



## GOVERNING BOARD

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

### Company Secretary

Ms Vandana Sharma

### Manager

Mr. V. K. Yadav

### Auditors

P. Bholusaria & Co.  
*Chartered Accountants*

### Bankers:

Canara Bank  
HDFC Bank

### Registered Office:

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

### Registrar & Transfer Agent :

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



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

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## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that 73<sup>RD</sup> Annual General Meeting of the shareholders of DSE Estates Limited will be held on Tuesday, November 30, 2021 at 4:00 PM at The Lalit Hotel, Barakhamba Avenue, Connaught Place, New Delhi-110001 to transact the following business:

**The following businesses will be transacted at the AGM:**

**Ordinary Business(es):**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the Reports of the Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the Report of the Auditors thereon.
2. To appoint a Director in place of Shri Hans Raj Kapoor (DIN:00989487), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

On behalf of the Board of Directors

**(Vijay Bhushan)**

*Chairman*

DIN : 00002421

Date : 21.10.2021

Place : New Delhi

**NOTES :**

1. A SHARE HOLDER 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 FOR TY-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 November 24, 2021 to November 30, 2021 (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 here with 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.



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

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting 73<sup>RD</sup> Annual Report on the operations of the Company and the audited accounts for the year ended March 31, 2021. The financial highlights including consolidated results of the Company for the year are as under: -

### FINANCIAL HIGHLIGHTS

(₹ in lacs)

Particulars	Stand-alone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Gross Income	377.83	456.00	523.88	609.04
Total Expenditure	183.85	169.22	260.74	241.20
Depreciation	32.13	37.00	33.43	37.80
Surplus after Depreciation	161.85	249.78	229.71	330.04
Exceptional Item	0	0	0	0
Provision for Taxation	44.75	66.04	44.39	66.04
Net Surplus	117.10	183.74	185.32	264.00
Balance brought forward	(3881.30)	(4065.04)	(3970.93)	(4234.93)
Balance	(3764.20)	(3881.30)	(4049.61)	(3970.93)

### PERFORMANCE HIGHLIGHTS OPERATIONS

The gross revenue of the company declined by 17.11% during the financial year to ₹ 378 Lakhs against ₹ 456 Lakhs in 2019-20. This was on account of reduction in interest income by amounting ₹ 32 Lakhs due to lower interest rates and also accrued profit of ₹ 43 Lakhs till 31<sup>st</sup> March, 2021, based on NAV, on mutual fund will be reflected in F.Y. 2021-22.

The expenses marginally increased by 8.64% to ₹ 183.85 Lakhs in 2020-21 as against ₹ 169.22 in 2019-20 because of provision for impairment of ₹ 5.63 lakhs, increase in property management services by ₹ 3.87 Lakhs and enhancement in rates and taxes by ₹ 3.18 lakhs.

The Company's profit after tax was ₹ 117.10 in 2020-21 as against ₹ 183.74 in 2019-20.

### DIVIDEND

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

### IMPACT OF COVID -19

The current year 2020-21 was severally impacted by Covid-19 on account of lockdown and disruption of services. It also led to sharp fall in interest rates which reduced the income of the company one hand and increased the expenses on the other.

The second wave of Covid which started in April 2021 and was we as a country paid a heavy price with the passing away of very eminent people in all walks of life including many prominent members of our Capital Markets.

The Board expresses their heartfelt condolences for all our effected members who lost their near & dear ones.

### ACCOMPLISHMENTS SINCE 2018

The present Board took charge on 20<sup>th</sup> December 2017.

The Board has completed 3 financial years from 1 April 2018 to 31<sup>st</sup> March 2021. During this period the following tasks has been accomplished;

#### 1. Accelerated Profitability

- Efficient management has resulted in a 144 % increase in standalone Profit After Tax (PAT). The standalone profit after tax has gone up from ₹ 46 Lakhs (2017-18) to ₹ 117 Lakhs (2020-21).
- The consolidated profit after tax has seen a rise of 285%, from ₹ 48 Lakhs to ₹ 185 Lakhs.
- Reduction in Expenses by 18% from Rs.222 Lakhs (2017-18) to ₹ 183 Lakhs (2020-21).

#### 2. Payment to Members

- Payment of ₹ 693.48 lakhs refunded to 270 erstwhile trading members on account of BMC, TGF and FDR's pledged with DSE. We request the balance members to submit the necessary undertaking enabling them to receive their dues from the company.

#### 3. Recovery of Assets & Reduction of Liabilities

- Recovery of Income Tax Refund amounting to ₹ 188 Lakhs for previous years.

- b. Recovery of ₹ 100 Lakhs out of the old dues of DSE.
  - c. Recovery of rent and re-possession of Laxmi Nagar flats.
  - d. Re-possession of rented premises on second floor of DSE chambers from a tenant after winning the court case stretching over last 16 years.
  - e. Payment of ₹ 48 Lakhs due for previous years on account of pending E.S.I. and water bills.
4. **Strategy & Legal Affairs**
- a. Change in Name of company from Delhi Stock Exchange to DSE Estates Limited and alteration in Memorandum and Articles of Association to reflect the change in operations of the company.
  - b. On the legal front, the company has secured favorable decisions in six cases decided by the court. In the current year two cases were decided against Urmila Gupta in our favour, by the Rent Controller. Also appeal filed against the said orders was dismissed.
  - c. The Company filed petition with Hon'ble National Company Law Tribunal for minor reduction in share capital and rectification of register of members. Notices were issued to the concerned parties.
  - d. The company has duly addressed the auditors' observations regarding going concern concept of the company to their satisfaction.
  - e. The subsidiary company has made a profit of ₹ 68.21 Lakhs in the current year, thereby reducing the accumulated losses to ₹ 21.41 Lakhs. Consequently the Auditors have removed the earlier observations/concern regarding accumulated losses of Delstox Stock & Shares Ltd.

#### **DIRECTORS**

During the financial year 2020-21 there was no change in constitution of the Board. Mr. Hans Raj Kapoor retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

#### **SUBSIDIARY COMPANY**

Delstox Stocks And Shares Limited, a 100 percent Subsidiary of your Company is providing a trading platform to the members of DSE in National Stock Exchange and Bombay Stock Exchange for Cash and F&O segments. DSSL, also a depository participant of CDSL provides the depository facilities to its clients.

During the financial year 2020-21 the operations of the subsidiary were adversely impacted by Covid-19. The turnover of the company during the year in NSE (Cash and F&O) is ₹ 2399.73 /- crores and BSE (Cash) is ₹ 175.98 crores. The audited annual accounts of the subsidiary company for the financial year 2020-21

together with the Report of Directors and Auditors and the statement under section 129 of the Companies Act, 2013 are annexed with this report.

The gross revenue from operations was ₹ 106.14 Lakhs against ₹ 127.72 Lakhs last year. The profit before provision, depreciation and interest amounted to ₹ 69.17 Lakhs as against ₹ 81.08 Lakhs for the previous year. Profit after tax reduced to ₹ 68.21 Lakhs in 2020-21 as against ₹ 80.27 Lakhs in 2019-20.

#### **BOARD MEETINGS**

There, 6 Board meetings were convened and held, during the financial year. 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.



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### **PETITION BEFORE HON'BLE NATIONAL COMPANY LAW TRIBUNAL (NCLT)**

During the year, the Company has filed a petition before the Hon'ble National Company Law Tribunal (NCLT), New Delhi, inter-alia praying for:-

- i) Allowing the Company to rectify its register of members;
- ii) Allowing the Company to reduce its paid up share capital by ₹ 1,58,000/- (158000 equity shares of ₹ 1/- each) from its financial statements;
- iii) Allowing the Company to issue the consequential refund of ₹ 1,58,000/- on account of aforesaid capital reduction;
- iv) Reduction of paid up share capital by 162000 equity shares in the secretarial/ROC records. The Hon'ble NCLT has issued notices to the parties and the hearing/ arguments on the petition are yet to take place.

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

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

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

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

### **ANNUAL RETURN**

The extracts of Annual Return in Form MGT- 9, pursuant to the provisions of Section 92 (3) read Rule 12 (1) of the Companies (Management and administration) Rules, 2014 is in **Annexure 1** and is attached to this Report.

### **DEPOSITS**

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

### **CORPORATE GOVERNANCE**

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

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

### **AUDITORS**

M/s P. Bholusaria & Co., Chartered Accountants retire at the 75th Annual General Meeting of the Company.

### **AUDITORS' OBSERVATIONS**

The comments on the observation in the report of the Auditors on the stand-alone financial statements for the financial year 2020-2021 are asunder:

### **Qualification on Note no. 30 of financial statements regarding non-provision of amount of ₹ 15,11,43,249/- in respect of fees of brokers/sub-brokers (inclusive of interest) paid to SEBI.**

Your Board is of the opinion that the Company is not liable to pay the said outstanding dues of brokers/sub-brokers and has paid the same to SEBI without prejudice' to get the refund of amount from SEBI if excess amount has been paid. The amounts are recoverable from the respective brokers. Upto the year end the Company has recovered amount of ₹ 72,66,616/- from some brokers, sub-brokers. The Board is making efforts to recover the remaining amount of ₹ 15,11,43,249/-. Hence, no provision is necessary at present.

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

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

### **ACKNOWLEDGEMENT**

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

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

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

On behalf of the Board of Directors

**Vijay Bhushan**  
Chairman  
DIN : 00002421

Place : New Delhi  
Dated: 21.10.2021

## CORPORATE GOVERNANCE REPORT

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

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

### 2. ABOUT THE COMPANY

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

### 3. BOARD OF DIRECTORS

#### i. Directors

During the financial year 2020-21, Mr Vijay Bhushan, Mr Mahender Kumar Gupta, Mr Vinod Kumar Goel, and Mr Hans Raj Kapoor constituted the Board of Directors of the company.

#### ii. Composition and Attendance of each Director at the Board meetings from April 1, 2020 to March 31, 2021:

During 2020-21, Six Board meetings were held on June 17, 2020, September 01, 2020, September 05, 2020, November 28, 2020, February 10, 2021 and March 26, 2021. 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 2020-21, the Board meetings attended by them during the Financial Year under review and their attendance at the last Annual General Meeting are as follow:

Sl. No.	Name of the Director	Designation	Held during tenure	No. of meetings attended	Attendance at the last AGM
1	Mr. Vijay Bhushan	Director	6	6	Yes
2	Mr. M.K.Gupta	Director	6	6	Yes
3	Mr.Vinod Kr Goel	Director	6	6	Yes
4	Hans Raj Kapoor	Director	6	6	No



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iii) Sitting fees paid by the Company to Directors for attending Board and Committee meetings during Financial Year 2020-21 are given below:

Sl. No.	Name of the Director	Amount ₹
1.	Mr. Vijay Bhushan	2,55,000
2.	Mr. Mahender Kumar Gupta	2,55,000
3.	Mr. Vinod Kumar Goel	2,55,000
4.	Mr. Hans Raj Kapoor	1,80,000

#### 4. COMMITTEES

##### a) AUDIT COMMITTEE

The scope of the Audit Committee constituted is as under:

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

During the year under review, 1 meeting of the Audit Committee was held on 29.08.2021. The composition of the Audit Committee and the attendance at its meetings during the financial year 2020-21 are given hereunder:

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

5. During the year under review, 4 meetings of the Legal Committee were held on 11.09.2020, 30.10.2020, 10.11.2020 and 21.01.2021. The composition of the Legal Committee and the attendance at its meetings during the financial year 2020-21 are given hereunder:

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

6. During the year under review, 2 meetings of the Investment Committee were held on 10.11.2020 and 29.12.2020. The composition of the Legal Committee and the attendance at its meetings during the financial year 2020-21 are given hereunder:

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

**7. GENERAL BODY MEETINGS**

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

Annual General Meeting	December 29, 2020 at 04:00 P.M.	The Lalit Hotel, Barakhamba Avenue Connaught Place, New Delhi-110001
Annual General Meeting	September 30, 2019 at 04:00 P.M.	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
Annual General Meeting	September 29, 2018 at 11:30 A.M.	DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002

**8. DISCLOSURES**

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

**9. GENERAL SHAREHOLDER INFORMATION**

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

The 73<sup>rd</sup> Annual General Meeting of the Company is scheduled for Tuesday, November 30, 2021 at 04:00 PM at The Lalit Hotel, Barakhamba Avenue, Connaught Place, New Delhi-110001:

- ii. The Company's financial year was from April 1, 2020 to March 31, 2021.

**iii. Book Closure:**

The Register of Members of the Company shall be closed during the period November 24, 2021 to November 30, 2021 (both days inclusive).

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

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

**v. Demat of Shares:**

Equity Shares of the Company have been admitted in NSDL and CDSL. The ISIN no. is INE275I01021. Face value of the shares is ₹ 1/- per share. Out of total Share Capital, 96.60% is held in demat form as on March 31, 2021.

**vi. Address for correspondence:**

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

**vii. Nomination facility:**

In terms of Section 72 of the Companies Act, 2013, the members are allowed to nominate any person to whom they desire of making / changing a nomination in respect of their shareholding in the company. Members can avail the nomination facility by submitting Form SH. 13 (in duplicate) to the company or its R&T Agent Abhipra Capitals Limited. The form can be furnished by Abhipra Capitals Limited on request.

On behalf of the Board of Directors

Place : New Delhi  
Dated: 21.10.2021

**Vijay Bhushan**  
Chairman  
DIN : 00002421



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**Form No. AOC-2**

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

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

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

DSE Estates Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.

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

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

Delstox Stocks And Shares Limited, wholly owned subsidiary of DSE Estates Limited

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

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

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

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

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

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

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

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

On behalf of the Board of Directors

Place : New Delhi  
Dated: 21.10.2021

**Vijay Bhushan**  
*Chairman*  
DIN : 00002421

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

for the financial year ended on 31st March 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management & Administration) Rules, 2014**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U91120DL1947PLC001239
- ii) Registration Date : 25.06.1947
- iii) Name of the Company : DSE ESTATES LIMITED
- iv) Category / Sub-Category of the Company : Non-Government Company Limited by shares
- v) Address of the Regd. Office : DSE HOUSE  
of the Company : 3/1, Asaf Ali Road, New Delhi - 110002  
& contact details : Phone: 011-23278988
- 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:

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

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

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



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

i) Category-wise Share Holding

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

<b>2 Non- institutions</b>									
(a) Bodies Corporate i) Indian ii) Overseas (b) Individuals i. Individual shareholders holding nominal share capital up to ₹ 1 lac ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac (d) Others: NRIs HUF Foreign Corporate Bodies									
<b>Sub-Total (B)(2)</b>									
<b>(B) Total Public Shareholding (B)= (B)(1)+(B)(2)</b>									
(C) Shares held by Custodian for GDRs & ADRs									
<b>GRAND TOTAL (A)+(B)+(C)</b>									

**(ii) Shareholding of Promoters**

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



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

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

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

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

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

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

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



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

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

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

**V. INDEBTEDNESS**

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

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profit in lieu of salary under section 17(3) income tax Act, 1961	Virender Kumar Yadav	604956
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of Profit	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-



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**B. Remuneration to Other Directors:**

(in ₹)

Sr. No.	Particulars of Remuneration	Fee for attending Board Meetings	Fee for attending Committee Meetings	Commission	Others CPF Trust Committee	Total Amount
Non-Executive Directors						
1.	Mr Vijay Bhushan	1,50,000	1,05,000	NIL	NIL	
2.	Mr Mahender Kumar Gupta	1,50,000	1,05,000	NIL	NIL	
3.	Mr Vinod Kumat Goel	1,50,000	1,05,000	NIL	NIL	
4.	Mr Hans Raj Kapoor	1,50,000	30,000	NIL	NIL	

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

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

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

**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	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL
B.	DIRECTORS				
	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

On behalf of the Board of Directors

Place : New Delhi  
Dated: 21.10.2021**Vijay Bhushan**  
Chairman  
DIN : 00002421



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## Independent Auditors' Report

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

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

### **Qualified Opinion**

We have audited the accompanying standalone financial statements of **DSE ESTATES LIMITED (FORMERLY KNOWN AS DELHI STOCK EXCHANGE LIMITED)** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the statement of Profit and Loss and statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

*Reference is invited to Note no. 30 of the standalone financial statements regarding non-provision of amount of ₹ 15,11,43,249/- in respect of fees of brokers/sub-brokers (inclusive of interest) paid to SEBI during the earlier year (net of recovery and refund). In the opinion of management no provision is required for the said amount. In our opinion, on the basis of information and explanations made available to us by the management, there is uncertainty of the refund / recovery of the aforesaid amount and, therefore, provision is required to be made for the same. As a result of this, profit for the year as shown in the statement of Profit & loss is higher by ₹ 15,11,43,249/-; amount of Reserve & Surplus as shown in the Balance sheet is overstated to that extent; Short Term loans and advances as shown in the Balance sheet is overstated to that extent. Our opinion is qualified on this issue. We had also given qualified opinion on this issue in our audit report on the financial statements as on/ for the year ended 31<sup>st</sup>*

*March 2016, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

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

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

The accompanying standalone financial statements have been approved by Company's Board of Directors. The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and

fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11)



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of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- 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.
  - 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;
  - The standalone financial statements dealt with by this Report are in agreement with the books of account;
  - 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;
  - On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
  - 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 on its financial position in its financial statements- Refer Note no. 29 of the standalone financial statements;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

The Company has not paid any managerial remuneration for the year ended 31st March, 2021 to its directors.

