



GOVERNING BOARD

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

Manager

Mr. V. K. Yadav

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



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that 72nd Annual General Meeting of the shareholders of DSE Estates Limited will be held on Tuesday, December 29, 2020 at 4:00 PM at The Lalit Hotel, Barakhamba Avenue, Connaught Place, New Delhi-110001 to transact the following business:

Ordinary Business(es):

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and the Report of the Auditors thereon.
2. To appoint a Director in place of Shri Vijay Bhushan (DIN: 00002421), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Special Business(es):

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the consent of the members is hereby accorded to invest 35% of the total available funds in Debt Mutual Funds having more than 70% stake in AAA securities and PSU Bonds, as may be deemed fit by the Board.”

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special resolution**:

“**RESOLVED THAT** consent of the company be and is hereby accorded to nomination of Shri Mahender Kumar Gupta and Mr. Vinod Kumar Goel, shareholders of the company holding 34031 and 60000 Equity Shares respectively of the Company, as Dominant Promoter Group (DPG) of the company, being Corporate Dominant Shareholder of Delstox Stocks and Shares Limited (Subsidiary), in order to comply with the requirements of National Stock Exchange of India Limited (NSE) or any other Stock Exchange or Authority and for other relevant matters.”

“**RESOLVED FURTHER THAT** consent of the company be and is hereby accorded to provide unconditional and irrevocable support in favour of the aforementioned shareholder recognized and identified as Dominant Shareholder Group (DPG).”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the Board which expression shall deem to include any Committee thereof as may be constituted for the purpose) be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion considers necessary or expedient to give effect to the aforesaid resolution and matters incidental, consequential and connected therewith.”

On behalf of the Board of Directors

(Vijay Bhushan)
Chairman
DIN : 00002421

Date : 28.11.2020
Place : New Delhi



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NOTES:

1. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
3. Register of Members and Share Transfer Books of the Company will remain closed from December 23, 2020 to December 29, 2020 (both days inclusive) for the purpose of Annual General Meeting.
4. Shareholders are requested to send their queries at least ten days in advance of the meeting so that the information can be made available at the time of meeting and also to meaningfully answer the queries raised by them.
5. The Corporate Shareholders intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting, in respect of above matters.
6. Shareholders/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
7. Shareholders are also requested to bring their copy of the Annual Report at the time of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The past trend of the investments made by the Company was deposits made with Banks and Financial Institution. However, there are several options for investments wherein better return post tax can be obtained as compared to regular deposits.

In this regard it is proposed to take the consent of the members in the Annual General Meeting to invest in Debt Mutual Fund having more than 70% stake in AAA securities and PSU Bonds, as may be deemed fit by the Board

None of the Directors / Key Managerial Personnel of the company and their relatives is in any way, concerned or interested financially or otherwise in the said resolution except to the extent of their shareholding in the company.

Item No. 4

The Company is having a wholly owned subsidiary in the name and style of Delstox Stocks and Shares Limited. The subsidiary is an unlisted company and is a Corporate Trading Member, inter alia, of National Stock Exchange of India Limited (NSE).

In terms of Rules of NSE, every Corporate Trading Member is required to identify a Corporate Dominant Shareholder / Dominant Promoter Group. NSE had issued Revised Dominant Promoters Norms vide circular No.611 dated 25 October, 2007 which in case of an Unlisted Corporate Trading Member defines a Corporate Dominant Shareholder / Dominant Promoter Group as under:

Any person or persons holding 51% on their own or together with other specified entities will be eligible to constitute Dominant Promoter Group.

A Corporate shareholder is allowed to be identified as Corporate Dominant Shareholder of a Corporate Trading member provided that the corporate shareholder identifies any person or persons as its dominant promoter group as per aforesaid norms applicable to the Corporate Trading Member.

Our Company being holding company of DSSL with 100% shareholding fulfills the criteria of being identified as Corporate Dominant Shareholder. The Company as a Corporate Dominant Shareholder faced difficulty in complying with the provision in regard to further identification of any person or persons as its Dominant Promoter Group to its unique characteristic of being erstwhile Regional Stock Exchange. Accordingly representations were made in this regard to NSE which relaxed the norms as follows :

1. A single / few shareholders (Upto 5), irrespective of number of shares held, may be nominated as DPG by rest of the shareholders of the company.
2. A special resolution to be passed to that effect by the company giving support to the nominated shareholder.
3. Any change in the Dominant Promoter Group, prior approval is required to be obtained from the Exchange/ shareholders.

Accordingly, the Board of Directors has identified and recommended the name of Mr.Mahender Kumar Gupta and Mr.Vinod Kumar Goel, directors and also the shareholder who has consented to be nominated as Dominant Promoter Group.



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Copy of Circular No.611 dated October 25, 2007 of NSE shall remain available for inspection by Members at the Registered Office of the Company on all working days, except Saturday, during business hours up to the date of the Annual General Meeting.

Mr. M.K.Gupta and Mr. Vinod Kumar Goel are interested in this resolution. None of the other directors and Key Managerial Personnel of the company and their relatives is in any way, concerned or interested in the said resolution.

The Board recommends the resolution for your approval.

On behalf of the Board of Directors

(Vijay Bhushan)
Chairman
DIN : 00002421

Date : 28.11.2020
Place : New Delhi

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting 72nd Annual Report on the operations of the Company and the audited accounts for the year ended March 31, 2020. The financial highlights including consolidated results of the Company for the year are as under :-

FINANCIAL HIGHLIGHTS

(₹ in lacs)

Particulars	Stand-alone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Gross Income	456.00	328.17	609.04	410.83
Total Expenditure	169.22	175.25	241.20	243.29
Depreciation	37.00	43.76	37.80	44.65
Surplus after Depreciation	249.78	109.16	330.04	122.89
Exceptional Item	0	0	0	0
Provision for Taxation	66.04	30.60	66.04	30.60
Net Surplus	183.74	78.56	264.00	92.29
Balance brought forward	(4065.04)	(4143.60)	(4234.93)	(4327.22)
Balance	(3881.30)	(4065.04)	(3970.93)	(4234.93)

PERFORMANCE HIGHLIGHTS

OPERATIONS

The gross revenue of the company rose by 39% during the financial year to ₹ 456 lacs against ₹ 328.17 Lakhs in 2018-19.

Due to the efforts of the management the expenses were contained to ₹ 169.22 Lakhs in 2019-20 as against ₹ 175.25 in 2018-19. The Employee benefit Expenses declined from ₹ 49.51 lakhs to ₹ 48.53 Lakhs.

Substantial improvement in revenues coupled with strict cost control resulted in remarkable improvement in profitability. The Company's profit after tax jumped by 133.88% from ₹ 78.56 lacs in 2018-19 to ₹ 183.74 lacs in 2019-20.

DIVIDEND

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

ACCOMPLISHMENTS SINCE 2018

The present Board took charge on 20th December 2017.

The Board has completed 2 financial years from 1 April 2018 to 31st March 2020. During this period the following tasks has been accomplished;

1. Accelerated Profitability

- a. Efficient management has resulted in a 300% increase in standalone Profit After Tax (PAT). The standalone profit after tax has gone up from ₹ 46 Lakhs (2017-18) to ₹ 184 Lakhs (2019-20).
- b. The consolidated profit after tax has seen a rise of 450% from ₹ 48 Lakhs to ₹ 264 Lakhs.
- c. Reduction in Expenses by 24% from ₹ 222 Lakhs (2017-18) to ₹ 168 Lakhs (2019-20).

2. Payment to Members

- a. Payment of ₹ 680 lakhs refunded to 256 erstwhile trading members on account of BMC, TGF and FDR's pledged with DSE.



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3. Recovery of Assets & Reduction of Liabilities

- Recovery of Income Tax Refund amounting to ₹140 Lakhs for previous years.
- Recovery of ₹ 100 Lakhs out of the old dues of DSE.
- Recovery of Rent and re-possession of Laxmi Nagar flats.
- Payment of ₹ 48 Lakhs due for previous years on account of pending E.S.I. and water bills.

4. Strategy & Legal Affairs

- Change in Name of company from Delhi Stock Exchange Limited to DSE Estates Limited and alteration in Memorandum and Articles of Association to reflect the change in operations of the company.
- On the legal front, the company has secured favorable decisions in the four cases decided by the Court.
- Invitation of Expression of Interest from Merchant Bankers for providing an Exit Opportunity to the members.
- Constitution of Investment Committee to look after the avenues available for better returns.

IMPACT OF COVID -19

The COVID-19 outbreak is a sharp reminder that pandemics, like other rarely occurring catastrophes, have happened in the past and will continue to happen in the future. The current outbreak has had severe economic consequences across the globe.

It has led to fall in rates of interest due to which the earnings of the company for year ended March 31,2021 will be impacted.

COVID 19 has led to overall reduction in requirements of commercial real estate due to work from home introduced by many companies and slowdown in economic activity in the Country. Consequently, the company has decided to look at appropriate timing for leasing/rental of its commercial properties.

DIRECTORS

During the financial year 2019-20 there was no change in constitution of the Board. Mr.Vijay Bhushan

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 2019 - 2020 the gross revenue from operations was higher by 85% at ₹ 153.29 Lakhs against ₹ 82.90 Lakhs last year. The profit before provision, depreciation and interest amounted to ₹ 81.07 lakhs as against ₹ 14.61 Lakhs for the previous year.

Profit after tax shot up by 485% to ₹ 80.25 Lakhs in 2019-20 as against ₹ 13.72 Lakhs last year.

The turnover of the company during the year in NSE (Cash and F&O) and BSE (Cash) is ₹ 1002.04 crores and ₹ 110.87 crores respectively. The audited annual accounts of the subsidiary company for the financial year 2019-20 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;
- c. 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;
 - d. they have prepared the annual accounts on a going concern basis;
 - e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
 - f. 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.

RECTIFICATION OF REGISTER OF MEMBERS

The Company proposes to file a Petition under Section 59 and 66 of the Companies Act, 2013 read with Rule 70 and 11 of the National Company Law Tribunal Rules, 2016 as the Company's register of members reflects erroneous shareholding in respect of certain shareholders. Further, the paid up share capital of the Company is proposed to be reduced in its Financial Statement and in the record of Registrar of Companies, NCT of Delhi & Haryana on the basis of rectification of the register of members of the Company.

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 75th Annual General Meeting of the Company.

AUDITORS' OBSERVATIONS

The comments on the observation in the report of the Auditors on the stand-alone financial statements for the financial year 2019-20 are as under:

Qualification on Note no. 30 of financial statements regarding non-provision of amount of ₹ 15,11,48,430/- 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



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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 ₹ 33,97,509/- from some brokers, sub-brokers. Subsequent to the year end, the Company has further recovered ₹ 38,63,926/-. The Board is making efforts to recover the remaining amount of ₹ 15,11,48,430/-. 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. The company has altered its Memorandum of Association and Article of Association and proposed to profitably utilize the real estates assets available with the Company.

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 the profits of ₹ 80.25 Lakhs earned by the subsidiary and the higher market value of investments held by the subsidiary.

Place : New Delhi
Dated: 05.09.2020

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

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

DSE Estates Limited (formerly Delhi Stock Exchange Limited) 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 2019-20, Mr Vijay Bhushan, Mr Mahender Kumar Gupta, Mr Vinod Kumar Goel and Mr Hans Raj Kapoor constituted the Board of Directors of the company.

ii. Composition and Attendance of each Director at the Board meetings from April 1, 2019 to March 31, 2020:

During 2019-20, four Board meetings were held on June 15, 2019, August 26, 2019, December 21, 2019 and June 17, 2020. 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 2019-20, 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	2	No



iii) Sitting fees paid by the Company to Directors for attending Board and Committee meetings during Financial Year 2019-20 are given below:

Sl. No.	Name of the Director	Amount ₹
1.	Mr. Vijay Bhushan	130,000
2.	Mr. Mahender Kumar Gupta	140,000
3.	Mr. Vinod Kumar Goel	140,000
4.	Mr. Hans Raj Kapoor	15,000

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, 2 meeting of the Audit Committee were held on 30.07.2019 and 22.08.2019. The composition of the Audit Committee and the attendance at its meetings during the financial year 2019-20 are given hereunder:

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

b) LEGAL COMMITTEE

During the year under review, 8 meeting of the Legal Committee were held on 06.08.2019, 28.08.2019, 23.09.2019, 12.10.2019, 21.10.2019, 03.12.2019, 23.01.2020 and 25.02.2020. The composition of the Legal Committee and the attendance at its meetings during the financial year 2019-20 are given hereunder:

Sl. No.	Name of the Member	Designation	Held during tenure	No. of meetings attended
1	Mr. Vijay Bhushan	Director	8	7
2	Mr.M.K.Gupta	Director	8	8
3	Mr.Vinod Kr Goel	Director	8	8

6. GENERAL BODY MEETINGS

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

Annual General Meeting	December 20, 2017 at 04:00 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	September 29, 2018 at 11.30 AM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	September 30, 2019 at 04:00 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002

7. DISCLOSURES

- i. 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.
- ii. 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 72nd Annual General Meeting of the Company is scheduled for Tuesday, December 29, 2020 at 4:00 PM at The Lalit Hotel, Barakhamba Avenue, Connaught Place, New Delhi-110001

ii. Financial year:

The Company's financial year was from April 1, 2019 to March 31, 2020.

iii. Book Closure:

The Register of Members of the Company shall be closed during the period December 23, 2020 to December 29, 2020(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, 2020.

vi. Address for correspondence:

DSE Estates Limited
DSE House, 3/1, Asaf Ali Road, New Delhi- 110002 Ph: 23298988
The website of the Company is 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 its 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: 05.09.2020
Place: New Delhi



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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:

DSE Estates 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 2019-20.

