11753
13	Bharat Bhushan & Co.	Refund of Margin and TGF Deposits	0	64500
		Sub broker fees recovered	0	5000
14	Emmkay Share & Stock Brokers Ltd.	Refund of Margin and TGF Deposits	0	199779
		Cabin rent and other dues	1716	900
		Outstanding recoverable of Cabin rent as at the year end	1716	0
15	Vinod Kumar Goel & Co.	Refund of Margin and TGF Deposits	0	62500
		Cabin rent and other dues	654	2566
		Outstanding recoverable of Cabin rent as at the year end	654	0
16	Murari Lal Goel	Refund of Margin and TGF Deposits	0	62500
		Cabin rent and other dues	654	1929
		Outstanding recoverable of Cabin rent as at the year end	654	0

Notes forming part of Accounts...

23. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15

Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under: (Amount in ₹)

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)	Head under which shown in Statement of Profit & Loss
Contribution to Provident Fund	2,86,571/-	3,25,562/-	Contribution to Provident fund and Gratuity fund

Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	15,89,176/-	14,45,035/-	6,90,125/-	5,47,588/-
Interest Cost (B)	1,17,599/-	92,482/-	51,069/-	35,046/-
Past service cost (C)	0	572/-	Nil	Nil
Current service cost (D)	1,13,959/-	1,29,760/-	97,504/-	1,07,168/-
Benefits paid (E)	(81,000/-)	(2,42,308/-)	(62,970/-)	(35,600/-)
Actuarial loss/(gain) on obligation (F)	(1,59,855)/-	1,63,635/-	(69,047/-)	35,923/-
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	15,79,879/-	15,89,176/-	7,06,681/-	6,90,125/-

The amounts recognized in the Balance Sheet and the Statement of Profit & Loss are as follows :

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	15,79,879/-	15,89,176/-	7,06,681/-	6,90,125/-
Estimated fair value of plan Assets (B)	14,51,287	11,36,947	Nil	Nil
Net Liability/(Asset) (C=A-B)	1,28,598	4,52,229	7,06,681/-	6,90,125/-
Amounts in the Balance Sheet Liabilities/(Asset)	1,28,598	4,52,229	7,06,681/-	6,90,125/-
Amount charged to Profit & Loss Account				
Current Service Cost	1,13,959/-	1,29,760/-	97,504/-	1,07,168/-
Interest Cost	1,17,599/-	92,482/-	51,069/-	35,046/-
Past Service Cost	0.00	572/-	Nil	Nil
Expected Return on Plan Asset	(86,976/-)	(1,05,776/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,73,642/-)	1,72,293/-	(69,047/-)	35,923/-
	(29,060/-)	2,89,331/-	79,526/-	1,78,137/-
Head under which shown in the Statement of Profit & Loss	Contribution to Provident Fund and Gratuity Fund		Salaries and Benefits	

*Notes forming part of Accounts...*

The Actual Return on Plan Assets is as follows

(Amount in ₹)

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,00,763/-	97,118/-

Following are the Principal Actuarial Assumptions used as at the Balance Sheet date:

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	6.70%	7.40%
Expected Rate of Return on Plan Assets	7.80%	7.65%
Salary Escalation Rate	10.00%	10.00%

A reconciliation of the opening and closing balances of the fair value of plan assets :

(Amount in ₹)

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	11,36,947/-	12,82,137/-
ii)	Expected Return on Plan Assets	86,976/-	1,05,776/-
iii)	Contribution by the Employer	2,94,571/-	Nil
iv)	Benefits Paid	(81,000/-)	(2,42,308/-)
v)	Actuarial Gain/(Loss)	13,787/-	(8,658/-)
	Closing Fair Value of Plan Assets	14,51,281/-	11,36,947/-

**24. Due to Micro, Small and Medium Enterprises**

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2019 and 31st March, 2018.

- 25.** The company is a small and medium sized company (SMC) as defined in the general instructions in respect of Accounting Standards notified under the Companies Act. Accordingly, the company has complied with the Accounting Standards as applicable to a small and medium sized company.

**26. Auditor Remuneration includes the following:**

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees	3,00,000	3,00,000
Consolidation	50,000	50,000
Out of Pocket Expenses	30,000	30,000
	3,80,000	3,80,000

*Notes forming part of Accounts...*

27. In terms of SEBI Exit order dated 23/01/2017, the Company is required to change its name so as to not to use the expression 'Stock Exchange' in its name. The Company is taking necessary steps in this regard.
28. As per Exit order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 passed by Whole Time member, SEBI, the company is to refund SGF / TGF deposit (refundable) to the stock brokers including their initial contribution / deposit to Settlement Gurantee Fund / Trade Gurantee Fund (SGF/ TGF). Accordingly amount of ₹ 1,55,10,000/- as identified and certified by the management and also by Internal auditors of the Company, was transferred during the financial year 2016-17 from Settlement Gurantee Fund to Other Current liabilities.

**29. Litigation**

- a) The Impact of pending litigation has been considered and disclosed in the Contingent Liabilities in Note No. 21.
- b) In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of activities. The Company's management does not reasonably expect that these legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the company's results of operations or financial statements.
30. In terms of SEBI Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012, Circular No. CIR/MRD/DSA/33/2012 dated December 13, 2012 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 dated June 20, 2012, and as approved by the members of the company in their meeting held on May 23, 2014, the company had opted for exit through voluntary surrender of recognition as a Stock Exchange. SEBI Vide Letter No. SEL/LR/OW/10684/2015 dated April 17, 2015 asked the company to comply with the following in order to exit from the business of stock exchange:
- i) To transfer the Investor Protection Fund, Investor Services Fund and 1% Security deposit available with DSEL including interest accrued on this amount till date to SEBI IPEF.
- ii) To transfer the dues outstanding to SEBI including 10% of listing fee and the annual regulatory fee.
- iii) To transfer the outstanding registration fees of brokers/sub-brokers as specified in the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 to till date.

In terms of aforesaid letter of SEBI, the company had, remitted/transferred the balance of Investor Protection Fund, Investor Services Fund and 1% Security deposit to SEBI in the earlier year. However, with regard to amount of outstanding registration fee of brokers/sub-brokers, in the opinion of management, the company is not liable to pay the outstanding fees of brokers/sub-brokers, if any. The company wrote a letter dated July 13, 2015 to SEBI stating that the company is not liable to pay the outstanding registration fees of brokers. Earlier SEBI informed the company about outstanding brokers/subbrokers turnover fee amounting to ₹ 25,38,11,200/-. Subsequently after several representations and meetings, SEBI re-calculated the brokers fee at ₹ 15,61,98,365/- and sub-brokers fees at ₹ 22,11,500/- totalling to ₹ 15,84,09,865/- (inclusive of interest) as of September, 2016. SEBI informed the company the liability in respect of members which were party to the appeal in the matter of SEBI vs. Alliance Finstock Private Limited and their corresponding transferees and the members which were party to the appeal in the matter of Association for welfare of Delhi Stock Brokers & Ors. vs. Union of India & Ors. (W.P.(C) 17349/2004 was under calculation and will be informed by SEBI separately. During the financial year 2016-17, the Company had paid the aforesaid amount of ₹ 15,84,09,865/- to SEBI. According to the management, the amounts had been paid to SEBI without prejudice to rights to get the refund of the amount from SEBI if excess amount has been paid. Upto the Year end the Company has recovered amount of ₹ 33,41,095/- (Previous year ₹ 7,25,688/-) from some brokers against the turnover fees/ sub-broker fee. The amount paid to SEBI net of aforesaid recovery



*Notes forming part of Accounts...*

has been shown in note no. 11 of the Financial Statements. Subsequent to the year end, the Company has further recovered turnover fees/ sub broker fees of ₹ 20,566/-. In the opinion of management the company is also not liable for the liability of remaining amount of ₹ 15,50,48,204/- (i.e. amount paid by it to SEBI less recovery made and refund received) (Previous year ₹ 15,51,16,386/-) as this amount of ₹ 15,50,48,204/- (Previous year ₹ 15,51,16,386/-) will also be recoverable from the respective brokers/ sub-brokers and, therefore, no provision for expense/liability is required to be made for the same.

31. SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 had passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock Exchange, as the company intends to continue as a corporate entity.
32. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
33. Disclosure u/s 186(4) of the Companies Act, 2013:  
The detail of investments are given under the respective head.
34. During the year, the Company has spent ₹ NIL (Previous year ₹ 9,08,264/-) on Corporate Social Responsibility (CSR activities).
35. Previous year's figures have been regrouped/reclassified, wherever considered necessary to conform to the Current Year's presentation.

As per our report on even date

For P. BHOLUSARIA & CO.

Chartered Accountants

Firm Regd. No. 000468N

**Amit Goel**

(Partner)

M.No. 092648

Place : New Delhi

Date : August 26, 2019

**FOR AND ON BEHALF OF THE BOARD**

**VIJAY BHUSHAN**

(CHAIRMAN)

DIN:00002421

**MAHENDER KUMAR GUPTA**

(DIRECTOR)

DIN:01194791

**VINOD KUMAR GOEL**

(DIRECTOR)

DIN:00039086

**SUNIL BHATIA**

(Company Secretary)

**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 statements of subsidiaries/ associate companies/ joint ventures.

**Part "A": Subsidiaries**

(Amount in ₹)

Sl. No.	Particulars	
1.	Name of the subsidiary	<b>Delstox Stocks And Shares Limited</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A
4.	Share capital	6,00,00,000
5.	Reserves & surplus	(1,69,89,284)
6.	Total assets	6,32,16,731
7.	Total Liabilities	6,32,16,731
8.	Investments	69,64,800
9.	Turnover	82,90,083
10.	Profit before taxation	13,72,764
11.	Provision for taxation	NIL
12.	Profit after taxation	13,72,764
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

**Notes:**

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

**Part "B": Associate and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to  
Associate Companies and Joint Ventures  
— Not Applicable —

**FOR AND ON BEHALF OF THE BOARD**

<b>VIJAY BHUSHAN</b> (CHAIRMAN) DIN:00002421	<b>MAHENDER KUMAR GUPTA</b> (DIRECTOR) DIN:01194791	<b>VINOD KUMAR GOEL</b> (DIRECTOR) DIN:00039086
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Place : New Delhi  
Date : August 26, 2019

**SUNIL BHATIA**  
(Company Secretary)



## Independent Auditors' Report on Consolidated Financial Statements

To,  
The Members  
of  
**DELHI STOCK EXCHANGE LIMITED**  
(Formerly The Delhi Stock Exchange  
Association Ltd.)

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

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of DELHI STOCK EXCHANGE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as "the group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (herein after 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Companies Accounting Standard prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, their consolidated profit, their consolidated cash flows for the year then ended.

#### Basis for Qualified Opinion

*Reference is invited to Note no. 34 of financial statements regarding non-provision of amount of ₹ 15,50,48,204/- in respect of fees of brokers/ sub-brokers (inclusive of interest) paid to SEBI during the earlier year (net of recovery and refund). In the opinion of management no provision is required for the said amount. In our opinion, on the*

*basis of information and explanations made available to us by the management, there is uncertainty of the refund / recovery of the aforesaid amount and, therefore, provision is required to be made for the same. As a result of this, profit for the year as shown in the statement of Profit & loss is higher by ₹ 15,50,48,204/-; amount of Reserve & Surplus as shown in the Balance sheet is overstated to that extent; Short Term loans and advances as shown in the Balance sheet is overstated to that extent. Our opinion is qualified on this issue. We had also given qualified opinion on this issue in our audit report on the financial statements as on/ for the year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018.*

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Code of Ethics and provision of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matter

Without qualifying our opinion, we invite reference to:

- (i) Note no. 35 regarding accounts being prepared on going concern basis by Holding Company.

SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 had passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock



Exchange, as the company intends to continue as a corporate entity.

(ii) As per the audit report of subsidiary company:-

Note No. 38

(A) Trade Receivables outstanding for more than six months aggregating to ₹ 87.64 Lakhs (Previous year ₹ 86.29 lakhs) out of which ₹ 69.08 lakhs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2019 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 24.87 Lakhs (Previous Year ₹ 13.82 Lakhs) has been made in the books of accounts (being 40% on net outstanding of ₹ 69.08 lakhs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court and are pending on date.

B) The company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 18.56 Lakhs (including ₹ 7.17 lakhs & ₹ 0.60 lakhs due from CDSL & MCX debtors respectively) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/adjusted in the financials year 2019-20 and thereafter.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements matters stated in section 134(5) of the Act with respect to 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 Accounting Standards specified under Section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 and such other entities included in the consolidated financial statements of which we are the independent auditors 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 matters**

(a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 6,32,16,731/- as at 31st March, 2019, total revenues of ₹ 82,90,083/- and net cash flows amounting to ₹ 22,16,100/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We 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) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer Note 33 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (h) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

The Group has not paid any managerial remuneration for the year ended 31<sup>st</sup> March, 2019 to its directors.

FOR P. BHOLUSARIA & CO.  
*Chartered Accountants*  
Firm Registration No. 000468N

AMIT GOEL  
(Partner)  
M.No. 92648

Place: New Delhi  
Date : August 26, 2019



## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Control 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 Delhi Stock Exchange Limited and its subsidiary company (Collectively referred to as "the group") as of and for the year ended 31 March 2019, We have audited the internal financial controls over financial reporting of **DELHI STOCK EXCHANGE LIMITED** ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are 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 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the group's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the group's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the group 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 except that the auditor of subsidiary company in their report has reported about need for improvement in internal control procedures especially in areas relating to:-

**(a) Process of recovery of dues from Clients/sub brokers.**

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, which is audited by another auditor, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

FOR P. BHOLUSARIA & CO.  
*Chartered Accountants*  
*Firm Registration No. 000468N*

Place : New Delhi  
Date : August 26, 2019

AMIT GOEL  
*(Partner)*  
M.No. 92648



Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	76,01,43,034	75,09,14,699
		79,03,85,034	78,11,56,699
<b>Share Allotment Kept in abeyance</b>	4	1,56,000	1,56,000
<b>Non-Current Liabilities</b>			
Other Long-term Liabilities	5	2,64,00,996	3,49,63,958
Long Term Provisions	6	6,73,839	14,14,080
		2,70,74,835	3,63,78,038
<b>Current Liabilities</b>			
Trade Payables	7		
'-total outstanding dues of micro enterprises and small enterprises and		0	0
'-total outstanding dues of creditors other than micro enterprises and small enterprises		75,64,907	1,29,50,930
Other Current Liabilities	8	1,42,40,771	2,43,68,691
Short Term Provisions	6	27,92,199	23,09,500
		2,45,97,877	3,96,29,121
		84,22,13,746	85,73,19,858
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	9		
Tangible assets		5,42,33,839	5,90,35,942
Intangible assets		9,826	8,478
Capital work In Progress		6,43,500	22,16,900
Non-Current Investments	10	12,69,64,800	12,69,64,800
Deferred Tax Assets (Net)	11	4,92,830	11,49,996
Long-term Loans and Advances	12	3,52,19,840	3,57,73,416
Other Non-Current Assets	13	1,17,74,830	1,34,90,027
		22,93,39,465	23,86,39,559
<b>Current Assets</b>			
Current Investments	14	74,81,759	61,28,083
Trade Receivables	15	90,20,635	1,39,39,728
Cash and Bank balances	16	40,63,30,359	40,49,64,182
Short-Term Loans and Advances	12	18,47,84,295	18,67,86,689
Other Current Assets	17	52,57,233	68,61,617
		61,28,74,281	61,86,80,299
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 44	84,22,13,746	85,73,19,858

As per our report on even date  
For P. BHOLUSARIA & CO.

