



Governing Board

Mr Mohinder Singh	Additional Director (Chairman)
Mr Rajinder Kumar Goel	Additional Director
Mr Sanjiv Gandhi	Additional Director

Chief Operating Officer (Officiating) & Company Secretary

Mr Sunil Bhatia

Auditors

P. Bholusaria & Co.
Chartered Accountants

Bankers:

Canara Bank
HDFC Bank

Registered Office:

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

Registrar & Transfer Agent :

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



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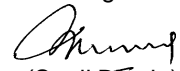
NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 69th Annual General Meeting of the shareholders of Delhi Stock Exchange Limited will be held on Wednesday, December 20, 2017 at 4:00 P.M. at DSE House, 3/1, Asaf Ali Road, New Delhi – 110002 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the report of the Auditors thereon.
2. To appoint M/s P. Bholusaria & Co., Chartered Accountants, the retiring Auditors of the Company to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Delhi Stock Exchange Ltd.



(Sunil Bhatia)

Company Secretary

Place : New Delhi

Dated : November 22, 2017

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 16, 2017 to December 20, 2017 (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.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the sixty-ninth annual report on the operations of the Company and the audited accounts for the year ended March 31, 2017. The financial highlights including consolidated results of the Exchange for the year are as under:-

FINANCIAL HIGHLIGHTS

(₹ in lacs)

Particulars	Stand-alone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Gross Income	481.93	638.04	547.57	696.72
Total Expenditure	221.17	374.26	309.77	443.59
Depreciation	62.95	76.60	62.27	76.97
Surplus after Depreciation	197.81	187.18	174.53	176.16
Provision for Taxation	71.49	53.46	71.49	53.46
Net Surplus	126.32	133.72	103.04	122.69
Balance brought forward	(4316.03)	(4123.51)	(4507.74)	(4304.19)
Amount transferred to SGF/ISF	—	(326.24)	—	(326.24)
Balance	(4189.71)	(4316.03)	(4404.70)	(4507.74)

PERFORMANCE HIGHLIGHTS

OPERATIONS

The gross revenue of the company during the financial year 2016-17 declined to ₹ 481.93 lacs from ₹ 638.04 lacs in 2015-16. This decline was on account of decrease in interest income and fall in interest rates. In compliance of SEBI circular dated May 30, 2012, the company paid to SEBI, the outstanding turnover fees and sub-brokers' fees of brokers of the company leading to fall in interest on funds. The fall in interest income did not have proportionate affect on decline of profit as the expenses also declined though other expenses rose marginally due to mainly contribution of ₹ 25 lacs made to SEBI IPEF in terms of clause 5.4 of the Exit Circular dated May 30, 2012.

The Company earned profit after taxation amounting to ₹ 126.32 lacs in 2016-17 as against ₹ 133.72 lacs in 2015-16.

DIVIDEND

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

YEAR 2016-17 FOR THE COMPANY

During the year, after number of meetings with SEBI officials regarding payment of outstanding Brokers' Turnover fees and sub-brokers' dues, SEBI

recalculated the Turnover Fees. The Company, after consulting its Advisory Committee, paid 'without prejudice' ₹ 15.62 crores and ₹ 22.11 lacs towards outstanding Brokers' turnover fees and sub-brokers' dues respectively along with ₹ 25 lacs as contribution towards SEBI IPEF in terms of clause 5.4 of the Exit Circular dated May 30, 2012.

On June 26, 2016 SAT, on an appeal filed by DSE, asked SEBI to give voluntary exit to Delhi Stock Exchange within five months. On November 22, 2016 SAT, on the request of SEBI, gave extension of eight weeks for issuing Exit Order to the Company. Having completed all the formalities by the company, SEBI issued an Exit Order on January 23, 2017.

DIRECTORS

During the financial year 2016-17 Mr Anish Kumar Sharma and Mr Venkat Rao, resigned from the Board on November 24, 2016. The Board records with gratitude the contribution and services rendered by them during their association with the Company.

Mr Mohinder Singh completed his tenure as a Public Interest Director on January 20, 2017. He was appointed as an additional director and chairman with effect from January 21, 2017. He holds office till the annual general meeting.

Mr Sudhangshu S. Biswal and Mr Shanker Singal were appointed as directors in casual vacancies caused by resignations of Mr Anish Kumar Sharma and Mr Venkat Rao respectively. Later, Mr Sudhangshu S. Biswal was appointed as a director liable to retire by rotation by the shareholders in their annual general meeting held on December 31, 2016.

Mr Shanker Singal resigned on October 11, 2017 and Mr Sudhangshu S Biswal resigned on October 13, 2017.

The Board records with gratitude the contribution and services rendered by them during their association with the Company.

The company appointed Mr Rajinder Kumar Goel and Mr Sanjiv Gandhi as additional directors on October 20, 2017 and November 9, 2017 respectively. They hold office till the annual general meeting.

SUBSIDIARY COMPANY

DSE Financial Services Limited (DFSL), a 100 percent Subsidiary of your Company is providing a trading platform to the members of DSE and in addition, to other individuals after the de-recognition of DSE in National Stock Exchange and Bombay Stock Exchange for Cash and F&O segments. DFSL, also a depository participant of CDSL provides the depository facilities to its clients. The Board of Directors has brought the company in line with growth during the financial year 2016- 2017 for the first time since inception with revenue from operations (net) at ₹ 34.58 Lacs against ₹ 33.62 lacs last year. The profit before depreciation and interest amounted to ₹ 6.22 lacs, which is 16.95 % of the total revenue. After accounting for depreciation of ₹ 0.32 lacs, Profit after depreciation and tax amounted to ₹ 5.91 lacs against the loss of ₹ 11.02 Lacs last year. The turnover of the company during the year in NSE (Cash and F&O) and BSE (Cash) is ₹ 1655.17 crores against ₹ 1517.00 crores witnessing an increase of 9.10 percent. The company saw a decrease in number of active trading clients by 13.69%, though the demat account further saw a modest increase of about 5 percent during the year. The audited annual accounts of the subsidiary company for the financial year 2016-17 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, twelve Board meetings (excluding two adjourned 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:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. 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.

CORPORATE SOCIAL RESPONSIBILITY

The company has a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013. The main areas of in the CSR Policy are promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects, ensuring environmental sustainability, protection of flora and fauna, animal welfare, conservation of natural resources and maintaining quality of soil, air and water or contribution to any to any fund set up by the Central Government for the aforesaid purposes, contribution



to registered NGOs having track record of at least 3 years and contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief.

The company has donated ₹ 7 lacs to Welfare Home For Children and ₹ 2.08 lacs to Delhi Foundation of Deaf Women in terms of CSR Policy approved by the Board. Both are government recognised NGOs working for the welfare of children and deaf persons respectively for over 38 years.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

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.

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

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

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

AUDITORS

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

AUDITORS' OBSERVATIONS

The comments on the observation in the report of the Auditors on the stand-alone financial statements for the financial year 2015-16 are as under:

Qualification on note no. 28 regarding non-provision of outstanding Registration fees of brokers/sub-brokers (including interest) paid to SEBI:

Your Board feels that Company is not liable to pay the said outstanding dues of brokers/sub-brokers and has paid the same to SEBI 'without prejudice' to get the refund of amount from SEBI if the excess amount has been paid. The amounts are recoverable from

respective brokers. The Company is taking legal advice in the matter. Hence the amount has been shown as contingent liability in the financial statements.

Point (i) of Emphasis of Matter on note no. 29 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-recognised as a Stock Exchange as the company will continue to be a corporate entity.

Point (ii) of Emphasis of Matter on note no. 10.1 regarding accumulated losses of wholly owned Subsidiary company DSE Financial Services Ltd.:

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

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

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

ACKNOWLEDGEMENT

Your Directors thankfully acknowledge and place on record the sincere appreciation for the continuous support, assistance and cooperation extended by the Securities and Exchange Board of India, Central Government, Registrar of Companies, Local Administration and DSE Financial Services 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

Mohinder Singh
Chairman

Place : New Delhi

Dated: November 22, 2017

DIN : 068119409

CORPORATE GOVERNANCE REPORT

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

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

2. ABOUT THE COMPANY

Delhi Stock Company Limited (DSE) was incorporated under the Indian Companies Act, 1913 and was a recognized Stock Company 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

The Articles of Association of the Company stipulate that the total strength of the Board of Directors of the Company shall not exceed 17. As on March 31, 2017, there were three Directors on the Board. During the year, Mr Anish Kumar Sharma, and Mr Venkat Rao Director resigned on November 24, 2016. On the same day Mr Sudhangshu S. Biswal and Mr Shanker Singal were appointed on the Board as Directors in casual vacancy caused by the resignations of Mr Anish Kumar Sharma, and Mr Venkat Rao. Mr Sudhangshu S. Biswal was appointed a director liable to retire by rotation in the annual general meeting held on 31.12.2016. The tenure of Mr Mohinder Singh a Public Interest Director of the company expired on January 20, 2017. He was appointed as an additional director and Chairman with effect from January 21, 2017.

ii. Composition and Attendance of each Director at the Board meetings from April 1, 2016 to March 31, 2017:

During 2016-17, twelve Board meetings (excluding two adjourned meetings) were held on April 26, 2016; July 15, 2016; September 1, 2016; September 15, 2016; October 17, 2016; November 5, 2016; November 24, 2016; December 1, 2016; December 21, 2016; January 20, 2017 and February 3, 2017. 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 2016-17, 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. Mohinder Singh*	Additional Director and Chairman	12	12	Yes
2.	Mr. Anish Kumar Sharma**	Director	6	6	Not Applicable
3.	Mr. Venkat Rao**	Director	6	6	Not Applicable
4.	Mr Sudhangshu S. Biswal***	Director	5	5	Yes
5.	Mr. Shanker Singal#	Director in casual vacancy	4	4	Yes



- * Having completed his tenure on 20.1.2017 appointed as an additional Director and Chairman w.e.f. 21.1.2017
- ** Resigned as a director on November 24, 2016
- *** Appointed as a director in casual vacancy on November 24, 2016 and appointed as a director liable to retire by rotation on 31.12.2016. Resigned on October 13, 2017.
- # Appointed as a director in casual vacancy on November 24, 2016. Resigned on October 11, 2017.

iii) Sitting fees paid by the Company to Directors for attending Board and Committee meetings during financial year 2016-17 are given below:

Sl. No.	Name of the Director	Amount ₹
1.	Mr. Mohinder Singh	1,35,000
2.	Mr. Anish Kumar Sharma	1,15,000
3.	Mr. Venkat Rao	1,20,000
4.	Mr Sudhangshu S. Biswal	55,000
5.	Mr Shanker Singal	45,000

4. COMMITTEES

a) AUDIT COMMITTEE

The scope of the Audit Committee constituted is as under:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of 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, seven meetings of the Audit Committee were held on April 26, 2016; August 5, 2016; August 30, 2016; August 31, 2016; September 15, 2016; November 23, 2016 and December 1, 2016. The composition of the Audit Committee and the attendance at its meetings during the financial year 2016-17 are given hereunder:

Sl. No.	Name of the Member	Designation	Held during tenure	No. of meetings attended
1.	Mr. Mohinder Singh	Additional Director	1	1
2.	Mr. Anish Kumar Sharma	Director	6	6
3.	Mr. Venkat Rao	Director	6	6
4.	Mr Sudhangshu S. Biswal	Director	1	1
5.	Mr. Shanker Singal	Director in casual vacancy	1	1

b) HR COMMITTEE

During the year under review, two meetings of the HR Committee were held on April 26, 2016 and August 5, 2016. The composition of the HR Committee and the attendance at its meetings during the financial year 2016-17 are given hereunder:

Sl. No.	Name of the Member	Designation	Held during tenure	No. of meetings attended
1.	Mr. Anish Kumar Sharma	Director	2	2
2.	Mr. Venkat Rao	Director	2	2

c) OTHER COMMITTEES

In addition, the company constituted the following committees during 2016-17 to look after other affairs of the Exchange:

Name of the Committee	No. of meetings held during the year
Legal Committee	1
Investment Committee	2
Advisory Committee	1

5. DETAILS OF COMPLIANCE OFFICER

Name	Designation	Contact No. and e-mail id
Mr Sunil Bhatia	Company Secretary	23278988 bhatia.s@dseindia.org.in

6. GENERAL BODY MEETINGS

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

Annual General Meeting	December 09, 2014 at 4:30 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	September 29, 2015 at 4:00 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	December 31, 2016 at 11:30 AM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Extra Ordinary General Meeting	November 29, 2016 at 4:00 PM	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Extra Ordinary General Meeting	July 22, 2017 at 11:00 AM	DSE House, . 3/1, Asaf Ali RoadNew 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 Exchange has complied with the requirements of the SEBI and other 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 other regulatory authorities.



8. GENERAL SHAREHOLDER INFORMATION

i. Forthcoming AGM - Date, time and venue:

The 69th Annual General Meeting of the Company is scheduled for Wednesday, December 20, 2017 at 4:00 P.M. at DSE House, 3/1, Asaf Ali Road, New Delhi-110002

ii. Financial year:

The Company's financial year was from April 1, 2016 to March 31, 2017.

iii. Book Closure:

The Register of Members of the Exchange shall be closed during the period December 16, 2017 to December 20, 2017 (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 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, 2017.

vi. Address for correspondence:

Delhi Stock Exchange Limited
DSE House,
3/1, Asaf Ali Road,
New Delhi- 110002
Ph: 23278983
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 it's R&T Agent Abhipra Capitals Limited. The form can be furnished by Abhipra Capitals Limited on request.

On behalf of the Board of Directors

Place: New Delhi
Date : November 22, 2017

(Mohinder Singh)
Chairman
DIN : 068119409

Form No. AOC-2

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

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

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

Delhi Stock Exchange Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.

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:** DSE Financial Services Limited (DFSL), wholly owned subsidiary of Delhi Stock Exchange Limited.
- (b) **Nature of contracts/arrangements/transactions:** By resolution of the Board of Directors in its meeting held on May 25, 2012 space in DSE Building at Asaf Ali Road, New Delhi was given to DSE Financial Services Limited for its operational use against payment of rent, maintenance charges and actual electricity expenses.
- (c) **Duration of the contracts / arrangements/transactions:** It is continuing arrangement.
- (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. The annual charges for 2016-17 worked out to ₹ 5,86,623/- on account of rent and maintenance and ₹ 4,31,660/- for electricity consumption.
- (e) **Date of approval by the Board, if any:** The decision was approved by the Board of Directors of the Company in its meeting held on May 25, 2012
- (f) **Amount paid as advances, if any:** Nil

On behalf of the Board of Directors

Mohinder Singh

Chairman

DIN : 068119409

Place : New Delhi
Dated: November 22, 2017



Delhi Stock Exchange Limited

CIN:U91120DL1947PLC001239

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March 2017

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U91120DL1947PLC001239
- ii) Registration Date : 25.06.1947
- iii) Name of the Company : DELHI STOCK EXCHANGE LIMITED
- iv) Category / Sub-Category of the Company : Non-Government Company Limited by shares
- v) Address of the Regd. Office : DSE HOUSE
of the Company : 3/1, Asaf Ali Road, New Delhi - 110002
& contact details : Phone: 011-46470000
- vi) Whether listed company : No
- vii) Name Address & Contact details : Abhipra Capital Limited
of the Registrar & Transfer Agent, if any : 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:

Sl. 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.	DSE Financial Services Limited	U67110DL1996PLC079973	Subsidiary Company	100%	Section 2 (87) (ii)

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

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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
(i) 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

2 Non- institutions									
(a) Bodies Corporate									
i) Indian	15579025	749600	16328625	58.99	15500819	749600	16250419	53.73	0.25
ii) Overseas									
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lac	358566	36000	394566	1.30	3355097	36000	391397	1.30	0.01
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	6796265	244031	7040296	23.28	6943671	244031	7187702	23.76	-0.48
(d) Others:									
NRIs	4000	—	4000	0.013	4000	—	4000	0.01	0
HUF	115013	—	115013	0.38	48982	—	48982	0.17	0.22
Foreign Corporate Bodies	6283500	—	6283500	20.77	6283500	—	6283500	20.77	0
Sub-Total (B)(2)	29136369	1029631	30166000	99.74	29136369	1029631	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						

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

(v) Shareholding of Directors and Key Managerial Personnel

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

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

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

Sl 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.	0	0	0	0
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	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
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	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:

(in ₹)

Sr No.	Particulars of Remuneration	Fee for attending Board Meetings	Fee for attending Committee Meetings	Comm-ission	Others (please specify)	Total Amount
	Non-Executive Directors					
1.	Mr. Mohinder Singh	1,20,000	10,000	NIL	NIL	1,30,000
2.	Mr. Shanker Singal	40,000	5,000	NIL	NIL	45,000
3.	Mr. Sudhangshu S Biswal	50,000	5,000	NIL	NIL	55,000
4.	Mr. Anish Kumar Sharma	60,000	50,000	NIL	NIL	1,10,000
5.	Mr. Venket Rao	60,000	55,000	NIL	NIL	1.15,000

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

NIL

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

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the income tax Act, 1961	—	9,32,984	—	9,32,984
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission - as % of Profit	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	9,32,984	—	9,32,984



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 : November 22, 2017
Place: New Delhi

Mohinder Singh
Chairman
DIN : 068119409

Independent Auditors' Report

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DELHI STOCK EXCHANGE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the

audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

Reference is invited to Note no. 29 of financial statements regarding non-provision of amount of ₹ 15,84,09,865/- paid to SEBI during the year in respect of fees of brokers/sub-brokers (inclusive of interest). In the opinion of management no provision is required for the said amount paid to SEBI as, according to the management the amount has been paid to SEBI without prejudice to get the refund of amount from SEBI if excess amount has been paid and that the Company is taking legal advice in the matter. The amount has been shown in the financial statements in Note No. 11 (Short Term loans and advances) and has been included in the 'Contingent Liabilities'. 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 amount paid and, therefore, provision



is required to be made for the amount of ₹ 15,84,09,865/-. As a result of this, profit for the year as shown in the statement of Profit & loss is higher by ₹ 15,84,09,865/-; 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; the amount of Contingent Liabilities as shown in the financial statements is overstated to that extent. Our opinion is qualified on this issue.