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 DSE Estates 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 : 05.09.2020

Place : New Delhi

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March 2020

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 : DSE ESTATES 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)



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

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	
(A) Promoters									
1 Indian									
(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
Sub Total(A)(1)	0	0	0	0	0	0	0	0	0
2 Foreign									
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
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	80,000	0	80,000	0.26	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
Sub-Total (B)(1)	80,000	0	80,000	0.26	80,000	0	80,000	0.26	0

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2 Non- institutions									
(a) Bodies Corporate									
i) Indian									
ii) Overseas	15153658	749600	15903258	52.58	14658954	747600	15406564	50.94	-1.64
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lac	7413198	280031	7693229	25.43	7852533	240031	8092386	26.76	-1.33
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	156000	0	156000	0.52	156000	0	156000	0.51	-
(d) Others:									
NRIs	4000	—	4000	0.01	4000	—	4000	0.01	-
HUF	126013	—	126013	0.42	223550	0	223550	0.73	0.31
Foreign Corporate Bodies	6283500	—	6283500	20.78	6283500	0	6283500	20.78	-
Sub-Total (B)(2)	29136369	1029631	30166000	99.74	29178369	987631	30166000	99.74	0
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	29216369	1029631	30246000	100	29216369	1029631	30246000	100	0
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	29216369	1029631	30246000	100	29216369	1029631	30246000	100	0

(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						



DSE Estates Limited
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(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	898500	2.97
10.	Nahar Capital and Financial Services Ltd.	748250	2.47	748250	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



DSE Estates Limited
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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 Hans Raj Kapoor				
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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr Sunil Bhatia				
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	NIL			
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/s17(2) Income-tax Act, 1961 (c) Profit in lieu of salary under section 17(3) income tax Act, 1961	V. K. Yadav	1,69,127
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of Profit		
5	Others, please specify		
	Total (A)		1,69,127
	Ceiling as per the Act		12,57,395



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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	90,000	NIL	NIL	1,30,000
2.	Mr Mahender Kumar Gupta	40,000	1,00,000	NIL	NIL	1,40,000
3.	Mr Vinod Kumat Goel	40,000	1,00,000	NIL	NIL	1,40,000
4.	Mr Hans Raj Kapoor	15,000	NIL	NIL	NIL	15,000

Sl. No.	Particulars of Remuneration	Name of MD/WTD/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							

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	—	4,76,138	—	4,76,138
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of Profit	—	—	—	—
5	Others, please specify Staff Welfare	—	31,000	—	31,000
	Total	—	5,07,138	—	5,07,138

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 : 05.09.2020
Place: New Delhi

Vijay Bhushan
Chairman
DIN : 00002421



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

Independent Auditors' Report

**TO THE MEMBERS OF
DSE ESTATES LIMITED
(FORMERLY KNOWN AS DELHI STOCK EXCHANGE
LIMITED)**

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

Qualified Opinion

We have audited the accompanying standalone financial statements of DSE ESTATES LIMITED (FORMERLY KNOWN AS DELHI STOCK EXCHANGE LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 Accounting Standards 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 2020, and its profit, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Reference is invited to Note no. 29 of the standalone financial statements regarding non-provision of amount of ₹ 15,11,48,430/- 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 ₹ 15,11,48,430/-; 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 31st March 2016, 31st March 2017, 31st March 2018 and 31st March 2019.

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. 30 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 Delstox Stocks and Shares Limited.

As per Audited Financial Statements of the wholly owned subsidiary company Delstox Stocks and Shares Limited, it has accumulated losses of ₹ 89,63,303/- as on 31.03.2020. 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.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed prior to the date of this auditor's report, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The accompanying standalone financial statements have been approved by Company's Board of Directors. 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. The 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 standalone financial statements 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (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. 28 of the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There 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, 2020 to its directors.

FOR P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No. 000468N
AMIT GOEL
(Partner)
M.No. 092648

Place : New Delhi
Date : 01.09.2020

Annexure 'A' to Independent Auditors' Report

DSE Estates Limited (Formerly known as Delhi Stock Exchange Limited)

The annexure referred to in paragraph 1 under the heading of 'report on other legal and regulatory requirements' of our report to the members of the company on the standalone financial statements for the year ended on 31st March, 2020, 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 subsequent to the year end 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 ₹ 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 and also non deposit of advance tax instalments. 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, 2020 for a period of more than six months from the date of becoming payable except for advance tax instalments of ₹ 3,45,348/- & ₹ 6,90,696/- for June, 2019 and September 2019 quarters respectively.
- 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 paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
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 : 01.09.2020

AMIT GOEL
(Partner)
M.No. 092648

Annexure – B to the Auditors' Report

DSE Estates Limited (Formerly known as 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 **DSE Estates Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : New Delhi
Date : 01.09.2020

AMIT GOEL
(Partner)
M.No. 092648

Standalone Balance Sheet as at 31st March, 2020

(Amount in ₹)

Particulars	Note	As At	As At
		31 st March, 2020	31 st March, 2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	79,55,06,467	77,71,32,316
		82,57,48,467	80,73,74,316
Share Allotment Kept in abeyance	4	1,56,000	1,56,000
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	10	1,41,912	0
Other Long-term Liabilities	5	2,57,03,835	2,63,00,996
Long Term Provisions	6	3,47,529	1,53,858
		2,61,93,276	2,64,54,854
Current Liabilities			
Other Current Liabilities	7	88,94,080	78,78,438
Short Term Provisions	6	62,28,838	25,81,421
		1,51,22,918	1,04,59,859
		86,72,20,661	84,44,45,029
ASSETS			
Non-Current Assets			
Property, Plant & Equipment			
Tangible assets	8	5,04,40,168	5,41,05,464
Capital work In Progress		5,62,700	6,43,500
Non-Current Investments	9	12,00,00,000	18,00,00,000
Deferred Tax Assets (Net)	10	0	4,92,830
Long-term Loans and Advances	11	77,93,920	73,43,670
		17,87,96,788	24,25,85,464
Current Assets			
Current Investments	12	1,20,83,166	49,81,759
Trade Receivables	13	16,65,002	17,41,624
Cash and Bank balances	14	48,22,78,354	40,12,02,428
Short-Term Loans and Advances	11	17,65,55,839	18,44,56,930
Other Current Assets	15	1,58,41,512	94,76,824
		68,84,23,873	60,18,59,565
		86,72,20,661	84,44,45,029
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	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 : 01.09.2020

VIJAY BHUSHAN
(CHAIRMAN)
DIN:00002421

FOR AND ON BEHALF OF THE BOARD

MAHENDER KUMAR GUPTA
(DIRECTOR)
DIN:01194791

VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)



DSE Estates Limited
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Standalone Statement of Profit and Loss for the year ended 31st March, 2020

(Amount in ₹)

Particulars	Note	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Income :			
Other Income	16	4,55,99,470	3,28,17,836
Total Revenue		4,55,99,470	3,28,17,836
Expenses:			
Employee Benefits Expense	17	48,53,840	49,51,322
Depreciation and Amortisation Expense	8	36,97,903	43,76,794
Provision for Impairment	8	80,800	1,15,900
Other Expenses	18	1,19,88,155	1,24,58,359
Total Expenses		2,06,20,698	2,19,02,375
Profit for the year before Tax		2,49,78,772	1,09,15,461
Tax expense:			
Provision for Taxation			
- Current		60,00,000	19,00,000
- Earlier Year		(30,121)	5,02,728
- Deferred		6,34,742	6,57,166
Profit for the year		1,83,74,151	78,55,568
Earning Per Share:			
Equity share of par value ₹ 1/-each	19		
Basic		0.61	0.26
Diluted		0.60	0.26
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

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V. K. YADAV
(Manager)

Standalone Cash Flow Statement

For the year ended 31st March 2020

(Amount in ₹)

	Year ended 31st March,2020	Year ended 31st March,2019
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Loss) before tax as per statement of Profit & Loss	2,49,78,772	1,09,15,461
<i>Adjustment for :</i>		
Depreciation	36,97,903	43,76,794
Provision for Impairment	80,800	1,15,900
Interest Income	(3,91,50,777)	(3,04,01,484)
Rental Income	(4,17,817)	(8,48,071)
Profit on redemption of Current Investments	(4,96,407)	(3,60,676)
Profit on redemption of Non-Current Investments	(46,52,680)	0
Profit on sale of Fixed Assets	(8,25,657)	(7,46,772)
Operating Profit/-Loss before Working Capital Changes	(1,67,85,863)	(1,69,48,848)
<i>Adjustment for :</i>		
Trade,other Receivables and loans and advances	29,17,488	39,89,887
Current and Non-current Liabilities	1,59,572	(1,75,94,341)
Cash Generated from operation	(1,37,08,804)	(3,05,53,302)
Income tax paid	36,24,595	31,49,770
Net Cash from Operating Activities	(1,73,33,398)	(3,37,03,072)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Interest Income	3,91,50,777	3,04,01,484
Rental Income	4,17,817	8,48,071
Purchase of fixed assets	(2,14,338)	0
Sale of fixed assets	10,07,388	25,96,594
Purchase of investments	(2,38,05,000)	(1,90,93,000)
Sale/Redemption of investments	8,18,52,680	1,91,00,000
Net Cash used in Investing Activities	9,84,09,324	3,38,53,149
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in Financing Activities	0	0
Net Increase in Cash & Cash Equivalents A+B+C	8,10,75,926	1,50,077
Cash and Cash Equivalents	40,10,08,370	40,08,58,293
(Opening Balance)		
Cash and Cash Equivalents	48,20,84,296	40,10,08,370
(Closing Balance)		



DSE Estates Limited
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Cash Flow Statement...(Contd.)

	Year ended 31st March,2020	Year ended 31st March,2019
Components of Cash and Cash Equivalents at the end of the year (I)		
<u>Balances with Banks</u>		
In Current and Deposit Accounts	39,05,41,569	40,09,64,148
Cash-on-hand	29,717	44,222
<u>Deposit with Financial Institution/ NBFC</u>	9,15,13,010	0
Total (I)	48,20,84,296	40,10,08,370
<u>Other Bank Balances (II)</u>		
Deposit with bank	1,94,058	1,94,058
Lien marked with Registrar of High Court.		
Total (II)	1,94,058	1,94,058
Total Cash and Bank Balances (I+II)	48,22,78,354	40,12,02,428

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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN
(CHAIRMAN)
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(DIRECTOR)
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VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)

NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO STANDALONE FINANCIAL STATEMENTS AS ON/ FOR THE YEAR ENDED 31st MARCH, 2020

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 on bank and other deposits is recognized as income on accrual basis.
- 1.3.3 Interest income on income tax refund is recognized as income at the time of receipt of refund or receipt of intimation of determination of refund.

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.



DSE Estates Limited
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Notes forming part of Accounts...

- 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.
- 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 and financial institutions/ NBFC, deposits with banks and financial institutions/ NBFC 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 st March, 2020	31 st March, 2019
2. SHARE CAPITAL		
Authorised		
10,00,00,000 (Previous Year 10,00,00,000) Equity Shares of ₹ 1/- each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued		
3,03,20,000 (Previous Year 3,03,20,000) Equity Shares of ₹ 1/- each	3,03,20,000	3,03,20,000
	3,03,20,000	3,03,20,000
Subscribed		
3,03,20,000 (Previous Year 3,03,20,000) Equity Shares of ₹ 1/- each	3,03,20,000	3,03,20,000
	3,03,20,000	3,03,20,000
Paid up		
3,02,42,000 (Previous Year 3,02,42,000) 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 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 except in case of Interim Dividend.
- Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2020 & 31st March, 2019 is as under:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	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, 2020 & 31st March, 2019.



DSE Estates Limited
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Notes forming part of Accounts...

3. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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	(40,65,04,094)	(41,43,59,662)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	1,83,74,151	78,55,568
Surplus-Closing balance	(38,81,29,943)	(40,65,04,094)
	79,55,06,467	77,71,32,316

* Settlement Guarantee Fund was created with the objective of guarantee of the settlement of bonafide transactions of the members of the erstwhile 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. 27). The shareholders of the company in their annual general meeting held on 29/09/2018 had resolved that the entire amount of ₹ 66,94,92,106/- standing to the credit of the Settlement Guarantee Fund Reserve of the Company shall be reclassified and credited to the 'Surplus Account' of the Company, and subsequent thereto, such amount credited to the 'Surplus Account' of the Company shall be reclassified as, and constitute accumulated profits of the Company in accordance with the provisions of the Companies Act, 2013 and subject to such approvals as may be necessary.