Chartered Accountants  
Firm Regd. No. 000468N

**Amit Goel**  
(Partner)

M.No. 092648

Place : New Delhi  
Date : August 26, 2019

## FOR AND ON BEHALF OF THE BOARD

**VIJAY BHUSHAN**  
(CHAIRMAN)  
DIN:00002421

**MAHENDER KUMAR GUPTA**  
(DIRECTOR)  
DIN:01194791

**VINOD KUMAR GOEL**  
(DIRECTOR)  
DIN:00039086

**SUNIL BHATIA**  
(Company Secretary)

*Consolidated Financial Report 2018-19*

## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Revenue from operations	18	28,86,200	34,96,589
Other Income	19	3,81,96,519	4,16,71,581
<b>Total Revenue</b>		<b>4,10,82,719</b>	<b>4,51,68,170</b>
<b>Expenses:</b>			
Employee Benefits Expense	20	81,47,896	95,83,107
Finance costs	21	0	2,79,927
Depreciation/Amortisation	9	44,65,587	53,65,641
Provision for Impairment	9	1,15,900	7,07,600
Other Expenses	22	1,46,83,436	1,80,52,981
Provision for Doubtful Debts		13,81,671	13,81,671
<b>Total Expenses</b>		<b>2,87,94,490</b>	<b>3,53,70,927</b>
Profit for the year before exceptional items and Tax		1,22,88,229	97,97,243
Exceptional Item [Employee State insurance (ESI) demand]		0	25,92,363
Profit for the year before Tax		1,22,88,229	72,04,880
<b>Tax expense:</b>			
Provision for Taxation			
- Current		19,00,000	19,00,000
- Earlier Year		5,02,728	3,77,459
- Deferred		6,57,166	98,621
Profit/(Loss) for the year after Taxation		92,28,335	48,28,800
<b>Earning Per Share:</b>	24		
Equity share of par value ₹ 1/-each			
Basic		0.31	0.16
Diluted		0.30	0.16
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 44		

As per our report on even date  
For P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Regd. No. 000468N  
**Amit Goel**  
(Partner)  
M.No. 092648  
Place : New Delhi  
Date : August 26, 2019

### FOR AND ON BEHALF OF THE BOARD

<b>VIJAY BHUSHAN</b> (CHAIRMAN) DIN:00002421	<b>MAHENDER KUMAR GUPTA</b> (DIRECTOR) DIN:01194791	<b>VINOD KUMAR GOEL</b> (DIRECTOR) DIN:00039086
<b>SUNIL BHATIA</b> (Company Secretary)		



## Consolidated Cash Flow Statement

For the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

	Year ended 31st March,2019	Year ended 31st March,2018
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before tax and Extraordinary Items	1,22,88,229	72,04,880
Adjustment for :		
Depreciation	44,65,587	53,65,641
Exceptional Items	0	25,92,363
Provisions for Doubtful debts	13,81,671	13,81,671
Interest on Income Tax	0	2,79,927
Provision for Impairment	1,15,900	7,07,600
Interest Income	(3,16,14,465)	(3,42,80,146)
Rental Income	(8,22,871)	(2,92,076)
Profit on redemption of mutual funds	(4,97,090)	(32,452)
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>(1,46,83,039)</b>	<b>(1,70,72,592)</b>
Adjustment for :		
Trade,other Receivables and loans and advances /	95,65,392	15,77,039
Other Bank Balances		
Current and Non-current Liabilities	(2,43,34,447)	(3,57,41,445)
<b>Cash Generated from operation</b>	<b>(2,94,52,094)</b>	<b>(5,12,36,997)</b>
Income tax paid	32,30,051	52,86,809
<b>Net Cash from Operation Activities</b>	<b>(3,26,82,145)</b>	<b>(5,65,23,806)</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Interest Income	3,16,14,465	3,42,80,146
Rental Income	8,22,871	2,92,076
Purchase of Fixed Assets	(57,154)	(98,916)
Sale of Fixed Assets	25,96,594	0
Purchase of Investments	(2,00,28,454)	(13,62,05,800)
Sale/Redemption of Investments	1,91,00,000	99,09,369
<b>Net Cash used in Investing Activities</b>	<b>3,40,48,322</b>	<b>(9,18,23,125)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest on Income Tax	0	(2,79,927)
<b>Net Cash used in Financing Activities</b>	<b>0</b>	<b>(2,79,927)</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>13,66,177</b>	<b>(14,86,26,858)</b>
<b>Cash and Cash Equivalents</b>	<b>40,47,70,124</b>	<b>55,33,96,982</b>
(Opening Balance)		
<b>Cash and Cash Equivalents</b>	<b>40,61,36,301</b>	<b>40,47,70,124</b>
(Closing Balance)		
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
Balances with Banks		
In Current and Deposit Accounts	40,60,89,248	40,47,68,854
Cash-on-hand	47,053	1,270
<b>Total (I)</b>	<b>40,61,36,301</b>	<b>40,47,70,124</b>
<b>Other Bank Balances</b>		
Deposit with bank	1,94,058	1,94,058
Lien marked with Registrar of High Court		
<b>Total (II)</b>	<b>1,94,058</b>	<b>1,94,058</b>
<b>Total Cash and Bank Balances (I+II)</b>	<b>40,63,30,359</b>	<b>40,49,64,182</b>

As per our report on even date

For P. BHOLUSARIA &amp; CO.

Chartered Accountants  
Firm Regd. No. 000468N**Amit Goel**

(Partner)

M.No. 092648

Place : New Delhi

Date : August 26, 2019

## FOR AND ON BEHALF OF THE BOARD

**VIJAY BHUSHAN**

(CHAIRMAN)

DIN:00002421

**MAHENDER KUMAR GUPTA**

(DIRECTOR)

DIN:01194791

**VINOD KUMAR GOEL**

(DIRECTOR)

DIN:00039086

**SUNIL BHATIA**

(Company Secretary)



## NOTES FORMING PART OF ACCOUNTS

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019**

#### **1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS**

##### **1.1 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relates to Delhi Stock Exchange Ltd. (the company) and its subsidiary company Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis:

- 1.1.1 The Financial Statements of the Company and the subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses.
- 1.1.2 As far as materially possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances and are presented to, in the same manner as the company's separate financial statements.

##### **1.2 OTHER SIGNIFICANT ACCOUNTING POLICY**

###### **a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- i These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act.
- ii The preparation of Financial Statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of Financial Statements and reported amount of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

###### **b) BASIS OF ACCOUNTING**

Income and Expenditure are accounted for on accrual basis, except to the extent stated otherwise.

###### **c) REVENUE RECOGNITION**

- i Income is accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking, revenue recognition is postponed to the extent of uncertainty involved as per Accounting Standard – Revenue Recognition (AS-9).
- ii Interest earned is recognized as income on accrual basis.

###### **d) INVESTMENTS**

Non Current/Long Term Investments are carried at cost and decline in value other than temporary, is provided for. Current investments are valued at lower of cost and fair value.

###### **e) FIXED ASSETS**

Fixed assets are stated at cost of acquisition including installation expenditure, if any less accumulated depreciation and impairment loss, if any.

###### **f) DEPRECIATION**

- i Depreciation on tangible assets except Leasehold land is provided on Written down value method over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013.
- ii Leasehold land is amortized over unexpired period of lease.
- iii Intangible Assets viz., Softwares are amortised over a period of three years.

###### **g) EMPLOYEE BENEFITS**

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under :-

- i Short term employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss for the year in which they are incurred.



## *Notes forming part of Accounts...*

- ii Employee benefits under defined contribution plans, comprises of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Statement of Profit & Loss.
- iii Employee Benefits under defined benefit plans, comprises of gratuity and leave encashment, which are accounted for, as at the year end, based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.
- iv Termination benefits are recognized as an expense, as and when incurred.
- v The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss for the year without resorting to any amortization.

### **h) TAXATION**

Tax expenses for the year comprises of Current tax and Deferred tax charged or credited. The Deferred Tax Asset/Liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax law are recognized only if there is virtual certainty of its realisation. Other Deferred Tax Assets are recognized only to the extent there is a reasonable certainty of realisation in future. Deferred Tax Assets/Liabilities are reviewed at each balance sheet date based on development during the year, further future expectations and available case laws to reassess realisation/liabilities.

### **i) EARNING PER SHARE**

Basic Earning 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 diluting earning 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 are adjusted for the effect of all dilutive potential equity shares, if any.

### **j) CASH & CASH EQUIVALENTS**

Cash and Cash equivalents for the purpose of Cash Flow Statements comprise Cash at bank and in hand, demand deposits with banks, deposits with banks which are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value..

### **k) CASH FLOW STATEMENT**

Cash flows are reported using indirect method. The Cash flows from operating, investing and financing activities of the Company are segregated based on the information available.

### **l) CONTINGENCIES:**

The company creates a provision when there is present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## Consolidated Financial Report 2018-19

### 2. SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorised</b>		
100000000 (Previous Year 100000000) Equity Shares of ₹ 1/- each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
<b>Issued</b>		
30320000 (Previous Year 30320000) Equity Shares of ₹ 1/- each	3,03,20,000	3,03,20,000
	3,03,20,000	3,03,20,000
<b>Subscribed</b>		
30320000 (Previous Year 30320000) Equity Shares of ₹ 1/- each	3,03,20,000	3,03,20,000
	3,03,20,000	3,03,20,000
<b>Paid up</b>		
30242000 (Previous Year 30242000) Equity Shares of ₹ 1/- each fully paid up	3,02,42,000	3,02,42,000
	3,02,42,000	3,02,42,000

- Issued Share Capital of the Company has only one class of shares referred to as equity shares having par value of ₹ 1/-. Each holder of Equity Shares is entitled to One vote per share.
- In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the exchange, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- In certain Secretarial records of the Company, there is difference of 4000 (Previous year 4000) equity shares in the paid up capital. The correct figure of paid up equity share is 30242000 (Previous year 30242000) shares of ₹ 1/- each as stated above. However, as per certain secretarial records, the total number of shares are 30246000 (Previous year 30246000). The rectification in the secretarial records is pending.
- The Dividend Proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. No dividend has been proposed for the current year or for the previous year.
- Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2019 & 31st March, 2018 is as under:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Number of shares at the beginning	3,02,42,000	3,02,42,000	3,02,42,000	3,02,42,000
Number of shares at the end	3,02,42,000	3,02,42,000	3,02,42,000	3,02,42,000

- There are no shareholders holding more than 5% shares in the company as at 31st March, 2019 & 31st March, 2018.



*Notes forming part of Accounts...*

**3. RESERVES AND SURPLUS**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Reserve-Opening Balance	51,35,66,587	51,35,66,587
	51,35,66,587	51,35,66,587
Settlement Guarantee Fund Reserve (SGF)- Opening Balance*	66,94,92,106	66,94,92,106
	66,94,92,106	66,94,92,106
General Reserve-Opening Balance	5,77,717	5,77,717
	5,77,717	5,77,717
Surplus -opening balance	(43,27,21,711)	(43,75,50,511)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	92,28,335	48,28,800
Surplus-Closing balance	(42,34,93,376)	(43,27,21,711)
	76,01,43,034	75,09,14,699

\* Settlement Guarantee Fund had been created with the objective of guarantee of the settlement of bonafide transactions of the members of the exchange, inter se, which formed part of the erstwhile exchange's settlement system. Fund balance represented initial contribution of the exchange and certain collections made from the members and income on investments attributable to fund balances upto 31/03/2016.(Also refer Note no. 32)

## *Consolidated Financial Report 2018-19*

### *Notes forming part of Accounts...*

#### **4. SHARE ALLOTMENT KEPT IN ABEYANCE**

(Amount in ₹)

Particulars	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
Share allotment kept in abeyance	1,56,000	1,56,000
	1,56,000	1,56,000

Share allotment kept in abeyance represents amount of ₹ 78000/- each received from two persons during the Financial Year 2007-08. The same is pending allotment because of pending completion of legal formalities/requirements by the applicant. Against the share application money, equity shares of face value of ₹ 1/- each, will be issued at par, in accordance with the provision of the Act and after completion of legal formalities/requirements by the applicants such as production of Letter of Probate, Court Order, Succession certificate etc. No separate interest is payable on the amount. The present authorised share capital of the company is sufficient to cover the shares to be issued against the share allotment kept in abeyance. However, the issued Capital and consequently the subscribed capital will be required to be increased by 78000 Shares if all the 156000 Shares are allotted. As a precautionary measure and as a matter of prudence, the Company has made earmarked bank FDRs of equivalent amount of ₹ 156000/- in the name of the aforesaid applicants.