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

Place : New Delhi

Date : 21.10.2021

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**Annexure 'A' to Independent Auditors' Report**  
**DSE Estates Limited (Formerly known as Delhi Stock Exchange Limited)**

The annexure referred to in paragraph 1 under the heading of 'report on other legal and regulatory requirements' of our report to the members of the company on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2021, we Report that:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - As explained to us, the management subsequent to the year end has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- The Company does not hold any inventory.
- 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').
- 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.
- The Company has not accepted any deposits from the public. However, sum of Rs. 156000/- is reflected as Share allotment kept in abeyance as explained in note no. 4 of financial statements.

6. The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Goods and Service Tax, Value added tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities. However, there are some delays in few cases and also non deposit of advance tax instalments. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable except for advance tax instalments of Rs. 1,35,359/- & Rs. 2,70,718/- for June, 2020 and September 2020 quarters respectively.
- b. The disputed statutory dues aggregating to ₹ 33,600/- that has not been deposited on account of matters pending before appropriate authorities are as under:

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

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

11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

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

Place : New Delhi  
Date : 21.10.2021

AMIT GOEL  
(Partner)  
M.No. 092648

#### Annexure – B to the Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **DSE Estates Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.



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### **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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 : 21.10.2021

AMIT GOEL  
(Partner)  
M.No. 092648

Standalone Balance Sheet as at 31<sup>st</sup> March, 2021

(Amount in ₹)

Particulars	Note	As At	As At
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	80,72,16,692	79,55,06,467
		83,74,58,692	82,57,48,467
<b>Share Allotment Kept in Abeyance</b>	4	1,56,000	1,56,000
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	5	57,410	1,41,912
Other Long-Term Liabilities	6	2,48,25,301	2,57,03,835
Long Term Provisions	7	6,17,494	3,47,529
		2,55,00,205	2,61,93,276
<b>Current Liabilities</b>			
Other Current Liabilities	8	64,35,480	88,94,080
Short Term Provisions	7	48,08,607	62,28,838
		1,12,44,087	1,51,22,918
		87,43,58,984	86,72,20,661
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Property, Plant &amp; Equipment</b>			
Property, Plant & Equipment	9		
Tangible Assets		4,72,27,178	5,04,40,168
Capital Work In Progress		0	5,62,700
Non-Current Investments	10	12,00,00,000	12,00,00,000
Long-Term Loans and Advances	11	87,92,143	77,93,920
		17,60,19,321	17,87,96,788
<b>Current Assets</b>			
Current Investments	12	1,12,60,297	1,20,83,166
Trade Receivables	13	16,39,378	16,65,002
Cash and Bank Balances	14	50,17,33,084	48,22,78,354
Short-Term Loans and Advances	11	16,77,76,741	17,65,55,839
Other Current Assets	15	1,59,30,163	1,58,41,512
		69,83,39,663	68,84,23,874
		87,43,58,984	86,72,20,661
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>OTHER NOTES</b>	21-36		

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 : 21.10.2021

## FOR AND ON BEHALF OF THE BOARD

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

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

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

**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194



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

## Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

(Amount in ₹)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Income:</b>			
Other Income	16	3,77,82,518	4,55,99,470
<b>Total Revenue</b>		<b>3,77,82,518</b>	4,55,99,470
<b>Expenses:</b>			
Employee Benefits Expense	17	49,14,511	48,53,840
Finance Costs	18	2,49,343	0
Depreciation and Amortisation Expense	9	32,12,990	36,97,903
Provision for Impairment	9	5,62,700	80,800
Other Expenses	19	1,26,58,340	1,19,88,155
<b>Total Expenses</b>		<b>2,15,97,884</b>	2,06,20,698
Profit for the Year Before Tax		1,61,84,634	2,49,78,772
<b>Tax Expense:</b>			
Provision for Taxation			
-Current		46,32,000	60,00,000
-Earlier Year		(73,089)	(30,121)
-Deferred		(84,502)	6,34,742
Profit for the year		1,17,10,225	1,83,74,151
<b>Earning per share:</b>			
Equity Share of Par Value ' 1/-each	20		
Basic		0.39	0.61
Diluted		0.39	0.60
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>OTHER NOTES</b>	21-36		

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 : 21.10.2021

### FOR AND ON BEHALF OF THE BOARD

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**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194

## Standalone Cash Flow Statement

For the year ended 31<sup>st</sup> March 2021

(Amount in ₹)

	Year ended 31st March,2021	Year ended 31st March,2020
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before tax as per statement of Profit & Loss	16184,634	2,49,78,772
<i>Adjustment for :</i>		
Finance Costs	249,343	0
Depreciation	3212,990	36,97,903
Provision for Impairment	562,700	80,800
Provision for diminution in value of Current Investment	15,761	0
Interest Income	(3,56,25,695)	(3,91,50,777)
Rental Income	(1,36,020)	(4,17,817)
Profit on redemption of Current Investments	(6,12,891)	(4,96,407)
Profit on redemption of Non-Current Investments	0	(46,52,680)
Profit on sale of Fixed Assets	0	(8,25,657)
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>(1,61,49,178)</b>	<b>(1,67,85,863)</b>
<i>Adjustment for :</i>		
Trade,other Receivables and loans and advances	29,58,486	29,17,488
Current and Non-current Liabilities	(31,19,401)	1,59,572
<b>Cash Generated from operation</b>	<b>(1,63,10,093)</b>	<b>(1,37,08,804)</b>
Income tax paid (Net of refunds)	11,67,548	36,24,595
<b>Net Cash from Operating Activities</b>	<b>(1,74,77,641)</b>	<b>(1,73,33,398)</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Interest Income	3,56,25,695	3,91,50,777
Rental Income	1,36,020	4,17,817
Purchase of fixed assets	0	(2,14,338)
Sale of fixed assets	0	10,07,388
Purchase of investments	(2,49,70,000)	(2,38,05,000)
Sale/Redemption of investments	2,63,90,000	8,18,52,680
<b>Net Cash used in Investing Activities</b>	<b>3,71,81,715</b>	<b>9,84,09,324</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(2,49,343)	0
<b>Net Cash used in Financing Activities</b>	<b>(2,49,343)</b>	<b>0</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>1,94,54,730</b>	<b>8,10,75,926</b>
<b>Cash and Cash Equivalents</b> (Opening Balance)	<b>48,20,84,296</b>	<b>40,10,08,370</b>



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

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

	Year ended 31st March,2021	Year ended 31st March,2020
<b>Cash and Cash Equivalents</b> (Closing Balance)	<b>50,15,39,026</b>	48,20,84,296
<b>Components of Cash and Cash Equivalents at the end of the year (I)</b>		
Balances with Banks		
In Current and Deposit Accounts	<b>45,59,96,657</b>	39,05,41,569
Cash-on-hand	<b>32,169</b>	29,717
Deposit with Financial Institution/ NBFC	<b>4,55,10,200</b>	9,15,13,010
<b>Total (I)</b>	<b>50,15,39,026</b>	48,20,84,296
<b>Other Bank Balances (II)</b>		
Deposit with bank	<b>1,94,058</b>	1,94,058
Lien marked with Registrar of High Court.		
<b>Total (II)</b>	<b>1,94,058</b>	1,94,058
<b>Total Cash and Bank Balances (I+II)</b>	<b>50,17,33,084</b>	48,22,78,354

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 : 21.10.2021

**FOR AND ON BEHALF OF THE BOARD**

**VIJAY BHUSHAN**  
(CHAIRMAN)  
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**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194

## NOTES FORMING PART OF ACCOUNTS

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

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### 1.1 GENERAL

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

##### 1.2 BASIS OF ACCOUNTING

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

##### 1.3 REVENUE RECOGNITION

- 1.3.1 Income is accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking, revenue recognition is postponed to the extent of uncertainty involved as per Accounting Standard – Revenue Recognition (AS-9).
- 1.3.2 Interest earned on bank and other deposits is recognized as income on accrual basis.
- 1.3.3 Interest income on income tax refund is recognized as income at the time of receipt of refund or receipt of intimation of determination of refund.

##### 1.4 INVESTMENTS

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

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

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

##### 1.6 DEPRECIATION

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

##### 1.7 EMPLOYEE BENEFITS

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

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



*DSE Estates Limited*  
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### *Notes forming part of Accounts...*

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

#### **1.8 TAXATION**

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

#### **1.9 EARNING PER SHARE**

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

For the purpose of calculating diluting earning per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares, if any.

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

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

#### **1.11 CASH FLOW STATEMENT**

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

#### **1.12 CONTINGENCIES**

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

## Notes forming part of Accounts...

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
10,00,00,000 (Previous Year 10,00,00,000) Equity Shares of ₹ 1/- each	<b>10,00,00,000</b>	10,00,00,000
	<b>10,00,00,000</b>	10,00,00,000
<b>Issued</b>		
3,03,20,000 (Previous Year 3,03,20,000) Equity Shares of ₹ 1/- each	<b>3,03,20,000</b>	3,03,20,000
	<b>3,03,20,000</b>	3,03,20,000
<b>Subscribed</b>		
3,03,20,000 (Previous Year 3,03,20,000) Equity Shares of ₹ 1/- each	<b>3,03,20,000</b>	3,03,20,000
	<b>3,03,20,000</b>	3,03,20,000
<b>Paid up</b>		
3,02,42,000 (Previous Year 3,02,42,000) Equity Shares of ₹ 1/- each fully paid up	<b>3,02,42,000</b>	3,02,42,000
	<b>3,02,42,000</b>	3,02,42,000

- 2.1 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.
- 2.2 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.
- 2.3 In certain Secretarial records of the Company, there is difference of 4000 (Previous year 4000) equity shares in the paid up capital. The figure of paid up equity share as per financial statement is 30242000 (Previous year 30242000) shares of ₹ 1/- each as stated above. However, as per certain secretarial records, the total number of shares are 30246000 (Previous year 30246000). The Company has filed petition before the Hon'ble National Company Law Tribunal (NCLT), New Delhi for rectification of secretarial records.
- 2.4 During the year, the Company has filed a petition before the Hon'ble National Company Law Tribunal (NCLT), New Delhi, inter-alia praying for:-
- Allowing the Company to rectify its register of members.
  - Allowing the Company to reduce its paid up share capital by ₹ 1,58,000/- (158000 equity shares of ₹ 1/- each) from its financial statements.
  - Allowing the Company to issue the consequential refund of ₹ 1,58,000/- on account of aforesaid capital reduction.
  - Reduction of paid up share capital by 162000 equity shares in the secretarial/ROC records. The Hon'ble NCLT has issued notices to the parties and the hearing/ arguments on the petition are yet to take place.



*DSE Estates Limited*  
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*Notes forming part of Accounts...*

2.5 The Dividend Proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

2.6 Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2021 & 31st March, 2020 is as under:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Number of shares at the beginning	<b>3,02,42,000</b>	<b>3,02,42,000</b>	3,02,42,000	3,02,42,000
Number of shares at the end	<b>3,02,42,000</b>	<b>3,02,42,000</b>	3,02,42,000	3,02,42,000

2.7 There are no shareholders holding more than 5% shares in the company as at 31st March, 2021 & 31st March, 2020.

**3. RESERVES AND SURPLUS**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Capital Reserve - Opening Balance	<b>51,35,66,587</b>	51,35,66,587
	<b>51,35,66,587</b>	51,35,66,587
Settlement Guarantee Fund Reserve (SGF)- Opening Balance*	<b>66,94,92,106</b>	66,94,92,106
	<b>66,94,92,106</b>	66,94,92,106
General Reserve-Opening Balance	<b>5,77,717</b>	5,77,717
	<b>5,77,717</b>	5,77,717
Surplus - opening balance	<b>(38,81,29,943)</b>	(40,65,04,094)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	<b>1,17,10,225</b>	1,83,74,151
Surplus-Closing balance	<b>(37,64,19,718)</b>	(38,81,29,943)
	<b>80,72,16,692</b>	79,55,06,467

\* Settlement Guarantee Fund was created with the objective of guarantee of the settlement of bonafide transactions of the members of the erstwhile exchange, *inter se*, which formed part of the erstwhile exchange's settlement system. Fund balance represented initial contribution of the exchange and certain collections made from the members and income on investments attributable to fund balances upto 31/03/2016 (Also refer Note No. 28). The shareholders of the company in their annual general meeting held on 29/09/2018 had resolved that the entire amount of ₹ 66,94,92,106/- standing to the credit of the Settlement Guarantee Fund Reserve of the Company shall be reclassified and credited to the 'Surplus Account' of the Company, and subsequent thereto, such amount credited to the 'Surplus Account' of the Company shall be reclassified as, and constitute accumulated profits of the Company in accordance with the provisions of the Companies Act, 2013 and subject to such approvals as may be necessary.

*Notes forming part of Accounts...***4. SHARE ALLOTMENT KEPT IN ABEYANCE***(Amount in ₹)*

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
Share allotment kept in abeyance	<b>1,56,000</b>	1,56,000
	<b>1,56,000</b>	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 applicants. Against the share application money, equity shares of face value of ₹ 1/- each, will be issued at par, in accordance with the provision of the Act and after completion of legal formalities/requirements by the applicants such as production of Letter of Probate, Court Order, Succession certificate etc. No separate interest is payable on the amount. The present authorised share capital of the company is sufficient to cover the shares to be issued against the share allotment kept in abeyance. However, the issued Capital and consequently the subscribed capital will be required to be increased by 78000 Shares if all the 156000 Shares are allotted. As a precautionary measure and as a matter of prudence, the Company has made earmarked bank FDRs of equivalent amount of ₹ 156000/- in the name of the aforesaid applicants.

**5. DEFERRED TAX LIABILITIES***(Amount in ₹)*

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
Deferred Tax Liability		
Fixed Assets	<b>2,57,269</b>	2,86,972
Less: Deferred Tax Asset		
Expenses allowable under Income Tax Act on payment basis	<b>1,99,859</b>	1,45,060
	<b>57,410</b>	1,41,912



*DSE Estates Limited*  
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*Notes forming part of Accounts...*

**6. OTHER LONG TERM LIABILITIES**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit (under erstwhile stock exchange mechanism)	<b>2,08,34,551</b>	2,17,13,085
Payable for Capital contracts	<b>15,21,509</b>	15,21,509
Other Liabilities (including defaulter, deceased members)	<b>24,69,241</b>	24,69,241
	<b>2,48,25,301</b>	2,57,03,835

**7. PROVISIONS**

(Amount in ₹)

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	Long Term	Short term	Long Term	Short term
<b>Provisions For Employees Benefit (Refer Note No. 23)</b>				
Leave encashment	<b>1,20,591</b>	<b>1,04,503</b>	1,76,408	1,23,249
Gratuity	<b>4,96,903</b>	<b>72,104</b>	1,71,121	1,05,589
<b>Others</b>				
Income Tax	<b>0</b>	<b>46,32,000</b>	-	60,00,000
	<b>6,17,494</b>	<b>48,08,607</b>	3,47,529	62,28,838

**8. OTHER CURRENT LIABILITIES**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Investor Service Cell Fund-Payable to SEBI	-	1,361,406
Amount Refundable to brokers towards Settlement Guarantee Fund (SGF / TGF) in terms of SEBI order (Refer Note no. 28)	<b>45,10,000</b>	48,60,000
Refundable to erstwhile member against encashment of Margin FDR	<b>9,54,749</b>	9,54,749
Statutory Dues Payable	<b>96,484</b>	1,16,618
Expenses Payable	<b>8,74,247</b>	16,01,307
	<b>64,35,480</b>	88,94,080

## Notes forming part of Accounts...

## 9. PROPERTY, PLANT &amp; EQUIPMENT

(Amount in ₹)

S. No	Particulars	Gross Block at Cost			Depreciation/Amortisation/Impairment				Net Block			
		As at 1st April 2020	Additions during the year	Deductions during the year	As at March 31, 2021	Upto 31st March 2020	For the year	Adjustment for impairment	Deduction during the year	Total upto March 31 2021	As on 31st March 2021	As on 31st March 2020
A	<b>Tangible Assets</b>											
1	Land(s) (Lease hold)	54385303	0	0	54385303	23126504	1005022	0	0	24131526	30253777	31258799
2	Buildings	70766654	0	0	70766654	54208667	2089778	0	0	56298445	14468209	16557987
3	Electric Installation & Equipments	29162037	0	0	29162037	27773241	34423	0	0	27807664	1354373	1388796
4	Furniture & Fixtures	11878390	0	0	11878390	11351331	10860	0	0	11362191	516199	527059
5	Office Equipment	7920755	0	0	7920755	7594544	20802	0	0	7615346	305409	326211
6	Computers & Peripherals	6175822	0	0	6175822	5794506	52105	0	0	5846611	329211	381316
7	Library Books	297749	0	0	297749	297749	0	0	0	297749	0	0
8	Online Trading System & Communication Equipments	436167	0	0	436167	436167	0	0	0	436167	0	0
	<b>Total Tangible Assets (A)</b>	<b>181022877</b>	<b>0</b>	<b>0</b>	<b>181022877</b>	<b>130582709</b>	<b>3212990</b>	<b>0</b>	<b>0</b>	<b>133795699</b>	<b>47227178</b>	<b>50440168</b>
	Previous Year	183571086	214338	2762547	181022877	129465622	3697903	0	2580816	130582709	50440168	54105464
B	<b>Intangible Assets</b>											
1	Softwares	5482596	0	0	5482596	5482596	0	0	0	5482596	0	0
	<b>Total Intangible Assets (B)</b>	<b>5482596</b>	<b>0</b>	<b>0</b>	<b>5482596</b>	<b>5482596</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5482596</b>	<b>0</b>	<b>0</b>
	Previous Year	5482596	0	0	5482596	5482596	0	0	0	5482596	0	0
C	<b>Capital Work In Progress</b>											
	<b>Total Capital Work In Progress (C)</b>	<b>90581747</b>	<b>0</b>	<b>90581747</b>	<b>0</b>	<b>90019047</b>	<b>0</b>	<b>562700</b>	<b>90581747</b>	<b>0</b>	<b>0</b>	<b>562700</b>
	Previous Year	90581747	0	0	90581747	89938247	0	80800	0	90019047	562700	643500
	<b>Total (A+B+C)</b>	<b>277087220</b>	<b>0</b>	<b>90581747</b>	<b>186505473</b>	<b>226084352</b>	<b>3212990</b>	<b>562700</b>	<b>90581747</b>	<b>139278295</b>	<b>47227178</b>	<b>51002868</b>
	(Previous Year)	279635429	214338	2762547	277087220	224886465	3697903	80800	2580816	226084352	51002868	54748964



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*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, 2021	As at 31 March, 2020
<b>CAPITAL WORK IN PROGRESS</b>		
Amount paid for development of Data Center	0	2,29,99,046
Paid for Hardware Equipments	0	2,46,42,598
Networking & Cabling	0	94,14,406
Other Expenditures	0	86,78,146
License/service fee paid for Customized Exchange Technology and other License Fees	0	2,48,47,551
<b>Total Capital Work In Progress</b>	<b>0</b>	<b>9,05,81,747</b>
Less:Provision for Impairment	0	(9,00,19,047)
<b>Balance</b>	<b>0</b>	<b>5,62,700</b>

9.2 As per the Valuation Report by Independent Valuer, the various components of Capital WIP have outlived their life due to technology obsolescence and other factors. Accordingly the same has been discarded/ deducted and, the opening WDV of ₹ 5,62,700/- has been charged as impairment in the statement of Profit and loss.