Notes forming part of Accounts...

4. SHARE ALLOTMENT KEPT IN ABEYANCE

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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 st March, 2020	As at 31 st March, 2019
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit* (under erstwhile stock exchange mechanism)	2,17,13,085	2,23,10,246
Payable for Capital contracts	15,21,509	15,21,509
Other Liabilities (including defaulter, deceased members)	24,69,241	24,69,241
	2,57,03,835	2,63,00,996

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



DSE Estates Limited
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Notes forming part of Accounts...

6. PROVISIONS

(Amount in ₹)

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Long Term	Short term	Long Term	Short term
Provisions For Employees Benefit (Refer Note No. 22)				
Leave encashment	1,76,408	1,23,249	1,53,858	5,52,823
Gratuity	1,71,121	1,05,589	0	1,28,598
Others				
Income Tax	0	60,00,000	—	19,00,000
	3,47,529	62,28,838	1,53,858	25,81,421

7. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investor Service Cell Fund-Payable to SEBI	13,61,406	1,361,406
Amount Refundable to brokers towards Settlement Guarantee Fund (SGF / TGF) in terms of SEBI order (Refer Note no. 27)	48,60,000	53,10,000
Refundable to Member against encashment of Margin FDR	9,54,749	0
Statutory Dues Payable	1,16,618	1,28,898
Expenses Payable	16,01,307	10,78,134
	88,94,080	78,78,438

Notes forming part of Accounts...

8. PROPERTY, PLANT & EQUIPMENT

(Amount in ₹)

S. No.	Particulars	Gross Block at Cost			Depreciation/Amortisation			Net Block		
		As at 1st April 2019	Additions during the year	Deductions during the year	As at 31st March 2019	For the year	Deduction during the year	Adjustment for Impairment	As on 31st March 2020	As on 31st March 2019
A	Tangible Assets									
1	Land(s) (Lease hold)	54385303	0	0	54385303	1005022	0	0	31258799	32263821
2	Buildings	70766654	0	0	70766654	2347560	0	0	16557987	18905547
3	Electric Installation & Equipments	30759181	43635	1640779	29162037	266749	1517094	0	1388796	17355595
4	Furniture & Fixtures	12292976	0	414586	11878390	30097	389378	0	527059	582364
5	Office Equipment	7891380	69686	40311	7920755	28340	39386	0	326211	285790
6	Computers & Peripherals	6741676	101017	666871	6175822	20135	634958	0	381316	332347
7	Library Books	297749	0	0	297749	0	0	0	0	0
8	Online Trading System & Communication Equipments	436167	0	0	436167	0	0	0	0	0
	Total Tangible Assets (A)	183571086	214338	2762547	181022877	3697903	2580816	0	130582709	50440168
	Previous Year	191589766	0	8018680	183571086	4376794	7626358	0	54105464	58874580
B	Intangible Assets									
1	Softwares	5482596	0	0	5482596	0	0	0	0	0
	Total Intangible Assets (B)	5482596	0	0	5482596	0	0	0	0	0
	Previous Year	5482596	0	0	5482596	0	0	0	0	0
C	Capital Work In Progress	90581747	0	0	90581747	0	0	80800	562700	643500
	Total Capital Work In Progress (C)	90581747	0	0	90581747	0	0	80800	562700	643500
	Previous Year	96842307	0	6260560	90581747	0	4803060	115900	643500	2216900
	Total (A+B+C)	279635429	214338	2762547	277087220	3697903	2580816	80800	51002868	54748963
	(Previous Year)	293914669	0	14279240	279635429	4376794	12429418	115900	54748964	61091479



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, 2020	As at 31 March, 2019
CAPITAL WORK IN PROGRESS		
Amount paid for development of Data Center	2,29,99,046	2,29,99,046
Paid for Hardware Equipments	2,46,42,598	2,46,42,598
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
Total Capital Work in Progress	9,05,81,747	9,05,81,747
Less:Provision for Impairment	(9,00,19,047)	(8,99,38,247)
Balance	5,62,700	6,43,500

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 ₹ 9,00,19,047/- (Previous Year ₹ 8,99,38,247/-).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,2020		As at 31st March,2019	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
LONG TERM INVESTMENTS (At Cost)					
NON TRADE (Unquoted)					
(A) Investment in Equity Instruments					
-Fully Paid up Equity Shares					
- In Wholly Owned Subsidiary Company Delstox Stocks and Shares Limited (Earlier knowns as DSE Financial Services Ltd.)	1000	60000	6,00,00,000	60000	6,00,00,000
TOTAL A		60000	6,00,00,000	60000	6,00,00,000
(B) INVESTMENTS IN MUTUAL FUNDS					
-FULLY PAID UP UNITS					
Aditya Birla Sun Life Credit Risk Fund - Growth	10	0	0	4539642	6,00,00,000
HSBC FTS 131- Growth Direct Plan	10	6000000	6,00,00,000	6000000	6,00,00,000
TOTAL B		6000000	6,00,00,000	10539642	12,00,00,000
TOTAL (A+B)		6060000	12,00,00,000	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 ₹ 89,63,303/- as on 31.03.2020 (Previous year ₹ 1,69,89,284/-). 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 31.03.2020 ₹ 6,00,00,000/- (previous year ₹ 12,00,00,000). Net Asset Value there of as on 31.03.2020 ₹ 6,92,22,000/- (previous year ₹ 12,90,41,891/-).

10. DEFERRED TAX ASSETS (Net)

(Amount in ₹)

Particulars	As At	
	31st March, 2020	31st March, 2019
Deferred Tax Asset		
Expenses allowable under Income Tax Act on payment basis	1,45,060	2,17,173
Expenses on VRS allowable under Income Tax Act in subsequent years	0	4,39,543
Less: Deferred Tax Liability		
Fixed Assets	2,86,972	1,63,886
	(1,41,912)	4,92,830

11. LOANS AND ADVANCES

(Amount in ₹)

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Long Term	Short term	Long Term	Short term
Unsecured, Considered Good, Unless otherwise stated:				
Others				
Loan and advances to staff	0	35642	0	0
Security Deposits	1490000	0	2109500	0
Prepaid Expenses/Advance against expenses	0	877269	0	761178
Amount paid to SEBI toward broker / Sub broker fees (Net of recovery) (Refer Note no. 29)	0	155012356	0	155068770
GST Recoverable	6303920	0	5234170	0
Advance Tax/TDS/Income Tax refunds due	0	20630572	0	28626982
Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 11.1)				
—Considered Doubtful	71590627	0	71590627	0
Less: Provision for Doubtful Advances	-71590627	0	-71590627	0
	7793920	17655839	7343670	184456930



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

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 ₹ 7,15,90,627/- 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 st March, 2020		As at 31 st March, 2019	
	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*	31643	1,20,83,166	13878	49,81,759
	31643	1,20,83,166	13878	49,81,759

* Net Asset Value as on 31.03.2020 ₹ 1,23,60,895/- (Previous year ₹ 50,12,260).

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
13. TRADE RECEIVABLES		
Outstanding for a Period exceeding six months Unsecured Considered Good	16,65,002	17,41,624
	16,65,002	17,41,624
14. CASH AND BANK BALANCES		
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	16,20,062	16,35,900
-In Deposit Accounts*	38,89,21,507	39,93,28,248
Cash-on-Hand	29,717	44,222
Others		
Deposits with financial institution/ NBFC* (Housing Development Finance Corporation Limited)	9,15,13,010	0
	48,20,84,296	40,10,08,370
Other Bank balances		
Deposit with bank**	1,94,058	1,94,058
	48,22,78,354	40,12,02,428

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

** Deposits with banks and financial institutions/ NBFC includes deposits of ₹ 8,84,83,260/- (Previous year ₹ 44,38,247/-) With remaining maturity of more than 12 months.

*** Lien marked with Registrar of High Court.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 st March, 2020		Year ended 31 st March, 2019
15. OTHER CURRENT ASSETS			
-Interest accrued on deposits with banks and financial institution/ NBFC	94,86,210		30,85,711
-Recoverable from Wholly owned subsidiary company (Rent & other) (Refer Note no. 21)	52,98,280		54,48,016
-Other recoverable (including Cabin rent, expense recoverable etc.)	9,01,022		7,87,097
-Bank FDR earmarked against amount of Share Allotment Kept in abeyance (Refer Note No. 4) [Value with accrued interest as on 31/03/2020 ₹ 3,40,278/- (Previous Year ₹ 3,21,351/-)]	1,56,000		1,56,000
	1,58,41,512		94,76,824
16. OTHER INCOME			
Interest (Gross) on			
a) Fixed Deposits with banks and financial institutions/ NBFC	3,62,19,602	3,03,12,815	
b) Electricity Security Deposit	41,538	88,669	
	<u>3,62,61,140</u>	<u>3,04,01,484</u>	
	3,62,61,140		3,04,01,484
Interest on income Tax Refund	28,89,637		0
Profit on sale/redemption of current investments	4,96,407		3,60,676
Profit on sale/redemption of Non- Current/ Long Term investments	46,52,680		0
Profit on sale/disposal of Fixed Assets (Net) (Property, Plant and Equipment)	8,25,657		7,46,772
Distribution of Transfer deeds	0		19,880
Miscellaneous	56,132		1,25,953
Compensation received	0		3,15,000
Rent	4,17,817		8,48,071
	4,55,99,470		3,28,17,836
17. EMPLOYEE BENEFIT EXPENSES			
Salaries and Benefits	42,43,558		45,27,763
Contribution to Provident Fund and Gratuity Fund	4,23,588		2,57,511
Staff Welfare	1,86,694		1,66,048
	48,53,840		49,51,322



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
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Notes forming part of Accounts...

18. Other Expenses

(Amount in ₹)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Electricity	23,32,947	24,69,357
Water	1,19,105	8,41,744
Property Management Services	41,87,490	39,23,614
Repairs and Maintenance - Others	2,77,789	3,65,748
Advertisement	27,405	79,866
Rates & Taxes	7,63,191	7,05,919
Insurance	7,70,044	8,81,514
Directors's Sitting Fees	4,25,000	2,40,000
Communication	1,61,732	1,85,384
Auditor's Remuneration (Refer Note No. 25)	3,80,000	3,80,000
Legal and Professional	9,75,366	6,93,250
Depository and Custodial Charges (CDSL/ NSDL) (Including Prior period expenses Rs. 1,99,392/- (Previous Year Rs. Nil)	2,20,787	9,321
Printing and Stationery	2,23,609	2,09,066
Travelling and Conveyance	1,22,648	82,497
Board and Committee Meetings	80,569	51,167
Vehicle Running and Maintenance	0	3,140
Bad debts/Advances / Misc. Balances written-off	0	6,04,988
Festival	1,30,470	1,48,642
General Meetings of Members	88,090	95,161
Miscellaneous	7,01,913	4,87,982
	1,19,88,155	1,24,58,359

Notes forming part of Accounts...

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

Particulars	Current Year (₹)	Previous Year (₹)
Net Profit after Tax as per Statement of Profit and Loss	1,83,74,151	78,55,568
Net Profit attributable to Equity Shareholders	1,83,74,151	78,55,568
Basic Earning Per Share		
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 (₹)	0.61	0.26
Diluted Earning Per Share		
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 (₹)	0.60	0.26

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

- (a) Claims against the Company not acknowledged as debts:- ₹ 11,09,11,025/-
(Previous Year ₹ 11,09,11,025/-)
- (b) 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 ₹ 33,14,77,341/- (including interest) (Previous Year ₹ 33,14,77,341/-) 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.

21. RELATED PARTY TRANSACTIONS

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

- a) *Wholly owned Subsidiary Company*
Delstox Stocks And Shares Limited
(Earlier known as DSE Financial Services Ltd.)
- b) *Key Managerial Personnel*
Mr. Sunil Bhatia (Company Secretary upto 30.09.2019)
Mr. V K Yadav (Manager w.e.f. 21.12.2019)
- c) *Directors*
Hans Raj Kapoor
Vijay Bhushan
Mahender Kumar Gupta
Vinod Kumar Goel
- d) Concerns in which directors are interested:
Emmkay Share & Stock Brokers Ltd. (Mr. Mahender Kumar Gupta is Director and Member)
Vinod Kumar Goel & Co (Mr. Vinod Kumar Goel is Proprietor)
- e) Relative of Director:
Murari Lal Goel (Father of Mr. Vinod Kumar Goel)



Notes forming part of Accounts...

21.2 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) Expenses recovered Amount recoverable at year end Investments as at the year end	29,736 1,20,000 52,98,280 6,00,00,000	2,9736 1,20,000 54,48,016 6,00,00,000
2	Sunil Bhatia	Remuneration paid (excluding retirement benefits) Staff Welfare	4,76,138 31000	10,68,981 0
3	V K Yadav	Remuneration paid	1,69,127	0
4	Vijay Bhushan	Sitting Fees paid	1,30,000	65,000
5	Mahender Kumar Gupta	Sitting Fees paid	1,40,000	65,000
6	Vinod Kumar Goel	Sitting Fees paid Security Deposit received and repaid	1,40,000 0	65,000 1,82,157
7	Hans Raj Kapoor	Sitting Fees paid	15,000	45,000
8	Emmkay Share & Stock Brokers Ltd.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,200 2,916	1,716 1,716
9	Vinod Kumar Goel & Co.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,554 2,208	654 654
10	Murari Lal Goel	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,554 2,208	654 654

22. 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	2,48,868/-	2,86,571/-	Contribution to Provident fund and Gratuity fund

Notes forming part of Accounts...