#### **5. OTHER LONG TERM LIABILITIES**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit*	2,23,10,246	3,05,67,208
Other Security Deposits	1,00,000	4,06,000
Payable for Capital contracts	15,21,509	15,21,509
Other Liabilities	24,69,241	24,69,241
	2,64,00,996	3,49,63,958

\* Net of admission fees receivable of  
₹ 64,00,000/- (Previous Year ₹ 64,00,000/-)



*Notes forming part of Accounts...*

**6. PROVISIONS**

(Amount in ₹)

Particulars	As At 31st March, 2019		As At 31st March, 2018	
	Long Term	Short term	Long Term	Short term
<b>Provisions For Employees Benefit</b>				
Leave encashment	1,53,858	7,63,601	599273	251234
Gratuity	5,19,981	1,28,598	814,807	158266
<b>Others</b>				
Income Tax	0	19,00,000	0	1900000
	<b>6,73,839</b>	<b>27,92,199</b>	1414080	2309500

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>7. TRADE PAYABLES</b>		
-total outstanding dues of micro enterprises and small enterprises and	0	0
-total outstanding dues of creditors other than micro enterprises and small enterprises	75,64,907	1,29,50,930
	<b>75,64,907</b>	1,29,50,930
<b>8. OTHER CURRENT LIABILITIES</b>		
Investor Service Cell Fund-Payable to SEBI	13,61,406	13,61,406
Amount Refundable to brokers towards Settlement	53,10,000	98,10,000
Guarantee Fund (SGF / TGF) in terms of SEBI order (Refer Note no. 32)		
Margin from Sub-brokers	54,28,229	57,59,974
Book overdraft in Current accounts	1,56,849	38,457
Income Received in Advance	0	16,000
Statutory dues Payable	3,14,667	24,06,730
Expenses Payable	16,69,620	49,76,124
	<b>1,42,40,771</b>	2,43,68,691

## Notes forming part of Accounts...

## 9. FIXED ASSET

(Amount in ₹)

S. No	Particulars	Gross Block at Cost			Depreciation/Amortisation				Net Block		
		As at 1st April 2018	Additions during the year	Deduct-ions during the year	As at March 31 2019	Upto March 31 2018	For the year	Deduc-tion during the year	Adjust-ment for impair-ment	As on 31st March 2019	As on 31st March 2018
A	<b>Tangible Assets</b>										
	1 Land (Lease hold)	5,43,85,303	0	0	5,43,85,303	2,11,15,960	10,05,522	0	0	221,21,482	3,32,69,343
	2 Buildings	7,07,66,654	0	0	7,07,66,654	4,91,08,759	27,52,348	0	0	518,61,107	2,16,57,895
	3 Electric Installation & Equipments	3,44,65,140	0	35,78,718	3,08,86,422	3,19,54,654	5,66,925	33,99,225	0	291,22,354	25,10,486
	4 Furniture & Fixtures	1,25,03,789	0	1,62,900	1,23,40,889	1,18,63,820	49,236	1,61,200	0	117,51,856	6,39,969
	5 Vehicles	23,97,479	0	23,97,479	0	22,62,944	608	22,63,552	0	0	1,34,535
	6 Office Equipment	86,08,071	52,794	5,04,679	81,56,186	82,45,929	47,285	4,80,225	0	78,12,989	3,62,142
	7 Computers & Peripherals	96,89,213	0	13,74,904	83,14,309	92,27,641	40,651	13,22,156	0	79,46,136	4,61,572
	8 Liabrary Books	2,97,749	0	0	2,97,749	2,97,749	0	0	0	2,97,749	0
9 Online Trading System & Communication Equipments	4,36,167	0	0	4,36,167	4,36,167	0	0	0	4,36,167	0	
	<b>Total Tangible Assets (A)</b>	<b>19,35,49,565</b>	<b>52,794</b>	<b>80,18,680</b>	<b>18,55,83,679</b>	<b>13,45,13,623</b>	<b>44,62,575</b>	<b>76,26,358</b>	<b>0</b>	<b>13,13,49,840</b>	<b>5,90,35,942</b>
	Previous Year	19,34,60,149	89,416	0	19,35,49,565	12,91,70,815	53,42,808	0	0	13,45,13,623	6,42,89,334
B	<b>Intangible Assets</b>										
	1 Softwares	69,17,170	4,360	0	69,21,530	69,08,692	3,012	0	0	69,11,704	8,478
	<b>Total Intangible Assets (B)</b>	<b>69,17,170</b>	<b>4,360</b>	<b>0</b>	<b>69,21,530</b>	<b>69,08,692</b>	<b>3,012</b>	<b>0</b>	<b>0</b>	<b>69,11,704</b>	<b>8,478</b>
	Previous Year	69,07,670	9,500	0	69,17,170	68,85,859	22,833	0	0	69,08,692	21,811
C	<b>Capital Work In Progress</b>	9,68,42,307	0	62,60,560	9,05,81,747	9,46,25,407	0	48,03,060	1,15,900	8,99,38,247	22,16,900
	<b>Total Capital Work In Progress (C )</b>	<b>9,68,42,307</b>	<b>0</b>	<b>62,60,560</b>	<b>9,05,81,747</b>	<b>9,46,25,407</b>	<b>0</b>	<b>48,03,060</b>	<b>1,15,900</b>	<b>8,99,38,247</b>	<b>22,16,900</b>
	Previous Year	9,68,42,307	0	0	9,68,42,307	9,39,17,807	0	0	7,07,600	9,46,25,407	29,24,500
	<b>Total (A+B+C)</b>	<b>29,73,09,042</b>	<b>57,154</b>	<b>1,42,79,240</b>	<b>28,30,86,956</b>	<b>23,60,47,722</b>	<b>44,65,587</b>	<b>1,24,29,418</b>	<b>1,15,900</b>	<b>22,81,99,791</b>	<b>6,12,61,320</b>
	(Previous Year)	29,72,10,126	98,916	0	29,73,09,042	22,99,74,481	53,65,641	0	7,07,600	23,60,47,722	6,72,35,645



## Notes forming part of Accounts...

**9.1 Capital Work-in-Progress consists of amount paid for development of On-Line Trading Platform/ Data Centre and it comprises of following:-**

(Amount in ₹)

Particulars	As at 31 March,2019	As at 31 March,2018
<b>CAPITAL WORK IN PROGRESS</b>		
Amount paid for development of Data Center	2,29,99,046	2,29,99,046
Paid for Hardware Equipments	2,46,42,598	3,09,03,158
Networking & Cabling	94,14,406	94,14,406
Other Expenditures	86,78,146	86,78,146
License/service fee paid for Customized Exchange Technology and other License Fees	2,48,47,551	2,48,47,551
<b>Total Capital Work in Progress</b>	<b>9,05,81,747</b>	<b>9,68,42,307</b>
Less:Provision for Impairment	<b>(8,99,38,247)</b>	<b>(9,46,25,407)</b>
<b>Balance</b>	<b>6,43,500</b>	<b>22,16,900</b>

9.2 Provision for Impairment on capital work in progress has been made on the basis of Valuation Report by Independent Valuer. The total provision made is ₹ 8,99,38,247/- (Previous Year ₹ 9,46,25,407/-). In the opinion of management, the same has been made as a matter of prudence and to reflect a true and fair picture of the financial statements.

**10. NON CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	Face Value (₹)	As at 31st March,2019		As at 31st March,2018	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
<b>LONG TERM INVESTMENTS (At Cost))</b> <b>(Non Trade)</b>					
<b>(A) Investment in Equity Instruments</b> <b>(Quoted)</b>					
-Fully Paid up Equity Shares					
Bombay Stock Exchange Limited	2	65000	67,64,000	65000	67,64,000
<b>TOTAL A</b>		<b>65000</b>	<b>67,64,000</b>	<b>65000</b>	<b>67,64,000</b>
<b>(B) INVESTMENTS IN MUTUAL FUNDS</b> <b>(Unquoted)</b>					
-FULLY PAID UP UNITS					
Aditya Birla Sun Life Credit Risk Fund - Growth	10	4539642	6,00,00,000	4539642	6,00,00,000
HSBC FTS 131- Growth Direct Plan	10	6000000	6,00,00,000	6000000	6,00,00,000
<b>TOTAL B</b>		<b>10539642</b>	<b>12,00,00,000</b>	<b>10539642</b>	<b>12,00,00,000</b>
<b>(C) INVESTMENTS IN BONDS</b> <b>(Quoted, Fully paid up)</b>					
9.40% IFCI Bond 2025	1000	200	2,00,800	200	2,00,800
<b>TOTAL C</b>		<b>200</b>	<b>2,00,800</b>	<b>200</b>	<b>2,00,800</b>
<b>TOTAL (A+B+C)</b>		<b>10604842</b>	<b>12,69,64,800</b>	<b>10604842</b>	<b>12,69,64,800</b>



## Consolidated Financial Report 2018-19

### Notes forming part of Accounts...

Aggregate cost of Quoted investments ₹ 69,64,800/- (Previous year ₹ 69,64,800/-)

Market value of Quoted Investments ₹ 3,99,25,550/- (Previous year of ₹ 4,93,53,800/-)

Aggregate cost of investment in mutual fund as on 31.03.2019 ₹ 1,20,00,000/-  
(previous year ₹ 12,00,00,000/-).

Net Asset Value thereof as on 31.03.2019 ₹ 12,90,41,891/- (previous year ₹ 12,06,09,489/-).

#### 11. DEFERRED TAX ASSETS (NET)

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<u>Deferred Tax Asset</u>		
Expenses allowable under Income Tax Act on payment basis	2,17,173	3,17,803
Expenses on VRS allowable under Income Tax Act in subsequent years	4,39,543	9,40,623
<u>Less: Deferred Tax Liability</u>		
Fixed Assets	1,63,886	1,08,430
	<b>4,92,830</b>	<b>11,49,996</b>

#### 12. LOANS AND ADVANCES

(Amount in ₹)

Particulars	As At 31st March, 2019		As At 31st March, 2018	
	Long Term	Short term	Long Term	Short term
<b>Unsecured, Considered Good, unless otherwise stated:</b>				
<b>Others</b>				
Security Deposit with Government Department and others	2,96,84,500	0	2,98,73,000	0
Prepaid expenses/Advance against expenses	0	9,12,166	0	11,26,476
Amount paid to SEBI toward broker / Sub broker fees (Refer Note no. 34)	0	15,50,68,770	0	15,76,84,177
GST/Service Tax Recoverable	52,43,234	0	49,33,406	0
TDS/Income Tax refunds due	2,92,106	2,88,03,359	9,67,010	2,79,76,036
Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 12.1)				
—Considered Doubtful	7,15,90,627	0	7,15,90,627	0
Less: Provision for Doubtful Advances	-7,15,90,627	0	-7,15,90,627	0
	<b>3,52,19,840</b>	<b>18,47,84,295</b>	<b>3,57,73,416</b>	<b>18,67,86,689</b>

*Notes forming part of Accounts...*

- 12.1** The company had entered into a technology agreement in September 2008 with Financial Technologies (India) Ltd. (hereinafter referred to as "FTIL") for availing license of its trading software. Due to various deficiencies/defects in the license/software and services, the agreement was terminated by the company in April 2011. The company had paid/incurred a sum of ₹ 7,80,13,317/- (₹ 7,15,90,627/- net of service tax) which includes payments made to FTIL, other expenses like travelling, Legal and Professional Charges etc., in connection therewith, and also service tax of ₹ 64,22,690/-. Consequent upon the termination of the agreement, the amount had been shown recoverable from FTIL. On the other hand, FTIL has made counter claim of further amount of ₹ 10,09,17,161/-. In the opinion of management, the claim of FTIL is not tenable at all and the management is hopeful of recovery of the full amount from FTIL. However, as a matter of prudence, provision for the amount of ₹ 7,15,90,627/- was made and charged in the Statement of Profit & Loss in the earlier year.

*(Amount in ₹)*

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>13. OTHER NON-CURRENT ASSETS</b>		
FDR's (including interest accrued) pledged with Stock Exchanges & other given as Security Deposits	<b>1,16,74,830</b>	1,33,90,027
Margin Deposit with Orbis Financial corporation Ltd. (MCX- SX)	<b>1,00,000</b>	1,00,000
	<b>1,17,74,830</b>	1,34,90,027

**14. CURRENT INVESTMENTS***(valued at lower of cost and fair value)*

Particulars	As At 31 <sup>st</sup> March, 2019		As At 31 <sup>st</sup> March, 2018	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹
Investment in Mutual Funds- (Unquoted, fully paid up) Non-Trade				
ICICI Prudential Saving Fund- Direct Plan-Growth*	<b>13878</b>	<b>49,81,759</b>	13852	46,28,083
JM High Liquidity Fund (Direct)-Growth Option	<b>49365</b>	<b>25,00,000</b>	31603	15,00,000
	<b>63243</b>	<b>74,81,759</b>	45455	61,28,083

Net Asset Value as on 31.03.2019 ₹75,39,278/- (Previous year ₹ 61,47,377/-).

## Consolidated Financial Report 2018-19

### Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>15. TRADE RECEIVABLES</b>		
Outstanding for a Period exceeding six months		
Unsecured		
Considered Good	77,42,204	96,91,330
Considered doubtful	27,63,342	13,81,671
Less: Provision for doubtful debts	(27,63,342)	(13,81,671)
	77,42,204	96,91,330
Others Debts		
Unsecured, Considered Good	12,78,431	42,48,398
	90,20,635	1,39,39,728
<b>16. CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash equivalents</b>		
Balances with Banks		
-In Current Accounts	67,61,000	44,32,972
-In Deposit Accounts*	39,93,28,248	40,03,35,882
Cash-on-Hand	47,053	1,270
<b>Other Bank balances</b>		
Deposit with bank**	1,94,058	1,94,058
	40,63,30,359	40,49,64,182

\* Balance with Banks in deposits accounts represents time deposits with bank which can be withdrawn by the company at any point of time without any penalty on Principal.

Balance with banks in deposits accounts includes deposits of ₹ 44,38,247/- (Previous year Nil) With maturity of more then 12 months.