**10. NON CURRENT INVESTMENTS** (Amount in ₹)

Name of the Company	Face Value (₹)	As at 31st March,2021		As at 31st March,2020	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
<b>LONG TERM INVESTMENTS (At Cost)</b>					
<b>NON TRADE (Unquoted)</b>					
<b>(A)Investment in Equity Instruments</b>					
-FULLY PAID UP EQUITY SHARES					
-IN WHOLLY OWNED SUBSIDIARY COMPANY					
Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.)	1000	60000	6,00,00,000	60000	6,00,00,000
<b>TOTAL A</b>		<b>60000</b>	<b>6,00,00,000</b>	60000	6,00,00,000
<b>(B) INVESTMENTS IN MUTUAL FUNDS</b>					
-FULLY PAID UP UNITS					
HSBC FTS 131- Growth Direct Plan	10	6000000	6,00,00,000	600000	6,00,00,000
<b>TOTAL B</b>		<b>6000000</b>	<b>6,00,00,000</b>	600000	6,00,00,000
<b>TOTAL (A+B)</b>		<b>6060000</b>	<b>12,00,00,000</b>	6060000	12,00,00,000

*Notes forming part of Accounts...*

- 10.1** As per Audited Financial Statements of the wholly owned subsidiary company Delstox Stocks and Shares Limited, it has accumulated losses of ₹ 21,41,671/- as on 31.03.2021 (Previous year ₹ 89,63,303/-). 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.
- 10.2** Aggregate cost of investment in mutual fund as on 31.03.2021 ₹ 6,00,00,000/- (previous year ₹ 6,00,00,000). Net Asset Value there of as on 31.03.2021 ₹ 7,35,21,600/- (previous year ₹ 6,92,22,000/-).

**11. LOANS AND ADVANCES***(Amount in ₹)*

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	Long Term	Short term	Long Term	Short term
<b>Unsecured, Considered Good, Unless otherwise stated:</b>				
<b>Others</b>				
Loan and advances to staff	0	0	0	35,642
Security Deposits	14,90,000	0	14,90,000	0
Prepaid Expenses/Advance against expenses	0	7,62,282	0	8,77,269
Amount paid to SEBI toward broker / Sub broker fees (Net of recovery) (Refer Note no. 30)	0	15,11,43,249	0	15,50,12,356
GST Recoverable	73,02,143	0	63,03,920	0
Advance Tax/TDS/Income Tax refunds due	0	1,58,71,210	0	2,06,30,572
Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 11.1)				
—Considered Doubtful	7,15,90,627	0	7,15,90,627	0
Less: Provision for Doubtful Advances	-7,15,90,627	0	-7,15,90,627	0
	<b>87,92,143</b>	<b>16,77,76,741</b>	77,93,920	17,65,55,839

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



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*Notes forming part of Accounts...*

**12. Current Investments**

(valued at lower of cost and fair value)

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹
Investment in Mutual Funds- (Unquoted, fully paid up) Non-Trade				
ICICI Prudential Saving Fund- Direct Plan-Growth	17366	72,71,058	31643	1,20,83,166
Kotak Banking and PSU Debt Fund Direct Growth	77425	39,89,239	0	0
	<b>94791</b>	<b>1,12,60,297</b>	31643	1,20,83,166

Aggregate cost of Current Investment ₹ 1,12,76,058/- (Previous Year ₹ 1,20,83,166/-)

Net Asset Value as on 31.03.2021 ₹ 1,12,77,357/- (Previous year ₹ 1,23,60,895/-).

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>13. TRADE RECEIVABLES</b>		
Outstanding for a Period exceeding six months Unsecured Considered Good	16,39,378	16,65,002
	<b>16,39,378</b>	16,65,002
<b>14. CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash equivalents</b>		
Balances with Banks		
-In Current Accounts	20,11,087	16,20,062
-In Deposit Accounts*	45,39,85,570	38,89,21,507
Cash-on-Hand	32,169	29,717
<b>Others</b>		
Deposits with financial institution/ NBFC* (Housing Development Finance Corporation Limited)	4,55,10,200	9,15,13,010
	<b>50,15,39,026</b>	48,20,84,296
<b>Other Bank balances</b>		
Deposit with bank**	1,94,058	1,94,058
	<b>50,17,33,084</b>	48,22,78,354

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

\*\* Deposits with banks and financial institutions/ NBFC includes deposits of ₹ 4,60,00,000/- (Previous year ₹ 8,84,83,260/-) With remaining maturity of more than 12 months.

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

## Notes forming part of Accounts...

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>15. OTHER CURRENT ASSETS</b>		
-Interest accrued on deposits with banks and financial institution/ NBFC	1,47,78,554	94,86,210
-Recoverable from Wholly owned subsidiary company (Rent & other) (Refer Note no. 22)	0	52,98,280
-Other recoverable (including Cabin rent, expense recoverable etc.)	9,95,609	9,01,022
--Bank FDR earmarked against amount of Share Allotment Kept in abeyance (Refer Note No. 4) [Value with accrued interest as on 31/03/2021 ₹ 3,67,180/- (Previous Year ₹ 3,40,278/-)]	1,56,000	1,56,000
	<b>1,59,30,163</b>	<b>1,58,41,512</b>
<b>16. OTHER INCOME</b>		
Interest (Gross) on		
a) Fixed Deposits with banks and financial institutions/ NBFC	3,30,69,624	3,62,19,602
b) Electricity Security Deposit	37,549	41,538
	<u>3,31,07,173</u>	<u>3,62,61,140</u>
	<b>3,31,07,173</b>	<b>3,62,61,140</b>
Interest on income Tax Refund	25,18,522	28,89,637
Profit on sale/redemption of current investments	6,12,891	4,96,407
Profit on sale/redemption of Non- Current/ Long Term investments	0	46,52,680
Profit on sale/disposal of Fixed Assets (Net) (Property, Plant and Equipment)	0	8,25,657
Provision/ Liabilities/ old balances no longer required written back	13,88,422	0
Miscellaneous	19,490	56,132
Rent	1,36,020	4,17,817
	<b>3,77,82,518</b>	<b>4,55,99,470</b>
<b>17. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Benefits	41,94,047	42,43,558
Contribution to Provident Fund and Gratuity Fund	6,15,955	4,23,588
Staff welfare	1,04,509	1,86,694
	<b>49,14,511</b>	<b>48,53,840</b>



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*Notes forming part of Accounts...*

(Amount in ₹)

**18. Finance Costs**

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Interest on Income Tax	2,49,343	0
	2,49,343	0

**19. Other Expenses**

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Electricity	20,34,932	23,32,948
Water	1,25,187	1,19,105
Property Management Services	45,78,416	41,87,490
Repairs and Maintenance - Others	194,134	2,77,789
Advertisement	45,392	27,405
Rates & Taxes	10,81,992	7,63,191
Insurance	7,23,905	7,70,044
Directors's Sitting Fees	9,45,000	4,25,000
Communication	56,580	1,61,732
Auditor's Remuneration (Refer Note No. 26)	3,80,000	3,80,000
Legal and Professional	9,88,285	9,75,366
Depository and Custodial Charges (CDSL/ NSDL) (Including Prior period expenses Rs. Nil/- (Previous Year Rs. 1,99,392/-)	10,620	2,20,787
Printing and Stationery	2,06,753	2,23,609
Refund of membership fees/ charges	1,10,000	0
Travelling and Conveyance	88,211	1,22,648
Provision for diminution in value of Current Investment	15,761	0
Board and Committee Meetings	47,058	80,569
Festival	1,01,359	1,30,470
General Meetings of Members	1,67,075	88,090
Miscellaneous	7,57,680	7,01,913
	1,26,58,340	1,19,88,155

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

Particulars	Current Year (₹)	Previous Year (₹)
Net Profit after Tax as per Statement of Profit and Loss	1,17,10,225	1,83,74,151
Net Profit attributable to Equity Shareholders	1,17,10,225	1,83,74,151
<b>Basic Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average No. of Equity Shares Outstanding	3,02,42,000	3,02,42,000
Basic Earning per share (₹)	0.39	0.61
<b>Diluted Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average No. of Equity Shares Outstanding	3,03,98,000	3,03,98,000
Diluted Earning per share (₹)	0.39	0.60

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

- (a) Claims against the Company not acknowledged as debts:- ₹ 11,09,11,025/- (Previous Year ₹ 11,09,11,025/-)
- (b) The Assessing Officer had disallowed the Company's claim of exemption under section 11 of Income Tax Act, 1961 from the Assessment Year 1996-97 to 1999-2000 and from Assessment Year 2001-02 to 2006-07. The total demands raised by assessing officer for these years were ₹ 33,14,77,341/- (including interest) (Previous Year ₹ 33,14,77,341/-). The Commissioner of Income Tax (Appeals) as well as Income Tax Appellate Tribunal (ITAT) upheld the claim of exemption by the Company for all the above years. As per the information to the company, the Income Tax Department has filed appeal before Hon'ble High Court of Delhi against the decision of ITAT.

**22. RELATED PARTY TRANSACTIONS****22.1 List of related parties with whom transactions have taken place and relationship:**

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



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*Notes forming part of Accounts...*

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

Sr. No.	Name of the Related party	Nature of Transactions	Amount Current Year	Amount Previous Year
1	Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.)	Rent income and Maintanance Charges (including GST) Expenses recovered Amount recoverable at year end Investments as at the year end	29,736 1,20,000 5448016 0 6,00,00,000	29,736 1,20,000 0 52,98,280 6,00,00,000
2	Sunil Bhatia	Remuneration paid (excluding retirement benefits) Staff Welfare	0 0	4,76,138 31,000
3	V K Yadav	Remuneration paid	6,04,956	1,69,127
4	Vijay Bhushan	Sitting Fees paid	2,55,000	1,30,000
5	Mahender Kumar Gupta	Sitting Fees paid	2,55,000	1,40,000
6	Vinod Kumar Goel	Sitting Fees paid	2,55,000	1,40,000
7	Hans Raj Kapoor	Sitting Fees paid	1,80,000	15,000
8	Emmkay Share & Stock Brokers Ltd.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,200 0	1,200 2,916
9	Vinod Kumar Goel & Co.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,554 0	1,554 2,208
10	Murari Lal Goel	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,554 0	1,554 2,208

**23. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15**

*Defined Contribution Plan*

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

(Amount in ₹)

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)	Head under which shown in Statement of Profit & Loss
Contribution to Provident Fund	2,00,344/-	2,48,868/-	Contribution to Provident fund and Gratuity fund

## Notes forming part of Accounts...

Defined Benefit Plan  
Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	15,25,371/-	15,79,879/-	2,99,657/-	7,06,681/-
Interest Cost (B)	85,421/-	1,05,852/-	16,781/-	47,348/-
Past service cost (C)	Nil	Nil	Nil	Nil
Current service cost (D)	59,126/-	97,329/-	39,094/-	33,991/-
Benefits paid (E)	(8,90,977/-)	(3,31,587/-)	(2,96,534/-)	(6,06,601/-)
Actuarial loss/(gain) on obligation (F)	3,66,060/-	73,898/-	1,66,096/-	1,18,238/-
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	11,45,000/-	15,25,371/-	2,25,094/-	2,99,657/-

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)	11,45,000/-	15,25,371/-	2,25,094/-	2,99,657/-
Estimated fair value of plan Assets (B)	5,75,993/-	12,48,661/-	Nil	Nil
Net Liability/(Asset) (C=A-B)	5,69,007/-	2,76,710/-	2,25,094/-	2,99,657/-
<b>Amounts in the Balance Sheet</b>				
Liabilities/(Asset)	5,69,007/-	2,76,710/-	2,25,094/-	2,99,657/-
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	59,126/-	97,329/-	39,094/-	33,991/-
Interest Cost	85,421/-	1,05,852/-	16,781/-	47,348/-
Past Service Cost	Nil	Nil	Nil	Nil
Expected Return on Plan Asset	(88,031/-)	(1,13,200/-)	Nil	Nil
Actuarial(Gain)/Loss	3,59,096/-	84,739/-	1,66,096/-	1,18,238/-
	4,15,611/-	1,74,720/-	2,21,971/-	1,99,577/-
Head under which shown in the Statement of Profit & Loss	Contribution to Provident Fund and Gratuity Fund		Salaries and Benefits	



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*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	94,995/-	1,02,359/-

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

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	5.10%	5.60%
Expected Rate of Return on Plan Assets	7.15%	7.05%
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	12,48,661/-	14,51,281/-
ii)	Expected Return on Plan Assets	88,031/-	1,13,200/-
iii)	Contribution by the Employer	1,23,314/-	26,608/-
iv)	Benefits Paid	(8,90,977/-)	(3,31,587/-)
v)	Actuarial Gain/(Loss)	6,964/-	(10,841/-)
	Closing Fair Value of Plan Assets	5,75,993/-	12,48,661/-

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

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2021 and 31st March, 2020.

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

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

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees - Standalone financial statements	3,00,000	3,00,000
- Consolidated financial statements	50,000	50,000
Out of Pocket Expenses	30,000	30,000
	3,80,000	3,80,000

*Notes forming part of Accounts...*

27. In compliance of SEBI exit order requiring the company to change its name so as to delete the word 'Stock Exchange' from it, the name of the Company has been changed from Delhi Stock Exchange Limited to DSE Estates Limited vide certificate dated 14.11.2019 issue by Registrar of Companies, Delhi.
28. As per Exit order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 passed by Whole Time member, SEBI, the company is to refund SGF / TGF deposit (refundable) to the stock brokers including their initial contribution / deposit to Settlement Gurantee Fund / Trade Gurantee Fund (SGF/ TGF). Accordingly amount of ₹ 1,55,10,000/- as identified and certified by the management and also by Internal auditors of the Company, was transferred during the financial year 2016-17 from Settlement Gurantee Fund to Other Current liabilities.

**29. Litigation**

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

In terms of aforesaid letter of SEBI, the company had remitted/transferred the balance of Investor Protection Fund, Investor Services Fund and 1% Security deposit to SEBI in the earlier year. However, with regard to amount of outstanding registration fee of brokers/sub-brokers, in the opinion of management, the company is not liable to pay the outstanding fees of brokers/sub-brokers, if any. The company wrote a letter dated July 13, 2015 to SEBI stating that the company is not liable to pay the outstanding registration fees of brokers. Earlier SEBI informed the company about outstanding brokers/subbrokers turnover fee amounting to ₹ 25,38,11,200/-. Subsequently after several representations and meetings, SEBI re-calculated the brokers fee at ₹ 15,61,98,365/- and sub-brokers fees at ₹ 22,11,500/- totalling to ₹ 15,84,09,865/- (inclusive of interest) as of September, 2016. SEBI informed the company the liability in respect of members which were party to the appeal in the matter of SEBI vs. Alliance Finstock Private Limited and their corresponding transferees and the members which were party to the appeal in the matter of Association for welfare of Delhi Stock Brokers & Ors. vs. Union of India & Ors. (W.P.(C) 17349/2004 was under calculation and will be informed by SEBI separately. During the financial year 2016-17, the Company had paid the aforesaid amount of ₹ 15,84,09,865/- to SEBI. According to the management, the amounts had been paid to SEBI without prejudice to rights to get the refund of the amount from SEBI if excess amount has been paid. Upto the Year end the Company has recovered amount of ₹ 72,66,616/- (Previous year ₹ 33,97,509/-) from some brokers against the turnover fees/ sub- broker fee. The amount paid to SEBI net of aforesaid recovery has been shown in note no. 11 of the Financial Statements. Subsequent to the year end, the Company has



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

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

further recovered turnover fees/ sub broker fees of ₹ Nil/- (Previous Year ₹ 38,63,926/-). In the opinion of management the company is also not liable for the liability of remaining amount of ₹ 15,11,43,249/- (i.e. amount paid by it to SEBI less recovery made and refund received) (Previous year ₹ 15,11,48,430/-) as this amount of ₹ 15,11,43,249/- (Previous year ₹ 15,11,48,430/-) will also be recoverable from the respective brokers/sub-brokers and, therefore, no provision for expense/liability is required to be made for the same.

31. SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 had passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock Exchange, as the company intends to continue as a corporate entity.
- 32 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 33 Disclosure u/s 186(4) of the Companies Act, 2013:  
The detail of investments made are given in Note no. 10 and 12.
- 34 During the current year and previous year, the Company was not required to spent on Corporate Social Responsibility (CSR activities).
- 35 In the opinion of the management, there is no adverse impact of Covid-19 pandemic on the recoverable amounts of various assets of the company.
- 36 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 : 21.10.2021

#### FOR AND ON BEHALF OF THE BOARD

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

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

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

**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194

**Form AOC-1**  
**(Pursuant to first proviso to sub-section (3) of section 129 read**  
**with Rule 5 of Companies (Accounts) Rules, 2014)**  
**Statement containing salient features of the financial statements of**  
**subsidiaries/ associate companies/ joint ventures.**

**Part “A”: Subsidiaries**

(Amount in ₹)

Sl. No.	Particulars	
1.	Name of the subsidiary	<b>Delstox Stocks And Shares Limited</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A
4.	Share capital	6,00,00,000
5.	Reserves & surplus	(21,41,671)
6.	Total assets	8,62,26,287
7.	Total Liabilities	8,62,26,287
8.	Investments	38,27,345
9.	Turnover	1,46,30,934
10.	Profit before taxation	67,87,092
11.	Provision for taxation	NIL
12.	Profit after taxation	68,21,632
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

**Notes:**

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

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

Chartered Accountants  
Firm Regd. No. 000468N

**Amit Goel**  
*(Partner)*

M.No. 092648

Place : New Delhi

Date : 21.10.2021

**FOR AND ON BEHALF OF THE BOARD**

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

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

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

**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194



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

## Independent Auditors' Report on Consolidated Financial Statements

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

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

### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of DSE ESTATES LIMITED (FORMERLY KNOWN AS DELHI STOCK EXCHANGE LIMITED) and its subsidiary (the Holding company and its subsidiary together referred to as 'the group'), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, their consolidated profit, their consolidated cash flows for the year then ended.

### **Basis for Qualified Opinion**

*Reference is invited to Note no. 34 of financial statements regarding non-provision of amount of ₹ 15,11,43,249/- in respect of fees of brokers/sub-brokers (inclusive of interest) paid to SEBI during the earlier year (net of recovery and refund). In the opinion of management no provision is required for the said amount. In our opinion, on the basis of information and explanations made available to us*

*by the management, there is uncertainty of the refund / recovery of the aforesaid amount and, therefore, provision is required to be made for the same. As a result of this, profit for the year as shown in the statement of Profit & loss is higher by ₹ 15,11,43,249/-; amount of Reserve & Surplus as shown in the Balance sheet is overstated to that extent; Short Term loans and advances as shown in the Balance sheet is overstated to that extent. Our opinion is qualified on this issue. We had also given qualified opinion on this issue in our audit report on the financial statements as on/ for the year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group, in accordance with Code of Ethics and provision of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis of Matter**

Without qualifying our opinion, we invite reference to:

- (i) As per the audit report of subsidiary company: -  
Note No. 38
- (A) Trade Receivables outstanding for more than six months aggregating to ₹ 80.61 Lakhs (Previous year ₹ 82.32 lakhs) out of which ₹ 69.08 lakhs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2021 have also not been obtained. In the opinion of the Management these balances are partially

doubtful for recovery and hence provision for doubtful debts of ₹ 55.27 Lakhs (Previous Year ₹ 41.45 Lakhs) has been made in the books of accounts (being 80% on net outstanding of ₹ 69.08 lakhs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court and are pending on date.

- B) The company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 11.53 Lakhs (including ₹ 8.02 lakhs from CDSL) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/adjusted in the financials year 2021-22.

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

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

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

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

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

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

The accompanying consolidated financial statements have been approved by the Holding Company's

Board of Directors. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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



the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Other matters**

- (a) We did not audit the financial statements / financial information of the subsidiary, whose financial statements / financial information reflect total assets of ₹ 8,62,26,287/- as at 31st March, 2021, total revenues of ₹ 1,46,30,934/- and net cash flows amounting to ₹ 48,82,565/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been

furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated financial statements dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors

of the Group companies is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

The Group has not paid any managerial remuneration for the year ended 31<sup>st</sup> March, 2021 to its directors.

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

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

Place : New Delhi  
Date : 21.10.2021



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

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

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

In conjunction with our audit of the consolidated financial statements of DSE Estates Limited and its subsidiary company (Collectively referred to as "the group") as of and for the year ended 31 March 2021, We have audited the internal financial controls over financial reporting of **DSE ESTATES LIMITED** ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

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

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

### **Auditors' Responsibility**

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

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Place : New Delhi  
Date : 21.10.2021

**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 2021, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except.

**Other Matters**

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

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

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



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

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021 *(Amount in ₹)*

Particulars	Note	As At 31 <sup>st</sup> March, 2021	As At 31 <sup>st</sup> March, 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,02,42,000	3,02,42,000
Reserves and Surplus	3	80,50,75,022	78,65,43,162
		<b>83,53,17,022</b>	81,67,85,162
<b>Share Allotment Kept in abeyance</b>	4	1,56,000	1,56,000
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	5	22,870	1,41,912
Other Long-term Liabilities	6	2,48,25,301	2,57,03,835
Long Term Provisions	7	12,87,936	9,42,742
		<b>2,61,36,107</b>	2,67,88,489
<b>Current Liabilities</b>			
Trade Payables	8		
-total outstanding dues of micro enterprises and small enterprises		0	0
-total outstanding dues of creditors other than micro enterprises and small enterprises		2,24,70,567	1,44,24,406
Other Current Liabilities	9	1,13,04,458	1,42,96,752
Short Term Provisions	7	51,66,578	64,93,601
		<b>3,89,41,603</b>	3,52,14,759
		<b>90,05,50,732</b>	87,89,44,410
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Fixed Assets	10		
Tangible assets		4,74,15,516	5,05,88,560
Intangible assets		41,809	7,369
Capital work In Progress		0	5,62,700
Non-Current Investments	11	6,38,27,345	6,54,72,453
Long-term Loans and Advances	12	3,67,66,755	3,61,40,880
Other Non-Current Assets	13	1,18,12,622	52,49,527
		<b>15,98,64,047</b>	15,80,21,489
<b>Current Assets</b>			
Current Investments	14	1,89,24,595	1,89,50,078
Trade Receivables	15	46,56,042	75,94,096
Cash and Bank balances	16	52,95,86,331	50,52,83,575
Short-Term Loans and Advances	12	16,92,74,548	17,68,05,320
Other Current Assets	17	1,82,45,169	1,22,89,852
		<b>74,06,86,685</b>	72,09,22,921
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 24 to 45	<b>90,05,50,732</b>	87,89,44,410

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 : 21.10.2021

FOR AND ON BEHALF OF THE BOARD

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

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

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

**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194

## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2021

(Amount in ₹)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Revenue from operations	18	40,16,246	25,57,223
Other Income	19	4,83,72,006	5,83,46,972
<b>Total Revenue</b>		<b>5,23,88,252</b>	<b>6,09,04,195</b>
<b>Expenses:</b>			
Employee Benefits Expense	20	79,96,257	81,58,095
Finance Costs	21	2,49,343	0
Depreciation/Amortisation	10	33,42,858	37,79,623
Provision for Impairment	10	5,62,700	80,800
Other Expenses	22	1,58,83,694	1,44,99,257
Provision for Doubtful Debts		13,81,671	13,81,671
<b>Total Expenses</b>		<b>2,94,16,523</b>	<b>2,78,99,446</b>
Profit for the year before Tax		2,29,71,729	3,30,04,749
<b>Tax expense:</b>			
- Current		46,32,000	60,00,000
- Earlier Year		(73,089)	(30,121)
- Deferred		(1,19,042)	6,34,742
Profit for the year after Taxation		1,85,31,860	2,64,00,128
<b>Earning Per Share:</b>	23		
Equity share of par value ₹ 1/-each			
Basic		0.61	0.87
Diluted		0.61	0.87
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 24 to 45		

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 : 21.10.2021

### FOR AND ON BEHALF OF THE BOARD

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

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

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

**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194



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

## Consolidated Cash Flow Statement

For the year ended 31<sup>st</sup> March 2021

(Amount in ₹)

	Year ended 31st March,2021	Year ended 31st March,2020
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Los) before tax and Extraordinary Items	2,29,71,729	3,30,04,749
<i>Adjustment for :</i>		
Finance Costs	2,49,343	0
Depreciation	33,42,858	37,79,623
Provisions for Doubtful debts	13,81,671	13,81,671
Provisions for diminution in value of Current Investment	15,761	0
Provision for Impairment	5,62,700	80,800
Interest Income	(3,73,88,805)	(4,02,55,426)
Dividend Income	(12,35,706)	(16,25,724)
Rental Income	(1,10,820)	(3,92,617)
Profit on redemption of Current Investments	(9,10,660)	(8,87,319)
Profit on redemption of Non-Current Investments	(70,37,353)	(1,29,12,213)
Profit on sale of Fixed Assets	0	(8,25,657)
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>(1,81,59,282)</b>	<b>(1,86,52,113)</b>
<i>Adjustment for :</i>		
Trade,other Receivables and loans and advances / Other Current and Non-Current Assets	(88,16,494)	83,50,204
Current and Non-current Liabilities	45,61,504	60,88,624
<b>Cash Generated from operation</b>	<b>(2,24,14,272)</b>	<b>(42,13,285)</b>
Income tax paid	11,67,548	36,24,595
<b>Net Cash from Operation Activities</b>	<b>(2,35,81,820)</b>	<b>(78,37,880)</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Interest Income	3,73,88,805	4,02,55,426
Rental Income	1,10,820	3,92,617
Dividend Income	12,35,706	16,25,724
Purchase of Fixed Assets	(2,04,254)	(3,13,618)
Sale of Fixed Assets	0	10,07,388
Purchase of Investments	(3,94,69,619)	(5,97,81,000)
Sale/Redemption of Investments	4,90,72,461	12,36,04,559
<b>Net Cash used in Investing Activities</b>	<b>4,81,33,919</b>	<b>10,67,91,096</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(2,49,343)	0
<b>Net Cash used in Financing Activities</b>	<b>(2,49,343)</b>	<b>0</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>2,43,02,756</b>	<b>9,89,53,216</b>
<b>Cash and Cash Equivalents</b> (Opening Balance)	<b>50,50,89,517</b>	<b>40,61,36,301</b>
<b>Cash and Cash Equivalents</b> (Closing Balance)	<b>52,93,92,273</b>	<b>50,50,89,517</b>
<b>Components of Cash and Cash Equivalents at the end of the year (I)</b>		
Balances with Banks		
In Current and Deposit Accounts	48,38,47,212	40,95,45,760
Cash-on-hand	34,861	30,747
Deposit with Financial Institutions/ NBFC	4,55,10,200	9,55,13,010
<b>Total (I)</b>	<b>52,93,92,273</b>	<b>50,50,89,517</b>
<b>Other Bank Balances (II)</b>		
Deposit with bank	1,94,058	1,94,058
Lien marked with Registrar of High Court		
<b>Total (II)</b>	<b>1,94,058</b>	<b>1,94,058</b>
<b>Total Cash and Bank Balances (I+II)</b>	<b>52,95,86,331</b>	<b>50,52,83,575</b>

As per our report on even date  
For P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Regd. No. 000468N  
**Amit Goel**  
(Partner)  
M.No. 092648

Place : New Delhi  
Date : 21.10.2021

### FOR AND ON BEHALF OF THE BOARD

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(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194

## NOTES FORMING PART OF ACCOUNTS

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

#### 1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

##### 1.1 PRINCIPLES OF CONSOLIDATION

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

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

##### 1.2 OTHER SIGNIFICANT ACCOUNTING POLICY

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

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

###### b) BASIS OF ACCOUNTING

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

###### c) REVENUE RECOGNITION

- i Income is accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking, revenue recognition is postponed to the extent of uncertainty involved as per Accounting Standard – Revenue Recognition (AS-9).
- ii Interest earned on bank and other deposits is recognized as income on accrual basis.
- iii Interest income on income tax refund is recognized as income at the time of receipt of refund or receipt of intimation of determination of refund.

###### d) INVESTMENTS

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

###### e) PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at cost of acquisition including installation expenditure, if any less accumulated depreciation and impairment loss, if any.

###### f) DEPRECIATION

- i Depreciation on tangible assets except Leasehold land is provided on Written down value method over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013.
- 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) EARNING PER SHARE**

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

For the purpose of calculating diluting earning per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares, if any.

**j) CASH & CASH EQUIVALENTS**

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

**k) CASH FLOW STATEMENT**

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

**l) CONTINGENCIES:**

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

Notes forming part of Accounts...

2. SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Authorised</b>		
100000000 (Previous Year 100000000) Equity Shares of ₹ 1/- each	<b>10,00,00,000</b>	10,00,00,000
	<b>10,00,00,000</b>	10,00,00,000
<b>Issued</b>		
30320000 (Previous Year 30320000) Equity Shares of ₹ 1/- each	<b>3,03,20,000</b>	3,03,20,000
	<b>3,03,20,000</b>	3,03,20,000
<b>Subscribed</b>		
30320000 (Previous Year 30320000) Equity Shares of ₹ 1/- each	<b>3,03,20,000</b>	3,03,20,000
	<b>3,03,20,000</b>	3,03,20,000
<b>Paid up</b>		
30242000 (Previous Year 30242000) Equity Shares of ₹ 1/- each fully paid up	<b>3,02,42,000</b>	3,02,42,000
	<b>3,02,42,000</b>	3,02,42,000

- 2.1 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.
- 2.2 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.
- 2.3 In certain Secretarial records of the Company, there is difference of 4000 (Previous year 4000) equity shares in the paid up capital. The correct figure of paid up equity share is 30242000 (Previous year 30242000) shares of ₹ 1/- each as stated above. However, as per certain secretarial records, the total number of shares are 30246000 (Previous year 30246000). The Company has filed petition before the Hon'ble National Company Law Tribunal (NCLT), New Delhi for rectification of secretarial records.
- 2.4 During the year, the Company has filed a petition before the Hon'ble National Company Law Tribunal (NCLT), New Delhi, inter-alia praying for:-
  - i) Allowing the Company to rectify its register of members.
  - ii) Allowing the Company to reduce its paid up share capital by ₹1,58,000/- (158000 equity shares of Rs 1/- each) from its financial statements.
  - iii) Allowing the Company to issue the consequential refund of ₹ 1,58,000/- on account of aforesaid capital reduction.
  - iv) Reduction of paid up share capital by 162000 equity shares in the secretarial/ROC records. The Hon'ble NCLT has issued notices to the parties and the hearing/ arguments on the petition are yet to take place.
- 2.5 The Dividend Proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. No dividend has been proposed for the current year or for the previous year.



*Notes forming part of Accounts...*

- 2.6 Reconciliation of the number of shares outstanding and amount of Share Capital as on 31st March, 2021 & 31st March, 2020 is as under:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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

- 2.7 There are no shareholders holding more than 5% shares in the company as at 31st March, 2021 & 31st March, 2020.

**3. RESERVES AND SURPLUS**

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve-Opening Balance	51,35,66,587	51,35,66,587
	51,35,66,587	51,35,66,587
Settlement Guarantee Fund Reserve (SGF)- Opening Balance*	66,94,92,106	66,94,92,106
	66,94,92,106	66,94,92,106
General Reserve-Opening Balance	5,77,717	5,77,717
	5,77,717	5,77,717
Surplus -opening balance	(39,70,93,248)	(42,34,93,376)
Add: Net Profit after tax transferred from Statement of Profit & Loss	1,85,31,860	2,64,00,128
Surplus-Closing balance	(37,85,61,388)	(39,70,93,248)
	80,50,75,022	78,65,43,162

\* Settlement Guarantee Fund was created with the objective of guarantee of the settlement of bonafide transactions of the members of the exchange, inter se, which formed part of the erstwhile exchange's settlement system. Fund balance represented initial contribution of the exchange and certain collections made from the members and income on investments attributable to fund balances upto 31/03/2016 (Also refer Note no. 32). The shareholders of the company in their annual general meeting held on 29/09/2018 had resolved that the entire amount of ₹ 66,94,92,106/- standing to the credit of the Settlement Guarantee Fund Reserve of the Company shall be reclassified and credited to the 'Surplus Account' of the Company, and subsequent thereto, such amount credited to the 'Surplus Account' of the Company shall be reclassified as, and constitute accumulated profits of the Company in accordance with the provisions of the Companies Act, 2013 and subject to such approvals as may be necessary.

Notes forming part of Accounts...

**4. SHARE ALLOTMENT KEPT IN ABEYANCE**

(Amount in ₹)

Particulars	As At 31 <sup>st</sup> March, 2021	As At 31 <sup>st</sup> March, 2020
Share allotment kept in abeyance	<b>1,56,000</b>	1,56,000
	<b>1,56,000</b>	1,56,000

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

**5. DEFERRED TAX LIABILITIES**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deferred Tax Liability		
Fixed Assets	<b>2,22,729</b>	2,86,972
Less: Deferred Tax Asset		
Expenses allowable under Income Tax Act on payment basis	<b>1,99,859</b>	1,45,060
	<b>22,870</b>	1,41,912

**6. OTHER LONG TERM LIABILITIES**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Margin Money, Capital Adequacy Norms Deposits, Earnest Money Deposit* (under erstwhile stock exchange mechanism)	<b>2,08,34,551</b>	2,17,13,085
Payable for Capital contracts	<b>15,21,509</b>	15,21,509
Other Liabilities (including defaulter, deceased members)	<b>24,69,241</b>	24,69,241
	<b>2,48,25,301</b>	2,57,03,835



*DSE Estates Limited*  
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Notes forming part of Accounts...