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)	15,79,879/-	15,89,176/-	7,06,681/-	6,90,125/-
Interest Cost (B)	1,05,852/-	1,17,599/-	47,348/-	51,069/-
Past service cost (C)	Nil	Nil	Nil	Nil
Current service cost (D)	97,329/-	1,13,959/-	33,991/-	97,504/-
Benefits paid (E)	(3,31,587/-)	(81,000/-)	(6,06,601/-)	(62,970/-)
Actuarial loss/(gain) on obligation (F)	73,898/-	(1,59,855/-)	1,18,238/-	(69,047/-)
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	15,25,371/-	15,79,879/-	2,99,657/-	7,06,681/-

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)	15,25,371/-	15,79,879/-	2,99,657/-	7,06,681/-
Estimated fair value of plan Assets (B)	12,48,661/-	14,51,281/-	0.00	0.00
Net Liability/(Asset) (C=A-B)	2,76,710/-	1,28,598/-	2,99,657/-	7,06,681/-
Amounts in the Balance Sheet				
Liabilities/(Asset)	2,76,710/-	1,28,598/-	2,99,657/-	7,06,681/-
Amount charged to Profit & Loss Account				
Current Service Cost	97,329/-	1,13,959/-	33,991/-	97,504/-
Interest Cost	1,05,852/-	1,17,599/-	47,348/-	51,069/-
Past Service Cost	Nil	Nil	Nil	Nil
Expected Return on Plan Asset	(1,13,200/-)	(86,976/-)	Nil	Nil
Actuarial(Gain)/Loss	84,739/-	(1,73,642/-)	1,18,238/-	(69,047/-)
	1,74,720/-	(29,060/-)	1,99,577/-	79,526/-
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	1,02,359/-	1,00,763/-

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

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	5.60%	6.70%
Expected Rate of Return on Plan Assets	7.05%	7.80%
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	14,51,281/-	11,36,947/-
ii)	Expected Return on Plan Assets	1,13,200/-	86,976/-
iii)	Contribution by the Employer	26,608/-	2,94,571/-
iv)	Benefits Paid	(3,31,587/-)	(81,000/-)
v)	Actuarial Gain/(Loss)	(10,841/-)	13,787/-
	Closing Fair Value of Plan Assets	12,48,661/-	14,51,281/-

23. 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, 2020 and 31st March, 2019.

24. 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.

25. Auditor Remuneration includes the following (excluding the applicable GST):

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees - Standalone financial statements	300000	300000
- Consolidated financial statements	50,000	50,000
Out of Pocket Expenses	30,000	30,000
	380,000	380,000

Notes forming part of Accounts...

26. In compliance of SEBI exit order requiring the company to change its name so as to delete the word 'Stock Exchange' from it, the name of the Company has been changed from Delhi Stock Exchange Limited to DSE Estates Limited vide certificate dated 14.11.2019 issue by Registrar of Companies, Delhi.
27. 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.

28. Litigation

- a) The Impact of pending litigation has been considered and disclosed in the Contingent Liabilities in Note No. 20.
- 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.
29. 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 ₹ 33,97,509/- (Previous year ₹ 33,41,095/-) from some brokers against the turnover fees/ sub-broker fee. The amount paid to SEBI net of aforesaid recovery



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

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 ₹ 38,63,926/- (Previous Year ₹ 20,566/-). In the opinion of management the company is also not liable for the liability of remaining amount of ₹ 15,11,48,430/- (i.e. amount paid by it to SEBI less recovery made and refund received) (Previous year ₹ 15,50,48,204/-) as this amount of ₹ 15,11,48,430/- (Previous year ₹ 15,50,48,204/-) 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.

30. 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.
31. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
32. Disclosure u/s 186(4) of the Companies Act, 2013:
The detail of investments made are given in Note no. 9 and 12.
33. During the current year and previous year, the Company was not required to spent on Corporate Social Responsibility (CSR activities).
34. In the opinion of the management, there is no adverse impact of Covid-19 pandemic on the recoverable amounts of various assets of the company.
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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN (CHAIRMAN) DIN:00002421	MAHENDER KUMAR GUPTA (DIRECTOR) DIN:01194791	VINOD KUMAR GOEL (DIRECTOR) DIN:00039086
	V. K. YADAV (Manager)	

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	Delstox Stocks And Shares Limited
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	(8,963,303)
6.	Total assets	77,022,030
7.	Total Liabilities	77,022,030
8.	Investments	54,72,453
9.	Turnover	15,329,923
10.	Profit before taxation	80,25,981
11.	Provision for taxation	NIL
12.	Profit after taxation	80,25,981
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes:

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

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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN
(CHAIRMAN)
DIN:00002421

MAHENDER KUMAR GUPTA
(DIRECTOR)
DIN:01194791

VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

Independent Auditors' Report on Consolidated Financial Statements

To,
The Members of
DSE ESTATES LIMITED
(FORMERLY KNOWN AS DELHI STOCK
EXCHANGE LIMITED)

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of DSE ESTATES LIMITED (FORMERLY KNOWN AS DELHI STOCK EXCHANGE LIMITED) 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, 2020, 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 Accounting Standards 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, 2020, their consolidated profit, their consolidated cash flows for the year then ended.

Basis for Qualified Opinion

Reference is invited to Note no. 33 of financial statements regarding non-provision of amount of ₹ 15,11,48,430/- 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 ₹ 15,11,48,430/-; 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 31st March 2016, 31st March 2017, 31st March 2018 and 31st March 2019.

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. 34 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. 37

- (A) Trade Receivables outstanding for more than six months aggregating to ₹ 82.32 Lakhs (Previous year ₹ 87.64 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 2020 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 ₹ 41.45 Lakhs (Previous Year ₹ 27.63 Lakhs) has been made in the books of accounts (being 60% 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 ₹ 13.24 Lakhs (including ₹ 8.67 lakhs from CDSL) 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 2020-21.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the 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.

Those 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 ₹ 7,70,22,030/- as at 31st March, 2020, total revenues of ₹ 1,53,29,923/- and net cash flows amounting to ₹ 1,78,77,291/- 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 financial statements dealt with by this Report are in agreement with the books of account;
- (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, 2020 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 31st March, 2020 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 32 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 31st March, 2020 to its directors.

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

Place : New Delhi
Date : 01.09.2020

AMIT GOEL
(Partner)
M.No. 92648



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

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 DSE Estates Limited and its subsidiary company (Collectively referred to as "the group") as of and for the year ended 31 March 2020, We have audited the internal financial controls over financial reporting of **DSE ESTATES 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.

Place : New Delhi
Date : 01.09.2020

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 2020, 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.

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

AMIT GOEL
(Partner)
M.No. 92648



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

Consolidated Balance Sheet as at 31st March, 2020 (Amount in ₹)

Particulars	Note	As At 31 st March, 2020	As At 31 st March, 2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	78,65,43,162	76,01,43,034
		81,67,85,162	79,03,85,034
Share Allotment Kept in abeyance	4	1,56,000	1,56,000
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	11	1,41,912	0
Other Long-term Liabilities	5	2,57,03,835	2,64,00,996
Long Term Provisions	6	9,42,742	6,73,839
		2,67,88,489	2,70,74,835
Current Liabilities			
Trade Payables	7		
-total outstanding dues of micro enterprises and small enterprises		0	0
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,44,24,406	75,64,907
Other Current Liabilities	8	1,42,96,752	1,42,40,771
Short Term Provisions	6	64,93,601	27,92,199
		3,52,14,759	2,45,97,877
		87,89,44,410	84,22,13,746
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	9	5,05,88,559	5,42,33,839
Intangible assets		7,370	9,826
Capital work In Progress		5,62,700	6,43,500
Non-Current Investments	10	6,54,72,453	12,69,64,800
Deferred Tax Assets (Net)	11	0	4,92,830
Long-term Loans and Advances	12	3,61,40,880	3,52,19,840
Other Non-Current Assets	13	52,49,527	1,17,74,830
		15,80,21,489	22,93,39,465
Current Assets			
Current Investments	14	1,89,50,078	74,81,759
Trade Receivables	15	75,94,096	90,20,635
Cash and Bank balances	16	50,52,83,575	40,63,30,359
Short-Term Loans and Advances	12	17,68,05,320	18,47,84,295
Other Current Assets	17	1,22,89,852	52,57,233
		72,09,22,921	61,28,74,281
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 44	87,89,44,410	84,22,13,746

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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN
(CHAIRMAN)
DIN:00002421

MAHENDER KUMAR GUPTA
(DIRECTOR)
DIN:01194791

VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(Amount in ₹)

Particulars	Note	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Revenue from operations	18	25,57,223	28,86,200
Other Income	19	5,83,46,972	3,81,96,519
Total Revenue		6,09,04,195	4,10,82,719
<u>Expenses:</u>			
Employee Benefits Expense	20	81,58,095	81,47,896
Depreciation/Amortisation	9	37,79,623	44,65,587
Provision for Impairment	9	80,800	1,15,900
Other Expenses	21	1,44,99,257	1,46,83,436
Provision for Doubtful Debts		13,81,671	13,81,671
Total Expenses		2,78,99,446	2,87,94,490
Profit for the year before Tax		3,30,04,749	1,22,88,229
<u>Tax expense:</u>			
- Current		60,00,000	19,00,000
- Earlier Year		(30,121)	5,02,728
- Deferred		6,34,742	6,57,166
Profit/(Loss) for the year after Taxation		2,64,00,128	92,28,335
Earning Per Share:			
Equity share of par value ₹ 1/-each	22		
Basic		0.87	0.31
Diluted		0.87	0.30
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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN
(CHAIRMAN)
DIN:00002421

MAHENDER KUMAR GUPTA
(DIRECTOR)
DIN:01194791

VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

Consolidated Cash Flow Statement

For the year ended 31st March 2020

(Amount in ₹)

	Year ended 31st March,2020	Year ended 31st March,2019
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Los) before tax and Extraordinary Items	3,30,04,749	1,22,88,229
<i>Adjustment for :</i>		
Depreciation	37,79,623	44,65,587
Provisions for Doubtful debts	13,81,671	13,81,671
Provision for Impairment	80,800	1,15,900
Interest Income	(4,02,55,426)	(3,16,14,465)
Dividend Income	(16,25,724)	(23,40,000)
Rental Income	(3,92,617)	(8,22,871)
Profit on redemption of Current Investments	(8,87,319)	(4,97,090)
Profit on redemption of Non-Current Investments	(1,29,12,213)	0
Profit on sale of Fixed Assets	(8,25,657)	(7,46,772)
Operating Profit/-Loss before Working Capital Changes	(1,86,52,113)	(1,77,69,811)
<i>Adjustment for :</i>		
Trade,other Receivables and loans and advances / Other Current and Non-Current Assets	83,50,204	1,02,40,296
Current and Non-current Liabilities	60,88,624	(2,43,34,447)
Cash Generated from operation	(42,13,285)	(3,18,63,962)
Income tax paid	36,24,595	32,30,051
Net Cash from Operation Activities	(78,37,880)	(3,50,94,013)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Interest Income	4,02,55,426	3,16,14,465
Rental Income	3,92,617	8,22,871
Dividend Income	16,25,724	23,40,000
Purchase of Fixed Assets	(3,13,618)	(57,154)
Sale of Fixed Assets	10,07,388	25,96,594
Purchase of Investments	(5,97,81,000)	(3,00,93,000)
Sale/Redemption of Investments	12,36,04,559	2,92,36,414
Net Cash used in Investing Activities	10,67,91,096	3,64,60,190
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in Financing Activities	0	0
Net Increase in Cash & Cash Equivalents A+B+C	9,89,53,216	13,66,177
Cash and Cash Equivalents (Opening Balance)	40,61,36,301	40,47,70,124
Cash and Cash Equivalents (Closing Balance)	50,50,89,517	40,61,36,301
Components of Cash and Cash Equivalents at the end of the year (I)		
<u>Balances with Banks</u>		
In Current and Deposit Accounts	40,95,45,760	40,60,89,248
Cash-on-hand	30,747	47,053
Deposit with Financial Institutions/ NBFC	9,55,13,010	0
Total (I)	50,50,89,517	40,61,36,301
<u>Other Bank Balances (II)</u>		
Deposit with bank	1,94,058	1,94,058
Lien marked with Registrar of High Court		
Total (II)	1,94,058	1,94,058
Total Cash and Bank Balances (I+II)	50,52,83,575	40,63,30,359

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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN
(CHAIRMAN)
DIN:00002421

MAHENDER KUMAR GUPTA
(DIRECTOR)
DIN:01194791

VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)

NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

1.1 PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to DSE Estates Limited (Earlier known as Delhi Stock Exchange Limited) - (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 Rule7of 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 on bank and other deposits is recognized as income on accrual basis.
- iii Interest income on income tax refund is recognized as income at the time of receipt of refund or receipt of intimation of determination of refund.