\*\* lien marked with Registrar of High Court

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>17. OTHER CURRENT ASSETS</b>		
Interest accrued on bank deposits	30,85,711	35,15,853
Margin Deposit with IL&FS (for NSE (F&O))	10,00,000	18,50,000
Rent Receivable	7,87,097	9,98,782
Recoverable from Customer Protection Fund	0	25,620
Other Receivables	2,28,425	3,15,362
Bank FDR earmarked against amount of Share Allotment Kept in abeyance ( Refer Note No. 4)	1,56,000	1,56,000
[Value with accrued interest as on 31/03/2019 ₹ 321351/- (Previous Year ₹ 302386/-)]		
	52,57,233	68,61,617



*Notes forming part of Accounts...*

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018
<b>18. REVENUE FROM OPERATIONS</b>			
Brokerage Income (Net)*	21,49,146		27,21,768
Depository Income	7,37,054		7,40,501
Other Fees & Claims	0		34,320
	<b>28,86,200</b>		<b>34,96,589</b>
* Net of ₹ 55,41,371/- (previous year ₹ 82,24,966/-) paid to Sub-brokers/ clearing member			
<b>19. OTHER INCOME</b>			
Interest (Gross) on			
a) Fixed Deposits with banks	3,11,03,150	3,39,97,994	
b) Others	<u>5,11,315</u>	<u>2,82,152</u>	3,42,80,146
Profit on sale/redemption of Non-current Investments and current investments	4,97,090		32,452
Profit on sale/disposal of Fixed Assets (Net) (Property, Plant and Equipment)	7,46,772		0
Distribution of Transfer deeds	19,880		75,390
Miscellaneous Income	18,40,441		9,48,569
Compensation received	3,15,000		0
Rent Income	8,22,871		2,92,076
Liability No Longer Required Written Back	0		42,20,569
Dividend Income on Long term/Non Current Investments	23,40,000		18,22,379
	<b>3,81,96,519</b>		<b>4,16,71,581</b>
<b>20. EMPLOYEE BENEFIT EXPENSES</b>			
Salaries and Benefits	75,27,630		85,12,630
Contribution to Provident fund and Gratuity fund	3,64,821		6,83,352
Staff welfare	2,55,445		3,87,125
	<b>81,47,896</b>		<b>95,83,107</b>
<b>21. FINANCE COSTS</b>			
Interest on Income Tax	0		2,79,927
	<b>0</b>		<b>2,79,927</b>

# Consolidated Financial Report 2018-19

## Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018
<b>22. OTHER EXPENSES</b>			
Electricity	25,89,356		33,44,394
Water	8,54,274		9,73,435
Property Management Services	39,23,614		36,05,021
<b><u>Repairs and Maintenance</u></b>			
- Building	2,130	0	
- Others	6,84,584	6,45,345	6,45,345
Advertisement	79,866		0
Rates & Taxes	7,05,919		8,36,106
Insurance	8,81,514		8,37,284
Sitting Fees	4,55,000		3,40,000
Communication	2,46,637		3,94,710
Auditor's Remuneration	5,15,000		5,15,000
Legal and Professional	10,28,966		12,58,873
Connectivity	35,009		17,054
Settlement Fees & Clearing House Operation	7,25,163		8,05,796
Printing and Stationery	2,24,969		1,75,085
Travelling and Conveyance	1,10,849		1,07,595
Refund of Admission and other fees	0		2,19,783
Board and Committee Meetings	51,167		34,889
Vehicle Running and Maintenance	3,140		1,25,170
Bad debts/Advances/ Misc. Balances written-off	6,04,988		10,86,461
CSR Expenditure	0		9,08,264
Festival	1,48,642		1,12,721
General Meetings of Members	2,24,492		2,27,793
Claim/ Interest paid pursuant to court order	0		8,18,076
Miscellaneous	5,88,156		6,64,126
	<b>1,46,83,436</b>		<b>1,80,52,981</b>

23. The accompanying Consolidated Financial Statement includes the accounts of Delhi Stock Exchange Ltd. and its following subsidiary:-

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year ended
Delstox Stocks And Shares Ltd.	India	100% subsidiary	31.03.2019

*Notes forming part of Accounts...***24. Earning Per Share pursuant to Accounting Standard (AS-20) "Earning Per Share"**

Particulars	Current Year ₹	Previous Year ₹
Net Profit/(Loss) after Tax as per Statement of Profit and Loss	92,28,335	48,28,800
Net Profit/(Loss) attributable to Equity Shareholders	92,28,335	48,28,800
<b>Basic Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average Nos. of Equity Share Outstanding	3,02,42,000	3,02,42,000
Basic Earning per share (₹)	0.31	0.16
<b>Diluted Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average Nos. of Equity Share Outstanding	3,03,98,000	3,03,98,000
Diluted Earning per share (₹)	0.30	0.16

**25. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

- (a) Claims against the Group not acknowledged as debts:-  
₹ 11,09,38,025 /- (Previous Year ₹ 11,09,38,025/-)
- (b) The Assessing Officer has disallowed the holding company claim of exemption under section 11 of Income Tax Act, 1961 from the Assessment Year 1996-97 to 1999-2000 and from Assessment Year 2001-02 to 2006-07. The total demands raised by assessing officer for these years were ₹ 31,44,40,999/-. The Commissioner of Income Tax (Appeals) as well as Income Tax Appellate Tribunal (ITAT) upheld the claim of exemption by the Company for all the above years. As per the information available with the company, the Income Tax Department has filed appeal before Hon'ble High Court of Delhi against the decision of ITAT.

**26. RELATED PARTY TRANSACTIONS****26.1 List of Related Parties with whom transactions have taken place and relationship:**

- a) *Key Managerial Personnel*  
Mrs. Rachna Prakash (Company Secretary)  
Mr. Sunil Bhatia (Company Secretary)

- b) *Directors*

Current Year	Previous Year
Vijay Bhushan Mahender Kumar Gupta Vinod Kumar Goel Hans Raj Kapoor I.C. Singhal	Mohinder Singh Shanker Singal Sudhangshu S Biswal Vijay Bhushan Mahender Kumar Gupta Vinod Kumar Goel Sanjeev Gandhi I C Singhal Vijay kumar Gupta Rajinder Kumar Goel

- c) Concerns in which directors are interested:  
Vijay Bhushan & Co. (Mr. Vijay Bhushan is Proprietor)  
Bharat Bhushan & Co. (Mr. Vijay Bhushan is Partner)  
Emmkay Share & Stock Brokers Ltd. ( Mr. Mahender Kumar Gupta is Director and Member)  
Vinod Kumar Goel & Co ( Mr. Vinod Kumar Goel is Proprietor)

## Consolidated Financial Report 2018-19

### Notes forming part of Accounts...

- d) Relative of Director:  
Murari Lal Goel (Father of Mr. Vinod Kumar Goel)

#### 26.2 Transactions during the year with Related Parties:-

(Amount in ₹)

Sr. No.	Name of the Related party	Nature of Transactions	Amount Current Year	Amount Previous Year
1	Sunil Bhatia	Remuneration paid	10,68,981	11,09,581
2	Rachna Prakash	Remuneration paid	3,30,090	3,56,388
3	Mohinder Singh	Sitting Fees paid	0	80,000
4	Shanker Singal	Sitting Fees paid	0	20,000
5	Sudhangshu S Biswal	Sitting Fees paid	0	30,000
6	Vijay Bhushan	Sitting Fees paid	65,000	10,000
7	Mahender Kumar Gupta	Sitting Fees paid	1,40,000	45,000
8	Vinod Kumar Goel	Sitting Fees paid	1,35,000	10,000
		Security Deposit received and repaid	1,82,157	0
9	Hans Raj Kapoor	Sitting Fees paid	45,000	0
10	Sanjeev Gandhi	Sitting Fees paid	0	30,000
11	Rajinder Kumar Goel	Sitting Fees paid	0	55,000
12	Vijay Kumar Gupta	Sitting Fees paid	0	25,000
13	I C Singhal	Sitting Fees paid	70,000	35,000
14	Vijay Bhushan & Co.	Refund of Margin Deposits	0	12,500
		Turnover fees recovered	0	11,753
15	Bharat Bhushan & Co.	Refund of Margin and TGF Deposits	0	64,500
		Sub broker fees recovered	0	5,000
16	Emmkay Share & Stock Brokers Ltd.	Refund of Margin and TGF Deposits	0	1,99,779
		Cabin rent and other dues	1,716	900
		Outstanding recoverable of	1,716	0
17	Vinod Kumar Goel & Co.	Cabin rent as at the year end		
		Refund of Margin and TGF Deposits	0	62,500
		Cabin rent and other dues	654	2,566
		Outstanding recoverable of	654	0
		Cabin rent as at the year end		
18	Murari Lal Goel	Refund of Margin and TGF Deposits	0	62,500
		Cabin rent and other dues	654	1,929
		Outstanding recoverable of	654	0
		Cabin rent as at the year end		

#### 27.1 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15 (in case of Holding Company)

##### Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under: -

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)	Head under which shown in Statement of Profit & Loss
Contribution to Provident Fund	2,86,571/-	3,25,562/-	Contribution to Provident Fund and Gratuity Fund

Notes forming part of Accounts...

Defined Benefit Plan

Movement in net liability

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	15,89,176/-	14,45,035/-	6,90,125/-	5,47,588/-
Interest Cost (B)	1,17,599/-	92,482/-	51,069/-	35,046/-
Past service cost (C)	Nil	572/-	Nil	Nil
Current service cost (D)	1,13,959/-	1,29,760/-	97,504/-	1,07,168/-
Benefits paid (E)	(81,000/-)	(2,42,308/-)	(62,970/-)	(35,600/-)
Actuarial loss/(gain) on obligation (F)	(1,59,855/-)	1,63,635/-	(69,047/-)	35,923/-
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	15,79,879/-	15,89,176/-	7,06,681/-	6,90,125/-

The amounts recognized in the Balance Sheet and the Statement of Profit & Loss are as follows :

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	15,79,879/-	15,89,176/-	7,06,681/-	6,90,125/-
Estimated fair value of plan Assets (B)	14,51,281/-	11,36,947/-	Nil	Nil
Net Liability/(Asset) (C=A-B)	1,28,598/-	4,52,229/-	7,06,681/-	6,90,125/-
<b>Amounts in the Balance Sheet</b> Liabilities/(Asset)	1,28,598/-	4,52,229/-	7,06,681/-	6,90,125/-
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	1,13,959/-	1,29,760/-	97,504/-	1,07,168/-
Interest Cost	1,17,599/-	92,482/-	51,069/-	35,046/-
Past Service Cost	Nil	572/-	Nil	Nil
Expected Return on Plan Asset	(86,976/-)	(1,05,776/-)	Nil	Nil
Actuarial(Gain)/Loss	1,73,642/-	1,72,293/-	(69,047/-)	35,923/-
	(29,060/-)	2,89,331/-	79,526/-	1,78,137/-
Head under which shown in the Statement of Profit & Loss	Contribution to Provident Fund and Gratuity Fund		Salaries and Benefits	

The Actual Return on Plan Assets is as follows

(Amount in ₹)

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,00,763/-	97,118/-



## Consolidated Financial Report 2018-19

### Notes forming part of Accounts...

(Amount in ₹)

Following are the Principal Actuarial Assumptions used as at the Balance Sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	6.70%	7.40%
Expected Rate of Return on Plan Assets	7.80%	7.65%
Salary Escalation Rate	10.00%	10.00%

A reconciliation of the opening and closing balances of the fair value of plan assets

SI.No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	11,36,947/-	12,82,137/-
ii)	Expected Return on Plan Assets	86,976/-	1,05,776/-
iii)	Contribution by the Employer	2,94,571/-	Nil
iv)	Benefits Paid	(81,000/-)	(2,42,308/-)
v)	Actuarial Gain/(Loss)	13,787/-	(8,658/-)
	Closing Fair Value of Plan Assets	14,51,281/-	11,36,947/-

#### 27.2 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15 (in case of Subsidiary Company)

##### I) Defined Contribution Plan

As the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are not presently applicable to the Subsidiary Company, employer's contribution during the year is ₹ NIL (previous year is ₹ NIL).

##### II) Defined Benefit Plans

- a) Gratuity liability is accounted as per the company's policy for employees who have completed six months as at Balance Sheet date, computed as per the provisions of the Payment of Gratuity Act, 1972.
- b) Leave encashment liability of employees is accounted for on accrual basis computed as per the Subsidiary company policy on the basis of last pay drawn at the end of the year.

#### 28. DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

To the extent information available with the Group, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2019 and 31st March, 2018.

29. The Group is a small and medium sized company (SMC) as defined in the general instructions in respect of Accounting Standards notified under the Companies Act . Accordingly, the Group has complied with the Accounting Standards as applicable to a small and medium sized company.

#### 30. Auditor Remuneration includes the following:

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees	400,000	400,000
Tax Audit Fees	10,000	10,000
Others	25,000	25,000
Consolidation	50,000	50,000
Out of Pocket Expenses	30,000	30,000
	515,000	515,000



## *Notes forming part of Accounts...*

31. In terms of SEBI Exit order dated 23/01/2017, the Company is required to change its name so as to not to use the expression 'Stock Exchange' in its name. The Company is taking necessary steps in this regard
32. As per Exit order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 passed by Whole Time member, SEBI, the company is to refund SGF / TGF deposit (refundable) to the stock brokers including their initial contribution / deposit to Settlement Gurantee Fund / Trade Gurantee Fund (SGF/ TGF). Accordingly amount of ₹ 1,55,10,000/- as identified and certified by the management and also by Internal auditors of the Company, was transferred during the financial year 2016-17 from Settlement Gurantee Fund to Other Current liabilities.

### **33. Litigation**

- a) The Impact of pending litigation has been considered and disclosed in the Contingent Liabilities in Note No. 25.
- b) In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The group's management does not reasonably expect that these legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the company's results of operations or financial statements.
34. In terms of SEBI Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012, Circular No. CIR/MRD/DSA/33/2012 dated December 13, 2012 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 dated June 20, 2012, and as approved by the members of the holding company in their meeting held on May 23, 2014, the holding company had opted for exit through voluntary surrender of recognition as a Stock Exchange. SEBI Vide Letter No. MRD/DSA/DSEL/LR/OW/10684/2015 dated April 17, 2015 asked the holding company to comply with the following in order to exit from the business of stock exchange:
- i) To transfer the Investor Protection Fund, Investor Services Fund and 1% Security deposit available with DSEL including interest accrued on this amount till date to SEBI IPEF immediately.
- ii) To transfer the dues outstanding to SEBI including 10% of listing fee and the annual regulatory fee.
- iii) To transfer the outstanding registration fees of brokers/sub-brokers as specified in the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 to till date.

In terms of aforesaid letter of SEBI, the company had, remitted/transferred the balance of Investor Protection Fund, Investor Services Fund and 1% Security deposit to SEBI in the earlier year. However, with regard to amount of outstanding registration fee of brokers/sub-brokers, in the opinion of management, the company is not liable to pay the outstanding fees of brokers/sub-brokers, if any. The company wrote a letter dated July 13, 2015 to SEBI stating that the company is not liable to pay the outstanding registration fees of brokers. Earlier SEBI informed the company about outstanding brokers/subbrokers turnover fee amounting to ₹ 25,38,11,200/. Subsequently after several representations and meetings, SEBI re-calculated the brokers fee at ₹ 15,61,98,365/- and sub-brokers fees at ₹ 22,11,500/- totalling to ₹ 15,84,09,865/- (inclusive of interest) as of September, 2016. SEBI informed the company the liability in respect of members which were party to the appeal in the matter of SEBI vs. Alliance Finstock Private Limited and their corresponding transferees and the members which were party to the appeal in the matter of Association for welfare of Delhi Stock Brokers & Ors. vs. Union of India & Ors. (W.P.(C) 17349/2004) was under calculation and will be informed by SEBI separately. During the financial year 2016-17, the Company had paid the aforesaid amount of ₹ 15,84,09,865/- to SEBI. According to the management, the amounts had been paid to SEBI without prejudice to rights to get the refund of the amount from SEBI if excess amount has been paid. Upto the Year end the Company has recovered amount of ₹ 33,41,095/- (Previous year ₹ 7,25,688/-) from some brokers against the turnover fees/sub-broker fee. The amount paid to SEBI net of aforesaid recovery has been shown in note no.