Emphasis of Matter

Without qualifying our opinion, we invite reference to:

i) Note no. 30 regarding account being prepared on going concern basis.

The Ministry of Finance vide its Gazette notification dated 15th March 2016 had withdrawn the recognition granted to the Company under section 4 of the Securities Contracts (Regulations) Act, 1956. The whole time member, SEBI has passed an Order no. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 for withdrawal of recognition as stock exchange granted to the company. Aggrieved by the said order, the company filed appeal before Securities Appellate Tribunal which, by its order dated 24th June, 2016 has directed SEBI to complete the voluntary de-recognition process within a period of five months from the date of order. The Company has made the compliances as per directions given in SAT order. Consequently the Whole time member, SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/ 01/2017 dated January 23, 2017 has passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock Exchange, as the company intends to continue as a corporate entity.

ii) Note no. 9.1 regarding accumulated losses of wholly owned subsidiary company DSE Financial Services Ltd.

As per Audited Financial Statements of the wholly owned subsidiary company DSE Financial Services Ltd., it has accumulated losses of ₹ 1,85,79,458/- as on 31.03.2017. 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.

Qualified Opinion

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 Paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

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.
2. As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance sheet, the Statement of profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 our separate report in "Annexure B"; 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 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 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note 33 of the financial statements.)

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

Place : New Delhi
Date : November 22, 2017

AMIT GOEL
(Partner)
M.No. 092648

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

The annexure referred to in our report to the members of the company on the standalone financial statements for the year ended on 31st March, 2017, we Report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
b. As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2. The Company does not hold any inventory.
3. As explained to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the investment made, to the extent applicable to the company. As per the information and explanation given to us, the Company has neither given any loan nor given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public. However sum of ₹ 1,56,000/- 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, Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable



to the company have been generally regularly deposited by the company during the year with the appropriate authorities. However, there are some delays in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable except for non deposit of advance tax installments of ₹ 8,29,291/- for June and September, 2016 quarters.

- b. The disputed statutory dues aggregating to ₹ 5,10,296/- 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.	ESI	Employees Insurance Court, Delhi	5,10,296
		Total	5,10,296

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177

and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

Place : New Delhi
Date : November 22, 2017

AMIT GOEL
(Partner)
M.No. 092648

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

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

We have audited the internal financial controls over financial reporting of **Delhi Stock Exchange Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 : November 22, 2017

AMIT GOEL
(Partner)
M.No. 092648

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note	As At 31 st March, 2017	As At 31 st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	76,46,65,358	76,75,43,482
		79,49,07,358	79,77,85,482
Share Allotment Kept in abeyance	4	1,56,000	1,56,000
Non-Current Liabilities			
Other Long-term Liabilities	5	4,42,18,321	4,43,93,321
Long Term Provisions	6	3,12,751	3,64,223
		4,45,31,072	4,47,57,544
Current Liabilities			
Other Current Liabilities	7	2,12,51,642	90,24,838
Short Term Provisions	6	70,97,735	87,80,729
		2,83,49,377	1,78,05,567
		86,79,43,807	86,05,04,593
ASSETS			
Non-Current Assets			
Fixed Assets			
	8		
Tangible assets		6,41,92,412	7,04,87,051
Capital work In Progress		29,24,500	33,22,200
Non-Current Investments	9	6,00,00,000	6,00,00,000
Deferred Tax Assets (Net)	10	12,48,617	16,97,552
Long-term Loans and Advances	11	90,40,941	86,93,941
		13,74,06,470	14,42,00,744
Current Assets			
Trade Receivables	12	29,18,970	29,18,970
Cash and Bank balances	13	52,92,11,433	66,17,80,633
Short-Term Loans and Advances	11	18,91,43,004	4,31,62,049
Other Current Assets	14	92,63,930	84,42,197
		73,05,37,337	71,63,03,849
		86,79,43,807	86,05,04,593
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	1 to 34		

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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH **RAJINDER KUMAR GOEL** **SANJIV GANDHI**

(CHAIRMAN)

(DIRECTOR)

(DIRECTOR)

DIN:06819409

DIN:00020363

DIN: 0007982775

Sunil Bhatia

Company Secretary

Ruchi Jain

Executive-Accounts

Statement of Profit and Loss
for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Income:			
Other Income	15	4,81,92,741	6,38,04,097
Total Revenue		4,81,92,741	6,38,04,097
Expenses:			
Employee Benefit Expense	16	54,10,582	1,81,56,225
Finance Costs	17	74,062	13,43,908
Depreciation/Amortisation	8	62,94,640	76,59,619
Provision for Impairment	8	3,97,700	22,38,800
Other Expenses	18	1,62,34,565	156,87,785
Total Expenses		2,84,11,549	4,50,86,337
Profit/(Loss) for the year before Taxation		1,97,81,192	1,87,17,760
Tax expense:			
Provision for Taxation			
- Current		67,00,000	81,96,966
- Earlier Year		381	(2,43,953)
- Deferred		4,48,935	(26,07,187)
Profit/(Loss) for the year after Taxation		1,26,31,876	1,33,71,934
Earning per share:			
Equity share of Par value ₹ 1/-each	19		
Basic		0.42	(0.64)
Diluted		0.42	(0.63)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 34		

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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH (CHAIRMAN) DIN:06819409	RAJINDER KUMAR GOEL (DIRECTOR) DIN:00020363	SANJIV GANDHI (DIRECTOR) DIN: 0007982775
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Sunil Bhatia
Company Secretary

Ruchi Jain
Executive-Accounts



CASH FLOW STATEMENT

for the year ended 31ST March, 2017

	Amount in ₹ year ended 31st March, 2017	Amount in ₹ year ended 31st March, 2016
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	1,97,81,192	1,87,17,760
<i>Adjustment for :</i>		
Depreciation	62,94,640	76,59,619
Provisions for Gratuity and Leave encashment	(2,37,500)	(9,11,842)
Bad debts/Advances / Misc. Balances written-off	1,15,214	60,758
Liability No longer Required Written Back	0	(7,70,687)
Interest on Income Tax	74,062	13,43,908
Provision for Impairment	3,97,700	22,38,800
Interest Income	(4,66,97,725)	(5,72,79,518)
Rental Income	(13,48,140)	(55,06,380)
Operating Profit/Loss before Working Capital Changes	(2,16,20,557)	(3,44,47,582)
<i>Adjustment for :</i>		
Trade, other Receivables and loans and advances/ Other bank balances	(15,05,89,681)	22,41,12,533
Current and Non-current Liabilities	(34,58,197)	(25,98,44,921)
Cash Generated from operation	(17,56,68,435)	(7,01,79,971)
Income tax paid	48,72,568	1,85,85,212
Net Cash from Operation Activities	(18,05,41,003)	(8,87,65,183)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Interest Income	4,66,97,725	5,72,79,518
Rental Income	13,48,140	55,06,380
Purchase of Fixed Assets	0	0
Net Cash used in Investing Activities	4,80,45,865	6,27,85,898

	Amount in ₹ year ended 31st March,2017	Amount in ₹ year ended 31st March,2016
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest on Income Tax	(74,062)	(13,43,908)
Net Cash used in Financing Activities	(74,062)	(13,43,908)
Net Increase in Cash & Cash Equivalents (A+B+C)	(13,25,69,200)	(2,73,23,193)
Cash and Cash Equivalents	66,15,86,575	68,89,09,768
(Opening Balance)		
Cash and Cash Equivalents	52,90,17,375	66,15,86,575
(Closing Balance)		
Components of Cash and Cash Equivalents at the end of the year		
<u>Balances with Banks</u>		
In Current and Deposit Accounts	52,90,00,238	66,15,78,116
Cash-on-hand	17,137	8,459
Total (I)	52,90,17,375	66,15,86,575
<u>Other Bank Balances</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)	52,92,11,433	66,17,80,633

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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH (CHAIRMAN) DIN:06819409	RAJINDER KUMAR GOEL (DIRECTOR) DIN:00020363	SANJIV GANDHI (DIRECTOR) DIN: 0007982775
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Sunil Bhatia
Company Secretary

Ruchi Jain
Executive-Accounts



NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2017

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 the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- 1.1.2 The preparation of Financial Statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of Financial Statements and reported amount of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.2 BASIS OF ACCOUNTING

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

1.3 REVENUE RECOGNITION

- 1.3.1 Income is accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking, revenue recognition is postponed to the extent of uncertainty involved as per Accounting Standard – Revenue Recognition (AS-9).
- 1.3.2 Interest earned is recognized as income on accrual basis. (Refer Note no. 26)

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

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.

Notes forming part of Accounts...

1.6.3 Intangible Assets viz., Softwares are amortised over a period of three years.

1.7 EMPLOYEE BENEFITS

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

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

1.9 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, 2017	As at 31 st March, 2016
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.
- The Dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. No dividend has been proposed for the current year or for the previous year.
- Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2017 & 31st March, 2016 is as under:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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, 2017 and 31st March, 2016.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
3. RESERVES AND SURPLUS		
Capital Reserve - Opening Balance	51,35,66,587	51,35,66,587
	51,35,66,587	51,35,66,587
Settlement Guarantee Fund (SGF)-Opening Balance*	68,20,02,106	64,93,77,943
Add: Transfer from Member settlement Reserve (as per contra)	30,00,000	0
Add: Transfer from surplus	0	3,26,24,163
Less: Refundable to brokers transferred to other current liabilities in terms of SEBI Order (Refer Note no. 27)	1,55,10,000	0
	66,94,92,106	68,20,02,106
Member Settlement Reserve-Opening Balance**	30,00,000	30,00,000
Less: Transfer to Settlement Guarantee Fund (as per Contra)	30,00,000	0
	0	30,00,000
General Reserve-Opening Balance	5,77,717	5,77,717
	5,77,717	5,77,717
Surplus - opening balance	(43,16,02,928)	(41,23,50,699)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	1,26,31,876	1,33,71,934
Less: Transfer to Settlement Guarantee Fund (Refer Note no.3.1)	0	3,26,24,163
Surplus-Closing balance	(41,89,71,052)	(43,16,02,928)
	76,46,65,358	76,75,43,482

* Settlement Guarantee Fund had been created with the objective of guarantee of the settlement of bonafide transactions of the members of the exchange, *inter se*, which formed part of the erstwhile exchange's settlement system. Fund balance represents 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. 26 & 27)

** Created in earlier years by way of contribution by members. The objective is primarily the same as in case of Settlement Guarantee Fund, therefore transferred to Settlement Guarantee Fund.

*Notes forming part of Accounts...***3.1 Details of Appropriation to Funds:-***(Amount in ₹)*

Particulars	As At 31 st March, 2017		As At 31 st March, 2016	
	Settlement	Guarantee Fund	Settlement	Guarantee Fund
Interest Income		0		4,08,21,129
Provision for Income Tax		0		(81,96,966)
Net Appropriation		0		3,26,24,163

4. SHARE ALLOTMENT KEPT IN ABEYANCE*(Amount in ₹)*

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
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, after completion of legal formalities/requirements by the applicants such as production of Letter of Probate, Court Order, Succession certificate etc. No 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. 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, 2017	As at 31 st March, 2016
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit*	3,76,27,213	3,78,02,213
Other Security Deposits	3,38,000	3,38,000
Payable for Capital contracts	34,80,619	34,80,619
Other Liabilities	27,72,489	27,72,489
	4,42,18,321	4,43,93,321

* 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, 2017		As At 31st March, 2016	
	Long Term	Short term	Long Term	Short term
Provisions For Employees Benefit				
Leave encashment	2,54,827	2,92,761	2,07,081	4,69,812
Gratuity	57,924	1,04,974	1,57,142	1,13,951
Others				
Income Tax	0	67,00,000	0	81,96,966
	3,12,751	70,97,735	3,64,223	87,80,729

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
7. 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. 27)	1,55,10,000	0
Income Received in Advance	11,48,896	11,48,896
Statutory dues payable	1,47,854	1,66,878
Expenses Payable	24,30,286	44,33,132
Other Liabilities	6,53,200	19,14,526
	2,12,51,642	90,24,838

Notes forming part of Accounts...

8. FIXED ASSET

(Amount in ₹)

S. No.	Particulars	Gross Block at Cost			Depreciation/Amortisation					Net Block		
		As at 1st April 2016	Additions during the year	Deductions during the year	As at March 31, 2017	Upto 31st March 2016	For the year	Deduction during the year	Adjustment for Impairment	Total upto March 31 2017	As on 31st March 2017	As on 31st March 2016
A	Tangible Assets											
1	Land (Lease hold)	5,43,85,303	0	0	5,43,85,303	1,91,04,916	10,05,522	0	0	2,01,10,438	3,42,74,865	3,52,80,387
2	Buildings	7,07,66,654	0	0	7,07,66,654	4,23,63,880	36,36,495	0	0	4,60,00,375	2,47,66,279	2,84,02,774
3	Electric Installation & Equipments	3,43,37,899	0	0	3,43,37,899	2,94,58,339	13,68,900	0	0	3,08,27,239	35,10,660	48,79,559
4	Furniture & Fixtures	1,24,55,876	0	0	1,24,55,876	1,16,08,965	1,28,813	0	0	1,17,37,778	7,18,098	8,46,911
5	Vehicles	23,97,479	0	0	23,97,479	20,71,168	1,16,787	0	0	21,87,955	2,09,524	3,26,311
6	Office Equipment	83,96,059	0	0	83,96,059	80,30,045	38,123	0	0	80,68,168	3,27,891	3,66,014
7	Computers & Peripherals	81,16,580	0	0	81,16,580	77,31,485	0	0	0	77,31,485	3,85,095	3,85,095
8	Liabrary Books	2,97,749	0	0	2,97,749	2,97,749	0	0	0	2,97,749	0	0
9	Online Trading System & Communication Equipments	4,36,167	0	0	4,36,167	4,36,167	0	0	0	4,36,167	0	0
	Total Tangible Assets (A)	19,15,89,766	0	0	19,15,89,766	12,11,02,714	62,94,640	0	0	12,73,97,354	6,41,92,412	7,04,87,051
	Previous Year	19,15,89,766	0	0	19,15,89,766	11,34,43,096	76,59,619	0	0	12,11,02,715	7,04,87,051	7,81,46,670
B	Intangible Assets											
1	Softwares	54,82,596	0	0	54,82,596	54,82,596	0	0	0	54,82,596	0	0
	Total Intangible Assets (B)	54,82,596	0	0	54,82,596	54,82,596	0	0	0	54,82,596	0	0
	Previous Year	54,82,596	0	0	54,82,596	54,82,596	0	0	0	54,82,596	0	0
C	Capital Work In Progress	9,68,42,307	0	0	9,68,42,307	9,35,20,107	0	0	3,97,700	9,39,17,807	29,24,500	33,22,200
	Total Capital Work In Progress (C)	9,68,42,307	0	0	9,68,42,307	9,35,20,107	0	0	3,97,700	9,39,17,807	29,24,500	33,22,200
	Previous Year	9,68,42,307	0	0	9,68,42,307	9,12,81,307	0	0	22,38,800	9,35,20,107	33,22,200	55,61,000
	Total (A+B+C)	29,39,14,669	0	0	29,39,14,669	22,01,05,417	62,94,640	0	3,97,700	22,67,97,757	6,71,16,912	7,38,09,250
	(Previous Year)	29,39,14,669	0	0	29,39,14,669	21,02,06,999	76,59,619	0	22,38,800	22,01,05,418	7,38,09,251	8,37,07,669



Delhi Stock Exchange Limited
CIN:U91120DL1947PLC001239

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, 2017	As at 31 March, 2016
CAPITAL WORK IN PROGRESS		
Amount paid for development of Data Center	2,29,99,046	2,29,99,046
Paid for Hardware Equipments	3,09,03,158	3,09,03,158
Networking & Cabling	94,14,406	94,14,406
Other Expenditures	86,78,146	86,78,146
License/service fee paid for Customized Exchange Technology and other License Fees	2,48,47,551	2,48,47,551
Total Capital Work in Progress	9,68,42,307	9,68,42,307
Less: Provision for Impairment	(9,39,17,807)	(9,35,20,107)
Balance	29,24,500	33,22,200

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 is ₹ 9,39,17,807/- (Previous Year ₹ 9,35,20,107/-). 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 ₹)

Particulars	Face Value (₹)	As at 31st March, 2017		As at 31st March, 2016	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
LONG TERM INVESTMENTS (At Cost)					
NON TRADE (Unquoted)					
Investment in Equity Instruments					
- Fully Paid up Equity Shares					
- In Wholly Owned Subsidiary Company					
DSE Financial Services Ltd.	1000	60000	6,00,00,000	60000	6,00,00,000
TOTAL		60000	6,00,00,000	60000	6,00,00,000

9.1 As per Audited Financial Statements of the wholly owned subsidiary company DSE Financial Services Ltd., it has accumulated losses of ₹ 1,85,79,458/- as on 31.03.2017 (Previous year ₹ 1,91,70,649/-). 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.