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) PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment 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.



Notes forming part of Accounts...

- 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.
- 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 and financial institutions/ NBFC, deposits with banks and financial institutions/ NBFC 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.

Notes forming part of Accounts...

2. SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Authorised		
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
Issued		
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
Subscribed		
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
Paid up		
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 except in case of Interim Dividend. 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, 2020 & 31st March, 2019 is as under:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	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, 2020 & 31st March, 2019.



Notes forming part of Accounts...

3. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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	(42,34,93,376)	(43,27,21,711)
Add: Net Profit after tax transferred from Statement of Profit & Loss	2,64,00,128	92,28,335
Surplus-Closing balance	(39,70,93,248)	(42,34,93,376)
	78,65,43,162	76,01,43,034

* Settlement Guarantee Fund was 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. 31). The shareholders of the company in their annual general meeting held on 29/09/2018 had resolved that the entire amount of ₹ 66,94,92,106/- standing to the credit of the Settlement Guarantee Fund Reserve of the Company shall be reclassified and credited to the 'Surplus Account' of the Company, and subsequent thereto, such amount credited to the 'Surplus Account' of the Company shall be reclassified as, and constitute accumulated profits of the Company in accordance with the provisions of the Companies Act, 2013 and subject to such approvals as may be necessary.

Notes forming part of Accounts...

4. SHARE ALLOTMENT KEPT IN ABEYANCE

(Amount in ₹)

Particulars	As At 31 st March, 2020	As At 31 st March, 2019
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 ₹ 78,000/- 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 ₹ 1,56,000/- in the name of the aforesaid applicants.

5. OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit* (under erstwhile stock exchange mechanism)	2,17,13,085	2,23,10,246
Other Security Deposits	0	1,00,000
Payable for Capital contracts	15,21,509	15,21,509
Other Liabilities (including defaulter, deceased members)	24,69,241	24,69,241
	2,57,03,835	2,64,00,996

* 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, 2020		As At 31st March, 2019	
	Long Term	Short term	Long Term	Short term
Provisions For Employees Benefit (Refer Note No. 26)				
Leave encashment	1,76,408	3,88,012	1,53,858	7,63,601
Gratuity	7,66,334	1,05,589	5,19,981	1,28,598
Others				
Income Tax	0	60,00,000	0	19,00,000
	9,42,742	64,93,601	6,73,839	27,92,199

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
7. TRADE PAYABLES		
-total outstanding dues of micro enterprises and small enterprises	0	0
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,44,24,406	75,64,907
	1,44,24,406	75,64,907
8. OTHER CURRENT LIABILITIES		
Investor Service Cell Fund-Payable to SEBI	13,61,406	13,61,406
Amount Refundable to brokers towards Settlement Guarantee Fund (SGF / TGF) in terms of SEBI order (Refer Note no. 31)	48,60,000	53,10,000
Margin from Sub-brokers	47,96,683	54,28,229
Book overdraft in Current accounts	59,481	1,56,849
Refundable to Member against encashment of Margin FDR	9,54,749	0
Statutory dues Payable	2,75,326	3,14,667
Expenses Payable	19,89,107	16,69,620
	1,42,96,752	1,42,40,771

Notes forming part of Accounts...

9. FIXED ASSET

(Amount in ₹)

S. No	Particulars	Gross Block at Cost			Upto March 31 2019	For the year	Deduction during the year	Adjustment for impairment	As at 31st March 2020	Net Block	
		As at 1st April 2019	Additions during the year	Deductions during the year						As on 31st March 2020	As on 31st March 2019
Tangible Assets											
1	Land (Lease hold)	5,43,85,303	0	0	2,21,21,482	10,05,022	0	0	2,31,26,504	3,12,58,799	3,22,63,821
2	Buildings	7,07,66,654	0	0	5,18,61,107	23,47,560	0	0	5,42,08,667	1,65,57,987	1,89,05,547
3	Electric Installation & Equipments	3,08,86,422	43,635	16,40,779	2,91,22,354	2,66,749	15,17,094	0	2,78,72,009	14,17,269	17,64,068
4	Furniture & Fixtures	1,23,40,889	0	4,14,586	1,17,51,856	32,384	3,89,378	0	1,13,94,862	5,31,441	5,89,033
5	Office Equipment	81,56,186	69,686	40,311	78,12,989	67,476	39,386	0	78,41,079	3,44,482	3,43,197
6	Computers & Peripherals	83,14,309	2,00,297	6,66,871	79,46,136	57,976	6,34,958	0	73,69,154	4,78,581	3,68,173
7	Library Books	2,97,749	0	0	2,97,749	0	0	0	2,97,749	0	0
8	Online Trading System & Communication Equipments	4,36,167	0	0	4,36,167	0	0	0	4,36,167	0	0
	Total Tangible Assets (A)	18,55,83,679	3,13,618	27,62,547	13,13,49,840	37,77,167	25,80,816	0	13,25,46,191	5,05,88,559	5,42,33,839
	Previous Year	19,35,49,565	52,794	80,18,680	13,45,13,623	44,62,575	76,26,358	0	13,13,49,840	5,42,33,839	5,90,35,942
Intangible Assets											
1	Softwares	69,21,530	0	0	69,11,704	2,456	0	0	69,14,160	7,370	9,826
	Total Intangible Assets (B)	69,21,530	0	0	69,11,704	2,456	0	0	69,14,160	7,370	9,826
	Previous Year	69,17,170	4,360	0	69,08,692	3,012	0	0	69,11,704	9,826	8,478
Capital Work In Progress											
	Capital Work In Progress	9,05,81,747	0	0	8,99,38,247	0	0	80,800	9,00,19,047	5,62,700	6,43,500
	Total Capital Work In Progress (C)	9,05,81,747	0	0	8,99,38,247	0	0	80,800	9,00,19,047	5,62,700	6,43,500
	Previous Year	9,68,42,307	0	62,60,560	9,46,25,407	0	48,03,060	1,15,900	8,99,38,247	6,43,500	22,16,900
	Total (A+B+C)	28,93,47,516	3,13,618	27,62,547	22,81,99,791	37,79,623	25,80,816	80,800	22,94,79,398	5,11,58,629	5,48,87,165
	(Previous Year)	29,73,09,042	57,154	1,42,79,240	23,60,47,722	44,65,587	1,24,29,418	1,15,900	22,81,99,791	5,48,87,165	6,12,61,320



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,2020	As at 31 March,2019
CAPITAL WORK IN PROGRESS		
Amount paid for development of Data Center	2,29,99,046	2,29,99,046
Paid for Hardware Equipments	2,46,42,598	2,46,42,598
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
Total Capital Work in Progress	9,05,81,747	9,05,81,747
Less:Provision for Impairment	(9,00,19,047)	(8,99,38,247)
Balance	5,62,700	6,43,500

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 ₹ 9,00,19,047/- (Previous Year ₹ 8,99,38,247/-). 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,2020		As at 31st March,2019	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
LONG TERM INVESTMENTS (At Cost) (Non Trade)					
(A) Investment in Equity Instruments (Quoted)					
-Fully Paid up Equity Shares					
Bombay Stock Exchange Limited	2	50659	52,71,653	65000	67,64,000
TOTAL A		50659	52,71,653	65000	67,64,000
(B) INVESTMENTS IN MUTUAL FUNDS (Unquoted)					
-FULLY PAID UP UNITS					
Aditya Birla Sun Life Credit Risk Fund - Growth	10	0	0	45,39,642	6,00,00,000
HSBC FTS 131- Growth Direct Plan	10	6000000	6,00,00,000	6000000	6,00,00,000
TOTAL B		6000000	6,00,00,000	10539642	12,00,00,000
(C) INVESTMENTS IN BONDS (Quoted, Fully paid up)					
9.40% IFCI Bond 2025	1000	200	2,00,800	200	2,00,800
TOTAL C		200	2,00,800	200	2,00,800
TOTAL (A+B+C)		6050859	6,54,72,453	10604842	12,69,64,800

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Notes forming part of Accounts...

Aggregate cost of Quoted investments ₹ 54,72,453/- (Previous year ₹ 69,64,800/-)
 Market value of Quoted Investments ₹ 1,52,11,591/- (Previous year of ₹ 3,99,25,550/-)
 Aggregate cost of investment in mutual fund as on 31.03.2020 ₹ 6,00,00,000/-
 (previous year ₹ 12,00,00,000/-).
 Net Asset Value thereof as on 31.03.2020 ₹ 6,92,22,000/- (previous year ₹ 12,90,41,891/-).

11. DEFERRED TAX ASSETS (NET)

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
<u>Deferred Tax Asset</u>		
Expenses allowable under Income Tax Act on payment basis	1,45,060	2,17,173
Expenses on VRS allowable under Income Tax Act in subsequent years	0	4,39,543
<u>Less: Deferred Tax Liability</u>		
Fixed Assets	2,86,972	1,63,886
	(1,41,912)	4,92,830

12. LOANS AND ADVANCES

(Amount in ₹)

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Long Term	Short term	Long Term	Short term
Unsecured, Considered Good, unless otherwise stated:				
Others				
Loan and advances to staff	0	35,642	0	0
Security Deposits	2,94,65,000	0	2,96,84,500	0
Prepaid Expenses/Advance against expenses	0	10,19,244	0	9,12,166
Amount paid to SEBI toward broker / Sub broker fees (Net of recovery) (Refer Note no. 33)	0	15,50,12,356	0	15,50,68,770
GST Recoverable	63,83,774	0	52,43,234	0
TDS/Income Tax refunds due	2,92,106	2,07,38,078	2,92,106	2,88,03,359
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
	3,61,40,880	17,68,05,320	3,52,19,840	18,47,84,295



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 ₹)

13. OTHER NON-CURRENT ASSETS

Particulars	As at	
	31 st March, 2020	31 st March, 2019
FDR's (including interest accrued) pledged with Stock Exchanges & other given as Security Deposits	51,49,527	1,16,74,830
Margin Deposit with Orbis Financiaal corporation Ltd. (MCX- SX)	1,00,000	1,00,000
	52,49,527	1,17,74,830

14. CURRENT INVESTMENTS

(valued at lower of cost and fair value)

Particulars	As At		As At	
	31st March,2020		31st March,2019	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹
<u>Investment in Mutual Funds-</u> (Unquoted, fully paid up) Non-Trade				
ICICI Prudential Saving Fund- Direct Plan-Growth*	31643	1,20,83,166	13878	49,81,759
JM High Liquidity Fund (Direct)-Growth Option	126968	68,66,912	49365	25,00,000
	158611	1,89,50,078	63243	74,81,759

Net Asset Value as on 31.03.2020 ₹ 1,92,60,037/- (Previous year ₹ 75,39,278/-).

Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
15. TRADE RECEIVABLES		
Outstanding for a Period exceeding six months		
Unsecured		
Considered Good	57,52,015	77,42,204
Considered doubtful	41,45,013	27,63,342
Less: Provision for doubtful debts	(41,45,013)	(27,63,342)
	57,52,015	77,42,204
Others Debts		
Unsecured, Considered Good	18,42,081	12,78,431
	75,94,096	90,20,635
16. CASH AND BANK BALANCES		
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	96,24,253	67,61,000
-In Deposit Accounts*	39,99,21,507	39,93,28,248
Cash-on-Hand	30,747	47,053
Others		
Deposits with financial institution/ NBFC*	9,55,13,010	0
	50,50,89,517	40,61,36,301
Other Bank balances		
Deposit with bank**	1,94,058	1,94,058
	50,52,83,575	40,63,30,359

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

Deposits with banks and financial institutions/ NBFC includes deposits of ₹ 9,74,83,260/- (Previous year ₹ 44,38,247/-) With remaining maturity of more than 12 months.

** Lien marked with Registrar of High Court

17. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest accrued on deposits with banks and financial institution	94,86,210	30,85,711
Margin Deposit with IL&FS (for NSE (F&O))	14,81,974	10,00,000
Rent Receivable	9,01,022	7,87,097
Other Receivables	2,64,646	2,28,425
Bank FDR earmarked against amount of Share Allotment Kept in abeyance (Refer Note No. 4)[Value with accrued interest as on 31/03/2020 ₹ 3,40,278/- (Previous Year ₹ 3,21,351/-)]	1,56,000	1,56,000
	1,22,89,852	52,57,233



Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 st March, 2020		Year ended 31 st March, 2019
18. REVENUE FROM OPERATIONS			
Brokerage Income (Net)*	19,88,644		21,49,146
Depository Income	5,68,579		7,37,054
	25,57,223		28,86,200
* Net of ₹ 54,75,771/- (previous year ₹ 55,41,371/-) paid to Sub-brokers/ clearing member			
19. OTHER INCOME			
Interest (Gross) on			
a) Fixed Deposits with banks	3,72,51,969	3,11,03,150	
b) Others	1,03,518	1,27,919	3,12,31,069
Interest on Income Tax Refund	28,99,939		3,83,396
Profit on sale/redemption of Current Investments	8,87,319		4,97,090
Profit on sale/redemption of Non-Current/ Long Term Investments	1,29,12,213		0
Profit on sale/disposal of Fixed Assets (Net) (Property, Plant and Equipment)	8,25,657		7,46,772
Distribution of Transfer deeds	0		19,880
Miscellaneous Income	14,48,016		18,40,441
Compensation received	0		3,15,000
Rent Income	3,92,617		8,22,871
Dividend Income on Long term/ Non Current Investments	16,25,724		23,40,000
	5,83,46,972		3,81,96,519
20. EMPLOYEE BENEFIT EXPENSES			
Salaries and Benefits	74,37,251		75,27,630
Contribution to Provident fund and Gratuity fund	4,98,820		3,64,821
Staff welfare	2,22,024		2,55,445
	81,58,095		81,47,896

Notes forming part of Accounts...

21. OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Electricity	24,52,947	25,89,356
Water	1,32,404	8,54,274
Property Management Services	41,87,490	39,23,614
Repairs and Maintenance- Others	5,22,399	5,75,048
Advertisement	27,405	79,866
Rates & Taxes	7,63,191	7,05,919
Insurance	7,70,044	8,81,514
Sitting Fees	6,90,000	4,55,000
Communication	2,28,232	2,46,637
Auditor's Remuneration (Refer Note No. 29)	5,05,000	5,15,000
Legal and Professional	11,95,870	10,28,966
Connectivity	6,11,779	3,53,506
Annual Subscription & other charges to National Stock Exchange Ltd.	51,000	51,000
Printing and Stationery	3,15,122	2,24,969
Travelling and Conveyance	1,45,941	1,10,849
Depository and Custodial Charges (Including Prior period expenses Rs. 1,99,392/- (Previous Year Rs. Nil)	6,39,117	3,55,666
Board and Committee Meetings	80,569	51,167
Vehicle Running and Maintenance	0	3,140
Bad debts/Advances/ Misc. Balances written-off	0	6,04,988
Festival	2,54,313	2,60,308
General Meetings of Members	88,090	2,24,492
Miscellaneous	8,38,344	5,88,156
	1,44,99,257	1,46,83,436



Notes forming part of Accounts...

22. 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	2,64,00,128	92,28,335
Net Profit/(Loss) attributable to Equity Shareholders	2,64,00,128	92,28,335
Basic Earning Per Share		
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 (₹)	0.87	0.31
Diluted Earning Per Share		
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 (₹)	0.87	0.30

23. These Consolidated Financial Statement includes the accounts of DSE Estates Limited (Earlier known as DSE Estates Limited) and its following subsidiary:-

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year ended
Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.)	India	100% subsidiary	31.03.2020

24 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 ₹ 33,14,77,341/- (including interest) (Previous Year ₹ 33,14,77,341/-). 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.

25. RELATED PARTY TRANSACTIONS

25.1 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 upto 30.09.2019)
Mr. V K Yadav (Manager w.e.f. 21.12.2019)
- b) *Directors*
Mr. Hans Raj Kapoor
Mr. Vijay Bhushan
Mr. Mahender Kumar Gupta
Mr. Vinod Kumar Goel
Mr. I C Singhal

Notes forming part of Accounts...

- c) Concerns in which directors are interested:
Emmkay Share & Stock Brokers Ltd. (Mr. Mahender Kumar Gupta is Director and Member)
Vinod Kumar Goel & Co (Mr. Vinod Kumar Goel is Proprietor)
- d) Relative of Director:
Mr. Murari Lal Goel (Father of Mr. Vinod Kumar Goel)

25.2 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 (excluding retirement benefits) Staff Welfare	476138 31000	1068981 0
2	V K Yadav	Remuneration paid	169127	0
3	Rachna Prakash	Remuneration and other services charges paid	526213	330090
4	Vijay Bhushan	Sitting Fees paid	130000	65000
5	Mahender Kumar Gupta	Sitting Fees paid	235000	140000
6	Vinod Kumar Goel	Sitting Fees paid Security Deposit received and repaid	230000 0	135000 182157
7	Hans Raj Kapoor	Sitting Fees paid	15000	45000
8	I C Singhal	Sitting Fees paid	80000	70000
9	Emmkay Share & Stock Brokers Ltd.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1200 2916	1716 1716
10	Vinod Kumar Goel & Co.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1554 2208	654 654
11	Murari Lal Goel	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1554 2208	654 654

26.1 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 in Profit & Loss
Contribution to Provident Fund	2,48,868/-	2,86,571/-	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)	15,79,879/-	15,89,176	7,06,681/-	6,90,125/-
Interest Cost (B)	1,05,852/-	1,17,599/-	47,348/-	51,069/-
Past service cost (C)	Nil	Nil	Nil	Nil
Current service cost (D)	97,329/-	1,13,959/-	33,991/-	97,504/-
Benefits paid (E)	(3,31,587/-)	(81,000/-)	(6,06,601/-)	(62,970/-)
Actuarial loss/(gain) on obligation (F)	73,898/-	(1,59,855)/-	1,18,238/-	(69,047/-)
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	15,25,371/-	15,79,879/-	2,99,657/-	7,06,681/-

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)	15,25,371/-	15,89,176/-	2,99,657/-	7,06,681/-
Estimated fair value of plan Assets (B)	12,48,661/-	11,36,947/-	Nil	Nil
Net Liability/(Asset) (C=A-B)	2,76,710/-	4,52,229/-	2,99,657/-	7,06,681/-
Amounts in the Balance Sheet Liabilities/(Asset)	2,76,710/-	4,52,229/-	2,99,657/-	7,06,681/-
Amount charged to Profit & Loss Account				
Current Service Cost	97,329/-	1,13,959/-	33,991/-	97,504/-
Interest Cost	1,05,852/-	1,17,599/-	47,348/-	51,069/-
Past Service Cost	Nil	Nil	Nil	Nil
Expected Return on Plan Asset	(1,13,200/-)	(86,976/-)	Nil	Nil
Actuarial(Gain)/Loss	84,739/-	1,73,642/-	1,18,238/-	(69,047/-)
	1,74,720/-	(29,060/-)	1,99,577/-	79,526/-
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	1,02,359/-	1,00,763/-

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	5.60%	6.70%
Expected Rate of Return on Plan Assets	7.05%	7.80%
Salary Escalation Rate	10.00%	10.00%

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

Sl.No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	14,51,281/-	11,36,947/-
ii)	Expected Return on Plan Assets	1,13,200/-	89,976/-
iii)	Contribution by the Employer	26,608/-	2,94,571/-
iv)	Benefits Paid	(3,31,587/-)	(81,000/-)
v)	Actuarial Gain/(Loss)	(10,841/-)	13,787/-
	Closing Fair Value of Plan Assets	12,48,661/-	14,51,281/-

26.2 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.

27. 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, 2020 and 31st March, 2019.

28. 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.

29. Auditor Remuneration includes the following:

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees	450,000	450,000
Tax Audit Fees	10,000	10,000
Others	15,000	25,000
Out of Pocket Expenses	30,000	30,000
	505,000	515,000



Notes forming part of Accounts...

30. In compliance of SEBI exit order requiring the company to change its name so as to delete the word 'Stock Exchange' from it, the name of the Company has been changed from Delhi Stock Exchange Limited to DSE Estates Limited vide certificate dated 14.11.2019 issue by Registrar of Companies, Delhi.
31. 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.
32. **Litigation**
- a) The Impact of pending litigation has been considered and disclosed in the Contingent Liabilities in Note No. 24
- 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.
33. 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 ₹ 33,97,509/- (Previous year ₹ 33,41,095/-) from some brokers

Notes forming part of Accounts...

against the turnover fees/ sub- broker fee. The amount paid to to SEBI net of aforesaid recovery has been shown in note no. 12 of the Financial Statements. Subsequent to the year end, the Company has further recovered turnover fees/ sub broker fees of ₹ 38,63,926/- (Previous Year ₹ 20,566/-). In the opinion of management the company is also not liable for the liability of remaining amount of ₹ 15,11,48,430/- (i.e. amount paid by it to SEBI less recovery made and refund received) (Previous year ₹ 15,50,48,204/-) as this amount of ₹ 15,11,48,430/- (Previous year ₹ 15,50,48,204/-) 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.

34. 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.
35. **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
Parent				
DSE Estates Limited	101.10 (102.15)	82,57,48,465 (80,73,74,318)	75.68 (88.83)	2,49,77,621 (1,09,19,465)
Subsidiary (Indian)				
Delstox Stocks and Shares Ltd.	-1.10 (-2.15)	-89,63,303 (-1,69,89,284)	24.32 (11.17)	80,27,128 (13,72,764)
Total	100.00 (100.00)	81,67,85,162 (79,03,85,034)	100.00 (100.00)	3,30,04,749 (1,22,88,229)

36. As per financial statements of Subsidiary Company, it 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
37. As per financial statements of Subsidiary Company,
- (A) Trade Receivables outstanding for more than six months aggregating to ₹ 82.32 Lakhs net of credit balances (Previous Year ₹ 87.64 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 2020 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 ₹ 41.45 Lakhs (Previous Year ₹ 27.63 Lakhs) has been made in the books of accounts (being 60% on net out standings 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 which are pending.



DSE Estates Limited
(formerly Delhi Stock Exchange Ltd.)
CIN:U91120DL1947PLC001239

Notes forming part of Accounts...

- B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹13.24 Lakhs (including ₹ 8.67 Lakhs from CDSL) 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 2020-21.
38. As per financial statements of Subsidiary Company, FDRs amounting to ₹ 5 Lakhs (previous year ₹ 15.00 Lakhs) 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 31.03.2020 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.
- 39 During the current year and previous year, the Group was not required to spent on Corporate Social Responsibility (CSR activities).
- 40 As per financial statements of Subsidiary Company, 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.
- 41 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 42 Disclosure u/s 186(4) of the Companies Act, 2013:
The detail of investments made are given in Note no. 10 and 14.
- 43 In the opinion of the management, there is no adverse impact of Covid-19 pandemic on the recoverable amounts of various assets of the Group.
- 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 : 01.09.2020

FOR AND ON BEHALF OF THE BOARD

VIJAY BHUSHAN
(CHAIRMAN)
DIN:00002421

MAHENDER KUMAR GUPTA
(DIRECTOR)
DIN:01194791

VINOD KUMAR GOEL
(DIRECTOR)
DIN:00039086

V. K. YADAV
(Manager)



DSSL

Delstox Stocks And Shares Ltd.

24th
Annual Report
2019 - 2020

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)

GOVERNING BOARD

Shri M. K. Gupta	Chairman
Shri I. C. Singhal	Director
Shri Vinod Kumar Goel	Director

Company Secretary:

Ms. Rachana Prakash

Statutory Auditors :

SMA & ASSOCIATES
Chartered Accountants

Bankers :

HDFC Bank
Canara Bank

Registered Office :

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

Notice to Members

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Delstox Stocks And Shares Limited will be held on the 21st September 2020 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, 2020 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 Mr. Vinod Kumar Goel, who retires by rotation and being eligible ,offers himself for re-appointment.

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

Date: August 26, 2020
Regd. 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 24th 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, 2020.

TURNOVER

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

(Amount in ₹ crores)

Product	2019-20	% change since last year	2018-19
BSE (cash)	110.87	-30.72	160.02
NSE (cash)	905.93	-10.32	1010.23
NSE (F&O)	96.11	-74.74	380.44
MCX-SX	-	-	-
Total	1112.91	-28.23	1550.69

The general slowdown in economy & COVID-19 also had its impact on the turnover of the Company, which has lowered by 28.23 % as against the previous year.

RESULTS OF OUR OPERATIONS

The standalone performance of the Company for the financial year ended March 31, 2020 is Summarized below:

(Amount in ₹ Lakhs)

Particulars	2019-20	2018-19
Net Sales /Income from Business Operations	25.57	28.86
Add: Other Income	127.72	54.03
Total Income	153.29	82.90
Less : Expenses	72.22	68.29
Profit/(Loss) before Depreciation	81.07	14.61
Less Depreciation	0.82	0.89
Profit/(Loss) after depreciation and expenses	80.25	13.72

Less Current Income Tax	—	—
Less Previous year adjustment of Income Tax,	—	—
Less Deferred Tax	—	—
Net Profit /Loss after Tax	80.25	13.72
Less:Dividend (including Interim if any and final)	—	—
Net Profit after dividend and Tax	80.25	13.72

PERFORMANCE HIGHLIGHTS

Your directors are pleased to report that your Company has earned a net profit of ₹ 80.25 Lakhs because of treasury income on FD & others subsequent to the profit of ₹ 13.72 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.. Your Company is a Depository Participant (DP) with Central Depository Services Limited (CDSL). The number of active clients of your Company has a modest decrease of 5.30% to the tune of 822 as on March 31,2020 from 868 as on March 31,2019

II. DEPOSITORY PARTICIPANT SERVICES

The number of Demat accounts of your Company has registered a modest increase of about 1.21% to the tune of 3350 as on March 31, 2020 from 3310 as on March 31, 2019.