*Notes forming part of Accounts...*

11 of the Financial Statements. Subsequent to the year end, the Company has further recovered turnover fees/ sub broker fees of ₹ 20,566/-. In the opinion of management the company is also not liable for the liability of remaining amount of ₹ 15,50,48,204/- (i.e. amount paid by it to SEBI less recovery made and refund received) (Previous year ₹ 15,51,16,386/-) as this amount of ₹ 15,50,48,204/- (Previous year ₹ 15,51,16,386/-) will also be recoverable from the respective brokers/ sub-brokers and, therefore, no provision for expense/liability is required to be made for the same.

35. SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 had passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock Exchange, as the company intends to continue as a corporate entity.

36. **Additional information as per schedule III of the Companies Act, 2013.**

Name of the entity in the	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit/Loss	Amount
1	2	3	4	5
<b>Parent</b>				
Delhi Stock Exchange Limited	102.15 (102.35)	80,73,74,318 (79,95,18,747)	88.83 (96.98)	1,09,15,465 (69,87,470)
<b>Subsidiary (Indian)</b>				
Delstox Stocks and Shares Ltd.	-2.15 (-2.35)	-1,69,89,284 (-1,83,62,048)	11.17 (3.02)	13,72,764 (2,17,410)
<b>Total</b>	100.00 (100.00)	79,03,85,034 (78,11,56,699)	100.00 (100.00)	1,22,88,229 (72,04,880)

37. As per financial statements of Subsidiary Company, it is having a procedure for sending quarterly confirmation letters / accounts statements to its debtors / creditors and other parties as per the requirement of SEBI / Various Stock Exchanges. However confirmation in respect of debtors and creditors are still pending for reconciliations, and adjustments, if any, in this regard would be done in the year in which such reconciliations / confirmations take place.

38. As per financial statements of Subsidiary Company,

- (A) Trade Receivables outstanding for more than six months aggregating to ₹ 87.64 Lakhs (Previous year ₹ 86.29 lakhs) out of which ₹ 69.08 lacs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2019 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 24.87 Lakhs (Previous Year ₹ 13.82 Lakhs) has been made in the books of accounts (being 36% on net outstandings of ₹ 69.08 lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court which are pending.
- B) The company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 18.56 Lakhs (including ₹ 7.42 lakhs & ₹ 0.60 lakhs due from CDSL & MCX debtors respectively) for more than six months as neither any recovery process



*Notes forming part of Accounts...*

nor any legal action is initiated for the recovery of outstanding dues by the Company. However, these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/adjusted in the financials year 2019-20.

39. As per financial statements of Subsidiary Company, FDRs amounting to ₹15 Lakhs (Previous year ₹15 lakhs) have been pledged by Sub-Brokers with Bombay Stock Exchange Ltd. in the name of the subsidiary company as additional capital against margin as on 31.03.2019 without routing it through the books of the accounts of the subsidiary company and accordingly interest thereon are also not credited to the account.
40. During the year, the Holding Company has spent ₹ Nil (Previous year ₹ 9,08,264/-) on Corporate Social Responsibility (CSR activities) which it was required to spent in the previous year.
41. As per financial statements of Subsidiary Companies, there are some unclaimed shares lying for more than 3 years in the Demat account of the Subsidiary Company, which do not belong to it and the board of directors of the Company is look into the matter.
42. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
43. Disclosure u/s 186(4) of the Companies Act, 2013:  
The detail of investments are given under the respective heads.
44. Previous year's figures have been regrouped/reclassified, wherever considered necessary to conform to the Current Year's presentation.

As per our report on even date

For P. BHOLUSARIA & CO.

Chartered Accountants

Firm Regd. No. 000468N

**Amit Goel**

(Partner)

M.No. 092648

Place : New Delhi

Date : August 26, 2019

**FOR AND ON BEHALF OF THE BOARD**

**VIJAY BHUSHAN**

(CHAIRMAN)

DIN:00002421

**MAHENDER KUMAR GUPTA**

(DIRECTOR)

DIN:01194791

**VINOD KUMAR GOEL**

(DIRECTOR)

DIN:00039086

**SUNIL BHATIA**

(Company Secretary)



**23rd**  
**Annual Report**  
**2018 - 2019**

**Delstox Stocks And Shares Ltd.**  
(formerly DSE Financial Services Ltd)  
(A subsidiary of Delhi Stock Exchange Ltd.)



*Delstox Stocks And Shares Ltd.*  
(formerly DSE Financial Services Ltd)

## **Board of Directors and KMP's**

### **Chairman :**

Shri M. K. Gupta

### **Shareholder's Director :**

Shri I. C. Singhal  
Shri Vinod Kumar Goel

### **Representative Director :**

Shri Sunil Bhatia

### **Company Secretary:**

Ms. Rachana Prakash

### **Statutory Auditors :**

SMA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
NEW -DELHI

### **Bankers :**

HDFC Bank  
Canara Bank

### **Corporate Office :**

DSE House  
3 /1, Asaf Ali Road  
New Delhi - 110 002

### **Registered Office :**

DSE Chambers  
3 & 4/4B, Asaf Ali Road  
New Delhi - 110 002

### *Notice to Members*

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the Members of Delstox Stocks And Shares Limited will be held on the 16<sup>th</sup> September 2019 at 4:00 P.M. at the Board Room, DSE House, 3/1, Asaf Ali Road, New Delhi-110002 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri I.C.Singhal , who retires by rotation and being eligible ,offers himself for re-appointment.
3. To appoint M/s SMA & Associates., Chartered Accountants, the retiring Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
4. Any other item with the permission of the Chair.

*By order of the Board of Directors*  
For **Delstox Stocks And Shares Ltd.**

Date: 21.08.2019  
*Corporate Office:*  
3/1, Asaf Ali Road  
New Delhi-110 002

**Rachana Prakash**  
*Company Secretary*

**NOTES:**

- a. A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member.
- b. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- c. None of the Directors seeking re-appointment is related to any member of the Board of Directors or to any Management Personnel.

## *Directors' Report*

Dear Members,

The Board of Directors hereby submits the 23rd Annual Report of the business and operations of your company ('the Company' or 'DSSL'), along with the audited financial statements, for the financial year ended March 31, 2019.

### TURNOVER

During the year, the turnover (for and on behalf of clients/sub-brokers) of the company is as under:

(Amount in ₹ crores)

Product	2018-19	% change since last year	2017-18
BSE (cash)	160.02	-51.15	327.60
NSE (cash)	1010.23	+04.91	962.96
NSE (F&O)	380.44	-31.23	553.17
MCX-SX	-	-	-
<b>Total</b>	<b>1550.69</b>	<b>-15.89</b>	<b>1843.73</b>

The general slowdown in economy also had its impact on the turnover of the Company, which has lowered by 15.89 % as against the previous year.

### RESULTS OF OUR OPERATIONS

The standalone performance of the Company for the financial year ended March 31, 2019 is Summarized below:

(Amount in ₹ Lakhs)

Particulars	2018-19	2017-18
Net Sales /Income from Business Operations	28.86	34.96
Add: Other Income	54.03	38.47
<b>Total Income</b>	<b>82.89</b>	<b>73.43</b>
Less : Expenses	68.28	70.78
<b>Profit/(Loss) before Depreciation</b>	<b>14.61</b>	<b>2.65</b>
Less Depreciation	0.89	0.47
<b>Profit/(Loss) after depreciation and expenses</b>	<b>13.72</b>	<b>2.18</b>
Less Current Income Tax	—	—

Less Previous year adjustment of Income Tax,	—	—
Less Deferred Tax	—	—
<b>Net Profit /Loss after Tax</b>	<b>13.72</b>	<b>2.18</b>
Less:Dividend (including Interim if any and final)	—	—
<b>Net Profit after dividend and Tax</b>	<b>13.72</b>	<b>2.18</b>

### PERFORMANCE HIGHLIGHTS

Your directors are pleased to report that your Company has earned a net profit of ₹ 13.72 Lakhs subsequent to the profit of ₹ 2.18 Lakhs made during the previous financial year.

#### I. OPERATIONS

Your Company is a member of the National Stock Exchange of India Limited (NSE) for cash and Future and Options Segments and of the Bombay Stock Exchange Limited for Cash Segment and MCX for Currency Derivatives. Your Company is a Depository Participant (DP) with Central Depository Services Limited (CDSL).

#### II. DEPOSITORY PARTICIPANT SERVICES

The number of Demat accounts of your Company has registered a modest increase of about 2.25% to the tune of 3310 as on March 31, 2019 from 3237 as on March 31, 2018.

#### DIVIDEND

In view of the accumulated losses in previous years, your Directors do not recommend any dividend for the year ended March 31, 2019.

#### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid by the Company till date.



## **TRANSFER TO RESERVES**

In view of the accumulated losses in previous years, the Company has not made any transfer to the reserves during the financial year ended March 31, 2019.

## **DIRECTORS**

During the financial year 2018-19 there was no change in constitution of Board of Directors of the Company:

In accordance with the Companies Act, 2013, and Article of Association one of the Director, Sh. I.C.Singhal retires by rotation and being eligible, offers himself for reappointment. Seeing his rich experience of capital market, your board recommends his reappointment.

## **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 1 and is attached to this Report.

## **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

During the year, 7 Board Meetings and 1 Extra Ordinary General Meeting were held details of which are given in Corporate Governance Report.

## **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.

## **AUDITORS**

As required under Section 141 of the Companies Act, 2013, the Company has obtained from them a confirmation to the effect that their appointment, if made, would be within the limits prescribed in the said section.

## **CORPORATE GOVERNANCE**

Your Company has adopted high standard of Corporate Governance principles by ensuring strict compliance of various SEBI Guidelines and Companies Act, 2013. A report on Corporate Governance for the year 2018-19 is given as a separate statement and forms part of the Annual Report.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

## **RISK MANAGEMENT POLICY**

The Company has a proper Risk Management Policy in place.

## **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.



Delstox Stocks And Shares Ltd.

*Delstox Stocks And Shares Ltd.*

(formerly DSE Financial Services Ltd)

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

#### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **DEPOSITS**

The Company has neither accepted nor renewed any deposits under the Companies Act, 2013 during the year under review.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Director has given declaration that he meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

#### **SHARES**

The Company has not bought back any of its securities and also not issued any Sweat Equity Shares during the year under review.

The Company has not provided any Stock Option Scheme to the employees.

#### **PARTICULARS OF EMPLOYEES**

There are no employees drawing remuneration in excess of the limits prescribed under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended.

#### **AUDITOR'S OBSERVATION**

The comments on the opinion in the report of Auditors on the financial statements for the financial year 2018-19 are as under:

1. Regarding Trade Receivables outstanding for more than six months aggregating to ₹ 87.64 Lacs net of credit balances (Previous Year ₹ 86.29 Lacs) out of which ₹ 69.08 Lacs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2019 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 27.64 Lacs (Previous Year ₹ 13.82 Lacs) has been made in the books of accounts (being 40% of net out standings of Rs. 69.08 Lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court and are pending on date.
2. The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 18.56 Lacs (including ₹ 7.42 Lacs & ₹ 0.60 Lacs due from CDSL & MCX debtors respectively) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2019-20 and thereafter.
3. In respect of internal financial controls system over financial reporting there is a need for improvement in Internal Control procedures especially in areas of Bad and Doubtful Debts relating to Process of recovery of dues from Clients/sub brokers.

**In regard to the above mentioned matter :**

1. The management as a prudent policy has decided to write off the bad debts over 5 years in spite of Arbitration award in favor of the Company.
2. Management also feels that more stringent steps are being taken for regular recovery of dues from clients.

**ACKNOWLEDGEMENTS**

Your Directors acknowledge with deep sense of appreciation for the guidance and co-operation received from the Board and the management of

Delhi Stock Exchange Ltd. Your Directors also acknowledge for the support and guidance received from Securities & Exchange Board of India (SEBI), Bombay Stock Exchange (BSE), National Stock Exchange (NSE), Multi Commodity Exchange of India Ltd. (MCX), United Stock Exchange (USE), National Securities Depository Ltd. (NSDL), Central Depository Services Ltd. (CDSL), Bankers, local administration and agencies and patronage for the extended during the year. Your directors express deep sense of gratitude for the cooperation extended by the sub brokers/ authorized persons in improving the trading volumes and in ensuring the progress of your company year on year.

For and on behalf of the Board of  
**Delstox Stocks And Shares Limited**

**Date: August 21, 2019**  
**Place: New Delhi**

**Mahender Kumar Gupta**  
Chairman

**Ishwar Chand Singhal**  
Director



## *Corporate Governance Report*

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that the Code prescribes only a minimum framework for governance of a business corporate framework. The company recognizes that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance. The Company pursues growth by adopting best corporate practices and disclosures in order to enhance the long term value and aspiration of stakeholders. Good Corporate Governance, apart from enhancing the image of Company, also helps in retaining stakeholders' confidence on a sustainable basis.

### 2. BOARD OF DIRECTORS

#### A. Composition and Category of Directors:

The composition of the Board of the Company is governed by the Article of Association of the Company. The Directors can be nominated by Delhi Stock Exchange Limited. In addition there should be CEO who shall be Director on the Board.

#### B. As on March 31, 2019 there were following Directors on the Board of the Company:-

Sr. No.	Name	Directorship	Date Appointment
1	Mr. M.K. Gupta	Trading Member Director	01.03.2016
2	Mr. I. C. Singhal	Shareholder's Director	09.09.2017
3	Mr. Vinod Kumar Goel	Shareholder's Director	05.01.2018
4	Mr. Sunil Bhatia	DSE Nominee Director	01.01.2014

#### C. In the financial year 2018-19 the attendance of Directors is as follows:-

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Meeting held during the tenure	Meetings attended
1	Mr. M.K. Gupta	01.03.2016	-	7	7
2	Mr. I.C. Singhal	09.09.2017	-	7	7
3	Mr. Sunil Bhatia	01.01.2014	-	7	7
4	Mr. Vinod Kumar Goel	05.01.2018	-	7	7

### 3. BOARD MEETINGS

BOARD MEETING	139th	140th	141st	142nd	143rd	144th	145th
Date	04.04.2018	02.08.2018	24.08.2018	27.08.2018	22.10.2018	06.12.2018	15.01. 2019
Time	04:00 P.M	04:00 P.M	04:00 P.M	11:00 A.M	04:00 P.M	04:00 P.M	04:00 P.M
Venue	Board Room 3/1, Asaf Ali road, New Delhi-02	Board Room 3/1, Asaf Ali road, New Delhi-02	Board Room 3/1, Asaf Ali road, New Delhi-02	Board Room 3/1, Asaf Ali road, New Delhi-02	Board Room 3/1, Asaf Ali road, New Delhi-02	Board Room 3/1, Asaf Ali road, New Delhi-02	Board Room 3/1, Asaf Ali road, New Delhi-02

**5. GENERAL BODY MEETINGS**

Location and time of last three AGMs and EGM are as follows:-

For the Financial year	2015-16	2016-17	2017-18
AGM	20th	21st	22nd
<b>Date</b>	September 30, 2016	September 29, 2017	September 27, 2018
<b>Time</b>	4:00 P.M	4:00 P.M	4:00 P.M
<b>Venue</b>	Board Room DSE House 3/1, Asaf Ali Road New Delhi-110002	Board Room DSE House 3/1, Asaf Ali Road New Delhi-110002	Board Room DSE House 3/1, Asaf Ali Road New Delhi-110002
<b>EGM For the Financial year</b>		<b>2018-19</b>	
<b>Date</b>		December 06, 2018	
<b>Time</b>		5:00 P.M	
<b>Venue</b>		Board Room, 3/1, Asaf Ali road, New Delhi-02	

**Whether any special resolution was passed during last year through Postal Ballot :**

The rules of postal ballot are not applicable to the Company being an un-listed Company.