**7. PROVISIONS**

(Amount in ₹)

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	Long Term	Short term	Long Term	Short term
<b>Provisions For Employees Benefit</b> (Refer Note No. 27)				
Leave encashment	1,20,591	4,62,474	1,76,408	3,88,012
Gratuity	11,67,345	72,104	7,66,334	1,05,589
<b>Others</b>				
Income Tax	0	46,32,000	0	60,00,000
	<b>12,87,936</b>	<b>51,66,578</b>	9,42,742	64,93,601

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>8. TRADE PAYABLES</b>		
-total outstanding dues of micro enterprises and small enterprises	0	0
-total outstanding dues of creditors other than micro enterprises and small enterprises	2,24,70,567	1,44,24,406
	<b>2,24,70,567</b>	1,44,24,406
<b>9. OTHER CURRENT LIABILITIES</b>		
Investor Service Cell Fund-Payable to SEBI	0	13,61,406
Amount Refundable to brokers towards Settlement Guarantee Fund (SGF / TGF) in terms of SEBI order (Refer Note no. 32)	45,10,000	48,60,000
Margin from Sub-brokers	42,63,379	47,96,683
Stale Cheques	72,711	59,481
Refundable to erstwhile Member against encashment of Margin FDR	9,54,749	9,54,749
Statutory dues Payable	3,87,305	2,75,326
Expenses Payable	11,16,314	19,89,107
	<b>1,13,04,458</b>	1,42,96,752

## Notes forming part of Accounts...

## 10. FIXED ASSET

(Amount in ₹)

S. No	Particulars	Gross Block at Cost			Depreciation/Amortisation				Net Block		
		As at 1st April 2020	Additions during the year	Deductions during the year	As at March 31 2021	Upto March 31 2020	For the year	Adjustment for impairment	Deduction during the year	As at 31st March 2021	As on 31st March 2020
A	<b>Tangible Assets</b>										
1	Land (Lease hold)	54385303	0	0	<b>54385303</b>	23126504	1005022	0	0	<b>30253777</b>	31258799
2	Buildings	70766654	0	0	<b>70766654</b>	54208667	2089778	0	0	<b>14468209</b>	16557987
3	Electric Installation & Equipments	29162037	0	0	<b>29162037</b>	27773241	34423	0	0	<b>1354373</b>	1388796
4	Furniture & Fixtures	11951582	0	0	<b>11951582</b>	11419379	12192	0	0	<b>520011</b>	532203
5	Office Equipment	8301722	0	0	<b>8301722</b>	7928819	41847	0	0	<b>331056</b>	372903
6	Computers & Peripherals	7833534	166254	0	<b>7999788</b>	7355662	156036	0	0	<b>488090</b>	477872
7	Library Books	297749	0	0	<b>297749</b>	297749	0	0	0	<b>0</b>	0
8	Online Trading System & Communication Equipments	436167	0	0	<b>436167</b>	436167	0	0	0	<b>0</b>	0
	<b>Total Tangible Assets (A)</b>	<b>183134748</b>	<b>166254</b>	<b>0</b>	<b>183301002</b>	<b>132546188</b>	<b>3339298</b>	<b>0</b>	<b>0</b>	<b>47415516</b>	<b>50588560</b>
	Previous Year	185583677	313618	2762547	183134748	131349837	3777167	0	2580816	50588560	54233840
B	<b>Intangible Assets</b>										
1	Softwares	5514569	38000	0	<b>5552569</b>	5507200	3560	0	0	<b>41809</b>	7369
	<b>Total Intangible Assets (B)</b>	<b>5514569</b>	<b>38000</b>	<b>0</b>	<b>5552569</b>	<b>5507200</b>	<b>3560</b>	<b>0</b>	<b>0</b>	<b>41809</b>	<b>7369</b>
	Previous Year	5514569	0	0	5514569	5504742	2456	0	0	7369	9825
C	<b>Capital Work In Progress</b>	90581747	0	90581747	<b>0</b>	90019047	0	562700	90581747	<b>0</b>	562700
	<b>Total Capital Work In Progress (C)</b>	<b>90581747</b>	<b>0</b>	<b>90581747</b>	<b>0</b>	<b>90019047</b>	<b>0</b>	<b>562700</b>	<b>90581747</b>	<b>0</b>	<b>562700</b>
	Previous Year	90581747	0	0	90581747	89938247	0	80800	0	562700	643500
	<b>Total (A+B+C)</b>	<b>279231064</b>	<b>204254</b>	<b>90581747</b>	<b>188853571</b>	<b>228072435</b>	<b>3342858</b>	<b>562700</b>	<b>90581747</b>	<b>47457325</b>	<b>51158629</b>
	(Previous Year)	281679993	313618	2762547	279231064	226792826	3779623	80800	2580816	51158629	54887165



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

*Notes forming part of Accounts...*

**10.1 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,2021	As at 31 March,2020
<b>CAPITAL WORK IN PROGRESS</b>		
Amount paid for development of Data Center	0	2,29,99,046
Paid for Hardware Equipments	0	2,46,42,598
Networking & Cabling	0	94,14,406
Other Expenditures	0	86,78,146
License/service fee paid for Customized Exchange Technology and other License Fees	0	2,48,47,551
<b>Total Capital Work in Progress</b>	<b>0</b>	<b>905,81,747</b>
Less:Provision for Impairment	0	(90,019,047)
<b>Balance</b>	<b>0</b>	<b>5,62,700</b>

10.2 As per the Valuation Report by Independent Valuer, the various components of Capital WIP have outlived their life due to technology obsolescence and other factors. Accordingly the same has been discarded/deducted and, the opening WDV of ₹ 5,62,700/- has been charged as impairment in the statement of Profit and loss.

**11. NON CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	Face Value (₹)	As at 31st March,2021		As at 31st March,2020	
		Qty. (Nos.)	Amount (in ₹)	Qty. (Nos.)	Amount (in ₹)
<b>LONG TERM INVESTMENTS (At Cost)</b> <b>(Non Trade)</b>					
<b>(A) Investment in Equity Instruments (Quoted)</b>					
-Fully Paid up Equity Shares					
Bombay Stock Exchange Limited	2	34850	36,26,545	50659	5271653
<b>TOTAL A</b>		<b>34850</b>	<b>36,26,545</b>	<b>50659</b>	<b>5271653</b>
<b>(B) INVESTMENTS IN MUTUAL FUNDS (Unquoted)</b>					
-FULLY PAID UP UNITS					
HSBC FTS 131- Growth Direct Plan	10	6000000	6,00,00,000	6000000	60000000
<b>TOTAL B</b>		<b>6000000</b>	<b>6,00,00,000</b>	<b>6000000</b>	<b>60000000</b>
<b>(C) INVESTMENTS IN BONDS (Quoted, Fully paid up)</b>					
9.40% IFCI Bond 2025	1000	200	200,800	200	200800
<b>TOTAL C</b>		<b>200</b>	<b>200,800</b>	<b>200</b>	<b>200800</b>
<b>TOTAL (A+B+C)</b>		<b>6035050</b>	<b>6,38,27,345</b>	<b>6050859</b>	<b>65472453</b>

Notes forming part of Accounts...

Aggregate cost of Quoted investments ₹ 38,27,345/- (Previous year ₹ 54,72,453/-)

Market value of Quoted Investments ₹ 2,01,20,113/- (Previous year of ₹ 1,52,11,591/-)

Aggregate cost of investment in mutual fund as on 31.03.2021 ₹ 6,00,00,000/- (previous year ₹ 6,00,00,000/-).

Net Asset Value thereof as on 31.03.2021 ₹ 7,35,21,600/- (previous year ₹ 6,92,22,000/-).

12. LOANS AND ADVANCES

(Amount in ₹)

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	Long Term	Short term	Long Term	Short term
<b>Unsecured, Considered Good, unless otherwise stated:</b>				
<b>Others</b>				
Loan and advances to staff	0	0	0	35642
Security Deposits	2,90,65,000	0	29465000	0
Prepaid Expenses/Advance against expenses	0	11,23,367	0	1019244
Amount paid to SEBI toward broker / Sub broker fees (Net of recovery) (Refer Note no. 34)	0	15,11,43,249	0	155012356
GST Recoverable	73,02,143	9,15,160	6383774	0
TDS/Income Tax refunds due Recoverable from Financial Technologies (India) Ltd. (Refer Note No. 12.1)	3,99,612	1,60,92,772	292106	20738078
—Considered Doubtful	7,15,90,627	0	71590627	0
Less: Provision for Doubtful Advances	-7,15,90,627	0	-71590627	0
	<b>3,67,66,755</b>	<b>16,92,74,548</b>	36140880	176805320

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.



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Notes forming part of Accounts...

**13. OTHER NON-CURRENT ASSETS**

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
FDR's (including interest accrued) pledged with Stock Exchanges & other given as Security Deposits	1,17,12,622	51,49,527
Margin Deposit with Orbis Financial corporation Ltd. (MCX- SX)	1,00,000	1,00,000
	<b>1,18,12,622</b>	<b>52,49,527</b>

**14. CURRENT INVESTMENTS**

(valued at lower of cost and fair value)

Particulars	As At		As At	
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	No. of Units	Amount in ₹	No. of Units	Amount in ₹
Investment in Mutual Funds- (Unquoted, fully paid up) Non-Trade				
ICICI Prudential Saving Fund- Direct Plan-Growth*	17366	72,71,058	31643	1,20,83,166
JM High Liquidity Fund (Direct)-Growth Option	137455	76,64,298	126968	68,66,912
Kotak Banking and PSU Debt Fund Direct Growth	77425	39,89,239	0	0
	<b>232246</b>	<b>1,89,24,595</b>	<b>158611</b>	<b>1,89,50,078</b>

Aggregate cost of Current Investment ₹ 1,89,40,356/- (Previous Year ₹ 1,89,50,078/-)

Net Asset Value as on 31.03.2021 ₹ 1,90,08,723/- (Previous year ₹ 1,92,60,037/-).

**15. TRADE RECEIVABLES**

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Outstanding for a Period exceeding six months Unsecured		
Considered Good	41,73,618	57,52,015
Considered doubtful	55,26,684	41,45,013
Less: Provision for doubtful debts	<b>(55,26,684)</b>	<b>(41,45,013)</b>
	<b>41,73,618</b>	<b>57,52,015</b>
Others Debts Unsecured, Considered Good	4,82,424	18,42,081
	<b>46,56,042</b>	<b>75,94,096</b>

Notes forming part of Accounts...

(Amount in ₹)

**16. CASH AND BANK BALANCES**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Cash &amp; Cash equivalents</b>		
Balances with Banks		
-In Current Accounts	88,61,642	96,24,253
-In Deposit Accounts*	47,49,85,570	39,99,21,507
Cash-on-Hand	34,861	30,747
<b>Others</b>		
Deposits with financial institution/ NBFC*	4,55,10,200	9,55,13,010
	52,93,92,273	50,50,89,517
<b>Other Bank balances</b>		
Deposit with bank**	1,94,058	1,94,058
	52,95,86,331	50,52,83,575

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

Deposits with banks and financial institutions/ NBFC includes deposits of ₹ 5,10,00,000/- (Previous year ₹ 9,74,83,260/-) With remaining maturity of more than 12 months.

\*\* Lien marked with Registrar of High Court

**17. OTHER CURRENT ASSETS**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Interest accrued on deposits with banks and financial institution	1,47,78,554	94,86,210
Margin Deposit with IL&FS (for NSE (F&O))	14,81,974	14,81,974
Rent Receivable	9,95,609	9,01,022
Other Receivables	2,00,653	2,64,646
Life Insurance Corporation of India (Gratuity)	6,32,379	0
Bank FDR earmarked against amount of Share Allotment Kept in abeyance ( Refer Note No. 4)[Value with accrued interest as on 31/03/2021 ₹ 3,67,180/- (Previous Year ₹ 3,40,278/-)]	1,56,,000	1,56,000
	1,82,45,169	1,22,89,852



*Notes forming part of Accounts...*

**18. REVENUE FROM OPERATIONS**

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Brokerage Income (Net)*	33,37,599	19,88,644
Depository Income	6,78,647	5,68,579
	<b>40,16,246</b>	<b>25,57,223</b>

\* Net of ₹ 92,86,489/- (previous year ₹ 54,75,771/-) paid to Sub-brokers/ clearing member

**19. OTHER INCOME**

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Interest (Gross) on		
a) Fixed Deposits with banks	3,44,42,864	3,72,51,969
b) Others	4,27,419	1,03,518
	<b>3,48,70,283</b>	<b>3,73,55,487</b>
Interest on Income Tax Refund	25,18,522	28,99,939
Profit on sale/redemption of Current Investments	9,10,660	8,87,319
Profit on sale/redemption of Non-Current/ Long Term Investments	70,37,353	1,29,12,213
Profit on sale/disposal of Fixed Assets (Net) (Property, Plant and Equipment)	0	8,25,657
Provision/ Liabilities no longer required written back	13,88,422	0
Miscellaneous Income	3,00,240	14,48,016
Rent Income	1,10,820	3,92,617
Dividend Income on Long term/ Non Current Investments	12,35,706	16,25,724
	<b>4,83,72,006</b>	<b>5,83,46,972</b>

**20. EMPLOYEE BENEFIT EXPENSES**

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Salaries and Benefits	71,99,084	74,37,251
Contribution to Provident fund and Gratuity fund	6,91,184	4,98,820
Staff welfare	1,05,989	2,22,024
	<b>79,96,257</b>	<b>81,58,095</b>

Notes forming part of Accounts...

**21. FINANCE COSTS**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Interest on Income Tax	2,49,343	0
	2,49,343	0

**22. OTHER EXPENSES**

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Electricity	21,54,932	24,52,947
Water 132744	7,32,744	1,32,404
Property Management Services	45,78,416	41,87,490
Repairs and Maintenance- Others	4,36,714	5,22,399
Advertisement	45,392	27,405
Rates & Taxes	10,81,992	7,63,191
Insurance	7,90,198	7,70,044
Sitting Fees	12,75,000	6,90,000
Communication	1,28,272	2,28,232
Auditor's Remuneration (Refer Note No. 30)	5,05,000	5,05,000
Legal and Professional	13,04,629	11,95,870
Connectivity	3,57,266	6,11,779
Annual Subscription & other charges to National Stock Exchange Ltd.	1,01,001	51,000
Printing and Stationery	2,82,961	3,15,122
Dividend paid to clients*	3,74,503	0
Donation	1,00,000	0
Refund of membership fees/ charges	1,10,000	0
Travelling and Conveyance	1,08,693	1,45,941
Provision for diminution in value of Current Investment	15,761	0
Depository and Custodial Charges (Including Prior period expenses Rs. Nil/- (Previous Year Rs. 1,99,392/-)	3,62,487	6,39,117
Board and Committee Meetings	47,058	80,569
Bad debts/Advances/ Misc. Balances written-off	2,63,179	0
Festival	2,39,412	2,54,313
General Meetings of Members	1,67,075	88,090
Miscellaneous	9,21,010	8,38,344
	<b>1,58,83,694</b>	<b>1,44,99,257</b>

\* The subsidiary company has received dividend on behalf of clients and the same has been paid to clients.



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*Notes forming part of Accounts...*

**23. 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	1,85,31,860	2,64,00,128
Net Profit/(Loss) attributable to Equity Shareholders	1,85,31,860	2,64,00,128
<b>Basic Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average Nos. of Equity Share Outstanding	3,02,42,000	3,02,42,000
Basic Earning per share (₹)	0.61	0.87
<b>Diluted Earning Per Share</b>		
Face Value Per Share (₹)	1	1
Weighted Average Nos. of Equity Share Outstanding	3,03,98,000	3,03,98,000
Diluted Earning per share (₹)	0.61	0.87

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

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year ended
Delstox Stocks and Shares Limited (Earlier known as DSE Financial Services Ltd.)	India	100% subsidiary	31.03.2021

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

- (a) Claims against the Group not acknowledged as debts:- ₹ 11,09,38,025 /-  
(Previous Year ₹ 11,09,38,025/-)
- (b) The Assessing Officer has disallowed the holding company claim of exemption under section 11 of Income Tax Act, 1961 from the Assessment Year 1996-97 to 1999-2000 and from Assessment Year 2001-02 to 2006-07. The total demands raised by assessing officer for these years were ₹ 33,14,77,341/- (including interest) (Previous Year ₹ 33,14,77,341/-). The Commissioner of Income Tax (Appeals) as well as Income Tax Appellate Tribunal (ITAT) upheld the claim of exemption by the Company for all the above years. As per the information available with the company, the Income Tax Department has filed appeal before Hon'ble High Court of Delhi against the decision of ITAT.

**26. RELATED PARTY TRANSACTIONS**

**26.1 List of Related Parties with whom transactions have taken place and relationship:**

- a) *Key Managerial Personnel*  
Mrs. Rachna Prakash (Company Secretary)  
Mr. Sunil Bhatia (Company Secretary upto 30.09.2019)  
Mr. V K Yadav (Manager w.e.f. 21.12.2019)
- b) *Directors*  
Mr. Hans Raj Kapoor  
Mr. Vijay Bhushan  
Mr. Mahender Kumar Gupta  
Mr. Vinod Kumar Goel  
Mr. I C Singhal

Notes forming part of Accounts...