DIVIDEND

In view of the accumulated losses in previous years, your Directors do not recommend any dividend for the year ended March 31, 2020.

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, 2020.

DIRECTORS

During the financial year 2019-20 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 Directors, Mr. Vinod Kumar Goel 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 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 SMA & Associates 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 SEBI Guidelines and Companies Act, 2013. A report on Corporate Governance for the year 2019-20 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.



Delstox Stocks And Shares Ltd.

Delstox Stocks And Shares Ltd.

(formerly DSE Financial Services Ltd)

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.

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 is an arrangement 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 provision of Companies Act, 2013 for Independent Director was not compulsory during F.Y 2019-20 for the Company.

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 2019-20 are as under:

1. Regarding Trade Receivables outstanding for more than six months aggregating to ₹ 82.32 Lacs net of credit balances (Previous Year ₹ 87.64 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 2020 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 ₹ 41.45 Lacs (Previous Year ₹ 27.63 Lacs) has been made in the books of accounts (being 60% 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.

2. The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 13.24 Lacs (including ₹ 8.67 Lacs due from CDSL debtors) 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 2020-21.

In regard to the above mentioned matter :

The management as a prudent policy has decided to write off the bad and doubtful debts over 5 years in spite of Arbitration award in favor of the Company.

ACKNOWLEDGEMENTS

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

Mahender Kumar Gupta
Chairman

Ishwar Chand Singhal
Director

Date: August 26, 2020
Place: New Delhi



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 DSE Estates Limited.

B. As on March 31, 2020 there were following Directors on the Board of the Company:-

Sr. No.	Name	Directorship	Date Appointment
1	Mr. M.K. Gupta	Director	01.03.2016
2	Mr. I. C. Singhal	Director	09.09.2017
3	Mr. Vinod Kumar Goel	Director	05.01.2018

C. In the financial year 2019-20 the attendance of Directors is as follows:-

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Board Meeting held during the tenure	Board Meetings attended	Committee Meetings held during the tenure	Committee Meetings attended
1	Mr.M.K.Gupta	01.03.2016	-	7	7	3	3
2	Mr. I. C.Singhal	09.09.2017	-	7	7	2	0
3	Mr. Sunil Bhatia	01.01.2014	-	5	5	0	0
4	Mr. Vinod Kumar Goel	05.01.2018	-	7	7	2	2

**Mr. Sunil Bhatia ceased to be a Director on the Board with effect from September 30, 2019

3. BOARD MEETINGS

BOARD MEETING	146 th	147 th	148 th	149 th	150 th	151 th	152 th
Date	01.04.2019	25.06.2019	17.07.2019	21.08.2019	19.09.2019	16.10.2019	30.12.2019
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

4. COMMITTEE MEETINGS

COMMITTEE MEETING	01	02	03
Date	22.07.2019	24.09.2019	24.12.2019
Time	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

5) GENERAL BODY MEETINGS

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

For the Financial year	2016-17	2017-18	2018-19
AGM	21st	22nd	23rd
Date	September 29,2017	September 27,2018	September 16 ,2019
Time	4:00 P.M	4:00 P.M	4:00 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

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

- i) 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 Director.
- ii) The Company has complied with the requirement of the SEBI and other regulatory authorities as applicable from time to time.
- iii) During the year 2019-20 the Company has paid ₹ 2,65,000 /-(previous year ₹ 215,000/) as sitting fees to the Directors.

7. GENERAL SHAREHOLDERS INFORMATION

i) 24th Annual General Meeting

Date & Time	: September 21, 2020 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 1st, 2019 to March 31st, 2020

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.dssl.co.in>

Investor's Grievances I.D. is grievances@dssl.co.in

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

Date: August 26, 2020
Place: New Delhi

Mahender Kumar Gupta
Chairman

Ishwar Chand Singhal
Director



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

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 HOUSE
3/1, 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	BROKING SERVICES FOR DEALING OF SHARES AND SECURITIES ON EXCHANGES	6499	100

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.	DSE ESTATES LTD. (Formerly Delhi Stock Exchange Ltd.)	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	
(A) Promoters									No change
1 Indian									
(a) Individuals/ HUF	0	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	99.99	
(d) Banks/FI	0	0	0	0	0	0	0	0	
(e) Any Others(Specify)	0	0	0	0	0	6	6	0.01	
Sub Total(A)(1)	0	60000	60000	100	0	60000	60000	100	
2 Foreign									
a NRI/Individuals b Other /Individuals c Bodies Corporate d Banks/FI e Any Others(Specify)				NIL					
Sub Total(A)(2)									
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	60000	60000	100	0	60000	60000	100	
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds/ UTI (b) Banks/FI (c) Central Government/ State Government(s) (d) Venture Capital Funds (e) Insurance Companies (f) FII's (g) Foreign Venture Capital Funds (h) Any Other (specify)				NIL					
Sub-Total (B)(1)									

2 Non-institutions									
(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)									
NIL									
Sub-Total (B)(2)									
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)									
(C) Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	0	60000	60000	100	0	60000	60000	100	

* DELSTOX STOCKS AND SHARES LTD. IS WHOLLY OWNED SUBSIDIARY OF DSE ESTATES 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	DSE ESTATES LIMITED (including 6 representative)	60000	100	0	60000	100	0	NIL
	TOTAL	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) :	NO CHANGE			
3	At the End of the year				

(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.	V. K. YADAV	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
6.	Ms. RAJNI KALRA	1*	0	1	0
5.	RAMDEEN MORYA	1*	0	1	0

*as nominee of DSE Estates 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) :				
3	At the End of the year				

NIL

V. INDEBTEDNESS : NIL

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				
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)				

NIL

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/WTD/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/s17(2) of the Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL			
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:

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			TOTAL AMOUNT
	a) Fee for attending board Committee Meeting b) Commission c) Other, Please Specify	95,000	80,000	90,000	0		2,65,000
	Total (2)	95,000	80,000	90,000	0		2,65,000
	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		4,54,213		4,54,213
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of Profit				
5	Others, please specify				
	Total		4,54,213		4,54,213

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give Details)
A.	COMPANY				
	Penalty	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL
B.	DIRECTOR				
	Penalty	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL
C.	OTHER OFFICERS IN DEFAULT				
	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 : 26-08-2020
 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	DSE Estates Ltd Holding Company
b)	Nature of contracts/arrangements/transaction	Space for Operations
c)	Duration of the contracts/arrangements/transaction	Continuing from January 05,2018
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.2100/- as Rent and Rs.10000/- for Electricity per month
e)	Date of approval by the Board	05.01.2018
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

Ishwar Chand Singhal
Director

Date : August 26, 2020
Place : New Delhi.



Delstox Stocks And Shares Ltd.

Delstox Stocks And Shares Ltd.

(formerly DSE Financial Services Ltd)

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, 2020** 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, 2020,
- 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 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 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.

Those 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 are

AUDITORS' REPORT....Contd.

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. 20.B.4.(A) regarding Trade Receivables outstanding for more than six months aggregating to ₹ 82.32 Lacs net of credit balances (Previous Year ₹ 87.64 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 2020 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 ₹ 41.45 Lacs (Previous Year ₹ 27.63 Lacs) has been made in the books of accounts (being 60% 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.
2. Note No. 20.B.4.(B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 13.24 Lacs (including ₹ 8.67 Lacs due from CDSL debtors) 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 2020-21.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 2019-20 which qualifies for requisite approvals mandated by the provisions of Section 197 of the Companies Act, 2013 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



Delstox Stocks And Shares Ltd.

Delstox Stocks And Shares Ltd.

(formerly DSE Financial Services Ltd)

AUDITORS' REPORT....Contd.

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.

For SMA & ASSOCIATES
Chartered Accountants
FRN.- 009912N

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

Place: New Delhi
Date: 26.08.2020

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the member of the company on the financial statements for the year ended 31st March, 2020, 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)]:

In our opinion and according to the information and explanation given to us, the company has given loans, guarantees and security in accordance of section 185 and 186 of the companies Act, 2013.

V. DEPOSITS [Clause 3(v)]:

In respect of deposit accepted, in our opinion and according to the information and explanations given to us directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. 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.

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 provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added 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 provident fund, employees state insurance, income tax, sales tax, duty of custom, duty of excise, value added 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

AUDITORS' REPORT....Contd.

public offer (including debit instruments) and term loans during the year. Accordingly, Provision of clause 3(ix) is not applicable to the company.

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 2019-20 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: 26.08.2020

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

Management's Responsibility for Internal Financial Controls

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

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 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 were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: New Delhi
Date: 26.08.2020

BALANCE SHEET as at March 31, 2020

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

Particulars	Note No.	As At 31.3.2020	As At 31.3.2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	6,00,00,000	6,00,00,000
(b) Reserves and Surplus	2	(89,63,303)	(1,69,89,284)
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Long term provisions	3	5,95,213	5,19,981
(3) Current Liabilities			
(a) Trade payables	4	-	-
Micro and Small Enterprise		-	-
Other than Micro and Small Enterprise		1,44,24,406	75,64,907
(b) Other current liabilities	5	1,07,00,951	1,19,10,350
(c) Short-term provisions	6	2,64,763	2,10,778
Total		7,70,22,030	6,32,16,731
II.Assets			
(1) Non-current assets			
(a) - Property, Plant & Equipments	7(a)	1,48,392	1,28,376
- Intangible assets	7(b)	7,369	9,825
(b) Non-current investments	8	54,72,453	69,64,800
(c) Other non-current assets	9	3,35,16,634	396,41,936
(2) Current assets			
(a) Trade receivables	10	59,29,094	72,79,011
(b) Cash and cash equivalents	11	2,30,05,221	51,27,930
(c) Current investments	12	68,66,912	25,00,000
(d) Other current assets	13	20,75,955	15,64,853
Total		7,70,22,030	6,32,16,731
Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of Balance Sheet.	20		

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
Director
DIN: 01194791

I. C. Singhal
Director
DIN: 00898743

Vinod Kumar Goel
Director
DIN: 00039086

Place : New Delhi
Date : August 26, 2020

Rachana Prakash
(Company Secretary)



**STATEMENT OF PROFIT AND LOSS
for the Year Ended March 31, 2020**

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
(A) Revenue :			
Revenue from operations	14	25,57,223	28,86,201
Other Income	15	1,27,72,701	54,03,883
Total Revenue(A)		1,53,29,923	82,90,083
(B) Expenses :			
Operating Expenses	16	10,86,109	7,59,851
Employee benefit expense	17	33,04,255	31,96,574
Other expenses	18	14,44,847	14,88,229
Financial costs	19	5,340	2,200
Depreciation	7	81,720	88,794
Provision for Doubtful Debts	10	13,81,671	13,81,671
Total Expenses(B)		73,03,942	69,17,318
Profit before exceptional and extraordinary items and tax(A-B)		80,25,981	13,72,764
Exceptional Items		—	—
Profit before tax		80,25,981	13,72,764
Tax expense:			
Current Tax		—	—
Deferred tax		—	—
Profit for the year		80,25,981	13,72,764
Basic Earning per equity share of face value of ₹ 1000 each		133.77	22.88
Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of statement of Profit and Loss	20		

As per our report attached of even date.

FOR SMA & ASSOCIATES
Chartered Accountants
FRN 009912N

Preeti Gupta
M. No. 515317

M.K. Gupta
Director
DIN: 01194791

For and on behalf of the Board of Directors of

DELSTOX STOCKS AND SHARES LIMITED

I. C. Singhal
Director
DIN: 00898743

Vinod Kumar Goel
Director
DIN: 00039086

Place : New Delhi
Date : August 26, 2020

Rachana Prakash
(Company Secretary)

CASH FLOW STATEMENT
for the Year ended March 31, 2020

(Amount in ₹)

	Year ended 31st March, 2020	Year ended 31st March, 2019
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	80,25,981	13,72,764
<i>Adjustment for :</i>		
Depreciation	81,720	88,794
Provisions for Doubtful Debts, Gratuity, Leave encashment and employee benefits	1,29,217	49,533
Interest Income	(11,04,649)	(12,12,981)
Dividend Income	(16,25,724)	(23,40,000)
Profit on Sale of Investments	(82,59,533)	-
Profit on Sale of MF	(3,90,912)	(1,36,414)
Operating Profit/-Loss before Working Capital Changes	(31,43,899)	(21,78,304)
<i>Adjustment for :</i>		
Trade, other Receivables and loans and advances	25,97,205	65,51,800
Current and Non-current Liabilities	56,50,101	(67,89,637)
Cash Generated from operation	51,03,406	(24,16,141)
Income tax paid	-	-
Net Cash from Operation Activities	51,03,406	(24,16,141)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Dividend Income	16,25,724	23,40,000
Interest Income	11,04,649	12,12,981
Purchase of Fixed assets	(99,280)	(57,154)
Profit on Sale of Investments	82,59,533	-
Profit on Sale of MF	3,90,912	1,36,414
Sale of Investment	14,92,347	-
Net Cash used in Investing Activities	1,27,73,884	36,32,241
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in Cash & Cash Equivalents A+B+C	1,78,77,291	12,16,100
Cash and Cash Equivalents	51,27,930	39,11,831
(Opening Balance)		
Cash and Cash Equivalents	2,30,05,221	51,27,930
(Closing Balance)		
Components of Cash and Cash Equivalents at the end of the year		
<u>Balances with Banks</u>		
Investment in Fixed Deposit	1,50,00,000	-
In Current Accounts	80,04,191	51,25,099
Cash-in-hand	1,030	2,831
Total	2,30,05,221	51,27,930
Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of Balance Sheet	20	