**6. DISCLOSURES**

- During the year there have been no materially significant related party transactions that may have potential conflict with the interest of the company at large except trading by the Company in which a Board member is a director.
- The Company has complied with the requirement of the SEBI and other regulatory authorities as applicable from time to time.
- During the year 2018-19 the Company has paid Rs.2, 15,000 /-(previous year Rs. 95,000/-) as sitting fees to the Directors.

**7. GENERAL SHAREHOLDERS INFORMATION****i) 23rd Annual General Meeting**

Date & Time : September 16, 2019 at 4.00 P.M.

Venue : Board Room, DSE House, 3/1 Asaf Ali Road, New Delhi -110002

**ii) Financial Year:**

The Company's financial year was from April 1<sup>st</sup>, 2018 to March 31<sup>st</sup>, 2019

**iii) Address for Correspondence:**

**Delstox Stocks And Shares Limited**

DSE House, 3/1, Asaf Ali Road, New Delhi-110002,

Phone No. 011- 41010941/42/43

Official website is <http://www.dsefl.com>

Investor's Grievances I.D. is [grievances@dsefl.com](mailto:grievances@dsefl.com)

For and on behalf of the Board of  
**Delstox Stocks And Shares Limited**

**Mahender Kumar Gupta**

Chairman

**Ishwar Chand Singhal**

Director

**Date: August 21, 2019**

**Place: New Delhi**

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : **U67110DL1996PLC079973**
- ii) Registration Date : **28/6/1996**
- iii) Name of the Company : **DELSTOX STOCKS AND SHARES LIMITED**
- iv) Category / Sub-Category of the Company : **Company Limited by shares**
- v) Address of the Regd. Office & contact details : **DSE CHAMBERS  
3 & 4/4B, ASAF ALI ROAD,  
New Delhi - 110002**
- vi) Whether listed company : **No**
- vii) Name Address & Contact details of the Registrar & Transfer Agent, if any : **NIL**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	<b>BROKING SERVICES FOR DEALING OF SHARES AND SECURITIES ON EXCHANGES</b>	6499	<b>100</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
1.	<b>DELHI STOCK EXCHANGE LIMITED</b>	U91120DL1947PLC001	HOLDING	100	2(87)

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									<b>No change</b>
<b>1 Indian</b>									
(a) Individuals/ HUF		6	6	0		6	6	0	
(b) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
(c) Bodies Corporates*	0	59994	59994	100	0	59994	59994	100	
(d) Banks/FI	0	0	0	0	0	0	0	0	
(e) Any Others(Specify)	0	0	0	0	0	0	0	0	
<b>Sub Total(A)(1)</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	
<b>2 Foreign</b>									
a NRI/Individuals b Other /Individuals c Bodies Corporate d Banks/FI e Any Others(Specify)				<b>NIL</b>					
<b>Sub Total(A)(2)</b>									
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	
<b>(B) Public shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds/ UTI (b) Banks/FI (c) Central Government/ State Government(s) (d) Venture Capital Funds (e) Insurance Companies (f) FIs (g) Foreign Venture Capital Funds (h) Any Other (specify)				<b>NIL</b>					
<b>Sub-Total (B)(1)</b>									

<b>2 Non-institutions</b>									
(a) Bodies Corporate i) Indian ii) Overseas (b) Individuals i. Individual shareholders holding nominal share capital up to ₹ 1 lakh ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs (d) Any Other (specify)									
<b>Sub-Total (B)(2)</b>									
<b>(B) Total Public Shareholding (B)= (B)(1)+(B)(2)</b>									
<b>(C) Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A)+(B)+( C )</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	

\* DELSTOX STOCKS AND SHARES LTD. IS WHOLLY OWNED SUBSIDIARY OF DSE LIMITED.

**(ii) Shareholding of Promoters**

Sl. No.	NAME OF SHAREHOLDERS	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged /encumbered to total shares	
1	<b>DELHI STOCK EXCHANGE LIMITED</b> (including 6 representative)	60000	100	0	60000	100	0	NIL
	<b>TOTAL</b>	60000	100	0	60000	100	0	NIL



(iii) **Change in Promoters' Shareholding : No Change**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the Beginning of the year				
2	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease ( e.g. allotment / transfer / bonus / sweat equity etc) :				
3	At the End of the year				

**NO CHANGE**

(iv) **Shareholding Pattern of TOP TEN Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the Top 10 Shareholder's	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	SUNIL BHATIA	1*	0	1	0
2.	SALIL KUMAR	1*	0	1	0
3.	Mrs. SEEMA PRADNANI	1*	0	1	0
4.	MRS. NEETA LODHA	1*	0	1	0
5.	V.K.YADAV	1*	0	1	0
6.	Ms.RAJNI KALRA	1*	0	1	0

\*as nominee of Delhi Stock Exchange Ltd.

**(v) Shareholding of Directors & KMP : NIL**

Sl. No.		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the Beginning of the year				
2	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease ( e.g. allotment / transfer / bonus / sweat equity etc) :		<b>NIL</b>		
3	At the End of the year				

**V. INDEBTEDNESS :**

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

	Secured Loans excluding deposits	Unsecured Loans / Advances	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) interest due but not paid				
iii) interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>		<b>NIL</b>		
* Addition				
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

## VI. REMUNERATION TO KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager

Sl. no	Particulars of Remuneration	Name of the MD/WT/Manager			
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the Income-tax Act, 1961	<b>NIL</b>			
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of Profit				
5	Others, please specify				
	<b>Total A</b> Ceiling as per the Act				

### B. REMUNERATION TO OTHER DIRECTORS:

Sl. no	Particulars of Remuneration		Name of the Directors				Total Amount
1	Independent Director a) Fee for attending Board Committee Meeting b) Commission c) Other, Please Specify						
	Total (1)						
2	Other Non-Executive Directors	Mr. M. K. Gupta	Mr I. C. Singhal	Mr. Vinod Kumar Goel			<b>TOTAL AMOUNT</b>
	a) Fee for attending board Committee Meeting b) Commission c) Other, Please Specify	75,000	70,000	70,000	0		2,15,000
	Total (2)	<b>75,000</b>	<b>70,000</b>	<b>70,000</b>	<b>0</b>		<b>2,15,000</b>
	Total (B)=(1+2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) of the Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the Income-tax Act, 1961		3,29,290		3,29,290
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of Profit				
5	Others, please specify				
	<b>Total</b>		<b>3,29,290</b>		<b>3,29,290</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give Details)
<b>A.</b>	<b>COMPANY</b>				
	Penalty	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL
<b>B.</b>	<b>DIRECTOR</b>				
	Penalty	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>				
	Penalty	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors  
 For Delstox Stocks And Shares Limited

Date : 21-08-2019  
 Place: New Delhi

Mahender Kumar Gupta  
 Chairman

**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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of  
**Delstox Stocks And Shares Limited**  
**Mahender Kumar Gupta**  
Chairman

Date : August 21, 2019  
Place : New Delhi.

**Ishwar Chand Singhal**  
Director



## ***Independent Auditor's Report***

To

**THE MEMBERS OF**

**Delstox Stocks And Shares Limited**

### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of **Delstox Stocks And Shares Limited** which comprises the Balance Sheet as at **March 31, 2019** and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019,
- b) in the case of the Statement of profit and loss, of the Profit of the company for the year ended on that date'
- c) in the case of the Cash Flow Statements, of the cash flow for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules there under, 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 opinion.

#### **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

**AUDITORS' REPORT....Contd.**

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 financial statements.

**Emphasis of matter:**

We draw attention in respect of:

1. Note No. 19.B.4.(A) regarding Trade Receivables outstanding for more than six months aggregating to ₹ 87.64 Lacs net of credit balances (Previous Year ₹ 86.29 Lacs) out of which ₹ 69.08 Lacs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2019 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 27.64 Lacs ( Previous Year ₹ 13.82 Lacs) has been made in the books of accounts (being 40% of net out standings of Rs. 69.08 Lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court and are pending on date.
2. Note No. 19.B.4.(B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 18.56 Lacs (including ₹ 7.42 Lacs & ₹ 0.60 Lacs due from CDSL & MCX debtors respectively) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2019-20 and thereafter.

**Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the **Annexure A** statement on the matters specified

in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We 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.
- b. 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. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of 164(2) of the Companies Act, 2013
- f. In our opinion, the company has not paid any type of managerial remuneration during the financial year 2018-19 which qualifies for requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



*Delstox Stocks And Shares Ltd.*

Delstox Stocks And Shares Ltd.

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**AUDITORS' REPORT....Contd.**

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For SMA & ASSOCIATES**  
**Chartered Accountants**  
**FRN.- 009912N**

**PARTNER**  
**F.C.A. PREETI GUPTA**  
**M.No. 515317**

**Place: New Delhi**  
**Date: 21.08.2019**

**ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March, 2019, We Report that:

**I. FIXED ASSET [Clause 3 (i)]:**

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Fixed Assets of the company 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 explanation given to us by the management and on the basis of our examination of our records of the company, the company has no immovable property and hence this sub clause is not applicable.

**II. INVENTORY [Clause 3(ii)]:**

The company is not carrying any inventory either during the year or at the year end, thus clause 3(ii) of the said order is not applicable to the company and hence not commented upon.

**III. LOAN GIVEN BY COMPANY [Clause 3(iii)]:**

According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms' limited liability partnership or other parties covered in the register maintained under section 189 of the Act. 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. LOAN TO DIRECTOR AND INVESTMENT BY THE COMPANY [Clause 3(iv)]:**

The company has not given any loans to directors and no investments are made. Accordingly the said clause is not applicable.

**V. DEPOSITS [Clause 3(v)]:**

The company has not accepted any deposit from the public and thereafter, there is no question of contravention of the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the company.

**VI. COST RECORDS [Clause 3(vi)]:**

The Central Government has not specified the maintenance of cost records by the Company under Section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

**VII. STATUTORY DUES [Clause 3(vii)]:**

- a. Undisputed statutory dues including income tax, goods & service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods & service tax, cess and other statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

**VIII. REPAYMENT OF LOANS [Clause 3(viii)]:**

In our opinion and according to the information and explanations given to us, company has not taken any loans from any banks and financial institution during the year. Accordingly Provision of clause 3(viii) is not applicable to the company.

**IX. UTILISATION OF IPO AND FURTHER PUBLIC OFFER [Clause 3(ix)]:**

According to the information and explanations given to us the company did not raise any money by way of initial public offer or further public offer (including debit instruments) and term loans during the year. Accordingly Provision of clause 3(ix) is not applicable to the company.



**AUDITORS' REPORT....Contd.**

**X. REPORTING OF FRAUD [Clause 3(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 material fraud on the company by the officers and employees of the company has been noticed or reported during the course of audit.

**XI. APPROVAL OF MANAGERIAL REMUNERATION [Clause 3(xi)]:**

Based upon the audit procedures performed and as per information and explanations given by management, the company has not paid any type of managerial remuneration during the financial year 2018-19 which qualifies for requisite approvals mandated by the provisions of Section 197 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (xi) of the Order is not applicable to the Company.

**XII. NIDHI COMPANY [Clause 3(xii)]:**

In our opinion the company is not a Nidhi company. Therefore the provisions of clause 3(xii) of the order is not applicable to the company.

**XIII. RELATED PARTY TRANSACTION [Clause 3(xiii)]:**

According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties the generally in compliance with sections 177 and 188 of the Act where applicable and details for such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**XIV. PRIVATE PLACEMENT OR PREFERENTIAL ISSUES [Clause 3(xiv)]:**

According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**XV. NON CASH TRANSACTION [Clause 3(xv)]:**

According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as referred to in

section 192 of the Act. Accordingly paragraph 3(xv) of the order is not applicable.

**XVI. REGISTER UNDER RBI ACT 1934 [Clause 3(xvi)]:**

In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SMA & ASSOCIATES  
Chartered Accountants  
FRN.- 009912N**

**PARTNER  
F.C.A. PREETI GUPTA  
M.No. 515317**

**Place: New Delhi  
Date: 21.08.2019**

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**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Delstox Stocks And Shares Limited ("the company")**, as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our



*Delstox Stocks And Shares Ltd.*

Delstox Stocks And Shares Ltd.