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

26.2 Transactions during the year with Related Parties:-

(Amount in ₹)

Sr. No.	Name of the Related party	Nature of Transactions	Amount Current Year	Amount Previous Year
1	Sunil Bhatia	Remuneration paid (excluding retirement benefits) Staff Welfare	0 0	4,76,138 31,000
2	V K Yadav	Remuneration paid	6,04,956	1,69,127
3	Rachna Prakash	Remuneration and other services charges paid	6,00,813	5,26,213
4	Vijay Bhushan	Sitting Fees paid	2,55,000	1,30,000
5	Mahender Kumar Gupta	Sitting Fees paid	3,75,000	2,35,000
6	Vinod Kumar Goel	Sitting Fees paid Security Deposit received and repaid	3,65,000	2,30,000
7	Hans Raj Kapoor	Sitting Fees paid	1,80,000	15,000
8	I C Singhal	Sitting Fees paid	1,00,000	80,000
9	Emmkay Share & Stock Brokers Ltd.	Cabin rent and other dues  Outstanding recoverable of Cabin rent as at the year end	1,200 0	1,200 2,916
10	Vinod Kumar Goel & Co.	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,554 0	1,554 2,208
11	Murari Lal Goel	Cabin rent and other dues Outstanding recoverable of Cabin rent as at the year end	1,554 0	1,554 2,208

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

Defined Contribution Plan

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

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)	Head under which shown in Statement in Profit & Loss
Contribution to Provident Fund	2,00,344/-	2,48,868/-	Contribution to Provident Fund and Gratuity Fund



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*Notes forming part of Accounts...*

Defined Benefit Plan  
Movement in net liability

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	15,25,371/-	15,79,879/-	2,99,657/-	7,06,681/-
Interest Cost (B)	85421/-	1,05,852/-	16,781/-	47,348/-
Past service cost (C)	Nil	Nil	Nil	Nil
Current service cost (D)	59,126/-	97,329/-	39,094/-	33,991/-
Benefits paid (E)	(8,90,977/-)	(3,31,587/-)	(2,96,534/-)	(6,06,601/-)
Actuarial loss/(gain) on obligation (F)	3,66,060/-	73,898/-	1,66,096/-	1,18,238/-
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	11,45,000/-	15,25,371/-	2,25,094/-	2,99,657/-

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)	11,45,000/-	15,25,371/-	2,25,094/-	2,99,657/-
Estimated fair value of plan Assets (B)	5,75,993/-	12,48,661/-	Nil	Nil
Net Liability/(Asset) (C=A-B)	5,69,007/-	2,76,710	2,25,094/-	2,99,657/-
<b>Amounts in the Balance Sheet</b> Liabilities/(Asset)	5,69,007/-	2,76,710	2,25,094/-	2,99,657/-
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	59,126/-	97,329/-	39,094/-	33,991/-
Interest Cost	85,421/-	1,05,852/-	16,781/-	47,348/-
Past Service Cost	Nil	Nil	Nil	Nil
Expected Return on Plan Asset	(88,031/-)	(1,13,200/-)	Nil	Nil
Actuarial(Gain)/Loss	3,59,096/-	84,739/-	1,66,096/-	1,18,238/-
	4,15,611/-	1,74,720/-	2,21,971/-	1,99,577/-
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	94,995/-	1,02,359/-

Notes forming part of Accounts...

(Amount in ₹)

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

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	5.10%	5.60%
Expected Rate of Return on Plan Assets	7.15%	7.05%
Salary Escalation Rate	10.00%	10.00%

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

Sl.No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	12,48,661/-	14,51,281/-
ii)	Expected Return on Plan Assets	88,031/-	1,13,200/-
iii)	Contribution by the Employer	1,23,314/-	26,608/-
iv)	Benefits Paid	(8,90,977/-)	(3,31,587/-)
v)	Actuarial Gain/(Loss)	6,964/-	(10,841/-)
	Closing Fair Value of Plan Assets	5,75,993/-	12,48,661/-

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

I) Defined Contribution Plan

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

II) Defined Benefit Plans

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

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

To the extent information available with the Group, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2021 and 31st March, 2020.

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

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

(Amount in ₹)

	Current Year	Previous year
Statutory Audit Fees	4,50,000	4,50,000
Tax Audit Fees	10,000	10,000
Others	15,000	25,000
Out of Pocket Expenses	30,000	30,000
	5,05,000	5,15,000



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

31. In compliance of SEBI exit order requiring the company to change its name so as to delete the word 'Stock Exchange' from it, the name of the Company has been changed from Delhi Stock Exchange Limited to DSE Estates Limited vide certificate dated 14.11.2019 issue by Registrar of Companies, Delhi.
32. As per Exit order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 passed by Whole Time member, SEBI, the company is to refund SGF / TGF deposit (refundable) to the stock brokers including their initial contribution / deposit to Settlement Gurantee Fund / Trade Gurantee Fund (SGF/ TGF). Accordingly amount of ₹ 1,55,10,000/- as identified and certified by the management and also by Internal auditors of the Company, was transferred during the financial year 2016-17 from Settlement Gurantee Fund to Other Current liabilities.
33. **Litigation**
- a) The Impact of pending litigation has been considered and disclosed in the Contingent Liabilities in Note No. 25.
- b) In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The group's management does not reasonably expect that these legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the company's results of operations or financial statements.
34. In terms of SEBI Circular No. CIR/MRD/DSA/14/2012 dated May 30, 2012, Circular No. CIR/MRD/DSA/33/2012 dated December 13, 2012 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 dated June 20, 2012, and as approved by the members of the holding company in their meeting held on May 23, 2014, the holding company had opted for exit through voluntary surrender of recognition as a Stock Exchange. SEBI Vide Letter No. MRD/DSA/DSEL/LR/OW/10684/2015 dated April 17, 2015 asked the holding company to comply with the following in order to exit from the business of stock exchange:
- i) To transfer the Investor Protection Fund, Investor Services Fund and 1% Security deposit available with DSEL including interest accrued on this amount till date to SEBI IPEF immediately
- ii) To transfer the dues outstanding to SEBI including 10% of listing fee and the annual regulatory fee.
- iii) To transfer the outstanding registration fees of brokers/sub-brokers as specified in the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 to till date.

In terms of aforesaid letter of SEBI, the company had, remitted/transferred the balance of Investor Protection Fund, Investor Services Fund and 1% Security deposit to SEBI in the earlier year. However, with regard to amount of outstanding registration fee of brokers/sub-brokers, in the opinion of management, the company is not liable to pay the outstanding fees of brokers/sub-brokers, if any. The company wrote a letter dated July 13, 2015 to SEBI stating that the company is not liable to pay the outstanding registration fees of brokers. Earlier SEBI informed the company about outstanding brokers/subbrokers turnover fee amounting to ₹ 25,38,11,200/-. Subsequently after several representations and meetings, SEBI re-calculated the brokers fee at ₹ 15,61,98,365/- and sub-brokers fees at ₹ 22,11,500/- totalling to ₹ 15,84,09,865/- (inclusive of interest) as of September, 2016. SEBI informed the company the liability in respect of members which were party to the appeal in the matter of SEBI vs. Alliance Finstock Private Limited and their corresponding transferees and the members which were party to the appeal in the matter of Association for welfare of Delhi Stock Brokers & Ors. vs. Union of India & Ors. (W.P.(C) 17349/2004 was under calculation and will be informed by SEBI separately. During the financial year 2016-17, the Company had paid the aforesaid amount of ₹ 15,84,09,865/- to SEBI. According to the management, the amounts had been paid to SEBI without prejudice to rights to get the refund of the amount from SEBI if excess amount has been paid. Upto the Year end the Company has recovered amount of ₹ 72,66,616/- (Previous year ₹ 33,97,509/-) from some brokers

Notes forming part of Accounts...

against the turnover fees/ sub- broker fee. The amount paid to to SEBI net of aforesaid recovery has been shown in note no. 12 of the Financial Statements. Subsequent to the year end, the Company has further recovered turnover fees/ sub broker fees of ₹ Nil/- (Previous Year ₹ 38,63,926/-). In the opinion of management the company is also not liable for the liability of remaining amount of ₹ 15,11,43,249/- (i.e. amount paid by it to SEBI less recovery made and refund received) (Previous year ₹ 15,11,48,430/-) as this amount of ₹ 15,11,43,249/- (Previous year ₹ 15,11,48,430/-) will also be recoverable from the respective brokers/sub-brokers and, therefore, no provision for expense/liability is required to be made for the same.

35. SEBI vide order no. WTM/ SR/ SEBI/ MRD-DSA/ 04/01/2017 dated January 23, 2017 had passed exit order allowing the exit of the Company as stock exchange. In the opinion of management, the going concern concept of the company will not be impacted merely because of exit option through voluntary surrender of the recognition as a Stock Exchange, as the company intends to continue as a corporate entity.
36. **Additional information as per schedule III of the Companies Act, 2013.**

Name of the entity in the	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit/Loss	Amount
1	2	3	4	5
<b>Parent</b>				
DSE Estates Limited	100.26 (101.10)	837458693 (825748465)	70.34 (75.68)	16159437 (24977621)
<b>Subsidiary (Indian)</b>				
Delstox Stocks and Shares Ltd.	-0.26 (-1.10)	-2141671 (-8963303)	29.66 (24.32)	6812292 (8027128)
<b>Total</b>	100.00 (100.00)	835317022 (816785162)	100.00 (100.00)	22971729 (33004749)

37. As per financial statements of Subsidiary Company, it is having a procedure for sending quarterly confirmation letters/ accounts statements to its debtors and other parties as per the requirements of SEBI/ Various Stock Exchanges, However confirmation in respect of debtors are still pending for reconciliations and adjustments, if any, in this regard would be done in the year in which such reconciliations confirmations take place.
38. As per financial statements of Subsidiary Company,
- (A) Trade Receivables outstanding for more than six months aggregating to ₹ 80.61 Lakhs net of credit balances (Previous Year ₹ 82.32 Lakhs) out of which ₹ 69.08 Lakhs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2021 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 55.27 Lakhs ( Previous Year ₹ 41.45 Lakhs) has been made in the books of accounts (being 80% on net out standings of ₹ 69.08 Lakhs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court which are pending.



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

*Notes forming part of Accounts...*

- B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 11.53 Lakhs (including ₹ 8.02 Lakhs from CDSL) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2021-22.
39. As per financial statements of Subsidiary Company, FDRs amounting to ₹ 5 Lakhs (previous year ₹ 5.00 Lakhs) has been pledged by sub-broker directly with the BSE limited. In the name of the company as base Minimum Capital and Additional Margin as on 31.03.2021 without routing it through the books of the accounts of the company and accordingly interest thereon are also not credited to the account of the company.
40. During the current year and previous year, the Group was not required to spent on Corporate Social Responsibility (CSR activities).
41. As per financial statements of Subsidiary Company, there are some unclaimed shares lying for more than 3 years in the Demat account of the Subsidiary Company, which do not belong to it and the board of directors of the Company is look into the matter.
42. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
43. Disclosure u/s 186(4) of the Companies Act, 2013:  
The detail of investments made are given in Note no. 11 and 14.
44. In the opinion of the management, there is no adverse impact of Covid-19 pandemic on the recoverable amounts of various assets of the Group.
45. 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 : 21.10.2021

**FOR AND ON BEHALF OF THE BOARD**

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

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

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

**V. K. YADAV**  
(Manager)

**VANDANA SHARMA**  
Company Secretary  
M. No. A33194



**DSSL**

Delstox Stocks And Shares Ltd.

**25th  
Annual Report  
2020 - 2021**

**Delstox Stocks And Shares Ltd.**

(formerly DSE Financial Services Ltd)

(A subsidiary of Delhi Stock Exchange Ltd.)



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

## GOVERNING BOARD

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

### **Statutory Auditors :**

SMA & ASSOCIATES  
*Chartered Accountants*

### **Bankers :**

HDFC Bank  
Canara Bank

### **Registered Office :**

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

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## Notice to Members

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Members of Delstox Stocks And Shares Limited (Formerly DSE Financial Services Ltd) will be held on the 30<sup>TH</sup> September 2021 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, 2021 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahender Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.

*By order of the Board of Directors*  
For **Delstox Stocks And Shares Ltd.**  
(Formerly DSE Financial Services Ltd)

Date: September 01, 2021

*Regd. Office:*  
3/1, Asaf Ali Road  
New Delhi-110 002

**Mahender Kumar Gupta**  
*Chairman*  
**DIN : 01194791**  
**Ishwar Chand Singhal**  
*Director*  
**DIN : 00898743**

### **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 25<sup>th</sup> Annual Report of the business and operations of your company ('the Company' or 'DSSL'), along with the audited financial statements, for the financial year ended March 31, 2021.

### TURNOVER

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

(Amount in ₹ crores)

Product	2020-21	% change since last year	2019-20
BSE (cash-Segment)	175.98	58.73	110.87
NSE (cash-Segment)	2026.30	123.67	905.93
NSE (F&O)	373.43	288.54	96.11
<b>Total</b>	<b>2575.71</b>	<b>131.44</b>	<b>1112.91</b>

### RESULTS OF OUR OPERATIONS

The standalone performance of the Company for the financial year ended March 31, 2021 is Summarized below:

(Amount in ₹ Lakhs)

Particulars	2020-21	2019.20
Net Sales /Income from Business Operations	40.16	25.57
Add: Other Income	106.14	127.72
<b>Total Income</b>	<b>146.30</b>	<b>153.29</b>
Less : Expenses	77.14	72.22
<b>Profit/(Loss) before Depreciation</b>	<b>69.16</b>	<b>81.07</b>
Less Depreciation	1.29	0.82
<b>Profit/(Loss) after depreciation and expenses</b>	<b>67.87</b>	<b>80.25</b>
Less Current Income Tax	—	—
Less Previous year adjustment of Income Tax,	—	—

Less Deferred Tax	0.34	—
<b>Net Profit /Loss after Tax</b>	<b>68.21</b>	<b>80.25</b>
Less:Dividend (including Interim if any and final)	—	—
<b>Net Profit after dividend and Tax</b>	<b>68.21</b>	<b>80.25</b>

### PERFORMANCE HIGHLIGHTS

Your directors are pleased to report that your Company has earned a net profit of ₹ 68.21 lakhs, in comparison to the profit of ₹ 80.25 Lakhs made during the previous financial year because income from treasury operations was lower in comparison to previous year was due to overall decrease in bank interest rates.

### OPERATIONS

Your company is a member of the National Stock Exchange of India Limited (NSE) for cash and Future and Options Segments and it is also member of the Bombay Stock Exchange Limited for Cash Segment. Your Company is a Depository Participant (DP) of Central Depository Services Limited (CDSL). The number of active clients of your Company has a modest increase of 12.90% to the tune of 928 as on March 31, 2021 from 822 as on March 31, 2020.

### DEPOSITORY PARTICIPANT SERVICES

The number of Demat accounts of DP of your Company has registered a modest increase of about 3.1 % from 3350 as on March 31, 2020 to 3453 as on March 31, 2021.

### DIVIDEND

In view of the accumulated losses in previous years, your Directors do not recommend any dividend for the year ended March 31, 2021.

### 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, 2021.

### **DIRECTORS**

During the financial year 2020-21 there was no change in constitution of Board of Directors of the Company:

In accordance with the provisions of the Companies Act, 2013, and Article of Association of the Company one of the Directors, Mr. Mahender Kumar Gupta retires by rotation and being eligible, offers himself for re-appointment. Seeing his rich experience of over 35 years in capital market, your Board recommends his reappointment.

### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 are 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 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 and loss of the company for that period;

(c) the directors have 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 have prepared the annual accounts on a going concern basis; and

(e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS**

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

### **CORPORATE GOVERNANCE**

Your Company has adopted high standard of Corporate Governance principles by ensuring strict compliance of SEBI Guidelines and Companies Act, 2013. A report on Corporate Governance for the year 2020-21 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 statement relate on the date of this report.

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

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



Delstox Stocks And Shares Ltd.

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

#### **RISK MANAGEMENT POLICY**

The Company has a proper Risk Management Policy in place.

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

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

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

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

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

There is an arrangement made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

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

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

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

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

#### **DEPOSITS**

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

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

The provision of Companies Act, 2013 for Independent Director was not compulsory during F.Y 2020-21 for the Company.

#### **SHARES**

The Company has not bought back any of its securities and also not issued any Sweat Equity Shares during the year under review. The Company has not provided any Stock Option Scheme to the employees.

#### **PARTICULARS OF EMPLOYEES**

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

#### **SEARCH & SEIZE OPERATION U/S 132 OF INCOME TAX ACT**

During the year the Search & Seize operation U/s 132 of Income Tax 1961 was carried out at the premises of the Company on 26.02.2021 to 28.02.2021. The said search was conducted in the case of the company, consequential to the transactions of the certain sub-brokers. The search proceeding is still pending in Income Tax department. In the opinion of management and as also legally advised by the professional the same is not likely to have any impact on the financial statement of the Company.

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

The comments on the opinion in the report of Auditors on the financial statements for the financial year 2020-21 are as under:

1. Regarding Trade Receivables outstanding for more than six months aggregating to Rs. 80.61 Lacs net of credit balances (Previous Year Rs. 82.32 Lacs) out of which ₹ 69.08 Lacs pertains to the debtors under litigation for which

transactions have been stopped and balance confirmation as on 31st March 2021 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 55.27 Lacs ( Previous Year ₹ 41.45 Lacs) has been made in the books of accounts (being 80% on net out standings of ₹ 69.08 Lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court which are pending.

2. The Company has not made any provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 11.53 Lacs (including ₹ 8.02 Lacs due from CDSL debtors) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2021-22.

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

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

**ACKNOWLEDGEMENTS**

Your Directors acknowledge with deep sense of appreciation for the guidance and co-operation received from the Board and the management of DSE Estates Limited Your Directors also acknowledge for the support and guidance received from Securities & Exchange Board of India(SEBI),Bombay Stock Exchange (BSE), National Stock Exchange (NSE), Multi Commodity Exchange of India Ltd.(MCX), 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 and members of the staff at all levels in improving the trading volumes and in ensuring the progress of your company year on year.