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
Director
DIN: 01194791

I. C. Singhal
Director
DIN: 00898743

Vinod Kumar Goel
Director
DIN: 00039086

Place: New Delhi
Date : August 26, 2020

Rachana Prakash
(Company Secretary)



NOTES ON ACCOUNTS

NOTE 1

SHARE CAPITAL

(Amount in ₹)

Particulars	As At 31.03.2020	As At 31.03.2019
AUTHORISED 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
ISSUED, SUBSCRIBED AND PAID UP 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 31.03.2020		As At 31.03.2019	
	No. of shares	% holding	No. of shares	% holding
DSE Estates 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 31.03.2020	As At 31.03.2019
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

(Amount in ₹)

RESERVES AND SURPLUS

Particulars	As At 31.03.2020	As At 31.03.2019
Surplus		
Opening balance	(1,69,89,284)	(1,83,62,048)
Profit/(Loss) During the year	80,25,981	13,72,764
Closing balance	(89,63,303)	(1,69,89,284)

Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2020	As At 31.03.2019
NOTE 3		
LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	5,95,213	519,981
	5,95,213	5,19,981
NOTE 4		
TRADE PAYABLES		
Micro and Small Enterprise	—	—
Other than Micro and Small Enterprise		
Trade Payables of Trading Members	1,44,24,406	7,564,907
	1,44,24,406	7,564,907
NOTE 5		
OTHER CURRENT LIABILITIES		
Security deposit from Sub-broker (for VSAT)	—	100,000
Margin from Sub-Brokers	47,96,683	5,428,229
DSE Estates Limited	52,98,280	5,448,016
TDS Payable	89,910	54,191
Expenses Payable	3,87,800	591,486
GST Payable	68,798	131,578
Stale Cheques*	59,481	156,849
	1,07,00,951	11,910,350
* Stale Cheques is cheques issued but not presentet.		
NOTE 6		
SHORT TERM PROVISIONS		
Provision for Leave Encashment	2,64,763	210,778
	2,64,763	210,778



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, 2020

NOTE 7

FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK AT COST			ACCUMULATED DEPRECIATION/AMORTIZATION				NET BLOCK			
	As At 1.4.2019	Additions during the Year	Sales during the Year	As At 31.3.2020	Upto 31.3.2019	Dep. For the Year	Sales during the Year	Charged to retained Earning	Upto 31.3.2020	As At 31.3.2020	As At 31.3.2019
7(a) Property, Plant & Equipments											
Office Equipments	3,80,968	-	-	3,80,967	2,95,139	39,136	-	-	3,34,275	46,692	85,828
Computers (Server & Network)	7,42,000	-	-	7,42,000	7,23,673	7,203	-	-	7,30,875	11,124	18,327
Computers (End User Devices)	8,16,432	99,280	-	9,15,712	7,99,642	30,638	-	-	8,30,281	85,431	16,790
Furniture & fixture	73,192	-	-	73,192	65,761	2,287	-	-	68,048	5,144	7,431
Total	20,12,591	99,280	-	21,11,871	18,84,215	79,264	-	-	19,63,479	1,48,392	1,28,376
Previous Year	19,59,798	52,794	-	20,12,591	17,98,434	85,781	-	-	18,84,215	1,28,376	1,61,363
7(b) Intangible Assets (Computer Software)											
Webtel Software	13,860	-	-	13,860	9,320	1,135	-	-	10,455	3,405	4,540
Anti Virus Software	18,113	-	-	18,113	12,828	1,321	-	-	14,149	3,964	5,285
Total	31,973	-	-	31,973	22,146	2,456	-	-	24,604	7,369	9,825
Previous Year	14,34,574	4,360	-	14,38,934	14,26,096	3,012	-	-	14,29,109	9,825	8,478

Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2020	As At 31.03.2019
NOTE 8		
NON-CURRENT INVESTMENTS		
50,659 Equity Shares of BSE Ltd. (Previous Year 65,000) of face value of ₹ 2/- each - Quoted Aggregate Market Value of Quoted 50659 shares @ ₹ 296.80 i.e. ₹ 1,50,35,591/- (Previous Year value of 65000 shares @ ₹ 611.15 i.e. ₹ 3,97,24,750/-)	52,71,653	67,64,000
Investment in 9.40% IFCI Bond 2025 (Market Value as on 31.03.2020 is Rs. 1,76,000,-/)	2,00,800	2,00,800
	54,72,453	69,64,800
NOTE 9		
OTHER NON-CURRENT ASSETS		
Security Deposits (Interest Free)		
- National Stock Exchange India Ltd.	1,91,00,000	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)	25,00,000	15,00,000
- BSE Ltd.(Base capital)	2,00,000	2,00,000
- BSE Ltd.(Minimum Base capital)	5,25,000	1,25,000
-Central Depository Services(India) Ltd.	2,50,000	2,50,000
Margin Deposits		
Margin Deposit with Orbis Financial corporation Ltd.(MCX-SX)	1,00,000	1,00,000
Fixed Deposits with:		
HDFC Bank		
-Pledged with BSE Ltd. as additional Capital -including ₹ 10 lacs in TGF	—	76,00,000
-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
Globe Capital Market Limited- Cash	18,00,000	—
FDR Pledged with National Securities clearing corporation Ltd by Sub-broker	—	—
Interest Accrued on FDR's with Banks	3,39,202	78,034
Interest Accrued on Deposit with IL&FS & Others	35,325	21,796
Income Tax Refund Due (For Previous Years)	2,92,106	2,92,106
	3,35,16,634	3,96,41,936



Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2020	As At 31.03.2019
NOTE 10		
TRADE RECEIVABLES		
<i>Unsecured, considered good (unless otherwise stated):</i>		
Trade Receivables		
Outstanding for a Period exceeding six months		
Unsecured		
Considered good	40,87,013	60,00,580
Considered doubtful	41,45,013	27,63,342
Less: Provision for Doubtful Debts (60% of ₹ 69,08,357/- (P.Y. 40% of ₹ 69,08,357/-) net O/S under Litigation Branches)	(41,45,013)	(27,63,342)
	40,87,013	60,00,580
Others Debts		
Unsecured, Considered Good	18,42,081	12,78,431
	59,29,094	72,79,011
NOTE 11		
CASH AND CASH EQUIVALENTS		
Cash in hand	1,030	2,831
Balances with banks:		
In Current accounts	80,04,191	5,125,099
Fixed Deposit		
-With Bank	1,10,00,000	—
-With NBFC	40,00,000	—
	2,30,05,221	51,27,930
NOTE 12		
CURRENT INVESTMENT		
Investment in mutual fund with JM Financial	68,66,912	25,00,000
	68,66,912	25,00,000

Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2020	As At 31.03.2019
NOTE 13		
OTHER CURRENT ASSETS		
Margin Deposit with IL&FS (for National Stock Exchange Ltd.-F&O)	14,81,974	10,00,000
TDS Recoverable(Current Year)	1,07,506	1,76,376
Prepaid Expenses	1,41,975	1,50,988
Goods & Service Tax	79,854	9,064
Other Receivables	2,64,646	2,28,425
	20,75,955	15,64,853
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
NOTE 14		
REVENUE FROM OPERATIONS		
Brokerage Income		
1. CASH SEGMENT		
Bombay Stock Exchange Ltd. Transactions		
Gross Receipts	14,09,363	
Less : Paid to Sub-Brokers	10,33,885	
	3,75,478	3,79,614
National Stock Exchange Ltd. Transactions		
Gross Receipts	56,25,734	
Less : Paid to Sub-Brokers	41,26,945	
	14,98,789	16,16,031
2. DERIVATIVE SEGMENT (F&O)		
National Stock Exchange Ltd. Transactions		
Gross Receipts	4,29,318	
Less : Paid to Clearing Member (IL&FS)	1,104	
Less : Paid to Sub-Brokers	31,3,837	
	1,14,377	1,53,501
Depository Income	5,68,579	7,37,054
	25,57,223	28,86,201
NOTE 15		
OTHER INCOME		
Interest Income	11,04,649	12,12,981
Profit on Sale of Current Investments	3,90,912	1,36,414
Profit on Sale of Non Current Investments	82,59,533	—
Dividend Income	16,25,724	23,40,000
Delayed Payment Charges	4,11,703	6,98,412
Misc. Income	9,80,181	10,16,076
	1,27,72,701	54,03,883

Notes on Accounts...contd.

(Amount in ₹)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
NOTE 16		
Operating Expenses		
Depository Charges Paid to CDSL & ILFS	4,18,330	3,46,345
Internet & Connectivity Charges	6,11,779	3,53,506
Annual Subscription & other charges to National Stock Exchange Ltd.	51,000	51,000
Penalty for Non Compliance	5,000	9,000
	10,86,109	7,59,851
NOTE 17		
EMPLOYEE BENEFIT EXPENSES		
Salary to Staff	29,14,039	28,70,770
Leave Travel Allowance	2,09,919	50,801
Grauity	75,232	1,07,310
Leave Encashment	69,735	78,296
Staff Welfare	35,330	89,397
	33,04,255	31,96,574
NOTE 18		
Other Expenses		
Rent Expenses	25,200	25,200
Electricity & water expenses	1,33,299	1,32,530
Legal & Professional Charges	2,20,504	3,35,716
<u>Auditor Remuneration :</u>		
-Audit Fees	1,00,000	1,00,000
-Certification work	15,000	25,000
-Tax Audit	10,000	10,000
Web Maintenance exp	17,000	9,181
Conveyance Expenses	23,293	28,352
Sitting Fees to Directors	2,65,000	2,15,000
Printing & Postage Charges	1,18,270	1,40,378

Notes on Accounts...contd.

(Amount in ₹)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Filing Fees	9,490	27,614
Processing Fee for DIR	—	12,000
Computer Expenses & AMC Charges	1,72,054	1,57,004
Telephone Expenses	39,743	66,109
Office Expenses	1,96,399	1,63,962
Training & Development Exp	9,200	—
Subscription / Membership Fees to ANMI	15,000	15,000
Misc. Expenses	75,395	24,208
Interest on TDS	—	975
	14,44,847	14,88,229
NOTE 19		
FINANCIAL COSTS		
Bank Charges	5,340	2,200
	5,340	2,200

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 26, 2020

For and on behalf of the Board of Directors of
DELSTOX STOCKS AND SHARES LIMITED

M.K. Gupta
Director
DIN: 01194791

I. C. Singhal
Director
DIN: 00898743

Vinod Kumar Goel
Director
DIN: 00039086

Rachana Prakash
(Company Secretary)

NOTE 20

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 Estates Limited. It has trading membership of both cash and future & option w.e.f. 13th 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, judgments 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 (Rs. 52.72 Lacs for 50,659 shares of face value of Rs. 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 employees 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.

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 Estates 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 DSEL 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 Estates Limited (DSEL) from the business of the stock exchange will not affect Delstox Stocks And Shares Limited (Formely 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 ₹ 82.32 Lacs net of credit balances (Previous Year ₹ 87.64 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 2020 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 ₹ 41.45 Lacs (Previous Year ₹ 27.63 Lacs) has been made in the books of accounts (being 60% 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 ₹ 13.24 Lacs (including ₹ 8.67 Lacs from CDSL) 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 2020-21.
- V. FDRs amounting to ₹ 5 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 31.03.2020 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 ₹ 2.88 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.

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VIII. There are some unclaimed shares (quoted value of ₹ 0.12 lacs as on 31.03.2020) 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 2019-20 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 ₹ 5000 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)	15,000	25,000
III	TAX Audit Fees	10,000	—

XVII. Related Party Transactions

A. List of Related Parties

S. No.	Particulars	Name of Key Management Personnel
I	Key Management Personnel (KMP)	i) M.K. Gupta ii) I.C. Singhal iii) Vinod Kr. Goel iv) Rachana Prakash
II	Holding Company	i) DSE Estates Limited

B. Transactions with Related Parties

Name of Key Management Personnel	Nature of Transaction	Amount
DSE Estates Limited (Formerly 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	95,000/-
I.C. Singhal	Sitting Fees	80,000/-
Vinod Kr. Goel	Sitting Fees	90,000/-
Rachana Prakash	Remuneration to Company Secretary	4,54,213/-

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	80,25,981	13,72,764
B	Amount available for equity shareholders (A)	80,25,981	13,72,764
C	Weighted average number of shares (B)	60,000	60,000
D	Basic earnings per share (A/B)	133.77	22.88

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>Director</i> DIN: 01194791	I. C. Singhal <i>Director</i> DIN: 00898743	Vinod Kumar Goel <i>Director</i> DIN: 00039086
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Place: New Delhi
Date : August 26, 2020

Rachana Prakash
(Company Secretary)