(formerly DSE Financial Services Ltd)

#### **AUDITORS' REPORT....Contd.**

audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:-

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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

- iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, subject to the need for improvement in Internal Control procedures especially in areas relating to :-

- (a) Process of recovery of dues from Clients/sub brokers, were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For SMA & ASSOCIATES**

**Chartered Accountants**

**FRN.- 009912N**

**PARTNER**

**F.C.A. PREETI GUPTA**

**M.No. 515317**

**Place: New Delhi**

**Date: 21.08.2019**

**BALANCE SHEET as at March 31, 2019**

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

Particulars	Note No.	As At 31.3.2019	As At 31.3.2018
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholder's Funds</b>			
(a) Share Capital	1	6,00,00,000	6,00,00,000
(b) Reserves and Surplus	2	(1,69,89,284)	(1,83,62,048)
(2) <b>Non-Current Liabilities</b>			
(a) Long-term borrowings		—	—
(b) Long term provisions	3	5,19,981	5,20,844
(3) <b>Current Liabilities</b>			
(a) Trade payables	4	—	—
Micro and Small Enterprise		—	—
Other than Micro and Small Enterprise		75,64,907	1,29,50,930
(b) Other current liabilities	5	1,19,10,350	1,33,13,963
(c) Short-term provisions	6	2,10,778	1,60,382
<b>Total</b>		<b>6,32,16,731</b>	<b>6,85,84,071</b>
<b>II. Assets</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant & Equipments	7(a)	1,28,376	1,61,363
(b) Intangible assets	7(b)	9,825	8,478
(c) Non-current investments	8	69,64,800	69,64,800
(d) Other non-current assets	9	3,96,41,936	4,20,32,037
(2) <b>Current assets</b>			
(a) Trade receivables	10	72,79,011	1,14,95,923
(b) Cash and cash equivalents	11	76,27,930	54,11,831
(c) Other current assets	12	15,64,853	25,09,639
<b>Total</b>		<b>6,32,16,731</b>	<b>6,85,84,071</b>
Statement on Significant Accounting Policies and and Notes on Accounts referred to above form an integral part of Balance Sheet.	19		

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

**Preeti Gupta**  
M. No. 515317

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
**M.K. Gupta I. C. Singhal Vinod Kumar Goel Sunil Bhatia**  
Director Director Director Director  
DIN: 01194791 DIN: 00898743 DIN: 00039086 DIN: 06793244

Place : New Delhi  
Date : August 21, 2019

Rachana Prakash  
(Company Secretary)



**Delstox Stocks And Shares Ltd.**

(formerly DSE Financial Services Ltd)

## **STATEMENT OF PROFIT AND LOSS** **for the Year Ended March 31, 2019**

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
<b>(A) Revenue :</b>			
Revenue from operations	13	28,86,201	34,62,268
Other Income	14	54,03,883	38,81,891
<b>Total Revenue (A)</b>		<b>82,90,083</b>	73,44,159
<b>(B) Expenses :</b>			
Operating Expenses	15	7,59,851	8,31,037
Employee benefit expense	16	31,96,574	35,39,597
Other expenses	17	14,88,229	13,19,571
Financial costs	18	2,200	7,064
Depreciation	7	88,794	47,809
Provision for Doubtful Debts	10	13,81,671	13,81,671
<b>Total Expenses (B)</b>		<b>69,17,318</b>	71,26,749
<b>Profit before exceptional and extraordinary items and tax(A-B)</b>		<b>13,72,764</b>	2,17,410
Exceptional Items		—	—
<b>Profit before tax</b>		<b>13,72,764</b>	2,17,410
Tax expense:			
Current Tax		—	—
Deferred tax		—	—
<b>Profit for the year</b>		<b>13,72,764</b>	2,17,410
Basic Earning per equity share of face value of ₹ 1000 each		<b>22.88</b>	3.62
Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of statement of Profit and Loss	19		

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

**Preeti Gupta**  
M. No. 515317

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
**M.K. Gupta I. C. Singhal Vinod Kumar Goel Sunil Bhatia**  
*Director Director Director Director*  
DIN: 01194791 DIN: 00898743 DIN: 00039086 DIN: 06793244

Place : New Delhi  
Date : August 21, 2019

Rachana Prakash  
(Company Secretary)

## CASH FLOW STATEMENT

### for the Year ended March 31, 2019

	Year ended 31st March, 2019	Year ended 31st March, 2018
(Amount in ₹)		
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before tax and Extraordinary Items	13,72,764	2,17,410
Adjustment for :		
Depreciation	88,794	47,809
Provisions for Doubtful Debts, Gratuity, Leave encashment and employee benefits	49,533	(14,86,275)
Interest Income	(12,12,981)	(11,29,892)
Dividend Income	(23,40,000)	(18,22,379)
<b>Operating Profit/Loss before Working Capital Changes</b>	<b>(20,41,890)</b>	<b>(41,73,327)</b>
Adjustment for :		
Trade, other Receivables and loans and advances	75,51,800	27,08,556
Current and Non-current Liabilities	(67,89,637)	(2,01,55,560)
<b>Cash Generated from operation</b>	<b>(12,79,727)</b>	<b>(2,16,20,331)</b>
Income tax paid	—	—
<b>Net Cash from Operation Activities</b>	<b>(12,79,727)</b>	<b>(2,16,20,331)</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Dividend Income	23,40,000	18,22,379
Interest Income	12,12,981	11,29,892
Purchase of Fixed Assets	(57,154)	(98,916)
Investments in Bonds	—	(2,00,800)
Sale of Fixed Assets	—	—
<b>Net Cash used in Investing Activities</b>	<b>34,95,827</b>	<b>26,52,555</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>22,16,100</b>	<b>(1,89,67,776)</b>
<b>Cash and Cash Equivalents</b>	<b>54,11,831</b>	<b>2,43,79,606</b>
(Opening Balance)		
<b>Cash and Cash Equivalents</b>	<b>76,27,930</b>	<b>54,11,831</b>
(Closing Balance)		
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
<u>Balances with Banks</u>		
Investment in mutual fund with JM Financial	25,00,000	15,00,000
In Current Accounts	51,25,099	39,10,685
Cash-in-hand	2,831	1,146
<b>Total</b>	<b>76,27,930</b>	<b>54,11,831</b>

Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of Balance Sheet 19

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

**Preeti Gupta**  
M. No. 515317

For and on behalf of the Board of Directors of

**DELSTOX STOCKS AND SHARES LIMITED**

**M.K. Gupta I. C. Singhal Vinod Kumar Goel Sunil Bhatia**  
Director Director Director Director  
DIN: 01194791 DIN: 00898743 DIN: 00039086 DIN: 06793244

Place : New Delhi  
Date : August 21, 2019

Rachana Prakash  
(Company Secretary)

## NOTES ON ACCOUNTS

### NOTE I

#### SHARE CAPITAL

(Amount in ₹)

Particulars	As At 31.03.2019	As At 31.03.2018
<b>AUTHORISED</b>		
2,50,000 (Previous Year 2,50,000) equity shares of ₹ 1000/- (Previous Year ₹ 1000/-) each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
60,000 (Previous Year 60,000) equity shares of ₹ 1000/- (Previous Year ₹ 1000/-) each fully paid up	6,00,00,000	6,00,00,000
	6,00,00,000	6,00,00,000

a) List of persons holding more than 5 percent shares in the Company

#### Equity Share Capital

Name of the shareholder	As At 31.03.2019		As At 31.03.2018	
	No. of shares	% holding	No. of shares	% holding
Delhi Stock Exchange Limited - (including 6 Representative Share Holders)	60,000	100	60,000	100

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

#### Equity Share Capital

Particulars	As At 31.03.2019	As At 31.03.2018
Number of shares at the beginning of the year	60,000	60,000
Number of shares issued during the year	NIL	NIL
Number of shares outstanding at the end of the year	60,000	60,000

### NOTE 2

#### RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As At 31.03.2019	As At 31.03.2018
<b>General Reserve</b>		
Opening balance	(1,83,62,048)	(1,85,79,458)
Profit/(Loss) during the year	13,72,764	2,17,410
<b>Closing Balance</b>	(1,69,89,284)	(1,83,62,048)

*Notes on Accounts...contd.*

(Amount in ₹)		
Particulars	As At 31.03.2019	As At 31.03.2018
<b>NOTE 3</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	5,19,981	5,20,844
	<b>5,19,981</b>	<b>5,20,844</b>
<b>NOTE 4</b>		
<b>TRADE PAYABLES</b>		
<b>Micro and Small Enterprise</b>	—	—
<b>Other than Micro and Small Enterprise</b>		
Credit balance of Capital Market Books	70,23,556	1,24,31,911
Credit balance of MCX-SX Books	3,42,397	3,42,397
Credit balance of CDSL Books	1,98,954	1,76,622
	<b>75,64,907</b>	<b>1,29,50,930</b>
<b>NOTE 5</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Security deposit from Sub-broker (for VSAT)	1,00,000	1,00,000
Margin from Sub-Brokers	54,28,229	57,59,974
Delhi Stock Exchange Ltd.	54,48,016	54,48,016
Book Overdraft in Current Accounts*	1,56,849	38,457
TDS Payable	54,191	72,715
Expenses Payable	5,91,486	5,51,182
Service Tax / GST Payable	1,31,578	1,33,219
Stale Cheques	—	10,10,400
Payable to Sub-Broker Against FDR	—	2,00,000
	<b>1,19,10,350</b>	<b>1,33,13,963</b>
* Book overdraft is due to cheques issued but not presented, however no overdraft facility has been availed.		
<b>NOTE 6</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Leave Encashment	2,10,778	1,60,382
	<b>2,10,778</b>	<b>1,60,382</b>



**DSSL**  
Delstox Stocks And Shares Ltd.

*Delstox Stocks And Shares Ltd.*  
(formerly DSE Financial Services Ltd)

*Notes forming part of the Balance Sheet as at March 31, 2019*

**NOTE 7**

**FIXED ASSETS**

Particulars	GROSS BLOCK AT COST				ACCUMULATED DEPRECIATION/AMORTIZATION				NET BLOCK	
	As At 1.4.2018	Additions during the Year	Sales during the Year	As At 31.3.2019	Upto 31.3.2018	Dep. For the Year	Sales during the Year	Upto 31.3.2019	As At 31.3.2019	As At 31.3.2018
<b>7(a) Property, Plant &amp; Equipments</b>										
Computers (Server & Network)	7,42,000	-	-	<b>7,42,000</b>	7,11,807	11,866	-	<b>7,23,673</b>	<b>18,327</b>	30,193
Computers (End User Devices)	8,16,432	-	-	<b>8,16,432</b>	7,70,857	28,785	-	<b>7,99,642</b>	<b>16,790</b>	45,575
Office Equipments	3,28,174	52,794	-	<b>3,80,968</b>	2,52,605	42,534	-	<b>2,95,139</b>	<b>85,828</b>	75,569
Furniture & fixture	73,192	-	-	<b>73,192</b>	63,165	2,596	-	<b>65,761</b>	<b>7,431</b>	10,027
<b>Total</b>	<b>19,59,798</b>	<b>52,794</b>	-	<b>20,12,591</b>	<b>17,98,434</b>	<b>85,781</b>	-	<b>18,84,215</b>	<b>1,28,376</b>	<b>1,61,363</b>
Previous Year	18,70,382	89,416	-	19,59,798	17,73,458	24,976	-	17,98,434	1,61,363	96,923
<b>7(b) Intangible Assets</b> (Computer Software)										
BSE IM UD	1,25,000	-	-	<b>1,25,000</b>	1,25,000	-	-	<b>1,25,000</b>	-	-
Back Office Livesoft	5,36,413	-	-	<b>5,36,413</b>	5,36,414	-	-	<b>5,36,414</b>	-	-
CTCL	6,11,948	-	-	<b>6,11,948</b>	6,11,948	-	-	<b>6,11,948</b>	-	-
Webtel Software	9,500	4,360	-	<b>13,860</b>	8,069	1,251	-	<b>9,320</b>	<b>4,540</b>	1,431
Firewall	93,600	-	-	<b>93,600</b>	93,600	-	-	<b>93,600</b>	-	-
Anti Virus Software	18,113	-	-	<b>18,113</b>	11,066	1,762	-	<b>12,828</b>	<b>5,285</b>	7,047
Website	40,000	-	-	<b>40,000</b>	40,000	-	-	<b>40,000</b>	-	-
<b>Total</b>	<b>14,34,574</b>	<b>4,360</b>	-	<b>14,38,934</b>	<b>14,26,096</b>	<b>3,012</b>	-	<b>14,29,109</b>	<b>9,825</b>	<b>8,478</b>
Previous Year	14,25,074	9,500	-	14,34,574	14,03,263	22,833	-	14,26,096	8,478	21,811



Notes on Accounts...contd.

(Amount in ₹)		
Particulars	As At 31.03.2019	As At 31.03.2018
<b>NOTE 8</b>		
<b>NON-CURRENT INVESTMENTS</b>		
65,000 Equity Shares of BSE Ltd. (Previous Year 65,000) of face value of ₹ 2/- each Quoted Aggregate Market Value of Quoted 65,000 Shares @ ₹ 611.15 i.e. ₹ 3,97,24,750/- (Previous Year ₹ 4,91,53,000/-)	67,64,000	67,64,000
Investment in 9.40% IFCI Bond 2025	2,00,800	2,00,800
	<b>69,64,800</b>	<b>69,64,800</b>
<b>NOTE 9</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Security Deposits (Interest Free)</b>		
- National Stock Exchange India Ltd.	2,01,00,000	2,01,00,000
- National Securities clearing corporation Ltd.	34,00,000	34,00,000
- National Stock Exchange Ltd.	20,00,000	20,00,000
- National Stock Exchange Ltd.(Base additional capital)	15,00,000	15,00,000
- BSE Ltd.(Base capital)	2,00,000	2,00,000
- BSE Ltd.(Minimum Base capital)	1,25,000	1,25,000
- Central Depository Services (India) Ltd.	2,50,000	2,50,000
<b>Margin deposits</b>		
Margin Deposit with Orbis Financial corporation Ltd.(MCX-SX)	1,00,000	1,00,000
<b>Fixed Deposits with:</b>		
<b>HDFC Bank</b>		
-Pledged with BSE Ltd. as additional Capital- including ₹ 10 lac in TGF	76,00,000	91,00,000
FDR Pledged with BSE Ltd. (Base Minimum Capital)	4,75,000	4,75,000
-Pledged with National Securities clearing corporation Ltd. as Security and Margin	25,00,000	25,00,000
-Pledged with National Securities clearing corporation Ltd. as Security through IL&FS	10,00,000	10,00,000
FDR Pledged with National Securities clearing corporation Ltd by Sub-broker	—	2,00,000
Interest Accrued on FDR's with Banks	78,034	94,907
Interest Accrued on Deposit with IL&FS & Others	21,796	20,120
Income Tax Refund Due ( For Previous Years)	2,92,106	9,67,010
	<b>3,96,41,936</b>	<b>4,20,32,037</b>



**Delstox Stocks And Shares Ltd.**  
(formerly DSE Financial Services Ltd)

*Notes on Accounts...contd.*

		(Amount in ₹)	
Particulars		As At 31.03.2019	As At 31.03.2018
<b>NOTE 10</b>			
<b>TRADE RECEIVABLES</b>			
<i>Unsecured, considered good (unless otherwise stated):</i>			
Due for a period exceeding six months		60,00,580	72,47,525
Due for a period exceeding six months - considered doubtful		27,63,342	13,81,671
Others		12,78,431	42,48,398
		<b>1,00,42,353</b>	<b>1,28,77,594</b>
<i>Less:</i>			
Provision for Doubtful Debts 40% of ₹ 69,08,357/- (P.Y. 20% of ₹ 6908357/-) (net O/S under Litigation Branches)		<b>(27,63,342)</b>	<b>(13,81,671)</b>
		<b>72,79,011</b>	<b>1,14,95,923</b>
<b>NOTE 11</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Cash in hand		2,831	1,146
<b>Balances with banks:</b>			
In Current accounts*			
Capital Market	47,71,918		
CDSL	<u>3,53,181</u>	51,25,099	39,10,685
Investment in mutual fund with JM Financial		25,00,000	15,00,000
		<b>76,27,930</b>	<b>54,11,831</b>
* Book Overdraft in Current Accounts is shown under other current liabilities "Note 5".			
<b>NOTE 12</b>			
<b>OTHER CURRENT ASSETS</b>			
Margin Deposit with IL&FS (for National Stock Exchange Ltd.-F&O)		10,00,000	18,50,000
TDS Recoverable (Current Year)		1,76,376	96,095
Prepaid Expenses		1,50,988	2,48,182
Goods & Service Tax		9,064	
Other Receivables		2,28,425	3,15,362
		<b>15,64,853</b>	<b>25,09,639</b>

Notes on Accounts...contd.