Notes forming part of Accounts...

10. DEFERRED TAX ASSETS (Net)

(Amount in ₹)

Particulars	As At 31st March,2017	As At 31st March,2016
Deferred Tax Asset		
Expenses allowable under Income Tax Act on payment basis	1,95,757	3,13,433
Expenses on VRS allowable under Income Tax Act in subsequent years	13,97,368	22,35,789
Less:Deferred Tax Liability		
Fixed Assets	3,44,508	8,51,670
	12,48,617	16,97,552

11. LOANS AND ADVANCES

(Amount in ₹)

Particulars	As At 31st March, 2017		As At 31st March, 2016	
	Long Term	Short term	Long Term	Short term
Unsecured, Considered Good, Unless otherwise stated:				
Others				
Security Deposit with Government Department and others	41,65,510	0	41,56,510	0
Prepaid Expenses/Advance against expenses	0	7,82,616	0	7,88,347
Amount paid to SEBI toward broker / Sub broker fees (Refer Note no. 29)	0	15,84,09,865	0	0
Service Tax Recoverable	48,75,431	0	45,37,431	0
Advance Tax/TDS/Income Tax refunds due Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 11.1)	0	2,99,50,523	0	4,23,73,702
—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
	90,40,941	18,91,43,004	86,93,941	4,31,62,049

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 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.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
12. TRADE RECEIVABLES		
Outstanding for a Period exceeding six months Unsecured		
Considered Good	29,18,970	29,18,970
	29,18,970	29,18,970
Others Debts		
Unsecured, Considered Good	0	0
	29,18,970	29,18,970
13. CASH AND BANK BALANCES		
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	64,75,481	6,06,657
-In Deposit Accounts*	52,25,24,757	66,09,71,459
Cash-on-Hand	17,137	8,459
Other Bank balances		
Deposit with bank**	1,94,058	1,94,058
	52,92,11,433	66,17,80,633

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

** Lien marked with Registrar of High Court;

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
14. OTHER CURRENT ASSETS		
Interest accrued on bank deposits	27,45,719	34,81,363
Recoverable from subsidiary company (Rent & other)	52,98,280	42,79,997
Recoverable from Customer Protection Fund	25,620	25,620
Other recoverable (including Cabin rent, expense recoverable etc.)	10,38,311	4,99,217
Bank FDR earmarked against amount of Share Allotment kept in abeyance (Refer Note No. 4)	1,56,000	1,56,000
	92,63,930	84,42,197



Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
15. OTHER INCOME		
Interest (Gross) on		
a) Fixed Deposits with banks	4,56,35,309	6,02,83,910
b) Electricity Security Deposit	69,930	0
c) Income Tax Refund	9,92,486	74,610
	<u>4,66,97,725</u>	<u>6,03,58,520</u>
Less: Allocated to ISF/ Customer Protection Fund	<u>0</u>	<u>30,79,002</u>
	4,66,97,725	5,72,79,518
Distribution of Transfer deeds	1,20,784	2,21,560
Miscellaneous Income	26,092	25,952
Rent Income	13,48,140	55,06,380
Liability No Longer Required Written Back	0	7,70,687
	4,81,92,741	6,38,04,097
16. EMPLOYEE BENEFIT EXPENSES		
Salaries and Benefits	48,46,531	72,08,208
VRS / Exgratia / Retrenchment Compensation	0	1,00,29,188
Contribution to Provident Fund and Gratuity Fund	3,85,264	7,12,701
Staff Welfare	1,78,787	2,06,128
	54,10,582	1,81,56,225
17. FINANCE COSTS		
Interest on Income Tax	74,062	13,43,908
	74,062	13,43,908

Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
18. Other Expenses		
Electricity, Water & Airconditioning	31,43,006	41,28,216
Property Management Services	36,10,682	35,92,075
<u>Repairs and Maintenance</u>		
- Building	67,065	10,173
- Others	2,43,378	2,80,883
Sitting Fees	4,70,000	6,35,000
Communication	4,12,617	4,68,619
Auditor's Remuneration	5,45,690	5,98,355
Legal and Professional	15,95,506	6,42,488
Depository Charges	9,090	9,045
Contribution to SEBI	25,00,000	0
Printing and Stationery	1,76,101	1,61,838
Advertisement	0	1,58,664
Travelling and Conveyance	3,02,614	1,69,721
Rates & Taxes	8,21,017	8,21,267
Board and Committee Meetings	94,548	62,393
Vehicle Running and Maintenance	1,72,322	1,38,464
Insurance	7,86,276	6,06,000
Bad debts/Advances / Misc.		
Balances written-off	7,17,05,841	60,758
Less: Provision for doubtful advance written back	(7,15,90,627)	0
CSR Expenditure (Donation to Prime Minister National Relief Fund)	0	5,04,203
Festival	1,34,192	78,884
General Meetings of Members	1,22,771	56,854
Claim/ Interest paid pursuant to Court Order	5,22,901	22,68,000
Miscellaneous	3,89,575	2,35,885
	1,62,34,565	1,56,87,785



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/(Loss) after Tax as per Statement of Profit and Loss	1,26,31,877	1,33,71,934
Less: Appropriation to Settlement Guarantee Fund and Investor Service Cell Fund	0	3,26,24,163
Net Profit/(Loss) attributable to Equity Shareholders	1,26,31,877	(1,92,52,229)
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 (₹)	0.42	(0.64)
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 (₹)	0.42	(0.63)

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

- (a) Claims against the Company not acknowledged as debts:- ₹ 27,33,11,088/-
(Previous Year ₹ 27,49,19,941/-)
- (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 ₹ 31,44,40,999/-. The Commissioner of Income Tax (Appeals) as well as Income Tax Appellate Tribunal (ITAT) upheld the claim of exemption by the Company for all the above years. As per the information to the company, the Income Tax Department has filed appeal before Hon'ble High Court of Delhi against the decision of ITAT.

21. RELATED PARTY TRANSACTIONS**21.1 List of related parties with whom transactions have taken place and relationship:**

- a) *Wholly owned Subsidiary Company*
DSE Financial Services Ltd.
- b) *Key Managerial Personnel*
Mr. Sunil Bhatia (Company Secretary and Officiating Chief Operating Officer)
- c) *Directors*

Current Year	Previous Year
Mohinder Singh	Mohinder Singh
Venkat Rao	Venkat Rao
Anish Kumar Sharma	Anish Kumar Sharma
Shanker Singal	M.N. Verma
Sudhangshu S. Biswal	Anil Sharma

Notes forming part of Accounts...

21.2 Transaction during the financial year ended 31.03.2017 with related Parties are as under:

Sr. No.	Nature of Transaction	Related Party Referred in (a) above* (₹)	Related Party Referred in (b) above* (₹)	Related Party Referred in (c) above* (₹)
1	Loan and Advances Recovered/ Adjusted	Nil (2,09,748)	Nil (Nil)	Nil (Nil)
2	Expenses Incurred on their behalf	4,31,660 (5,34,761)	Nil (Nil)	Nil (Nil)
3	Rent Income and Maintenance Charges	5,86,623 (11,28,120)	Nil (Nil)	Nil (Nil)
4	Remuneration Paid	Nil (Nil)	9,32,984 (7,79,984)	Nil (Nil)
5	Sitting Fee paid**	Nil (Nil)	Nil (Nil)	4,70,000 (6,35,000)
6	Outstanding as on 31.03.2017			
	- Amount Recoverable (Rent & others)	52,98,280 (42,79,997)	Nil (Nil)	Nil (Nil)
	- Investments	6,00,00,000 (6,00,00,000)	Nil (Nil)	Nil (Nil)

*Amounts in brackets represents the previous year figures.

** Sitting Fees Paid detail:

(Amount in ₹)

Name of Director	For the year ended 31/03/2017	For the year ended 31/03/2016
Mohinder Singh	1,35,000	1,50,000
M N Verma	0	1,20,000
Anish Sharma	1,15,000	1,75,000
Venkat Rao	1,20,000	1,85,000
Anil Sharma	0	5,000
Sudhangshu S. Biswal	55,000	0
Shanker Singal	45,000	0
Total	4,70,000	6,35,000

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	3,11,460	8,49,351	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)	22,14,612	50,65,230	6,76,893	13,20,560
Interest Cost (B)	1,57,237	3,95,088	48,059	1,03,004
Past service cost (C)	Nil	Nil	Nil	Nil
Current service cost (D)	1,18,412	1,29,194	1,05,485	1,14,054
Benefits paid (E)	(9,84,375)	(29,06,074)	(2,96,592)	(6,80,989)
Actuarial loss/(gain) on obligation (F)	(60,851)	(4,68,826)	13,743	(1,79,736)
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	14,45,035	22,14,612	5,47,588	6,76,893

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)	14,45,035	22,14,612	5,47,588	6,76,893
Estimated fair value of plan Assets (B)	12,82,137	19,43,519	Nil	Nil
Net Liability/(Asset) (C=A-B)	1,62,898	2,71,093	5,47,588	6,76,893
Amounts in the Balance Sheet				
Liabilities/(Asset)	1,62,898	2,71,093	5,47,588	6,76,893
Amount charged to Profit & Loss Account				
Current Service Cost	1,18,412	1,29,194	1,05,485	1,14,054
Interest Cost	1,57,237	3,95,088	48,059	1,03,004
Past Service Cost	Nil	Nil	Nil	Nil
Expected Return on Plan Asset	(1,62,284)	(4,07,337)	Nil	Nil
Actuarial(Gain)/Loss	(39,561)	(2,53,595)	13,743	(1,79,736)
	(73,804)	(1,36,650)	1,67,287	37,322
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	1,62,284	4,07,337

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

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	6.40%	7.10%
Expected Rate of Return on Plan Assets	8.25%	8.35%
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	19,43,519	45,25,962
ii)	Expected Return on Plan Assets	1,62,284	4,07,337
iii)	Contribution by the Employer	1,81,999	1,31,525
iv)	Benefits Paid	(9,84,375)	(29,06,074)
v)	Actuarial Gain/(Loss)	(21,290)	(2,15,231)
	Closing Fair Value of Plan Assets	12,82,137	19,43,519

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, 2017 and 31st March, 2016.

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:

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees	3,00,000	3,00,000
Tax Audit Fees	60,000	60,000
Income Tax Matters	75,000	150,000
Consolidation	50,000	50,000
Out of Pocket Expenses	36,000	38,335
Other	24,690	0
	5,45,690	5,98,335



Notes forming part of Accounts...

26. Upto the previous year, interest income related to Settlement Guarantee fund was appropriated to the said fund. However due to completion of voluntary de-recognition (as stock exchange) process in terms of SEBI order WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated 23/01/2017, in the opinion of management, the said appropriation is no more required for the current year. If the Company had followed the earlier policy, the amount of Settlement Guarantee Fund as shown in the Balance Sheet would have been higher by ₹ 3,82,21,578 and the debit balance of Surplus as shown in the Balance Sheet would have been higher by the same amount. This change of policy, however, does not have any impact on the Profit/Loss for the year.
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 the internal auditors of the company has been transferred during ther year from Settlement Gurantee Fund (as shown in note no. 3- Reserve & Surplus) to Other Current liabilities (as shown in Note no. 7)
- 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 business. The Company's management does not reasonably expect that these legal claims and proceedings, when ultimately concluded and decided will have a meterial 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. MRD/DSA/DSEL/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. 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 year, the Company has paid the aforesaid amount of ₹ 15,84,09,865 which has been shown in Note No. 11 of Loans and advances. According to the management, the amounts have been paid to SEBI without prejudice to rights to get the refund of the amount from SEBI if excess amount has been paid. In the opinion of management the company is not

Notes forming part of Accounts...

liable for the liability of aforesaid amount of ₹ 15,84,09,865 paid by it and liability, if any, will be recoverable from the respective brokers/sub-brokers and, therefore, no provision for expense/liability is required to be made for the same. The Company is taking legal advice in the matter. As a matter of prudence, the amount of ₹ 15,84,09,865 (Previous year ₹ 15,84,09,865) on account of turnover/ registration fee (including interest) has been shown in Contingent liabilities. During the year, the Company has recovered amount of ₹ 1,03,810 (Previous year Nil) from some broker against the turnover fees/ sub- broker fee which has been shown under the head 'Other Liabilities' in note no. 7.

- 30.** The Ministry of Finance vide its Gazette notification dated 15th March 2016 had withdrawn the recognition granted to the Company under section 4 of the Securities Contracts (Regulations) Act, 1956. The whole time member, SEBI has passed an Order no. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 for withdrawal of recognition as stock exchange granted to the company. Aggrieved by the said order, the company filed appeal before Securities Appellate Tribunal which, by its order dated 24th June, 2016 has directed SEBI to complete the voluntary de-recognition process within a period of five months from the date of order. The Company has made the compliances as per directions given in SAT order. Consequently the Whole time member, SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 has 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.** During the year, the Company has spent ₹ Nil (Previous year ₹ 5,04,203) on Corporate Social Responsibility (CSR activities) by way of donation to Prime Minister's National Relief Fund. During the year, the Company was required to spend ₹ 9,08,264 on corporate social responsibility (CSR Activities) which has been spent subsequent to the year end..

33. Disclosure on Specified Bank Notes (SBNs)

In terms of MCA notification G.S.R 308(E) dated March 30, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, is as under:

Particulars	SBNs (₹)	Other denomination notes	Total (₹)
Closing cash in hand as on 08.11.2016	9,500	20,880	30,380
(+) Permitted receipts	0	2,61,797	2,61,797
(-) Permitted payments	0	2,65,316	2,65,316
(-) Amount deposited in Banks	9,500	0	9,500
Closing cash in hand as on 30.12.2016	0	17,361	17,361

- 34.** 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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH (CHAIRMAN) DIN:06819409	RAJINDER KUMAR GOEL (DIRECTOR) DIN:00020363	SANJIV GANDHI (DIRECTOR) DIN: 0007982775
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Sunil Bhatia
Company Secretary

Ruchi Jain
Executive-Accounts

**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	DSE Financial Services 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	(1,85,79,458)
6.	Total assets	9,60,41,162
7.	Total Liabilities	9,60,41,162
8.	Investments	67,64,000
9.	Turnover	71,28,792
10.	Profit before taxation	5,91,191
11.	Provision for taxation	NIL
12.	Profit after taxation	5,91,191
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes:

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

Part "B": Associate and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

— Not Applicable —

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH (CHAIRMAN) DIN:06819409	RAJINDER KUMAR GOEL (DIRECTOR) DIN:00020363	SANJIV GANDHI (DIRECTOR) DIN: 0007982775
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Place : New Delhi
Date : November 22, 2017

Sunil Bhatia
Company Secretary

Ruchi Jain
Executive-Accounts

Independent Auditors' Report on Consolidated Financial Statements

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

Report on the Consolidated Financial Statements.