**For and on behalf of the Board of  
For Delstox Stocks And Shares Ltd.**  
(Formerly DSE Financial Services Ltd)

Date: September 01, 2021  
Regd. Office:  
3/1, Asaf Ali Road  
New Delhi-110 002

**Mahender Kumar Gupta**  
*Chairman*  
**DIN : 01194791**

**Ishwar Chand Singhal**  
*Director*  
**DIN : 00898743**

## Corporate Governance Report

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

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

### 2. BOARD OF DIRECTORS

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

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

#### B. As on March 31, 2021 there were following Directors on the Board of the Company:-

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

#### C. In the financial year 2020-21 the attendance of Directors is as follows:-

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Board Meeting held during the tenure	Board Meetings attended	Committee Meetings held during the tenure	Committee Meetings attended
1	Mr.M.K.Gupta	01.03.2016	-	4	4	5	5
2	Mr. I. C. Singhal	09.09.2016	-	4	4	3	3
4	Mr. Vinod Kumar Goel	05.01.2018	-	4	4	4	4

### 3. BOARD MEETINGS

BOARD MEETING	1	2	3	4
<b>Date</b>	<b>19.06.2020</b>	<b>26.08.2020</b>	<b>11.11.2020</b>	<b>10.03.2021</b>
<b>Time</b>	04:00 PM	04:00 PM	04:00 PM	05:00 PM
<b>Venue</b>	Board Room, 3/1,Asaf Ali road, New Delhi-02	Board Room, 3/1,Asaf Ali road, New Delhi-02	Board Room, 3/1,Asaf Ali road, New Delhi-02	Board Room, 3/1,Asaf Ali road, New Delhi-02

### 4. COMMITTEE MEETINGS

COMMITTEE MEETING	1	2	3	4
<b>Date</b>	29.05.2020	24.07.2020	29.07.2020	21.08.2020
<b>Time</b>	04:00 P.M	04:00 P.M	04:00 P.M	04:00 P.M
<b>Venue</b>	Board Room, 3/1,Asaf Ali Road, New Delhi-02	Board Room, 3/1,Asaf Ali Road, New Delhi-02	Board Room, 3/1,Asaf Ali Road, New Delhi-02	Board Room, 3/1,Asaf Ali Road, New Delhi-02

**5) GENERAL BODY MEETINGS**

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

For the Financial year	2017-18	2018-19	2019-20
<b>AGM</b>	<b>22nd</b>	<b>23rd</b>	<b>24th</b>
<b>Date</b>	September 27, 2018	September 16, 2019	September 21, 2020
<b>Time</b>	4:00 P.M	4:00 P.M	4:00 P.M
<b>Venue</b>	Board Room, 3/1, Asaf Ali road, New Delhi-02	Board Room, 3/1, Asaf Ali road, New Delhi-02	Board Room, 3/1, Asaf Ali road, New Delhi-02

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

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

**6. DISCLOSURES**

- i) During the year there have been no materially significant related party transactions that may have potential conflict with the interest of the company at large except trading by the Director.
- ii) The Company has complied with the requirement of the SEBI, Stock Exchanges & CDSL and other regulatory authorities as applicable from time to time.
- iii) During the year 2020-21 the Company has paid ₹ 3,30,000 /- (previous year ₹ 2,15,000/) as sitting fees to the Directors.

**7. GENERAL SHAREHOLDERS INFORMATION**

**i) 25th Annual General Meeting**

Date & Time	: September 30, 2021 at 4:00 P.M.
Venue	: Board Room, DSE House, 3/1 Asaf Ali Road, New Delhi -110002

**ii) Financial Year:**

The Company's financial year was from April 1<sup>st</sup>, 2020 to March 31<sup>st</sup>, 2021

**iii) Address for Correspondence:**

**Delstox Stocks And Shares Limited**  
(Formerly DSE Financial Services Ltd)  
DSE House, 3/1, Asaf Ali Road,  
New Delhi-110002,  
Phone No. 011- 41010941/42/43  
Official website is <http://www.dssl.co.in>  
Investor's Grievances I.D. is [grievances@dssl.co.in](mailto:grievances@dssl.co.in)

For and on behalf of the Board of  
**Delstox Stocks And Shares Limited**  
(Formerly DSE Financial Services Ltd)

Date: September 01, 2021  
Place: New Delhi

**Mahender Kumar Gupta**  
Chairman  
**DIN : 01194791**

**Ishwar Chand Singhal**  
Director  
**DIN : 00898743**



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

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2021

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : **U67110DL1996PLC079973**
- ii) Registration Date : **28/6/1996**
- iii) Name of the Company : **DELSTOX STOCKS AND SHARES LIMITED**
- iv) Category / Sub-Category of the Company : **Company Limited by shares**
- v) Address of the Regd. Office & contact details : **DSE HOUSE  
3/1, ASAF ALI ROAD,  
New Delhi - 110002**
- vi) Whether listed company : **No**
- vii) Name Address & Contact details of the Registrar & Transfer Agent, if any : **NIL**

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	<b>BROKING SERVICES FOR DEALING OF SHARES AND SECURITIES ON EXCHANGES</b>	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.	<b>DSE ESTATES LTD.</b> <i>(Formerly Delhi Stock Exchange Ltd.)</i>	U91120DL1947PLC001239	HOLDING	100	2(87)

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									<b>No change</b>
<b>1 Indian</b>									
(a) Individuals/ HUF	0	6	6	0		6	6	0	
(b) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
(c) Bodies Corporates*	0	59994	59994	100	0	59994	59994	99.99	
(d) Banks/FI	0	0	0	0	0	0	0	0	
(e) Any Others(Specify)	0	0	0	0	0	6	6	0.01	
<b>Sub Total(A)(1)</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	
<b>2 Foreign</b>									
a NRI/Individuals b Other /Individuals c Bodies Corporate d Banks/FI e Any Others(Specify)				<b>NIL</b>					
<b>Sub Total(A)(2)</b>									
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	<b>0</b>	<b>60000</b>	<b>60000</b>	<b>100</b>	
<b>(B) Public shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds/ UTI (b) Banks/FI (c) Central Government/ State Government(s) (d) Venture Capital Funds (e) Insurance Companies (f) FII's (g) Foreign Venture Capital Funds (h) Any Other (specify)				<b>NIL</b>					
<b>Sub-Total (B)(1)</b>									

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

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

**(ii) Shareholding of Promoters**

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

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

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

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

Sr. No.	For each of the Top 10 Shareholder's	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. V. K. YADAV	1*	0	1	0
2.	Mr. Mahender Gupta	1*	0	1	0
3.	Mr. Bhupinder Negi	1*	0	1	0
4.	Mrs. Neeta Lodha	1*	0	1	0
5.	Mr. Ramdeen Morya	1*	0	1	0
6.	Ms. Rajni Kalra	1*	0	1	0

\*as nominee of DSE Estates Ltd.



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

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

**NIL**

**V. INDEBTEDNESS : NIL**

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

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

**NIL**

**VI. REMUNERATION OF DIRECTORS AND 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	<b>NIL</b>			
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of Profit				
5	Others, please specify				
	<b>Total A</b> Ceiling as per the Act				

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. no	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Director a) Fee for attending Board Committee Meeting b) Commission c) Other, Please Specify						
	Total (1)						
2	Other Non-Executive Directors	Mr. M. K. Gupta	Mr I. C. Singhal	Mr. Vinod Kumar Goel			TOTAL AMOUNT
	a) Fee for attending board Committee Meeting b) Commission c) Other, Please Specify	1,20,000	1,00,000	1,10,000	0		3,30,000
	Total (2)	<b>1,20,000</b>	<b>1,00,000</b>	<b>1,10,000</b>	<b>0</b>		<b>3,30,000</b>
	Total (B)=(1+2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) of the Income-tax Act, 1961 (c) profit in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	4,56,813	Nil	4,56,813
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of Profit				
5	Others, please specify				
	<b>Total</b>		<b>4,56,813</b>		<b>4,56,813</b>

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

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

*For and on behalf of the Board of Directors*  
**For Delstox Stocks And Shares Limited**  
(Formerly DSE Financial Services Ltd)

Date : 01-09-2021  
Place: New Delhi

**Mahender Kumar Gupta**  
Chairman

**Ishwar Chand Singhal**  
Director

**FORM NO. AOC -2**

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

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

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	DSE Estates Ltd Holding Company
b)	Nature of contracts/arrangements/transaction	Space for Operations
c)	Duration of the contracts/arrangements/transaction	Continuing from January 05,2018
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.2100/- as Rent and Rs.10000/- for Electricity per month
e)	Date of approval by the Board	05.01.2018
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of  
**Delstox Stocks And Shares Limited**  
(Formerly DSE Financial Services Ltd)

**Mahender Kumar Gupta**  
Chairman

**Ishwar Chand Singhal**  
Director

Date : September 01, 2021  
Place : New Delhi.



## Independent Auditor's Report

To

### THE MEMBERS OF

**Delstox Stocks And Shares Limited**

**Report on the Standalone Financial Statements  
(Formerly Known As DSE Financial Services  
Limited)**

### Opinion

We have audited the accompanying Standalone financial statements of **Delstox Stocks And Shares Limited (Formerly Known As DSE Financial Services Limited)** which comprises the Balance Sheet as at **March 31, 2021** and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021,
- b) In the case of the Statement of profit and loss, of the Profit of the company for the year ended on that date'
- c) In the case of the Cash Flow Statements, of the cash flow for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

### Responsibility of Management for the Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

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

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

**Emphasis of matter:**

We draw attention in respect of:

1. Note No. 20.B.4.(A) regarding Trade Receivables outstanding for more than six months aggregating to ₹ 80.61 Lacs net of credit balances (Previous Year ₹ 82.32 Lacs) out of which ₹ 69.08 Lacs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2021 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 55.27 Lacs ( Previous Year ₹ 41.45 Lacs) has been made in the books of accounts (being 80% on net out standings of ₹ 69.08 Lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court which are pending.
2. Note No. 20.B.4.(B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 11.53 Lacs (including ₹ 8.02 Lacs due from CDSL debtors) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2021-22.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of 164(2) of the Companies Act, 2013
- f. In our opinion, the company has not paid any type of managerial remuneration during the financial year 2020-21 which qualifies for requisite approvals mandated by the provisions of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has pending litigation in the Search & Seize operation U/s 132 of Income Tax 1961 was carried out at the premises of the Company on 26.02.2021 to 28.02.2021. The said search was conducted in the case of the company, Consequential to the transactions of the certain sub-brokers. The search proceeding is still pending in Income Tax department. In the opinion of management and as also legally advised by the professional the same is not



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

- likely to have any impact on the financial statement of the Company
- 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.

**For SMA & ASSOCIATES**

**Chartered Accountants**

**FRN.- 009912N**

**PARTNER**

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

Place: New Delhi

**M.No. 515317**

Date: 01.09.2021

**UDIN No.:21515317AAAAAS7884**

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

The Annexure referred to in Independent Auditors' Report to the member of the company on the financial statements for the year ended 31<sup>st</sup> March, 2021, We Report that:

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

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Fixed Assets of the company have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) According to the information and explanation given to us by the management and on the basis of our examination of our records of the company, the company has no immovable property and hence this sub clause is not applicable.

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

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

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

According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms' limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the company and hence not commented upon.

**IV. LOAN TO DIRECTOR AND INVESTMENT BY THE COMPANY [Clause 3(iv)]:**

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

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

In respect of deposit accepted, in our opinion and according to the information and explanations given to us directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

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

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

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

- a. Undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

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

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

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

According to the information and explanations given to us the company did not raise any money by way of initial public offer or further public offer (including debit instruments) and

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

term loans during the year. Accordingly, Provision of clause 3(ix) is not applicable to the company.

**X. REPORTING OF FRAUD [Clause 3(x)]:**

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the company has been noticed or reported during the course of audit.

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

Based upon the audit procedures performed and as per information and explanations given by management, the company has not paid any type of managerial remuneration during the financial year 2020-21 which qualifies for requisite approvals mandated by the provisions of Section 197 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (xi) of the Order is not applicable to the Company.

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

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

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

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

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

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

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

According to the information and explanations given to us and based on our examination of the

records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the order is not applicable.

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

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

**For SMA & ASSOCIATES**

**Chartered Accountants**

**FRN.- 009912N**

**PARTNER**

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

Place: New Delhi

**M.No. 515317**

Date: 01.09.2021

**UDIN No.:21515317AAAAAS7884**

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

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

We have audited the internal financial controls over financial reporting of **Delstox Stocks And Shares Limited ("the company")**, as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.



Delstox Stocks And Shares Ltd.

*Delstox Stocks And Shares Ltd.*

(formerly DSE Financial Services Ltd)

## AUDITORS' REPORT....Contd.

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company;

- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For SMA & ASSOCIATES Chartered Accountants

FRN.- 009912N

PARTNER

F.C.A. PREETI GUPTA

M.No. 515317

UDIN No.:21515317AAAAAS7884

Place: New Delhi

Date: 01.09.2021

**BALANCE SHEET as at March 31, 2021**

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

Particulars	Note No.	As At 31.3.2021	As At 31.3.2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	<b>6,00,00,000</b>	6,00,00,000
(b) Reserves and Surplus	2	<b>(21,41,671)</b>	(89,63,303)
<b>(2) Share Application Money Pending Allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long term borrowings		-	-
(b) Deffered tax liabilities(Net)		-	-
(c) Other long-term liabilities		-	-
(d) Long term provisions	3	<b>6,70,442</b>	5,95,213
<b>(4) Current Liabilities</b>			
(a) Short term borrowings		-	-
(b) Trade payables		-	-
Micro and Small Enterprise		-	-
Other than Micro and Small Enterprise	4	<b>2,24,70,567</b>	1,44,24,406
(c) Other current liabilities	5	<b>48,68,978</b>	1,07,00,951
(d) Short-term provisions	6	<b>3,57,971</b>	2,64,763
<b>Total</b>		<b>8,62,26,287</b>	7,70,22,030
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) - Property, Plant & Equipments	7(a)	<b>1,88,338</b>	1,48,392
- Intangible assets	7(b)	<b>41,809</b>	7,369
(b) Non-current investments	8	<b>38,27,345</b>	54,72,453
(c) Deffered tax asseets (Net)		<b>34,540</b>	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	9	<b>3,97,87,234</b>	3,35,16,634
<b>(2) Current assets</b>			
(a) Inventories	-	-	-
(b) Trade receivables	10	<b>30,16,663</b>	59,29,094
(c) Cash and cash equivalents	11	<b>2,78,53,247</b>	2,30,05,221
(d) Current investments	12	<b>76,64,298</b>	68,66,912
(e) Short-term loans and advances	-	-	-
(f) Other current assets	13	<b>38,12,813</b>	20,75,955
<b>Total</b>		<b>8,62,26,287</b>	7,70,22,030

Statement on Significant Accounting Policies and Notes - 1 to 20

Notes on Accounts referred to above form  
an integral part of Balance Sheet & Profit & Loss A/c  
As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
(Formerly DSE Financial Services Ltd)

**Preeti Gupta**  
M. No. 515317

**M.K. Gupta**  
Director  
DIN: 01194791

**I. C. Singhal**  
Director  
DIN: 00898743

**Vinod Kumar Goel**  
Director  
DIN: 00039086

Place: New Delhi  
Date : September 01, 2021



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

## STATEMENT OF PROFIT AND LOSS for the Year Ended March 31, 2021

CIN NO. U67110DL1996PLC079973

(Amount in ₹)

	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>(A) Revenue :</b>			
Revenue from operations	14	40,16,246	25,57,223
Other Income	15	1,06,14,688	1,27,72,701
<b>Total Revenue (A)</b>		<b>1,46,30,934</b>	1,53,29,924
<b>(B) Expenses :</b>			
Operating Expenses	16	8,10,134	10,86,110
Employee benefit expense	17	30,81,746	33,04,255
Other expenses	18	24,38,806	14,44,847
Financial costs	19	1,617	5,340
Depreciation	7	1,29,868	81,720
Provision for Doubtful Debts	10	13,81,671	13,81,671
<b>Total Expenses(B)</b>		<b>78,43,842</b>	73,03,943
<b>Profit before exceptional and extraordinary items and tax(A-B)</b>		<b>67,87,092</b>	80,25,981
Exceptional Items		—	—
<b>Profit before tax</b>		<b>67,87,092</b>	80,25,981
Tax expense:			
Current Tax		—	—
Deferred tax		34,540	—
<b>Profit for the year</b>		<b>68,21,632</b>	<b>80,25,981</b>
Basic Earning per equity share of face value of ₹ 1000 each		<b>113.69</b>	133.77
Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of statement of Profit and Loss	1-20		

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

For and on behalf of the Board of Directors of

**DELSTOX STOCKS AND SHARES LIMITED**

(Formerly DSE Financial Services Ltd)

**Preeti Gupta**  
M. No. 515317

**M.K. Gupta**  
*Director*  
DIN: 01194791

**I. C. Singhal**  
*Director*  
DIN: 00898743

**Vinod Kumar Goel**  
*Director*  
DIN: 00039086

Place : New Delhi  
Date : September 01, 2021

## CASH FLOW STATEMENT for the Year ended March 31, 2021

(Amount in ₹)