(Amount in ₹)		
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>NOTE 13</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Brokerage Income</b>		
<b>1. CASH SEGMENT</b>		
<b>Bombay Stock Exchange Ltd. - Transactions</b>		
Gross Receipts	14,69,432	
Less : Paid to Sub-Brokers	<u>10,89,818</u>	8,00,564
	3,79,614	
<b>National Stock Exchange Ltd. - Transactions</b>		
Gross Receipts	59,11,066	
Less : Paid to Sub-Brokers	<u>42,95,035</u>	17,51,884
	16,16,031	
<b>2. DERIVATIVE SEGMENT - F&amp;O</b>		
<b>National Stock Exchange Ltd. - Transactions</b>		
Gross Receipts	3,10,019	
Less : Paid to Clearing Member (IL&FS)	14,878	
Less : Paid to Sub-Brokers	<u>1,41,640</u>	1,69,320
	1,53,501	
Depository Income	7,37,054	7,40,501
	<b>28,86,201</b>	<b>34,62,268</b>
<b>NOTE 14</b>		
<b>OTHER INCOME</b>		
Interest Income	12,12,981	11,29,892
STCG on Sale of Mutual Fund	1,36,414	9,369
Amount written back-Liabilities No Longer Required	-	5,129
Dividend Income	23,40,000	18,22,379
Delayed Payment Charges*	6,98,412	8,80,802
Misc. Income**	10,16,076	34,320
	<b>54,03,883</b>	<b>38,81,891</b>

\* Refer Note to Accounts - Annexure 1B item no. 5

\*\* Misc. Income includes the stale cheque amount of ₹10,08,971/-



*Notes on Accounts...contd.*

(Amount in ₹)		
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>NOTE 15</b>		
<b>Opreating Expenses</b>		
Depository Charges paid to CDSL & ILFS	3,46,345	4,37,460
Connectivity Charges	3,18,497	2,82,986
Broad Band Charges	35,009	17,054
Annual Subscription & other charges to National Stock Exchange Ltd.	51,000	75,000
Penalty for Non Compliance	9,000	18,536
	<b>7,59,851</b>	<b>8,31,037</b>
<b>NOTE 16</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary to Staff	28,70,770	30,74,314
Leave Travel Allowance	50,801	65,362
Grauity	1,07,310	68,459
Leave Encashment	78,296	1,23,030
Staff Welfare	89,397	2,08,431
	<b>31,96,574</b>	<b>35,39,597</b>
<b>NOTE 17</b>		
<b>Other Expenses</b>		
Rent Expenses	25,200	25,200
Electricity & water expenses	1,32,530	1,40,592
-Legal & Professional Charges	1,39,800	1,49,360
-Tax Audit	10,000	10,000
-Internal & Concurrent Audit Charges	1,65,000	—
-Certification Charges	30,916	23,574
<u>Auditor Remuneration :</u>		
-Audit Fees	1,00,000	1,00,000
-Certification work	25,000	25,000
Web Maintenance exp	9,181	2,965

*Notes on Accounts...contd.**(Amount in ₹)*

<b>Particulars</b>	<b>Year ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Conveyance Expenses	28,352	38,799
Sitting Fees to Directors	2,15,000	95,000
Printing & Stationery Charges	1,05,234	82,039
Filing Fees	27,614	10,818
Processing Fee for DIR	12,000	16,000
Postage & Courier Charges	35,144	99,551
Repair & Maintenance Charges	11,574	13,920
Computer Expenses & AMC Charges	1,57,004	1,28,471
Telephone Expenses	66,109	74,435
Office Expenses	1,52,388	1,40,096
Subscription / Membership Fees to ANMI	15,000	13,000
Misc. Expenses	24,208	55,489
Interest on TDS	975	11,508
Prior Period Expenses	—	63,753
	<b>14,88,229</b>	<b>13,19,571</b>
<b>NOTE 18</b>		
<b>FINANCIAL COSTS</b>		
Bank Charges	2,200	7,064
	<b>2,200</b>	<b>7,064</b>

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

**Preeti Gupta**  
M. No. 515317

Place : New Delhi  
Date : August 21, 2019

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
**M.K. Gupta I. C. Singhal Vinod Kumar Goel Sunil Bhatia**  
*Director Director Director Director*  
DIN: 01194791 DIN: 00898743 DIN: 00039086 DIN: 06793244

Rachana Prakash  
(Company Secretary)



*Delstox Stocks And Shares Ltd.*  
(formerly DSE Financial Services Ltd)

## **NOTE 19**

# **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

## **A. SIGNIFICANT ACCOUNTING POLICIES**

### **1. Background**

Delstox Stocks And Shares Limited (Formerly known as “DSE Financial Services Limited”) is the wholly owned subsidiary company of DSE Limited. It has trading membership of both cash and future & option w.e.f. 13<sup>th</sup> July, 2009 segments of NSE and cash segment of BSE. The company is also a depository participant of Central Depository Services (India) Limited. The company provides all types of connectivity options for trading.

### **2. Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except reported otherwise. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and the relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **3. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which such changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### **Useful lives of property, plant and equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### **4. Revenue recognition**

Revenue is recognized on accrual basis in accordance with AS-9. Penalty levied by Exchange's or other is provided on payment basis. NSE & BSE Transaction Charges Levied, are being recovered from the clients hence entries are not disclosed in the Statement of Profit & Loss

### **5. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligations at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements. Any declaration of final dividend to be approved by the members in the AGM, is disclosed as a note and the

provision of proposed dividend and taxes associated with the same is disclosed in the period in which such dividend is approved by the members in accordance with the provisions of Accounting Standard 4 issued by the Institute of Chartered Accountants of India.

**6. Investment**

Current Investment are stated at cost or market value, whichever is lower.

Non Current Investment- Investment in Equity Shares of BSE Limited, being long term, are stated at cost. Cost represent amount deposited for card based membership (₹ 67.64 Lacs for 65,000 shares of face value of ₹ 2 each) earlier against which allotment of shares have been made to the company.

**7. Property, plant and equipment**

Property, plant and equipment are stated as per the Cost Model as defined by the Accounting Standard 10 less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. All expenses incidental to the acquisition and commissioning of assets are capitalized until assets are ready for use. Capital work-in-progress comprises of assets that are not yet ready for their intended use at the reporting date. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss. Any restrictions existing on title of the property, plant and equipment's, due to pledging as security against a liability or otherwise is disclosed specifically, in absence of which it is deemed that there are no restrictions on the title whatsoever.

Depreciation is provided on written down value basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on prospective basis. The managements' estimates of useful lives are in accordance with the Schedule II to the Companies Act, 2013 or reported otherwise.

**8. Impairment of Assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis. If such assets are considered to be impaired, the impairment recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the assets

**9. Treatment of Employee Benefits including Retirement and Termination Benefits**

At Present the provision of the Employee Provident Fund and Miscellaneous Provision Act 1952 are not applicable to the company, since the total number of employee is lesser than the minimum stipulated requirement of the Act

The company is making provision for Gratuity and Leave Encashment to staff as per the provision of payment of Gratuity Act, 1952 and Leave Rules of the company respectively.

**10. Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand and balance with bank including fixed deposit and short-term highly liquid investment with an original maturity of three month or less.

**11. Taxation**

Provision for Taxation for the year is made in accordance with the Income Tax Act, 1961 taking into account, Minimum Alternative Tax (MAT) provisions in pursuance of the Income Tax Act 1961 which gives rise to future economic benefit in form of tax credits to be utilized in subsequent years.



**Delstox Stocks And Shares Ltd.**  
(formerly DSE Financial Services Ltd)

Deferred Tax Asset or Liability at the end of each year is recognized on account of all timing differences in accordance with the mandatory Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The required adjustment is made in the statement of profit and loss accordingly.

- a) Further, Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## **B. Notes to Accounts**

- I. DSE Limited (DSEL), the holding Company has opted to voluntarily exit from the business as Stock Exchange vide its letter dated May 24, 2014 to Securities Exchange Board of India (SEBI). Now the DSE officially stands de-recognized as per the publication of notification of Ministry of Finance of gazette of India dated March 15, 2016.
- II. However, de-recognition of the holding company. DSE Limited (DSEL) from the business of the stock exchange will not affect Delstox Stocks And Shares Limited (Formerly known as "DSE Financial Services Limited"). Hence, the accompanying financial statements of the company have been prepared on the basis of "as a going concern".
- III. In the Opinion of the Board, Sundry Debtors, current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business, unless otherwise stated.
- IV. The Company is having a procedure for sending quarterly confirmation letters/ accounts statements to its debtors and other parties as per the requirements of SEBI/ Various Stock Exchanges, However confirmation in respect of debtors are still pending for reconciliations and adjustments, if any, in this regard would be done in the year in which such reconciliations confirmations take place.
  - A) Trade Receivables outstanding for more than six months aggregating to ₹ 87.64 Lacs net of credit balances (Previous Year ₹ 86.29 Lacs) out of which ₹ 69.08 Lacs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2019 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 27.63 Lacs ( Previous Year ₹ 13.82 Lacs) has been made in the books of accounts (being 40% on net out standings of ₹ 69.08 Lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court which are pending.
  - B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 18.56 Lacs (including ₹ 7.42 Lacs & ₹ 0.60 Lacs due from CDSL & MCX debtors respectively) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2019-20.
- V. FDRs amounting to Rs. 15 lacs (previous year ₹ 15.00 lacs) has been pledged by sub-broker directly with the BSE limited. In the name of the company as base Minimum Capital and Additional Margin as on 31.03.2018 without routing it through the books of the accounts of the company and accordingly interest thereon are also not credited to the account of the company. The management is of the opinion that there is no impairment of assets as contemplated in Accounting Standard 28.
- VI. As per Accounting Standard 22 on "Accounting for taxes on income" ,virtual certainty supported by conclusive evidence is necessary to credit deferred tax asset on unabsorbed losses under the income tax laws. The management do not foresee substantial profitability in the near future, thus no deferred tax asset is been created.
- VII. Income tax refunds aggregating to ₹ 2.92 Lacs for the prior year are still pending for recovery from the income tax department for which effective action is being initiated by the Management for the recovery.



## *Annual Report 2018-19*

- VIII. There are some unclaimed shares (quoted value of ₹ 7.38 lacs as on 31.03.2019 ) lying for more than 3 year in the Demat account of the company, which do not belong to it. The Board of Director of the company is looking into the matter and would take appropriate decision shortly.
- IX. Director's Remuneration-NIL.  
There is no Whole time Executive Director in the company during the Financial Year 2018-19 and immediately preceding year.
- X. The disclosures of "Employee Benefits" as defined in the Accounting Standard 15 are as under:-
- i) Defined Contribution Plan  
As per the provision of the Employee Provident Fund and Miscellaneous Provision Act, 1952 are not applicable to the company employer's contribution during the year is ₹ NIL( previous year is ₹ NIL)
  - ii) Defined Benefits Plans.
    - a) Gratuity Liability is accounted as per the company's policy for employees who have completed six months as at Balance Sheet date computed as per the provision of the Payment of Gratuity Act, 1972.
    - b) Leave encashment liability of employees is accounted for on accrual basis computed as per the company's policy on the basis of last year pay drawn at the end of the year.
- XI. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, accordingly they are no micro, small and medium enterprises to whom the company owes dues.
- XII. As the company is covered under the definition of Small and Medium Enterprises (SME), the disclosure required under the mandatory accounting standard have only been furnished in the Notes to Accounts of the accompanying financial statements.
- XIII. Penalty of Rs. 9000 has been paid during the year on account of exchange penalty.
- XIV. Income in Foreign Currency Nil
- XV. Expenditure in Foreign Currency Nil
- XVI. Auditors Remuneration (Excluding Taxes)

S. No.	Particulars	Current Year	Previous Year
I	Audit Fee SMA & ASSOCIATES (Statutory Auditors)	1,00,000	1,00,000
II	Fees for Other Matters (Certification Work)	25,000	25,000

### **XVII. Related Party Transactions**

#### **A. List of Related Parties**

S. No.	Particulars	Name of Key Management Personnel
I	<b>Key Management Personnel (KMP)</b>	i) M.K. Gupta ii) I.C. Singhal iii) Vinod Kr. Goel iv) Sunil Bhatia v) Rachana Prakash
II	<b>Holding Company</b>	i) Delhi Stock Exchange Limited

**B. Transactions with Related Parties**

Name of Key Management Personnel	Nature of Transaction	Amount
Delhi Stock Exchange Limited	Office Rent	25,200/- (25,200/-)
Delhi Stock Exchange Limited	Reimbursement of expenses/ electricity, Water charges and Maintenance Charges etc.	1,20,000/- (1,20,000/-)
M.K. Gupta	Sitting Fees	75,000/-
I.C. Singhal	Sitting Fees	70,000/-
Vinod Kr. Goel	Sitting Fees	70,000/-
Rachana Prakash	Remuneration to Company Secretary	3,30,090/-

**XVIII. Obligation toward Lease:**

Rent (Payment made to holding company) ₹ 25,200/-

**XIX. Earning Per Shares (EPS)**

Basic earnings per share are computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the period.

S. No.	Particulars	Current Year	Previous Year
A	Net Profit for the year	13,72,764	2,17,410
B	Amount available for equity shareholders (A)	13,72,764	2,17,410
C	Weighted average number of shares (B)	60,000	60,000
D	Basic earnings per share (A/B)	22.88	3.62

**XX.** The management is of the opinion that there is no impairment of assets as contemplated in Accounting Standard 28.

**XXI.** Contingent Liabilities in form of guarantees or other obligations:

**(i) Contingent Liabilities:**

- Claims against the company not acknowledged as debt: NIL
- Guarantees: NIL
- Other money of ₹ 0.27 lacs (being TDS defaults) appearing on TRACES web portal (Previous Year ₹ 0.27 Lacs)

**(ii) Commitment:**

- Estimated amount of contracts remaining to be executed on capital account and not provided for: NIL
- Uncalled liability on shares and other investments partly paid: NIL
- Other commitments: NIL

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

**Preeti Gupta**  
M. No. 515317

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
**M.K. Gupta I. C. Singhal Vinod Kumar Goel Sunil Bhatia**  
*Director Director Director Director*  
DIN: 01194791 DIN: 00898743 DIN: 00039086 DIN: 06793244

Place : New Delhi  
Date : August 21, 2019

Rachana Prakash  
*(Company Secretary)*