We have audited the accompanying consolidated financial statements of **DELHI STOCK EXCHANGE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as 'the group') comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made



by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

a. *Reference is invited to Note no. 32 of financial statements regarding non-provision of amount of ₹ 15,84,09,865/- paid to SEBI during the year in respect of fees of brokers/sub-brokers (inclusive of interest). In the opinion of management no provision is required for the said amount paid to SEBI as, according to the management the amount has been paid to SEBI without prejudice to get the refund of amount from SEBI if excess amount has been paid and that the Company is taking legal advice in the matter. The amount has been shown in the financial statements in Note No. 12 (Short Term loans and advances) and has been included in the 'Contingent Liabilities'. 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 amount paid and, therefore, provision is required to be made for the amount of ₹ 15,84,09,865/-. As a result of this, profit for the year as shown in the statement of Profit & loss is higher by ₹ 15,84,09,865/-; 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; the amount of Contingent Liabilities as shown in the financial statements is overstated to that extent. Our opinion is qualified on this issue.*

b. *As per audit report of subsidiary Company:-*

The company has not made provision for doubtful debts in respect of short/ non recovery of Income Tax Refund of ₹ 8.33 Lacs pertaining to Financial Years 2002-03 to 2011-12 for which

no follow-up action for recovery has been initiated by the Company.

Emphasis of Matter

Without qualifying our opinion, we invite reference to:

(i) Note no. 33 regarding accounts being prepared on going concern basis by Holding Company.

The Ministry of Finance vide its Gazette notification dated 15th March 2016 had withdrawn the recognition granted to the Company under section 4 of the Securities Contracts (Regulations) Act, 1956. The whole time member, SEBI has passed an Order no. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 for withdrawal of recognition as stock exchange granted to the company. Aggrieved by the said order, the company filed appeal before Securities Appellate Tribunal which, by its order dated 24th June, 2016 has directed SEBI to complete the voluntary de-recognition process within a period of Five months from the date of order. The Company has made the compliances as per directions given in SAT order. Consequently the Whole time member, SEBI vide order no. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated January 23, 2017 has 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) As per financial statements of Subsidiary Company, Trade Receivables outstanding for more than six months aggregating to ₹ 161.62 lacs for which no provision for doubtful debts has been made in the books of accounts even though transactions with these parties have been stopped and balance Confirmation as on 31st March 2017 have not been obtained, since in the opinion of the Management of subsidiary company, these balances are good for recovery as awards

under arbitration have been received in favour 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 Receivable outstanding other than litigation cases amounting to ₹ 11.68 Lacs for more than three years. The management has now initiated process for the recovery of these dues.

Qualified Opinion

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 Paragraph*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group as at 31 March 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 9,60,41,162/- as at 31st March, 2017, total revenues of ₹ 71,28,792/- and net cash flows amounting to ₹ 1,70,41,088/- 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 auditors and

the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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 is disqualified as on 31st March, 2017 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 31 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.
 - iv. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note 45 to the consolidated financial statements.)

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

Place : New Delhi
Date : November 22, 2017

AMIT GOEL
(Partner)
M.No. 92648

Annexure-A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of Delhi Stock Exchange Limited and its subsidiary company (Collectively referred to as "the group") as of and for the year ended 31 March 2017, We have audited the internal financial controls over financial reporting of **DELHI STOCK EXCHANGE LIMITED** ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except that the auditor of subsidiary company in their report has reported about need for improvement in internal control procedures especially in areas relating to:-

(a) Compliance requirements of various exchanges of which the company is a member & SEBI, since continuous penalty for non-compliances are levied by the regulatory authorities every year. (b) Process of recovery of dues from Clients/sub brokers.

Other Matters

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

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

AMIT GOEL
(Partner)

Place : New Delhi
Date : November 22, 2017

M.No. 92648

Consolidated Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note	As At	As At
		31 st March, 2017	31 st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	74,60,85,899	74,83,72,828
		77,63,27,899	77,86,14,828
Share Allotment Kept in abeyance	4	1,56,000	1,56,000
Non-Current Liabilities			
Other Long-term Liabilities	5	4,43,18,321	4,44,93,321
Long Term Provisions	6	9,59,252	9,50,810
		4,52,77,573	4,54,44,131
Current Liabilities			
Trade Payables	7	3,56,29,071	1,30,10,071
Other Current Liabilities	8	3,40,59,082	2,54,41,677
Short Term Provisions	6	72,37,064	89,26,653
		7,69,25,217	4,73,78,401
		89,86,86,689	87,15,93,360
ASSETS			
Non-Current Assets			
Fixed Assets			
	9		
Tangible assets		6,42,89,334	7,05,89,225
Intangible assets		21,811	20,735
Capital work In Progress		29,24,500	33,22,200
Non-Current Investments	10	67,64,000	67,64,000
Deferred Tax Assets (Net)	11	12,48,617	16,97,552
Long-term Loans and Advances	12	3,83,43,869	3,86,25,494
Other Non-Current Assets	13	1,16,39,650	1,16,73,625
		12,52,31,781	13,26,92,831
Current Assets			
Trade Receivables	14	2,21,98,909	2,09,93,606
Cash and Bank balances	15	55,35,91,040	66,91,19,151
Short-Term Loans and Advances	12	18,93,33,967	4,36,06,049
Other Current Assets	16	83,30,992	51,81,723
		77,34,54,908	73,89,00,529
		89,86,86,689	87,15,93,360
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	1 to 46		

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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH

(CHAIRMAN)

DIN:06819409

RAJINDER KUMAR GOEL

(DIRECTOR)

DIN:00020363

SANJIV GANDHI

(DIRECTOR)

DIN: 0007982775

Sunil Bhatia

Company Secretary

Ruchi Jain

Executive Accounts

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Note	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Revenue from operations	17	34,58,831	33,61,071
Other Income	18	5,12,98,642	6,63,10,459
Total Revenue		5,47,57,473	6,96,71,530
<u>Expenses:</u>			
Employee Benefits Expense	19	88,98,141	2,21,11,693
Finance costs	20	74,062	13,43,908
Depreciation/Amortisation	9	63,26,600	76,97,350
Provision for Impairment	9	3,97,700	22,38,800
Other Expenses	21	1,86,88,583	1,86,64,817
Total Expenses		3,43,85,086	5,20,56,568
Profit/(Loss) for the year before Taxation		2,03,72,387	1,76,14,962
<u>Tax expense:</u>			
Provision for Taxation			
- Current		67,00,000	81,96,966
-Earlier Year		381	(2,43,953)
- Deferred		4,48,935	(26,07,187)
Profit/(Loss) for the year after Taxation		1,32,23,071	1,22,69,136
Earning Per Share:			
	22		
Equity share of par value ₹ 1/-each			
Basic		0.44	(0.67)
Diluted		0.43	(0.67)

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS

1 to 46

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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH (CHAIRMAN) DIN:06819409	RAJINDER KUMAR GOEL (DIRECTOR) DIN:00020363	SANJIV GANDHI (DIRECTOR) DIN: 0007982775
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Sunil Bhatia
Company Secretary

Ruchi Jain
Executive Accounts



CASH FLOW STATEMENT

For the year ended 31st March 2017

(Amount in ₹)

	Year ended 31st March,2017	Year ended 31st March,2016
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	20372,387	176,14,962
<i>Adjustment for :</i>		
Depreciation	63,26,600	76,97,350
Provisions for Gratuity and Leave encashment	(1,84,180)	(8,75,643)
Loss on sale/discard of Fixed Assets	0	759
Liability No longer Required Written Back	(2,52,653)	(9,76,950)
Interest on Income Tax	74,062	13,43,908
Provision for Impairment	3,97,700	22,38,800
Bad Debts/advances Written Off	1,15,214	60,758
Interest Income	(4,76,35,127)	(5,84,51,432)
Rental Income	(7,84,080)	(43,78,260)
Operating Profit/-Loss before Working Capital Changes	(2,15,70,077)	(3,57,25,748)
<i>Adjustment for :</i>		
Trade,other Receivables and loans and advances / Other Bank Balances	(16,71,32,437)	24,11,65,102
Current and Non-current Liabilities	2,96,99,999	(29,00,22,953)
Cash Generated from operation	(15,90,02,516)	(8,45,83,599)
Income tax paid	48,72,568	1,85,85,212
Net Cash from Operation Activities	(16,38,75,084)	(10,31,68,811)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Interest Income	4,76,35,127	5,84,51,432
Rental Income	7,84,080	43,78,260
Purchase of Fixed Assets	1,828	1,046
Net Cash used in Investing Activities	4,84,21,035	6,28,30,738
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest on Income Tax	(74,062)	(13,43,908)
Net Cash used in Financing Activities	(74,062)	(13,43,908)
Net Increase in Cash & Cash Equivalents A+B+C	(11,55,28,111)	(4,16,81,981)
Cash and Cash Equivalents	66,89,25,093	71,06,07,074
(Opening Balance)		
Cash and Cash Equivalents	55,33,96,982	66,89,25,093
(Closing Balance)		
Components of Cash and Cash Equivalents at the end of the year		
<i>Balance with banks</i>		
In Current and Deposit Accounts	55,33,72,465	66,89,12,207
Cash-on-hand	24,517	12,886
Total (I)	55,33,96,982	66,89,25,093
Other Bank Balances		
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)	55,35,91,040	66,91,19,151

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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH
(CHAIRMAN)
DIN:06819409

RAJINDER KUMAR GOEL
(DIRECTOR)
DIN:00020363

SANJIV GANDHI
(DIRECTOR)
DIN: 0007982775

Sunil Bhatia
Company Secretary

Ruchi Jain
Executive Accounts

NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1.1 PRINCIPLES OF CONSOLIDATION

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

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

1.2 OTHER SIGNIFICANT ACCOUNTING POLICY

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- i These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- ii The preparation of Financial Statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of Financial Statements and reported amount of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

b) BASIS OF ACCOUNTING

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

c) REVENUE RECOGNITION

- i Income is accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking, revenue recognition is postponed to the extent of uncertainty involved as per Accounting Standard – Revenue Recognition (AS-9).
- ii Interest earned is recognized as income on accrual basis. (Refer Note no. 29)

d) INVESTMENTS

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

e) FIXED ASSETS

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

f) DEPRECIATION

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

*Notes forming part of Accounts...***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) 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.

2. SHARE CAPITAL*(Amount in ₹)*

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
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

Notes forming part of Accounts...

- 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.
- The Dividend Proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. No dividend has been proposed for the current year or for the previous year.
- Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2017 & 31st March, 2016 is as under:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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, 2017 & 31st March, 2016.

3. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Reserve-Opening Balance	51,35,66,587	51,35,66,587
	51,35,66,587	51,35,66,587
Settlement Guarantee Fund (SGF)-Opening Balance*	68,20,02,106	64,93,77,943
Add: Transfer from Member settlement Reserve (as per contra)	30,00,000	0
Add: Transfer from surplus	0	3,26,24,163
Less: Refundable to brokers transferred to other current liabilities in terms of SEBI Order (Refer Note no. 30)	1,55,10,000	0
	66,94,92,106	68,20,02,106
Member Settlement Reserve-Opening Balance**	30,00,000	30,00,000
Less: Transfer to Settlement Guarantee Fund (as per Contra)	30,00,000	0
	0	30,00,000
General Reserve-Opening Balance	5,77,717	5,77,717
	5,77,717	5,77,717
Surplus -Opening balance	(45,07,73,582)	(43,04,18,555)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	1,32,23,071	1,22,69,136
Less: Transfer to Settlement Guarantee Fund (Refer Note no.3.1)	0	3,26,24,163
Surplus-Closing balance	(43,75,50,511)	(45,07,73,582)
	74,60,85,699	74,83,72,828

*Notes forming part of Accounts...*

- * Settlement Guarantee Fund had been created with the objective of guarantee of the settlement of bonafide transactions of the members of the exchange, inter se, which formed part of the erstwhile exchange's settlement system. Fund balance represents 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. 29 & 30)
- ** Created in earlier years by way of contribution by members. The objective is primarily the same as in case of Settlement Guarantee Fund, therefore transferred to Settlement Guarantee Fund.

3.1 Details of Appropriation to Reserves Funds:-*(Amount in ₹)*

Particulars	As At 31st March, 2017	As At 31st March, 2016
	Settlement Guarantee Fund	Settlement Guarantee Fund
Interest Income	0	4,08,21,129
Provision for Income Tax	0	(81,96,966)
Net Appropriation	0	3,26,24,163

4. SHARE ALLOTMENT KEPT IN ABEYANCE*(Amount in ₹)*

Particulars	As At 31st March, 2017	As At 31st March, 2016
	Share allotment kept in abeyance	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, after completion of legal formalities/requirements by the applicants such as production of Letter of Probate, Court Order, Succession certificate etc. No 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. 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.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
5. OTHER LONG TERM LIABILITIES		
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit*	3,76,27,213	3,78,02,213
Other Security Deposits	4,38,000	4,38,000
Payable for Capital contracts	34,80,619	34,80,619
Other Liabilities	27,72,489	27,72,489
* Net of admission fees receivable of ₹ 64,00,000/- (Previous Year ₹ 64,00,000/-)	4,43,18,321	4,44,93,321

6. PROVISIONS

(Amount in ₹)

Particulars	As At 31 st March, 2017		As At 31 st March, 2016	
	Long Term	Short term	Long Term	Short term
Provisions For Employees Benefit				
Leave encashment	2,54,827	4,32,090	2,07,081	6,13,794
Gratuity	7,04,425	1,04,974	7,43,729	1,13,951
Leave Travel allowance	—	—	—	1,942
Others				
Income Tax	0	67,00,000	0	81,96,966
	9,59,252	72,37,064	9,50,810	89,26,653

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
7. TRADE PAYABLES		
Credit balance of Clients	3,56,29,071	1,30,10,071
	3,56,29,071	1,30,10,071
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. 30)	1,55,10,000	0
Margin from Sub-brokers	91,02,805	76,49,031
Margin from Clients	0	10,41,482
Bank overdraft in Current accounts	21,022	43,68,180
Income Received in Advance	11,48,896	11,48,896
Statutory dues Payable	4,40,382	2,67,723
Expenses Payable	58,21,371	76,90,433
Other Liabilities	6,53,200	19,14,526
	3,40,59,082	2,54,41,677

Notes forming part of Accounts...

9. FIXED ASSET

(Amount in ₹)

S. No	Particulars	Gross Block at Cost				Depreciation/Amortisation						Net Block	
		As at 1st April 2016	Additions during the year	Deductions during the year	As at March 31 2017	Upto March 31 2016	For the year	Deduction during the year	Adjustment during the year	Adjustment for impairment	As at 31st March 2017	As on 31st March 2017	As on 31st March 2016
A	Tangible Assets												
1	Land (Lease hold)	5,43,85,303	0	0	5,43,85,303	1,91,04,916	10,05,522	0	0	0	2,01,10,438	3,42,74,865	3,52,80,387
2	Buildings	7,07,66,654	0	0	7,07,66,654	4,23,63,880	36,36,495	0	0	0	4,60,00,375	2,47,66,279	2,84,02,774
3	Electric Installation & Equipments	3,44,65,140	0	0	3,44,65,140	2,95,54,819	13,71,188	0	0	0	3,09,26,007	35,39,133	49,10,321
4	Furniture & Fixtures	1,25,03,789	0	0	1,25,03,789	1,16,40,410	1,32,874	0	0	0	1,17,73,284	7,30,505	8,63,379
5	Vehicles	23,97,479	0	0	23,97,479	20,71,168	1,16,787	0	0	0	21,87,955	2,09,524	3,26,311
6	Office Equipment	85,34,655	11,500	10,000	85,36,155	81,76,812	45,223	8,172	0	0	82,13,863	3,22,292	3,57,843
7	Computers & Peripherals	96,71,713	0	0	96,71,713	92,23,503	1,474	0	0	0	92,24,977	4,46,736	4,48,210
8	Liabrary Books	2,97,749	0	0	2,97,749	2,97,749	0	0	0	0	2,97,749	0	0
9	Online Trading System & Communication Equipments	4,36,167	0	0	4,36,167	4,36,167	0	0	0	0	4,36,167	0	0
	Total Tangible Assets (A)	19,34,58,649	11,500	10,000	19,34,60,149	12,28,69,424	63,09,563	8,172	0	0	12,91,70,815	6,42,89,334	7,05,89,225
	Previous Year	19,39,53,153	0	4,94,504	19,34,58,649	11,56,76,779	76,85,342	1,025	4,91,672	0	12,28,69,424	7,05,89,225	7,82,76,374
B	Intangible Assets												
1	Softwares	68,89,557	18,113	0	69,07,670	68,68,822	17,037	0	0	0	68,85,859	21,811	20,735
	Total Intangible Assets (B)	68,89,557	18,113	0	69,07,670	68,68,822	17,037	0	0	0	68,85,859	21,811	20,735
	Previous Year	68,89,557	0	0	68,89,557	68,56,814	12,008	0	0	0	68,68,822	20,735	32,743
C	Capital Work in Progress												
		9,68,42,307	0	0	9,68,42,307	9,35,20,107	0	0	0	397700	9,39,17,807	29,24,500	33,22,200
	Total Capital Work In Progress (C)	9,68,42,307	0	0	9,68,42,307	9,35,20,107	0	0	0	397700	9,39,17,807	29,24,500	33,22,200
	Previous Year	9,68,42,307	0	0	9,68,42,307	9,12,81,307	0	0	0	2238800	9,35,20,107	33,22,200	55,61,000
	Total (A+B+C)	29,71,90,513	29,613	10,000	29,72,10,126	22,32,58,353	63,26,600	8,172	0	397700	22,99,74,481	6,72,35,645	7,39,32,159
	Previous Year	29,76,85,017	0	4,94,504	29,71,90,513	21,38,14,900	76,97,350	1,025	4,91,672	2238800	22,32,58,353	7,39,32,160	8,38,70,117



Delhi Stock Exchange Limited
CIN:U91120DL1947PLC001239

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,2017	As at 31 March,2016
CAPITAL WORK IN PROGRESS		
Amount paid for development of Data Center	2,29,99,046	2,29,99,046
Paid for Hardware Equipments	3,09,03,158	3,09,03,158
Networking & Cabling	94,14,406	94,14,406
Other Expenditures	86,78,146	86,78,146
License/service fee paid for Customized Exchange Technology and other License Fees	2,48,47,551	2,48,47,551
Total Capital Work in Progress	9,68,42,307	9,68,42,307
Less:Provision for Impairment	(9,39,17,807)	(9,35,20,107)
Balance	29,24,500	33,22,200

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 ₹ 9,39,17,807/- (Previous Year ₹ 9,35,20,107/-). 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,2017		As at 31st March,2016	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
LONG TERM INVESTMENTS (At Cost)					
TRADE (Quoted)					
Investment in Equity Instruments					
-Fully Paid up Equity Shares					
Bombay Stock Exchange Limited	2	65,000	67,64,000	1,30,000	67,64,000
(Includes 60,000 (Previous Year 1,20,000) Bonus Shares of ₹ 2/- (Previous Year ₹ 1 per year) each fully paid up	(1)				
TOTAL		65,000	67,64,000	1,30,000	67,64,000

Market value of Quoted Investments ₹ 6,35,47,250/-
(Previous year not applicable as the shares were unquoted)



Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at	
	31 st March, 2017	31 st March, 2016
11. DEFERRED TAX ASSETS (NET)		
<u>Deferred Tax Asset</u>		
Expenses allowable under Income Tax Act on payment basis	1,95,757	3,13,433
Expenses on VRS allowable under Income Tax Act in subsequent years	13,97,368	22,35,789
<u>Less: Deferred Tax Liability</u>		
Fixed Assets	3,44,508	8,51,670
	12,48,617	16,97,552

12. LOANS AND ADVANCES

(Amount in ₹)

Particulars	As At 31st March, 2017		As At 31st March, 2016	
	Long Term	Short term	Long Term	Short term
Unsecured, Considered Good, Unless otherwise stated:				
Others				
Security Deposit with Government Department and others	3,22,15,510	0	3,27,31,510	0
Prepaid expenses/Advance against expenses	0	8,80,662	0	11,04,063
Amount paid to SEBI toward broker / Sub broker fees (Refer Note no. 32)	0	15,84,09,865	0	0
Service Tax Recoverable	48,75,431	0	46,18,219	0
TDS/Income Tax refunds due Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 12.1)	12,52,928	3,00,43,440	12,75,765	4,25,01,986
—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
	3,83,43,869	18,93,33,967	3,86,25,494	4,36,06,049

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.

Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
13. OTHER NON-CURRENT ASSETS		
FDR's (including interest accrued) pledged with Stock Exchanges & other given as Security Deposits	1,14,27,792	1,14,61,769
Margin Deposit with Orbis Finanacial corporation Ltd. (MCX- SX)	2,11,858	2,11,856
	1,16,39,650	1,16,73,625
14. TRADE RECEIVABLES		
<u>Outstanding for a Period exceeding six months</u> Unsecured		
Considered Good	1,90,80,632	1,87,92,382
	1,90,80,632	1,87,92,382
<u>Others Debts</u> Unsecured, Considered Good	31,18,277	22,01,224
	31,18,277	22,01,224
	2,21,98,909	2,09,93,606
15. CASH AND BANK BALANCES		
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	3,08,47,708	7940748
-In Deposit Accounts*	52,25,24,757	660971459
Cash-on-Hand	24,517	12886
<u>Other Bank balances</u>		
Deposit with bank**	1,94,058	194058
	55,35,91,040	669119151

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

** lien marked with Registrar of High Court



Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
16. OTHER CURRENT ASSETS		
Interest accrued on bank deposits	27,45,719	34,81,363
Margin Deposit with IL&FS (for NSE (F&O))	38,50,000	4,64,000
Advance charges paid to NSE	19,451	23,866
Rent Receivable	10,38,311	4,99,217
Recoverable from Customer Protection Fund	25,620	25,620
Other Receivables	4,95,891	5,31,657
Bank FDR earmarked against amount of Share Allotment Kept in abeyance (Refer Note No. 4)	1,56,000	1,56,000
	83,30,992	51,81,723

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
17. REVENUE FROM OPERATIONS		
Brokerage Income (Net)*	27,75,185	25,26,177
Depository Income	6,70,723	7,83,331
Other Fees & Claims	12,923	51,563
	34,58,831	33,61,071

* Net of ₹ 79,90,426/- (Previous year 89,95,971/-)
paid to Sub-brokers / clearing member

Notes forming part of Accounts...

		(Amount in ₹)	
Particulars		Year ended 31 st March, 2017	Year ended 31 st March, 2016
18. OTHER INCOME			
<i>Interest (Gross) on</i>			
a) Fixed Deposits with banks	4,65,72,711		6,14,55,824
b) Others	10,62,416		74,610
	<u>4,76,35,127</u>		<u>6,15,30,434</u>
Less: Allocated to ISF/Customer Protection Fund	<u>0</u>	4,76,35,127	<u>30,79,002</u>
Distribution of Transfer deeds		1,20,784	2,21,560
Miscellaneous Income		16,60,998	11,77,257
Rent Income		7,84,080	43,78,260
Liability No Longer Required Written Back		2,52,653	9,76,950
Dividend Income on Long term/ Non Current Investments		8,45,000	11,05,000
		5,12,98,642	6,63,10,459
19. EMPLOYEE BENEFIT EXPENSES			
Salaries and Benefits		81,24,430	1,10,23,492
VRS / Exgratia / Retrenchment Compensation		0	1,00,29,188
Contribution to Provident fund and Gratuity fund		4,73,447	7,63,384
Staff welfare		3,00,264	2,95,629
		88,98,141	2,21,11,693
20. FINANCE COSTS			
Interest on Income Tax		74,062	13,43,908
		74,062	13,43,908



Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016
21. OTHER EXPENSES			
Electricity, Water & Airconditioning	35,97,521		43,64,630
Property Management Services	36,10,682		35,92,075
Repairs and Maintenance			
- Building	67,065	10,173	
- Others	4,93,520	7,00,041	7,10,214
Sitting Fees	5,22,980		8,21,000
Communication	4,86,332		5,74,807
Auditor's Remuneration	6,80,690		7,28,355
Legal and Professional	18,68,119		10,60,642
Connectivity	21,512		27,208
Settlement Fees & Clearing House Operation	7,79,260		7,67,937
Contribution to SEBI	25,00,000		8,999
Printing and Stationery	1,76,101		1,61,838
Advertisement	0		1,58,664
Travelling and Conveyance	3,42,214		1,69,721
Rates & Taxes	8,21,017		8,21,267
Board and Committee Meetings	94,548		74,232
Vehicle Running and Maintenance	1,72,322		1,38,464
Insurance	7,86,276		6,06,000
Bad debts/Advances/ Misc. Balances written-off	1,15,214		60,758
Festival	1,34,192		78,884
General Meetings of Members	1,22,771		56,854
CSR Expenditure (Donation to Prime Minister National Relief Fund)	0		5,04,203
Claim/ Interest paid pursuant to court order	5,22,901		22,68,000
Miscellaneous	7,73,346		910,065
	1,86,88,583		1,86,64,817

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	1,32,23,071	1,22,69,136
Less: Appropriation to Settlement Guarantee Fund and Investor Service Cell Fund	0	3,26,24,163
Net Profit/(Loss) attributable to Equity Shareholders	1,32,23,071	(2,03,55,027)
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 (₹)	0.44	(0.67)
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 (₹)	0.43	(0.67)

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

- (a) Claims against the group not acknowledged as debts:-
₹ 27,38,58,088/- (Previous Year ₹ 27,53,80,941/-)
- (b) The Assessing Officer has disallowed the holding company claim of exemption under section 11 of Income Tax Act, 1961 from the Assessment Year 1996-97 to 1999-2000 and from Assessment Year 2001-02 to 2006-07. The total demands raised by assessing officer for these years were ₹ 31,44,40,999/- The Commissioner of Income Tax (Appeals) as well as Income Tax Appellate Tribunal (ITAT) upheld the claim of exemption by the Company for all the above years. As per the information available with the company, the Income Tax Department has filed appeal before Hon'ble High Court of Delhi against the decision of ITAT.

24. RELATED PARTY TRANSACTIONS**24.1 List of Related Parties with whom transactions have taken place and relationship:**

- a) *Key Managerial Personnel*
Mrs. Rachna Prakash (Company Secretary)
Mr. CP Gupta (Officiating CEO w.e.f. 02.03.2016 till 31.08.2016)
Mr. Sunil Bhatia (Company Secretary and Officiating Chief Operating Officer)
- b) *Directors*
M.N Verma (Cease to be director from 12.01.2016)
Mohinder Singh
Anish Kumar Sharma (Resigned as director on 24.11.2016)
Venkat Rao (Resigned as director on 24.11.2016)
Anil Sharma (Resigned as director on 28.04.2015)
Shanker Singal (appointed as director on 24.11.2016)
Sudhangshu S. Biswal (appointed as director on 24.11.2016)
S.L. Gupta, Ramji Sinha, Gopal Kedia, Dinesh Garg
Subhash C. Chugh, Mahender K Gupta, I. C. Singhal, Vijay Kumar Gupta



Notes forming part of Accounts...

(Amount in ₹)

24.2 Transactions during the financial year ended 31.03.2017 with Related Parties as under:

Sr. No.	Nature of Transaction	Related Party Referred in (a) above*	Related Party Referred in (b) above*
1	Remuneration Paid	12,59,668 (12,66,091)	Nil (Nil)
2	Reimbursement of Expenses	27,010 (1,38,016)	Nil (Nil)
3	Sitting Fee paid	Nil (Nil)	5,22,980 (8,21,000)
4	Professional Charges paid	Nil (Nil)	3,14,500 (Nil)

* Amounts in bracket represents the previous year figures

** Sitting Fees Paid detail:

(Amount in ₹)

Name of Director	For the year ended 31/03/2017	For the year ended 31/03/2016
Mohinder Singh	1,35,000	1,50,000
M N Verma	0	1,20,000
Anish Sharma	1,15,000	1,75,000
Venkat Rao	1,20,000	1,85,000
Anil Sharma	0	5,000
Sudhangshu S Biswal	55,000	0
Shanker Singal	45,000	0
S.L Gupta	0	44,000
Ramji Sinha	0	51,000
Gopal Kedia	0	26,000
Dinesh Garg	0	51,000
Subhash C. Chugh	7,000	7,000
Mahender K Gupta	26,480	7,000
I C Singhal	12,000	0
Vijay kumar Gupta	7,500	0
Total	5,22,980	8,21,000

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

Defined Contribution Plan

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

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)	Head under which shown in Statement of Profit & Loss
Contribution to Provident Fund	3,11,460	8,49,351	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)	22,14,612	50,65,230	6,76,893	13,20,560
Interest Cost (B)	1,57,237	3,95,088	48,059	1,03,004
Past service cost (C)	Nil	Nil	Nil	Nil
Current service cost (D)	1,18,412	1,29,194	1,05,485	1,14,054
Benefits paid (E)	(9,84,375)	(29,06,074)	(2,96,592)	(6,80,989)
Actuarial loss/(gain) on obligation (F)	(60,851)	(4,68,826)	13,743	(1,79,736)
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	14,45,035	22,14,612	5,47,588	6,76,893

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)	14,45,035	22,14,612	5,47,588	6,76,893
Estimated fair value of plan Assets (B)	12,82,137	19,43,519	Nil	Nil
Net Liability/(Asset) (C=A-B)	1,62,898	2,71,093	5,47,588	6,76,893
Amounts in the Balance Sheet Liabilities/(Asset)	1,62,898	2,71,093	5,47,588	6,76,893
Amount charged to Profit & Loss Account				
Current Service Cost	1,18,412	1,29,194	1,05,485	1,14,054
Interest Cost	1,57,237	3,95,088	48,059	1,03,004
Past Service Cost	Nil	Nil	Nil	Nil
Expected Return on Plan Asset	(1,62,284)	(4,07,337)	Nil	Nil
Actuarial(Gain)/Loss	(39,561)	(2,53,595)	13,743	(1,79,736)
	(73,804)	(1,36,650)	1,67,287	37,322
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	1,62,284	4,07,337



Notes forming part of Accounts...

(Amount in ₹)

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

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	6.40%	7.10%
Expected Rate of Return on Plan Assets	8.25%	8.35%
Salary Escalation Rate	10.00%	10.00%

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

SI.No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	19,43,519	45,25,962
ii)	Expected Return on Plan Assets	1,62,284	4,07,337
iii)	Contribution by the Employer	1,81,999	1,31,525
iv)	Benefits Paid	(9,84,375)	(29,06,074)
v)	Actuarial Gain/(Loss)	(21,290)	(2,15,231)
	Closing Fair Value of Plan Assets	12,82,137	19,43,519

25.2 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.

The leave outstanding as on the balance sheet are expected to be availed in next 12 months, therefore it has been treated as short term employee benefit.

26. 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, 2017 and 31st March, 2016.

27. 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.

28 Auditor Remuneration includes the following:

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees	4,00,000	4,00,000
Tax Audit Fees	70,000	70,000
Income Tax Matters	75,000	1,50,000
Others	49,690	20,000
Consolidation	50,000	50,000
Out of Pocket Expenses	36,000	38,355
	6,80,690	7,28,355

Notes forming part of Accounts...

29. Upto the previous year, interest income related to Settlement Guarantee fund was appropriated to the said fund. However due to completion of voluntary de-recognition (as stock exchange) process in terms of SEBI order WTM/ SR/ SEBI/ MRD-DSA/04/01/2017 dated 23/01/2017, in the opinion of management, the said appropriation is no more required for the current year. If the Company had followed the earlier policy, the amount of Settlement Guarantee Fund as shown in the Balance Sheet would have been higher by ₹ 3,82,21,578/- and the debit balance of Surplus as shown in the Balance Sheet would have been higher by the same amount. This change of policy, however, does not have any impact on the Profit/Loss for the year.
30. 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 Guarantee Fund / Trade Guarantee 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, has been transferred during their year from Settlement Guarantee Fund (as shown in note no. 3 - Reserve & Surplus) to Other Current liabilities (as shown in Note no. 8).
31. **Litigation**
- a) The Impact of pending litigation has been considered and disclosed in the Contingent Liabilities in Note No. 23.
- 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.
32. 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. 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 year, the Company has paid the aforesaid amount of ₹ 15,84,09,865/- which has been shown in Note No. 12 of Loans and advances. According to the management, the amounts have been paid to SEBI without prejudice to rights to get the refund of the amount from SEBI, if excess amount has been paid. In the opinion of management, the company is not liable for the liability of aforesaid amount of ₹ 15,84,09,865/- paid by it and liability, if any, will be recoverable from the respective brokers/sub-brokers and, therefore, no provision for expense/

*Notes forming part of Accounts...*

liability is required to be made for the same. The Company is taking legal advice in the matter. As a matter of prudence, the amount of ₹ 15,84,09,865/- (Previous year ₹ 15,84,09,865/-) on account of turnover/ registration fee (including interest) has been shown in Contingent liabilities. During the year the Company has recovered amount of ₹ 1,03,810/- (Previous year Nil) from some broker against the turnover fees/ sub- broker fee which has been shown under the head 'Other Liabilities' in note no. 8.

33. The Ministry of Finance vide its Gazette notification dated 15th March 2016 had withdrawn the recognition granted to the Company under section 4 of the Securities Contracts (Regulations) Act, 1956. The whole time member, SEBI has passed an Order no. WTM/PS/45/MRD/DSA/NOV/2014 dated November 19, 2014 for withdrawal of recognition as stock exchange granted to the company. Aggrieved by the said order, the company filed appeal before Securities Appellate Tribunal which, by its order dated 24th June, 2016 has directed SEBI to complete the voluntary de-recognition process with in a period of Five months from the date of order. The Company has made the compliances as per directions given in SAT order. Consequently the Whole time member, SEBI vide order no. WTM/SR/SEBI/MRD-DSA/04/01/2017 dated January 23, 2017 has 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.
34. The accompanying Consolidated Financial Statement includes the accounts of Delhi Stock Exchange Ltd. and its following subsidiary:-

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year ended
DSE Financial Services Ltd.	India	100% subsidiary	31.03.2017

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 Delhi Stock Exchange Limited	102.39 (102.46)	7,94,90,73,357 (79,77,85,477)	97.10 (106.26)	19781196 (18717755)
Subsidiary (Indian) DSE Financial Services Limited	-2.39 (-2.46)	(1,85,79,458) (1,91,70,649)	2.90 (-6.26)	591191 (1102793)
Total	100.00 (100.00)	77,63,27,899 (77,86,14,828)	100.00 (100.00)	20372387 (17614962)

36. As per financial statements of Subsidiary Company, it is having a procedure for sending quarterly confirmation letters / accounts statements to its debtors / creditors and other parties as per the requirement of SEBI / Various Stock Exchanges. However confirmation in respect of debtors and creditors are still pending for reconciliations, and adjustments, if any, in this regard would be done in the year in which such reconciliations / confirmations take place.
37. (A) As per financial statements of Subsidiary Company, Trade Receivables outstanding for more than six months aggregating to ₹ 161.62 Lakhs (Previous year ₹ 158.73 lakhs) for which no provision for doubtful debts has been made in the books of accounts even though transactions with these parties have been stopped and balance Confirmation as on 31st March 2017 have not been obtained, since in the opinion of the Management of subsidiary company, these balances are good for recovery as awards under arbitration have been received in favour of the company and execution petitions have

Notes forming part of Accounts...

- been filed in the court which are pending.
- B) The company has not made provision for doubtful debts in respect of Trade Receivable outstanding other than litigation cases amounting to ₹ 11.68 Lakhs for more than three years. The management of the Company has now initiated process for the recovery of these dues.
38. As per financial statements of Subsidiary Company, Unrealized delayed payment charges to be recovered from Sub-brokers for the year 2016-17 aggregating to ₹ 36.64 Lacs (Previous Year ₹ 36.72 Lacs) & cumulative till 31.03.2017 ₹ 188.56 Lacs have not been recognized as income in accordance with accounting policy on revenue recognition and the same will be taken as income in the year of actual receipt.
39. As per financial statements of Subsidiary Company, FDRs amounting to ₹ 14 Lacs (Previous year ₹ 15 lacs) have been pledged by Sub-Brokers with Bombay Stock Exchange Ltd. in the name of the subsidiary company as additional capital against margin as on 31.03.2017 without routing it through the books of the accounts of the subsidiary company and accordingly interest thereon are also not credited to the account.
40. As per financial statements of Subsidiary Company, Capital Market and Futures & options transaction charges and processing Fees levied monthly by NSE Ltd. and BSE Ltd. aggregating to ₹ 5.21 lacs and ₹ 0.83 lacs respectively have been recovered from sub-brokers on behalf of members of stock exchange and hence not disclosed in the Statement of Profit & Loss for the year.
41. During the year, the Holding Company has spent ₹ Nil (Previous year ₹ 5,04,203/-) on Corporate Social Responsibility (CSR Activities) by way of donation to Prime Minister's National Relief Fund. During the year, the Holding Company was required to spent ₹ 9,08,264/- on Corporate Social Responsibility (CSR Activities) which has been spent subsequent to the year end.
42. In the case of Subsidiary Company, Income tax refunds aggregating to ₹ 8.33 lacs for the financial years 2002-03 to 2011-12 are still pending for recovery from the income tax department.
43. 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.
44. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
45. **Disclosure on Specified Bank Notes (SBNs)**

In terms of MCA notification G.S.R 308(E) dated March 30, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, is as under:

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	23,500	36,580	60,080
(+) Permitted receipts	0	2,61,797	2,61,797
(-) Permitted payments	0	2,77,460	2,77,460
(-) Amount deposited in Banks	23,500	0	23,500
Closing cash in hand as on 30.12.2016	0	20,917	20,917

46. 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 : November 22, 2017

FOR AND ON BEHALF OF THE BOARD

MOHINDER SINGH **RAJINDER KUMAR GOEL** **SANJIV GANDHI**
(CHAIRMAN) (DIRECTOR) (DIRECTOR)
DIN:06819409 DIN:00020363 DIN: 0007982775

Sunil Bhatia **Ruchi Jain**
Company Secretary Executive-Accounts



*21st
Annual Report
2016 - 2017*

DSE Financial Services Ltd.

(A subsidiary of Delhi Stock Exchange Limited)



DSE Financial Services Ltd.
(A subsidiary of Delhi Stock Exchange Limited)

Board of Directors and KMP's

Chairman :

Shri M. K. Gupta

Shareholder's Director :

Shri I. C. Singhal
Shri Vijay Kumar Gupta

Representative Director :

Shri Sunil Bhatia

Company Secretary:

Ms. Rachana Prakash

Statutory Auditors :

Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
221-223, Deen Dayal Marg,
New Delhi-110 002

Bankers :

Canara Bank
HDFC Bank

Corporate Office :

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

Registered Office :

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

Notice to Members

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of DSE Financial Services Limited will be held on the Friday, September 29th 2017 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, 2017 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vijay Kumar Gupta , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Thakur, Vaidyanath Aiyar & Co. ,Chartered Accountants, the retiring Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
4. Any other item with the permission of the Chair.

By order of the Board of Directors
For DSE Financial Services Ltd.

Date: 28.9.2017
Corporate Office:
3/1, Asaf Ali Road
New Delhi-110 002

Rachana Prakash
Company Secretary

NOTES:

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



Directors' Report

Dear Members,

The Board of Directors hereby submits the 21st Annual Report of the business and operations of your company ('the Company' or 'DFSL'), along with the audited financial statements, for the financial year ended March 31, 2017.

TURNOVER

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

(Amount in ₹ crores)

Product	2016-17	% change since last year	2015-16
BSE (cash)	386.54	-4.39	404.31
NSE (cash)	913.10	-0.54	918.13
NSE (F&O)	355.53	+82.73	194.56
MCX-SX	—	—	—
Total	1655.17	+9.10	1517.00

RESULTS OF OUR OPERATION

The standalone performance of the Company for the financial year ended March 31, 2017 is summarized below:

(Amount in ₹ Lakhs)

Particulars	2016-17	2015-16
Net Sales /Income from Business Operations	34.58	33.62
Add: Other Income	36.69	36.34
Total Income	71.27	69.96
Less : Expenses	65.05	80.60
Profit/(Loss) before Depreciation	6.22	(10.65)
Less Depreciation	0.32	0.37
Profit/(Loss) after depreciation and expenses	5.91	(11.02)
Less Current Income Tax	—	—
Less Previous year adjustment of Income Tax	—	—
Less Deferred Tax	—	—
Net Profit /Loss after Tax	5.91	(11.02)
Less:Dividend (including Interim if any and final)	—	—
Net Profit after dividend and Tax	5.91	(11.02)

PERFORMANCE HIGHLIGHTS

Your directors are pleased to report that your Company has earned a net profit of ₹ 5.91 Lakhs against the loss of ₹ 11.02 Lakhs for the first time in its history since inception.

I. OPERATIONS

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

There are 1090 no of active clients as on March 31, 2017 who were trading against 1263 last year showing a decrease of 13.69% during the year.

II. DEPOSITORY PARTICIPANT SERVICES

The number of Demat accounts of your Company has registered a modest increase of about 5% to the tune of 3185 as on March 31, 2017 from 3040 as on March 31, 2016.

DIVIDEND

In view of the accumulated losses in previous years, your Directors do not recommend any dividend for the year ended March 31, 2017.

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, 2017.

DIRECTORS

During the financial year 2016-17 the following changes took place in the Board of Directors of the Company:

Mr. Subhash Chander Chugh & Mr. Mahender Kumar Gupta were appointed as Trading Member Directors of the Company w.e.f. March 01, 2016.

Mr. I.C.Singhal & Mr. Vijay Kumar Gupta were appointed as Shareholder's Directors of the Company w.e.f. September 09 , 2016.

Mr. Subhash Chander Chugh resigned as Director of the Company w.e.f. 23rd August 2016 due to personal reasons.

The Board places on record its appreciation for the valuable contribution made by the outgoing Director.

In accordance with the Companies Act, 2013, and Article of Association one of the Director Mr.Vijay Kumar Gupta retires by rotation and being eligible, offers himself for 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, 4 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

The Auditors M/s. Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As required under Section 141 of the Companies Act, 1956, the Company has obtained from them a confirmation to the effect that their re-appointment, if made, would be within the limits prescribed in the said section.

CORPORATE GOVERNANCE

Your Company has adopted high standard of Corporate Governance principles by ensuring strict compliance of various SEBI Guidelines and Companies Act, 2013. A report on Corporate Governance for the year 2015-16 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 end of the financial year to which this financial statements relate on the date of this report.

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

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

RISK MANAGEMENT POLICY

The Company has Risk Management Policy.

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

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DEPOSITS

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

DECLARATION OF INDEPENDENT DIRECTORS

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

SHARES

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

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

PARTICULARS OF EMPLOYEES

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

AUDITOR'S OBSERVATION

The comments on the opinion in the report of Auditors on the financial statements for the financial year 2016-17 are as under:

1. Compliance requirements of various exchanges of which company is a member & SEBI is required since continuous penalty for non-compliances are levied by the regulator authorities every year.
2. Process of recovery of dues from Clients/sub-brokers.

In regard to the above mentioned matter :

1. Management has already taken effective steps and controls and in this regard is hopeful that such penalties would not be levied on the Company this year.
2. Management also feels that more stringent steps are being taken for regular recovery of dues from clients.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of
DSE Financial Services Ltd.

Mahender Kumar Gupta
Chairman

Date : September 28, 2017 **Ishwar Chand Singhal**
Place : New Delhi. Director

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

A. Composition and Category of Directors:

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

B. As on March 31, 2017 there were following Directors on the Board of the Company:

Sr. No.	Name of Director	Nature of Directorship	Date of Appointment
1	Mr. M.K. Gupta	Trading Member Director	01.03.2016
2	Mr.I.C.Singhal	Shareholder's Director	09.09.2017
3	Mr.Vijay Kr Gupta	Shareholder's Director	09.09.2017
4	Mr. Sunil Bhatia	DSE Officer Director	01.01.2014

C. In the financial year 2016-17, the attendance of Directors is as follows:

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Meeting held during the tenure	Meetings attended
1	Mr. M.K. Gupta	01.03.2016	29.01.2016	4	4
2	Mr.I.C.Singhal	09.09.2017	18.07.2015	2	2
3	Mr. Vijay Kr Gupta	09.09.2017	23.01.2016	2	2
4	Mr. Sunil Bhatia	01.01.2014	15.02.2016	4	4
5	Mr. Subhash Chander Chugh	01.03.2016	23.08.2016	1	1

Notes:-

Mr. Subhash Chander Chugh & Mr. Mahender Kumar Gupta were appointed as Trading Member Directors of the Company w.e.f. March 01, 2016.

Mr. I.C.Singhal & Mr. Vijay Kumar Gupta were appointed as Shareholder's Directors of the Company w.e.f. September 09, 2016.



3. BOARD MEETINGS

BOARD MEETING	130th	131st	132nd	133rd
Date	12.07.2016	31.08.2016	09.09.2016	07.12.2016
Time	4:00 P.M	4:30 P.M	4:30 P.M	4:30 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

4. COMMITTEE MEETINGS

MEETING	HR & LEGAL COMMITTEE
Date	08 th August ,2016
Time	4:00 P.M
Venue	Board Room, 3/1, Asaf Ali Road, New Delhi-02
PRESENT	Mr. M. K. Gupta - Director OFFICIALS Mr. C. P. Gupta-CEO (Officiating) Ms.Rachana Prakash – Company Secretary

4. GENERAL BODY MEETINGS

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

For the Financial year	2013-14	2014-15	2016-17
AGM	18th	19th	20th
Date	September 26, 2014	September 15,2015	September 30,2016
Time	05:00 P.M.	4:00 P.M	4:00 P.M
Venue	Board Room DSE House 3/1, Asaf Ali Road New Delhi-110002	Board Room DSE House 3/1, Asaf Ali Road New Delhi-110002	Board Room DSE House 3/1, Asaf Ali Road New Delhi-110002

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.

5. 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 Company in which a Board member is a 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 2016-17 the Company has paid ₹ 92,580/- (previous year ₹ 2,72,300/-) as sitting fees to the Directors.

6. GENERAL SHAREHOLDERS INFORMATION

i) 21st Annual General Meeting

Date & Time	September 29, 2017 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, 2016 to March 31st, 2017.

iii) Address for Correspondence:

DSE Financial Services Limited
DSE House, 3/1, Asaf Ali Road, New Delhi-110002.
Phone No. 011-

Official website is <http://www.dsefl.com> and
Investor's Grievances I. D. is grievances@dsefl.com

For and on behalf of the Board of
DSE Financial Services Ltd.

Mahender Kumar Gupta
Chairman

Ishwar Chand Singhal
Director

Date : September 28, 2017
Place : New Delhi.



DSE Financial Services Ltd.
(A subsidiary of Delhi Stock Exchange Limited)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

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 : **DSE FINANCIAL SERVICES LIMITED**
- iv) Category / Sub-Category of the Company : **Company Limited by shares**
- v) Address of the Regd. Office & contact details : **DSE CHAMBERS
3 & 4/4B, ASAF ALI ROAD,
New Delhi - 110002**
- vi) Whether listed company : **No**
- vii) Name Address & Contact details of the Registrar & Transfer Agent, if any : **NIL**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	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.	DELHI STOCK EXCHANGE LIMITED	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		6	6	0		6	6	0	
(b) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
© Bodies Corporates*	0	59994	59994	100	0	59994	59994	100	
(d) Banks/FI	0	0	0	0	0	0	0	0	
(e) Any Others(Specify)	0	0	0	0	0	0	0	0	
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) FIs (g) Foreign Venture Capital Funds (i) Any Other (specify)				NIL					
Sub-Total (B)(1)									



2 Non-institutions									
(a) Bodies Corporate I Indian ii) Overseas (b) Individuals I i. Individual shareholders holding nominal share capital up to ₹ 1 lakh II ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs (d) Any Other (specify)									
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)+©0000	60000	100	0	60000	60000	100			

*DSE FINANCIAL SERVICES LTD. IS WHOLLY OWNED SUBSIDIARY OF DELHI STOCK EXCHANGE LTD.

(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	DELHI STOCK EXCHANGE LIMITED	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	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				

NO CHANGE

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

Sr. No.	For each of the Top 10 Shareholder's	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	SUNIL BHATIA	1*	0	1	0
2.	SALIL KUMAR	1*	0	1	0
3.	Mrs. SEEMAPRADNANI	1*	0	1	0
4.	MRS. NEETALODHA	1*	0	1	0
5.	V.K.YADAV	1*	0	1	0
6.	Ms. RUCHI JAIN	1*	0	1	0
	Total	6	0	0	6

*as nominee of Delhi Stock Exchange Ltd.



(v) Shareholding of Directors & KMP : NIL

Sl. No.		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the Beginning of the year				
2	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				

NO CHANGE

V. INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans / Advances	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) interest due but not paid				
iii) interest accrued but not due				
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. Vijay Gupta	Mr. S. C. Chugh		TOTAL AMOUNT
	a) Fee for attending board Committee Meeting b) Commission c) Other, Please Specify	33,900	13,500	9,000	6,300		62,700
	Total (2)	33,900	13,500	9,000	6,300		62,700
	Total (B)=(1+2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) of the Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the Income-tax Act, 1961		3,14,631		3,14,631
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of Profit				
5	Others, please specify				
	Total		3,14,631		3,14,631

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 DSE Financial Services Ltd.

Date : 28.09.2017
Place: New Delhi

Mahender Kumar Gupta
Chairman

FORM NO. AOC -2

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

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

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

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

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

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

For and on behalf of the Board of
DSE Financial Services Ltd.

Mahender Kumar Gupta
Chairman

Date : September 28, 2017
Place : New Delhi.

Ishwar Chand Singhal
Director



Independent Auditor's Report

To

**THE MEMBERS OF
DSE FINANCIAL SERVICES LTD.**

1. Report on Financial Statements

We have audited the accompanying financial statements of DSE Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate Accounting Standards in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Basis of Qualified Opinion

As explained in the Note No. 10 of Annexure 1B to the Financial Statement, the company has not made provision in respect of short/non recovery of Income Tax Refund of ₹ 8.33 Lakhs pertaining to Financial Year 2002-03 to 2011-12 for which no follow-up action for recovery has been initiated by the Company.

AUDITORS' REPORT....Contd.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Para 4 relating to the "Basis for Qualified Opinion" above, financial statements gives 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, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Emphasis of Matter:

We draw attention in respect of:

1. **Note No. 1 of Annexure 1B of regarding preparation of the financial statements of the company on the basis "as a going concern" despite the Holding company i.e Delhi Stock Exchange Limited stands de-recognised as per the publication of notification of the Ministry of Finance dated 15th March,2016. The Management of the Company has confirmed that de-recognition of the holding company, Delhi Stock Exchange Limited (DSEL) from the business of the stock exchange will not affect the activities of the company "as a going concern".**
2. **Note No. 4(A) of Annexure 1B regarding Trade Receivable outstanding for more than six months aggregating to ₹ 161.62 Lakhs (previous year ₹ 158.73 Lakhs) out of which ₹ 143.21 Lakhs pertains to the Debtors under litigation for which no provision for doubtful debts has been made in the books of accounts by the management even though transactions with these parties have been stopped about which the management is confident of recovering the full amount as awards under arbitration have been received in favour of the company and execution petitions for recovery**

of outstanding dues have been filed in the court which are pending.

3. **Note No. 4(B) of Annexure 1B regarding Trade receivables outstanding other than Litigation cases amounting to ₹ 11.68 Lakhs for more than three years. The management has already initiated process for the recovery of these dues.**

7. 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 of the Act, we have given a statement in the Annexure on the matters specified in paragraphs 3 and 4 of that order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (1) & (2) of section 164 of the Companies Act, 2013;



- f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "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:-
- the Company has disclosed the impact of pending litigations in its financial statements.
 - The requirement of transferring the Fund to Investor Education and Protection Fund is not applicable to the company.
 - The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Regn. No. 000038N

Place : New Delhi (Anil Kumar Aggarwal)
Date: September 28, 2017 Partner
M. No. : 087424

Annexure A to the Auditor's Report

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the Management as on 31.03.2017 and discrepancies reported which are not material, have been properly dealt in the books of accounts. In our opinion, the frequency of verification is reasonable.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties which are held in the name of the Company.
- The Company is not carrying any inventories either during the year or at the year end, thus clauses ii (a), (b), (c) of the said order are not applicable to the Company.
 - 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. Accordingly, the provisions of clause iii (a), (b) of the said order are not applicable to the company.
 - The Company has not given any loans to directors and no investments are made. Accordingly the said clause is not applicable.
 - The Company has not accepted any deposits from the public and therefore, there is no question of contravention of the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
 - The requirement of maintenance of cost records as specified by the Central Government u/s 148(1) of the Companies Act, 2013 is not applicable on the company.
 - According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Service Tax, Income Tax and other statutory dues as applicable to it with the appropriate authorities. No undisputed Statutory dues were outstanding as at 31st March, 2017, except Rs. 46,921/- of stamp Duty payable for a period of more than six months from the date they became payable.
 - According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any loans from any banks and financial institutions during the year. Accordingly, provisions of clause viii are not applicable.
 - 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. Based upon the audit procedures performed for the purpose of reporting the true & fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly this clause is not applicable.
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 our examination 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 transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give 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.
15. 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. 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 Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Regn. No. 000038N

Place : New Delhi (Anil Kumar Aggarwal)
Date: September 28, 2017 Partner
M. No. : 087424

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

1. We have audited the internal financial controls over financial reporting of DSE financial services Limited as of 31 March 2017 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

2. 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

2. 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.

3. 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.
4. 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

5. 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

6. 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

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

- (a) **Compliance requirements of various exchanges of which the company is a member & SEBI, since continuous penalty for non-compliances are levied by the regulatory authorities every year.**
- (b) **Process of recovery of dues from Clients/ sub brokers, were operating effectively as at 31 March 2017, 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 Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Regn. No. 000038N

Place : New Delhi
Date: September 28, 2017

(Anil Kumar Aggarwal)
Partner
M. No. : 087424

BALANCE SHEET as at March 31, 2017

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

	Note No.	As At 31.3.2017	As At 31.3.2016
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	(1,85,79,458)	(1,91,70,649)
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Long term provisions	3	6,46,501	5,86,587
(3) Current Liabilities			
(a) Trade payables	4	3,56,29,071	1,30,10,071
(b) Other current liabilities	5	1,82,05,720	2,07,96,836
(c) Short-term provisions	6	1,39,329	1,45,924
Total		9,60,41,162	7,53,68,769
II. Assets			
(1) Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		96,923	1,02,178
(ii) Intangible assets		21,811	20,735
(b) Non-current investments	8	67,64,000	67,64,000
(c) Other non-current assets	9	4,09,42,578	4,15,24,393
(2) Current assets			
(a) Trade receivables	10	1,92,79,939	1,80,74,636
(b) Cash and cash equivalents	11	2,43,79,606	73,38,518
(c) Other current assets	12	45,56,305	15,44,309
Total		9,60,41,162	7,53,68,769

Statement on Significant Accounting Policies and Notes to Accounts referred to above form an integral part of the Balance Sheet. **Annexure 1**

As per our report attached of even date.

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Regn. No. 000038N

Anil Kumar Aggarwal
Partner
M. No. 087424

M.K. Gupta
Director

For and on behalf of the Board
DSE Financial Services Ltd.

I. C. Singhal **Vijay Kr. Gupta** **Sunil Bhatia**
Director Director Director Director

Place : New Delhi
Date : September 28, 2017

Rachana Prakash
(Company Secretary)



DSE Financial Services Ltd.
(A subsidiary of Delhi Stock Exchange Limited)

STATEMENT OF PROFIT AND LOSS for the Year Ended March 31, 2017

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
(A) Revenue :			
Revenue from operations	13	34,58,831	33,61,071
Other Income	14	36,69,961	36,34,483
Total Revenue (A)		71,28,792	69,95,554
(B) Expenses :			
Operative Expenses	15	9,62,485	13,11,770
Employee benefit expense	16	34,19,490	39,23,465
Other expenses	17	21,16,995	28,21,144
Financial costs	18	6,670	4,238
Depreciation	7	31,960	37,730
Total Expenses (B)		65,37,601	80,98,346
Profit/(Loss) before exceptional and extraordinary items and tax	(A-B)	5,91,191	(11,02,793)
Exceptional Items		—	—
Profit/(Loss) before tax		5,91,191	(11,02,793)
Tax expense:			
Current Tax		—	—
Deferred tax		—	—
Profit/(Loss) for the year		5,91,191	(11,02,793)
Basic Earning per equity share of face value of ₹ 1000 each		9.85	(18.38)
Statement on Significant Accounting Policies and Notes to Accounts referred to above form an integral part of the statement of Profit and Loss Account	Annexure 1		

As per our report attached of even date.
FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Regn. No. 000038N

Anil Kumar Aggarwal
Partner
M. No. 087424

M.K. Gupta
Director

For and on behalf of the Board
DSE Financial Services Ltd.

I. C. Singhal **Vijay Kr. Gupta** **Sunil Bhatia**
Director Director Director

Place : New Delhi
Date : September 28, 2017

Rachana Prakash
(Company Secretary)

CASH FLOW STATEMENT for the Year ended March 31, 2017

	Year ended 31st March, 2017	Year ended 31st March, 2016
<i>(Amount in ₹)</i>		
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	5,91,191	(11,02,793)
<i>Adjustment for :</i>		
Depreciation	31,960	37,730
Provisions for Gratuity, Leave encashment and employee benefits	53,320	36,199
Fixed Assets w/o during the year	—	834
Profit on sale of assets	—	(75)
Interest Income	(9,37,402)	(11,71,914)
Dividend Income	(8,45,000)	(11,05,000)
Operating Profit/Loss before Working Capital Changes	(11,05,931)	(33,05,019)
<i>Adjustment for :</i>		
Trade, other Receivables and loans and advances	(36,35,484)	1,69,87,147
Current and Non-current Liabilities	20,0,27,885	(2,86,18,877)
Cash Generated from operation	1,52,86,470	(1,49,36,749)
Income tax paid	—	—
Net Cash from Operation Activities	1,52,86,470	(1,49,36,749)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Dividend Income	8,45,000	11,05,000
Interest Income	9,37,403	11,71,914
Purchase/Sale of Fixed Assets	1,828	1,046
Net Cash used in Investing Activities	17,54,618	22,77,960
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in Cash & Cash Equivalents A+B+C	1,70,41,088	(1,26,58,789)
Cash and Cash Equivalents (Opening Balance)	73,38,518	1,99,97,307
Cash and Cash Equivalents (Closing Balance)	2,43,79,606	73,38,519
Components of Cash and Cash Equivalents at the end of the year		
<u>Balances with Banks</u>		
In Current Accounts	24,372,227	73,34,091
Cash-in-hand	7,379	4,427
Total	24,379,606	73,38,519

Statement on Significant Accounting Policies and **Annexure -1**
Notes on Accounts referred to above form
an integral part of Balance Sheet

As per our report attached of even date.

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Regn. No. 000038N

Anil Kumar Aggarwal
Partner
M. No. 087424

M.K. Gupta
Director

For and on behalf of the Board
DSE Financial Services Ltd.

I. C. Singhal **Vijay Kr. Gupta** **Sunil Bhatia**
Director *Director* *Director*

Place : New Delhi
Date : September 28, 2017

Rachana Prakash
(Company Secretary)



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Nature of Operations:

DSE Financial Services Limited (DFSL) is the wholly owned subsidiary company of Delhi Stock Exchange Limited. It has trading membership of both cash and Future & Options w.e.f. 13th July, 2009 segments of NSE, Cash segment of BSE. DFSL is also a depository participant of Central Depository Services (India) Limited. DFSL also provides all types of connectivity options for trading. Only trading members of DSE are entitled to become sub-brokers of DFSL and trade on at BSE and NSE.

A. Significant Accounting Policies

1. Basis of Accounting

- a) The Financial statements have been prepared “as a going concern” under the historical cost convention in accordance with generally accepted accounting principles (GAAP) in India, the accounting standards referred to in section 133 of the Companies Act, 2013, as applicable and the provisions of the Companies Act, 2013.
- b) The Company follows the mercantile system of Accounting and recognizes significant items of income and expenditure on accrual basis except to the extent stated otherwise.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon Management’s evaluation of the relevant facts and circumstances as on the date of financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

3. Revenue Recognition

Revenue is recognized on accrual basis in accordance with AS – 9. However, delayed payment charges for default pay in and claims have been accounted for on cash receipt basis.

Penalty levied by Exchange’s or others is provided on payment basis.

4. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

5. Depreciation

(a) Tangible Assets

Depreciation on Fixed Assets is provided on written down value method on the basis of useful life of assets in the manner specified in schedule II of the Companies Act, 2013.

(b) Intangible Assets

Intangible assets are amortized as per Accounting Standard-26 i.e. Intangible assets.

As per AS-26, Intangible assets should be amortized in the ratio of future economic lives of the assets.

6. **Investments**

- a. Current investments are stated at cost or fair value, whichever is lower.
- b. Non Current Investments –

Investments in Equity Shares of Bombay Stock Exchange Limited, being long term, are stated at cost. Cost represents amount deposited for card based membership (₹ 67.64 Lacs i.e. 1,30,000 shares of face value of ₹ 1/- each) earlier against which allotment of shares have been made to the Company. Now these shares have sub-consolidated at 65000 shares having face value of ₹ 2/- each and listed on the stock exchange.

7. **Provisions and Contingent Liabilities**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes.

8. **Staff Benefits**

- a. At present, the provisions of the Employees Provident Fund and Miscellaneous Provisions Act 1952 are not applicable to the company since the total number of employees is lesser than the minimum stipulated requirements of the act.
- b. The company is making provision for Gratuity and Leave Encashment to staff as per Provisions of Payment of Gratuity Act, 1972 and Leave Rules of the organization respectively.

9. **Taxation**

- a. Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit/ (loss) for the year.
- b. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

B. **Notes to Accounts**

1. Delhi Stock Exchange Limited (DSEL), the holding Company has opted to voluntarily exit from the business as Stock Exchange vide its letter dated May 24, 2014 to Securities Exchange Board of India (SEBI). Now the DSE officially stands de-recognized as per the publication of notification of Ministry of Finance in gazette of India dated March 15, 2016.
However, de-recognition of the holding company, Delhi Stock Exchange Limited (DSEL) from the business of the stock exchange will not affect DSE Financial services Limited. Hence, the accompanying financial statements of the company have been prepared on the basis of "as a going concern".
2. 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.
3. The Company is having a procedure for sending quarterly confirmation letters / accounts statements to its debtors and other parties as per the requirement 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.
4. A) Trade Receivables outstanding for more than six months aggregating to ₹ 161.62 lacs (Previous Year ₹ 158.73 Lacs) out of which ₹ 143.21 Lacs pertains to the debtors under litigation for which no provision for doubtful debts has been made in the books of accounts even though transactions with these parties have been stopped and balance Confirmation as on 31st March 2017 have not been obtained, since in the opinion of the Management these balances



are good for recovery as awards under arbitration have been received in favour 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 Receivable outstanding other than litigation cases amounting to ₹ 11.68 Lacs for more than three years. The management of the Company has now initiated process for recovery of these dues.
5. As per AS-9 due to uncertainty in realization of payment charges levied on Debtor's under arbitration to be recovered from Sub-brokers for the year 2016-17 aggregating to ₹ 36.64 lakhs net of recovery (Previous Year ₹ 36.72 lakhs) & cumulative till 31.03.2017 ₹ 188.56 lakhs have not been recognized as income and the same will be taken as income in the year of actual receipt.
Likewise, a sum of ₹ 9,10,434 (previous year - ₹ 1,26,377) has been accounted as income realized on sale of shares belongs to sub-brokers and their clients who are under arbitration during the year 2016-17.
6. FDRs amounting to ₹ 14.00 Lacs (Previous year ₹ 15.00 lacs) have been pledged by Sub-Brokers with Bombay Stock Exchange Ltd. in the name of the company as additional capital against margin as on 31.03.2017 without routing it through the books of the accounts of the company and accordingly interest thereon are also not credited to the account of DSFL.
7. Transaction charges and processing Fees levied monthly by NSE Ltd. and BSE Ltd. for capital market and Future & options aggregating to ₹ 12.08 lakhs (previous year ₹ 5.21 lakhs) and ₹ 0.83 lakhs (previous year ₹ 0.96 lakhs) respectively have been recovered from sub-brokers on behalf of members of stock exchange and hence not disclosed in the Statement of Profit & Loss for the year.
8. Margin Deposits appearing in **Note no. 12**– "Other Current Assets" are interest free except margin money deposit with IL&FS.
9. 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 being created.
10. Income tax refunds aggregating to ₹ 8.33 lakhs for the financial years 2002-03 to 2011-12 are still pending for recovery from the income tax department for which effective action is initiated by the management for speedy recovery.
11. There are some unclaimed shares lying for more than 3 years in the Demat account of the Company, which do not belong to it. The Board of Directors of the Company is looking into the matter and would take appropriate decisions shortly.
12. **Director's Remuneration - NIL**

There is no Whole time Executive Director in the Company during the Financial Year 2016-17 and immediately preceding Financial year.

13. The disclosures of "Employee Benefits" as defined in the Accounting Standard 15 are as under:-
There is no Whole time Executive Director in the Company during the Financial Year 2014-15 and immediately preceding Financial year

(i) **Defined Contribution Plan**

As the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are not presently applicable to the 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 company's policy on the basis of last pay drawn at the end of the year.
14. As per AS-18, issued by The Institute of Chartered Accountants of India, the Company's related parties and transactions with them are disclosed below:
- a. List of related parties:

Holding company (A)	Key Management Personnel (B)
Delhi Stock Exchange Ltd.	Mrs. Rachana Prakash Mr. C.P. Gupta Officiating CEO on deputation from DSE w.e.f. 02.03.2016 till 31.08.2016

- b. Transactions with related parties:

(Amount in ₹)

Nature of transactions	(A)	(B)
	31.03.2017 (31.03.2016)	31.03.2017 (31.03.2016)
Office Rent	5,56,003 (9,66,960)	—
Re-imbusement of Salaries of Deputed Staff	— (1,63,803)	—
Maintenance Charges	80,580 (1,57,895)	—
Reimbursement of Expenses including Elect. & Water Charges	4,31,660 (3,70,868)	27,010 (1,38,016)
Remuneration Paid	—	3,26,684 (4,86,107)
Amount payable	52,98,280 (42,79,997)	—

- 15A. 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, there are no micro, small and medium enterprises, to whom the company owes dues.
- B. As the company is covered under the definition of Small and Medium Enterprises (SME), the disclosure required under the mandatory accounting standards have only been furnished in the Notes to Accounts of the accompanying financial statements.



16. The Details of Specified Bank Notes (SBN's) Deposited into Bank Account during the period from 08.11.2016 to 30.12.2016 is as follows:

Particulars	SBN's	Other Denomination	Total Amount (₹)
Closing Balance as on 08.11.2016	₹ 500 * 20 notes ₹ 1,000 * 4 notes Total = ₹14,000	₹ 100 * 157 notes Total = ₹ 15,700	29,700
Add: Permitted Receipts during 08.11.2016 to 30.12.2016	—	—	—
Less: Permitted Payments during 08.11.2016 to 30.12.2016	—	₹ 100 * 121 notes ₹ 10 * 4 notes ₹ 2 * 2 coins Total = ₹ 12,144	12,144
Less: Deposited in Bank during 08.11.2016 to 30.12.2016	₹ 500 * 20 notes ₹ 1,000 * 4 notes Total = ₹ 14,000	—	14,000
Closing Balance as on 30.12.2016	—	₹ 100 * 35 notes ₹ 50 * 1 note ₹ 5 * 1 coin ₹ . 1 * 1 coin Total = ₹ 3,556	3,556

17. Annualized Earning per share has been calculated based on the net profit of ₹ 5,91,191 (Previous Year ₹ 11,02,794/- (Loss)) and the weighted average number 60,000 of equity shares (Previous Year 60,000).
18. The management is of the opinion that there is no impairment of assets as contemplated in Accounting Standard 28.
19. Penalty of ₹ 1.68 lakhs has been paid during the year on account of Non-compliances observed in the regular inspection of National Stock Exchange for the year 2015-16. Regular Inspection for the year 2016-17 has been completed and DFSL has submitted the replies on the observations and final report is awaited.
20. Contingent liability ₹ 5.47 lakhs includes TDS default shown on Income Tax site and income tax demand outstanding for A.Y 2012-13 for which appeal has been allowed partly vide order dated 08.08.2016. (Previous year ₹ 5.20 lakhs)
21. Previous year figures has been regrouped/rearranged wherever considered necessary in order to make them comparable with the current year figures as per the requirement of Companies Act, 2013.

As per our report attached of even date.

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Regn. No. 000038N

Anil Kumar Aggarwal
Partner
M. No. 087424

M.K. Gupta
Director

For and on behalf of the Board
DSE Financial Services Ltd.

I. C. Singhal Vijay Kr. Gupta Sunil Bhatia
Director Director Director Director

Place : New Delhi
Date : September 28, 2017

Rachana Prakash
(Company Secretary)

NOTES TO ACCOUNTS

NOTE I

SHARE CAPITAL

(Amount in ₹)

Particulars	As At 31.03.2017	As At 31.03.2016
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 share holder	As At 31.03.2017		As At 31.03.2016	
	No. of shares	% holding	No. of shares	% holding
Delhi Stock Exchange Limited - (including 6 Representative Share Holders)	60,000	100	60,000	100

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

Equity Share Capital

Particulars	As At 31.03.2017	As At 31.03.2016
Number of shares at the beginning of the year	60,000	60,000
Number of shares issued during the year	NIL	NIL
Number of shares outstanding at the end of the year	60,000	60,000

NOTE 2

RESERVES AND SURPLUS

(Amount in ₹)

	As At 31.03.2017	As At 31.03.2016
General Reserve		
Opening balance	(1,91,70,649)	(1,80,67,856)
Profit/(Loss) during the year	5,91,191	(11,02,793)
Closing Balance	(1,85,79,458)	(1,91,70,649)



Notes to Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2017	As At 31.03.2016
NOTE 3		
LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	6,46,501	5,86,587
	6,46,501	5,86,587
NOTE 4		
TRADE PAYABLES		
Trade Creditors	3,56,29,071	1,30,10,071
	3,56,29,071	1,30,10,071
NOTE 5		
OTHER CURRENT LIABILITIES		
Security Deposit from Sub-Brokers (for VSAT)	1,00,000	1,00,000
Margin from Sub-Brokers	91,02,805	76,49,031
Margin from Clients (F&O)*	—	10,41,482
Delhi Stock Exchange Ltd.	52,98,280	42,79,997
Book Overdraft in Current Accounts**	21,022	43,68,180
TDS Payable	1,53,715	1,00,995
Expenses Payable	7,32,425	8,98,411
Service Tax Payable	1,38,813	—
Sub-Brokerage payable	9,97,953	10,37,245
Stale Cheques	14,39,698	10,71,495
Payable to Sub-Broker against FDR	2,00,000	2,50,000
Payable to Ex-Staff	21,009	—
	1,82,05,720	2,07,96,836
* Net of daily Future & Option (F&O) margin debit		
** Book overdraft is due to cheques issued but not presented, however no overdraft facility has been availed.		
NOTE 6		
SHORT TERM PROVISIONS		
Provision for Employee Benefits (LTA)	—	1,942
Provision for Leave Encashment	1,39,329	1,43,982
	1,39,329	1,45,924

Notes to Accounts...contd.

NOTE 7

FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK AT COST				ACCUMULATED DEPRECIATION/AMORTIZATION					NET BLOCK	
	As At 1.4.2016	Additions during the Year	Sales during the Year	As At 31.3.2017	Upto 31.3.2016	Dep. For the Year	Sales during the Year	Charged to Retained Earnings	Upto 31.3.2017	As At 31.3.2017	As At 31.3.2016
Tangible Assets											
Computers	14,12,763	—	—	14,12,763	13,54,568	—	—	—	13,54,568	58,195	58,197
Printers	1,01,442	—	—	1,01,442	99,776	—	—	—	99,776	1,666	1,666
Office Equip(Inc. UPS) 11,426		76,095	6,500	10,000	72,595	64,669	5,806	8,172	—	62,304	10,291
Scanner	10,928	—	—	10,928	10,166	481	—	—	10,647	281	762
Fans	25,279	—	—	25,279	24,245	272	—	—	24,517	762	1,034
Fax Machine	15,800	—	—	15,800	15,009	—	—	—	15,009	791	791
Mobile Phone	21,422	5,000	-	26,422	20,773	1,022	—	—	21,795	4,627	649
Air Conditioner	1,27,241	—	—	1,27,241	1,18,549	2,288	—	—	1,20,837	6,405	8,693
Photocopier Machine	30,000	—	—	30,000	27,507	993	—	—	28,500	1,500	2,493
Furniture & fixture	47,913	—	—	47,913	31,445	4,061	—	—	35,506	12,407	16,468
Total	18,68,883	11,500	10,000	18,70,382	17,66,706	14,923	8,172	—	17,73,458	96,923	1,02,178
Previous Year	23,63,387	—	4,94,504	18,68,883	22,33,682	25,722	1,025	493,332	17,66,706	1,02,178	1,29,705
Intangible Assets (Computer Software)											
BSE IM UD	1,25,000	—	—	1,25,000	1,25,000	—	—	—	1,25,000	—	—
Back Office Livesoft	5,36,413	—	—	5,36,413	5,15,678	12,008	—	—	5,27,687	8,727	20,735
CTCL	6,11,948	—	—	6,11,948	6,11,948	—	—	—	6,11,948	—	—
Firewall	93,600	—	—	93,600	93,600	—	—	—	93,600	—	—
Anti Virus Software	—	18,113	—	18,113	—	5,029	—	—	5,029	13,084	—
Website	40,000	—	—	40,000	40,000	—	—	—	40,000	—	—
Total	14,06,961	18,113	—	14,25,074	13,86,226	17,037	—	—	14,03,263	21,811	20,735
Previous Year	14,06,961	—	—	14,06,961	13,74,218	12,008	—	—	13,86,226	20,735	32,743



Notes to Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2017	As At 31.03.2016
NOTE 8		
NON-CURRENT INVESTMENTS		
65,000 Equity Shares of Bombay Stock Exchange Ltd. (Previous Year 130000 of face value of ₹ 1/- each) of face value of ₹ 2/- each-Quoted (Including 60,000 Bonus Shares) Aggregate Market Value of Quoted 65,000 Shares @ ₹ 977.65 ₹ 6,35,47,250	67,64,000	67,64,000
	67,64,000	67,64,000
NOTE 9		
OTHER NON-CURRENT ASSETS		
Security Deposits (Interest Free)		
- National Stock Exchange India Ltd.	2,01,00,000	2,01,00,000
- National Securities clearing corporation Ltd.	34,00,000	34,00,000
- National Stock Exchange Ltd. (F&O) through IL& FS	20,00,000	20,00,000
- National Stock Exchange Ltd.(Base additional capital)	15,00,000	15,00,000
- Bombay Stock Exchange Ltd.(Base capital)	2,00,000	12,00,000
- Bombay Stock Exchange Ltd.(Minimum Base capital)	6,00,000	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)	2,11,858	2,11,858
Fixed Deposits with:		
HDFC Bank		
-Pledged with Bombay Stock Exchange Ltd. as additional Capital-including Rs.10 lac in TGF	76,00,000	76,00,000
-Pledged with National Securities clearing corporation Ltd. as Security and Margin	25,00,000	25,00,000
-Pledged with National Securities clearing corporation Ltd. as Security through IL&FS	10,00,000	10,00,000
FDR Pledged with National Securities clearing corporation Ltd by Sub-broker	2,00,000	2,00,000
FDR Pledged with Bombay Stock Exchange Ltd.-ICCL by Sub-broker	—	50,000
Interest Accrued on FDR's with Banks	89,994	1,09,295
Interest Accrued on Deposit with IL&FS	37,798	2,474
Income Tax Refund Due (For Previous Years)	12,52,928	12,75,765
	4,09,42,578	4,15,24,393

Notes to Accounts...contd.

Particulars	(Amount in ₹)	
	As At 31.03.2017	As At 31.03.2016
NOTE 10		
TRADE RECEIVABLES		
<i>Unsecured, considered good:</i>		
<u>Sundry Debtors</u>		
Due for a period exceeding six months	1,61,61,662	1,58,73,412
Others	31,18,277	22,01,224
	1,92,79,939	1,80,74,636
NOTE 11		
CASH AND CASH EQUIVALENTS		
Cash in hand	7,379	4,427
Balances with banks:		
In Current accounts*	2,43,72,227	73,34,091
	2,43,79,606	73,38,519
* Book Overdraft in Current Accounts is shown under other current liabilities "Note No. 6".		
NOTE 12		
OTHER CURRENT ASSETS		
Margin Deposit with IL&FS (for National Stock Exchange Ltd.-F&O)	38,50,000	4,64,000
TDS Recoverable(Current Year)	92,917	1,28,284
Prepaid Expenses	98,046	3,15,716
Service Tax Receivable	—	80,788
Advance Charges Paid to NSE	19,451	23,866
Sebi sub-brokers registration fee recoverable	1,24,432	2,84,290
Other Receivables	3,71,459	2,47,365
	45,56,305	15,44,309



Notes to Accounts...contd.

Particulars	(Amount in ₹)	
	Year ended 31.03.2017	Year ended 31.03.2016
NOTE 13		
REVENUE FROM OPERATIONS		
Brokerage Income		
1. CASH SEGMENT		
Bombay Stock Exchange - Transactions		
Gross Receipts	39,40,053	
Less : Paid to Sub-Brokers	<u>29,38,664</u>	9,76,008
National Stock Exchange - Transactions		
Gross Receipts	63,98,048	
Less : Paid to Sub-Brokers	<u>47,28,713</u>	13,79,868
2. DERIVATIVE SEGMENT - F&O		
National Stock Exchange Transactions		
Gross Receipts	4,27,510	
Less : Paid to Clearing Member (IL&FS)	10,366	
Less : Paid to Sub-Brokers	<u>3,12,683</u>	1,70,301
Depository Income	6,70,723	7,83,331
Misc. Income	12,923	51,563
	34,58,831	33,61,071
NOTE 14		
OTHER INCOME		
Interest Income	9,37,402	11,71,914
Misc. Income	—	2,43,703
Amount written back-Liabilities No longer required	2,52,653	2,06,263
Dividend Income	8,45,000	11,05,000
Delayed Payment Charges*	16,34,906	8,35,632
Refund on arbitration fees	—	71,970
	36,69,961	36,34,482

Notes to Accounts...contd.

Particulars	(Amount in ₹)	
	Year ended 31.03.2017	Year ended 31.03.2016
NOTE 15		
Operating Expenses		
Depository Charges paid to CDSL & ILFS	4,05,907	4,20,176
Connectivity Charges	2,89,263	2,38,705
Broad Band Charges	21,512	27,208
Annual Subscription & other charges to NSE Ltd.	75,000	1,00,011
SEBI Fees	—	8,999
Dotex Now Charges(Net)	3,052	2,617
Non Compliance Charges	1,67,751	5,14,053
	9,62,485	13,11,770
NOTE 16		
EMPLOYEE BENEFIT EXPENSES		
Salary to Staff	29,18,919	35,00,308
Ex-Gratia	2,10,886	1,65,733
Leave Travel Allowance	61,158	91,900
Gratuity	88,183	50,683
Leave Encashment	18,867	25,339
Staff Welfare	1,21,477	89,501
	34,19,490	39,23,465
NOTE 17		
Other Expenses		
Rent Expenses	5,56,003	9,66,960
Electricity & water expenses(Includes ₹ 4,31,660 to DSE)	4,54,516	3,97,573
Legal & Professional Charges		
-Internal / System / Concurrent Audit/Physical	1,01,700	85,900
-Tax Audit	10,000	10,000
-Others professional charges	74,874	2,12,451
-Certification Charges	30,198	44,914
Auditor Remuneration :		
-Audit Fees	1,00,000	1,00,000
-Certification work	25,000	20,000



DSE Financial Services Ltd.
(A subsidiary of Delhi Stock Exchange Limited)

Notes to Accounts...contd.

(Amount in ₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Web Maintenance exp	9,405	5,564
Conveyance Expenses	68,069	32,004
Sitting Fees to Directors	52,980	1,88,300
Travelling & Conveyance to Directors	39,600	84,000
Board & Management Meeting Expenses	—	11,839
Printing & Stationery Charges	65,841	74,888
Filing Fees	50,021	25,800
Postage & Courier Charges	22,150	38,061
Repair & Maintenance Charges	88,895	1,87,167
Computer Expenses & AMC Charges	90,846	1,07,566
Telephone Expenses	51,565	68,126
Office Expenses	1,50,981	1,24,425
Subscription / Membership Fees to ANMI	13,000	13,000
Misc.Expenses	59,837	16,636
Interest on TDS	1,514	51
Prior Period Expenses	—	5,084
Fixed assets written off	—	834
	21,16,995	28,21,144
NOTE 18		
FINANCIAL COSTS		
Bank Charges	6,670	4,238
	6,670	4,238

As per our report attached of even date.
FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Firm Regn. No. 000038N

Anil Kumar Aggarwal
Partner
M. No. 087424

M.K. Gupta
Director

For and on behalf of the Board
DSE Financial Services Ltd.

I. C. Singhal **Vijay Kr. Gupta** **Sunil Bhatia**
Director Director Director

Place : New Delhi
Date : September 28, 2017

Rachana Prakash
(Company Secretary)



DELHI STOCK EXCHANGE LIMITED

CIN:U91120DL1947PLC001239

Regd. Office : DSE HOUSE, 3/1, ASAF ALI ROAD, NEW DELHI-110002

ATTENDANCE SLIP

I/we hereby record my presence at the 69th Annual General Meeting of Delhi Stock Exchange Ltd. being held on Wednesday, December 20, 2017 at 4:00 P.M. at DSE House, 3/1, Asaf Ali Road, New Delhi-110002

Full name of shareholder	Full name of proxyholder	Shareholder's/proxyholder's Signature

No. of share(s) held _____ Shareholder's Folio No./Client ID _____



DELHI STOCK EXCHANGE LIMITED

CIN:U91120DL1947PLC001239

Regd. Office : DSE HOUSE, 3/1, ASAF ALI ROAD, NEW DELHI-110002

PROXY FORM - MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :
Registered Address :
E-mail Id :
Folio No./Client Id :
DP ID :

I/we, being the member of _____ share(s) of the abovenamed company, hereby appoint

1. Name: Address: E-mail Id: Signature..... or failing him/her	2. Name: Address: E-mail Id: Signature..... or failing him/her	3. Name: Address: E-mail Id: Signature..... or failing him/her
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as my/our Proxy and to attend and vote (on a poll) for me/us and on/or my behalf at the 69th Annual General Meeting of the Company to be held on Wednesday, December 20, 2017 at 4:00 P.M. at DSE House, 3/1, Asaf Ali Road, New Delhi-110002 and at any adjournment thereof in respect of following resolutions :

- To receive, consider, and adopt :
 - the Audited Financial Statements of the Exchange for the financial year ended March 31, 2017, together with the reports of the Board of Directors and the Auditors thereon;
 - the Audited Consolidated Financial Statements of the Exchange for the financial year ended March 31, 2017, together with the report of the Auditors thereon.
- To appoint M/s P. Bholusaria & Co., Chartered Accountants, the retiring Auditors of the Exchange to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Signed this _____ day of _____ 2017

Signature of Shareholder _____ Signature of Proxy holder(s) _____



Note:The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Map of Venue of the
69th ANNUAL GENERAL MEETING
of Delhi Stock Exchange