	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before tax and Extraordinary Items	68,21,632	80,25,981
<i>Adjustment for :</i>		
Depreciation	1,29,868	81,720
Provisions for Doubtful Debts, Gratuity, Leave encashment and employee benefits	1,68,437	1,29,217
Interest Income	(17,63,110)	(11,04,649)
Dividend Income	(12,35,706)	(16,25,724)
Profit on Sale of Investments	(70,37,353)	(82,59,533)
Profit on Sale of MF	(2,97,769)	(3,90,912)
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>(32,14,002)</b>	<b>(31,43,899)</b>
<i>Adjustment for :</i>		
Trade, other Receivables and loans and advances	(58,92,414)	25,97,205
Current and Non-current Liabilities	22,14,188	56,50,101
<b>Cash Generated from operation</b>	<b>(68,92,227)</b>	51,03,406
Income tax paid	-	-
<b>Net Cash from Operation Activities</b>	<b>(68,92,227)</b>	51,03,406
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Dividend Income	12,35,706	16,25,724
Interest Income	17,63,110	11,04,649
Purchase of Fixed assets	(2,04,254)	(99,280)
Profit on Sale of Investments	70,37,353	82,59,533
Profit on Sale of MF	2,97,769	3,90,912
Sale of Investment	16,45,108	14,92,347
<b>Net Cash used in Investing Activities</b>	<b>1,17,74,792</b>	1,27,73,884
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>48,82,565</b>	1,78,77,291
<b>Cash and Cash Equivalents</b>	<b>2,30,05,221</b>	51,27,930
(Opening Balance)		
<b>Cash and Cash Equivalents</b>	<b>2,78,87,787</b>	2,30,05,221
(Closing Balance)		
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
Balances with Banks		
Investment in Fixed Deposit	2,10,00,000	1,50,00,000
In Current Accounts	68,50,555	80,04,191
Cash-in-hand	2,692	1,030
<b>Total</b>	<b>2,78,53,247</b>	2,30,05,221
Statement on Significant Accounting Policies and Notes on Accounts referred to above form an integral part of Balance Sheet		

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
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**Preeti Gupta**  
M. No. 515317

**M.K. Gupta**  
*Director*  
DIN: 01194791

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*Director*  
DIN: 00898743

**Vinod Kumar Goel**  
*Director*  
DIN: 00039086

Place: New Delhi  
Date : September 01, 2021



## NOTES ON ACCOUNTS

### NOTE 1

#### SHARE CAPITAL

(Amount in ₹)

Particulars	As At 31.03.2021	As At 31.03.2020
<b>AUTHORISED</b> 2,50,000 (Previous Year 2,50,000) equity shares of ₹ 1000/- (Previous Year ₹ 1000/-) each	<b>25,00,00,000</b>	25,00,00,000
	<b>25,00,00,000</b>	25,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b> 60,000 (Previous Year 60,000) equity shares of ₹ 1000/- (Previous Year ₹ 1000/-) each fully paid up	<b>6,00,00,000</b>	6,00,00,000
	<b>6,00,00,000</b>	6,00,00,000

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

##### Equity Share Capital

Name of the shareholder	As At 31.03.2021		As At 31.03.2020	
	No. of shares	% holding	No. of shares	% holding
DSE Estates Limited - (including 6 Representative Share Holders)	<b>60,000</b>	<b>100</b>	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 31.03.2021	As At 31.03.2020
Number of shares at the beginning of the year	<b>60,000</b>	60,000
Number of shares issued during the year	<b>NIL</b>	NIL
Number of shares outstanding at the end of the year	<b>60,000</b>	60,000

### NOTE 2

(Amount in ₹)

#### RESERVES AND SURPLUS

Particulars	As At 31.03.2021	As At 31.03.2020
<b>Surplus</b>		
Loss at the beginning of the year	<b>(8,963,303)</b>	(16,989,284)
Profit during the year	<b>6,821,632</b>	8,025,981
<b>Closing balance</b>	<b>(2,141,671)</b>	(8,963,303)

## Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2021	As At 31.03.2020
<b>NOTE 3</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	670,442	595,213
	<b>5,95,213</b>	595,213
<b>NOTE 4</b>		
<b>TRADE PAYABLES</b>		
<b>Micro and Small Enterprise</b>		
<b>Other than Micro and Small Enterprise</b>		
Trade Payables of Trading Members	22,470,567	14,424,406
	<b>22,470,567</b>	14,424,406
<b>NOTE 5</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Margin from Sub-Brokers	4,263,379	4,796,683
DSE Estates Limited	-	5,298,280
TDS Payable	76,242	89,910
Expenses Payable	242,067	387,800
GST Payable	214,579	68,798
Stale Cheques*	72,711	59,481
	<b>4,868,978</b>	10,700,951
* Stale Cheques are cheques issued but not presented		
<b>NOTE 6</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Leave Encashment	357,971	264,763
	<b>357,971</b>	264,763

## Notes forming part of the Balance Sheet as at March 31, 2021

**NOTE 7**
**FIXED ASSETS**

Amount in ₹

Particulars	GROSS BLOCK AT COST			ACCUMULATED DEPRECIATION/AMORTIZATION					NET BLOCK		
	As At 1.4.2020	Additions during the Year	Sales during the Year	As At 31.3.2021	Upto 31.3.2020	Dep. For the Year	Sales during the Year	Charged to retained Earning	Upto 31.3.2021	As At 31.3.2021	As At 31.3.2020
<b>7(a) Property, Plant &amp; Equipments</b>											
Office Equipments	380,967	-	-	380,967	334,275	21,045	-	-	355,320	25,648	46,692
Computers (Server & Network)	742,000	128,000	-	870,000	730,875	42,824	-	-	773,699	96,301	11,124
Computers (End User Devices)	915,712	38,254	-	953,966	830,281	61,108	-	-	891,388	62,578	85,431
Furniture & fixture	73,192	-	-	73,192	68,048	1,332	-	-	69,380	3,812	5,144
<b>Total</b>	<b>2,111,871</b>	<b>166,254</b>	<b>-</b>	<b>2,278,125</b>	<b>1,963,479</b>	<b>126,308</b>	<b>-</b>	<b>-</b>	<b>2,089,787</b>	<b>188,338</b>	<b>148,392</b>
Previous Year	2,012,591	99,280	-	2,111,871	1,884,215	79,264	-	-	1,963,479	148,392	128,376
<b>7(b) Intangible Assets (Computer Software)</b>											
Webtel Software	13,860	-	-	13,860	10,455	851	-	-	11,307	2,553	3,405
Anti Virus Software	18,113	38,000	-	56,113	14,149	2,709	-	-	16,857	39,255	3,964
<b>Total</b>	<b>31,973</b>	<b>38,000</b>	<b>-</b>	<b>69,973</b>	<b>24,603</b>	<b>3,560</b>	<b>-</b>	<b>-</b>	<b>28,164</b>	<b>41,809</b>	<b>7,369</b>
Previous Year	31,973	-	-	31,973	22,146	2,456	-	-	24,604	7,369	9,825

## Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2021	As At 31.03.2020
<b>NOTE 8</b>		
<b>NON-CURRENT INVESTMENTS</b>		
34,850 Equity Shares of BSE Ltd. (Previous Year 50,659) of face value of Rs. 2/- each- Aggregate Market Value of Quoted 34,850 shares @ Rs. 571.10 i.e. Rs.1,99,02,835/- (Previous Year Aggregate Market Value of Quoted 50,659 shares @ Rs. 296.80 i.e. Rs.1,50,35,591/-)	<b>3,626,545</b>	5,271,653
Investment in 9.40% IFCI Bond 2025 Aggregate Market Value as on 31.03.2021 is Rs. 2,17,278,- (Previous Year Aggregate Market Value as on 31.03.2020 is Rs.1,76,000,-)	<b>200,800</b>	200,800
	<b>3,827,345</b>	5,472,453
<b>NOTE 9</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Security Deposits (Interest Free)</b>		
- National Stock Exchange India Ltd.	<b>1,91,00,000</b>	1,91,00,000
-National Securities clearing corporation Ltd.	<b>34,00,000</b>	34,00,000
- National Stock Exchange Ltd.	<b>20,00,000</b>	20,00,000
- National Stock Exchange Ltd.(Base additional capital)	<b>25,00,000</b>	25,00,000
- BSE Ltd.(Base capital)	<b>2,00,000</b>	2,00,000
- BSE Ltd.(Minimum Base capital)	<b>1,25,000</b>	5,25,000
-Central Depository Services(India) Ltd.	<b>2,50,000</b>	2,50,000
<b>Margin Deposits</b>		
Margin Deposit with Orbis Financial corporation Ltd.(MCX-SX)	<b>1,00,000</b>	1,00,000
<b>Fixed Deposits with:</b>		
<b>HDFC Bank</b>		
-FDR Pledged with BSE Ltd. (Base Minimum Capital)	<b>875,000</b>	475,000
-Pledged with National Securities clearing corporation Ltd. as Security and Margin	<b>25,00,000</b>	25,00,000
Globe Capital Market Limited- Cash	<b>2,500,000</b>	1,800,000
Globe Capital Market Limited- NSE - FO	<b>5,000,000</b>	—
Interest accrued on FDR's with Banks	<b>816,428</b>	339,202
Interest accrued on Deposit with IL&FS & Others	<b>21,194</b>	35,325
Income Tax Refund Due ( For Previous Years)	<b>399,612</b>	292,106
	<b>39,787,234</b>	33,516,634



*Notes on Accounts...contd.*

(Amount in ₹)

Particulars	As At 31.03.2021	As At 31.03.2020
<b>NOTE 10</b>		
<b>TRADE RECEIVABLES</b>		
<i>Unsecured, considered good (unless otherwise stated):</i>		
Trade Receivables		
Outstanding for a Period exceeding six months		
Unsecured		
Considered good	<b>2,534,240</b>	4,087,013
Considered doubtful	<b>5,526,684</b>	4,145,013
Less: Provision for Doubtful Debts (80% of ₹ 69,08,357/- (P.Y. 60% of ₹ 69,08,357/-) net O/S under Litigation Branches)	<b>(5,526,684)</b>	(4,145,013)
	<b>2,534,240</b>	4,087,013
Others Debts		
Unsecured, Considered Good	<b>482,424</b>	1,842,081
	<b>3,016,663</b>	5,929,094
<b>NOTE 11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in hand	<b>2,692</b>	1,030
<b>Balances with banks:</b>		
In Current accounts	<b>6,850,555</b>	8,004,191
<b>Fixed Deposit</b>		
-With Bank	<b>21,000,000</b>	11,000,000
-With NBFC	—	4,000,000
	<b>27,853,247</b>	23,005,221
<b>NOTE 12</b>		
<b>CURRENT INVESTMENT</b>		
Investment in mutual fund with JM Liquid Fund	<b>7,664,298</b>	6,866,912
	<b>7,664,298</b>	6,866,912

## Notes on Accounts...contd.

(Amount in ₹)

Particulars	As At 31.03.2021	As At 31.03.2020
<b>NOTE 13</b>		
<b>OTHER CURRENT ASSETS</b>		
Margin Deposit with IL&FS (for National Stock Exchange Ltd.-F&O)	14,81,974	14,81,974
TDS Recoverable(Current Year)	2,21,562	1,07,506
Prepaid Expenses	3,61,085	1,41,975
Life Insurance Corporation of India (Gratuity)	6,32,379	—
Goods & Service Tax	9,15,160	79,854
Other Receivables	2,00,653	2,64,646
	<b>38,12,813</b>	20,75,955
<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
<b>NOTE 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Brokerage Income</b>		
<b>1. CASH SEGMENT</b>		
<b>BSE Ltd. Trading</b>		
Gross Receipts	17,26,323	
Less : Paid to Sub-Brokers	12,69,912	
	<b>4,56,411</b>	3,75,478
<b>NSE Ltd. Trading</b>		
Gross Receipts	1,02,04,504	
Less : Paid to Sub-Brokers	75,06,603	
	<b>26,97,902</b>	14,98,789
<b>2. DERIVATIVE SEGMENT (F&amp;O)</b>		
<b>NSE Ltd. Trading</b>		
Gross Receipts	6,93,260	
Less : Paid to Sub-Brokers	5,09,974	
Depository Income		
	<b>1,83,286</b>	1,14,377
	<b>6,78,647</b>	5,68,579
	<b>40,16,246</b>	25,57,223
<b>NOTE 15</b>		
<b>OTHER INCOME</b>		
Interest Income	17,63,110	11,04,649
Profit on Sale of Current Investments	2,97,769	3,90,912
Profit on Sale of Non Current Investments	70,37,353	82,59,533
Dividend Income	12,35,706	16,25,724
Delayed Payment Charges	1,79,031	4,11,703
Misc. Income	1,01,719	9,80,181
	<b>1,06,14,688</b>	<b>1,27,72,701</b>



*Notes on Accounts...contd.*

(Amount in ₹)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>NOTE 16</b>		
<b>Operating Expenses</b>		
Depository Charges Paid to CDSL & ILFS	3,51,867	4,18,330
Internet & Connectivity Charges	3,57,266	6,11,780
Annual Subscription & other charges to National Stock Exchange Ltd.	51,000	51,000
Annual Subscription & other charges to Bombay Stock Exchange Ltd.	50,001	—
Penalty for Non Compliance	—	5,000
	<b>8,10,134</b>	<b>10,86,110</b>
<b>NOTE 17</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary to Staff	29,11,829	29,14,039
Leave Travel Allowance	—	2,09,919
Grauity	75,229	75,232
Leave Encashment	93,208	69,735
Staff Welfare	1,480	35,330
	<b>30,81,746</b>	<b>33,04,255</b>
<b>NOTE 18</b>		
<b>Other Expenses</b>		
Rent Expenses	25,200	25,200
Electricity & water expenses	1,27,557	1,33,299
Legal & Professional Charges	3,16,344	2,20,504
Auditor Remuneration :		
-Audit Fees	1,00,000	1,00,000
-Certification work	15,000	15,000
-Tax Audit	10,000	10,000
Web Maintenance exp	22,500	17,000
Conveyance Expenses	20,482	23,293
Sitting Fees to Directors	3,30,000	2,65,000
Printing & Postage Charges	1,05,265	1,18,270
Filing Fees	1,800	9,490
Dividend Paid to Clients*	3,74,503	—
Donation**	1,00,000	—

Notes on Accounts...contd.

(Amount in ₹)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Computer Expenses & AMC Charges	1,82,412	1,72,054
Telephone Expenses	42,635	39,743
Office Expenses	1,98,221	1,96,399
ODIN Charges & Software Expenses	19,200	—
Exchange Certification Charges	40,000	—
Additional GST Expenses	39,762	—
Training & Development Exp	—	9,200
Subscription / Membership Fees to ANMI	15,000	15,000
Misc. Expenses	89,745	65,723
Bad Debts Written Off***	2,63,179	9,672
	<b>24,38,806</b>	<b>14,44,847</b>
* Compnay has received dividend on behalf of clients and the same has been paid to clients.		
** 80G deduction allowed for donation has given to Shri Ram Janambhoomi Teerth Kshetra.		
*** Bad Debts Written off Amount not recoverable for more than 3 years.		
<b>NOTE 19</b>		
<b>FINANCIAL COSTS</b>		
Bank Charges	1,617	5,340
	<b>1,617</b>	<b>5,340</b>



## NOTE 20

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Background

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

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

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

##### 3. Use of Estimates

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

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

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

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

##### 4. Revenue recognition

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

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

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

such dividend is approved by the members in accordance with the provisions of Accounting Standard 4 issued by the Institute of Chartered Accountants of India.

**6. Investment**

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

Non-Current Investment- Investment in Equity Shares of BSE Limited, being long term, are stated at cost. Cost represent amount deposited for card based membership (Rs. 36.27 Lacs for 34,850 shares of face value of Rs. 2 each) earlier against which allotment of shares have been made to the company.

**7. Property, plant and equipment**

Property, plant and equipment are stated as per the Cost Model as defined by the Accounting Standard 10 less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. All expenses incidental to the acquisition and commissioning of assets are capitalized until assets are ready for use.

Capital work-in-progress comprises of assets that are not yet ready for their intended use at the reporting date. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss. Any restrictions existing on title of the property, plant and equipment's, due to pledging as security against a liability or otherwise is disclosed specifically, in absence of which it is deemed that there are no restrictions on the title whatsoever.

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

**8. Impairment of Assets**

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

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

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

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

**10. Cash and Cash Equivalents**

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

**11. Taxation**

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



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

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

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

## **B. NOTES TO ACCOUNTS**

- I. DSE Estates Limited (DSEL), the holding Company has opted to voluntarily exit from the business as Stock Exchange vide its letter dated May 24, 2014 to Securities Exchange Board of India (SEBI). Now the DSEL officially stands de-recognized as per the publication of notification of Ministry of Finance of gazette of India dated March 15, 2016.
- II. However, de-recognition of the holding company. DSE Estates Limited (DSEL) from the business of the stock exchange will not affect Delstox Stocks And Shares Limited (Formerly known as "DSE Financial Services Limited"). Hence, the accompanying financial statements of the company have been prepared on the basis of "as a going concern".
- III. In the Opinion of the Board, Sundry Debtors, current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business, unless otherwise stated.
- IV. The Company is having a procedure for sending quarterly confirmation letters/ accounts statements to its debtors and other parties as per the requirements of SEBI/ Various Stock Exchanges, However confirmation in respect of debtors are still pending for reconciliations and adjustments, if any, in this regard would be done in the year in which such reconciliations confirmations take place.
  - A) Trade Receivables outstanding for more than six months aggregating to ₹ 80.61 Lacs net of credit balances (Previous Year ₹ 82.32 Lacs) out of which Rs. 69.08 Lacs pertains to the debtors under litigation for which transactions have been stopped and balance confirmation as on 31st March 2020 have also not been obtained. In the opinion of the Management these balances are partially doubtful for recovery and hence provision for doubtful debts of ₹ 55.27 Lacs ( Previous Year ₹ 41.45 Lacs) has been made in the books of accounts (being 80% on net out standings of Rs. 69.08 Lacs), even though awards under arbitration have been received in favor of the company and execution petitions have been filed in the court which are pending.
  - B) The Company has not made provision for doubtful debts in respect of Trade Receivables outstanding other than litigation cases amounting to ₹ 11.53 Lacs (including Rs. 8.02 Lacs from CDSL) for more than six months as neither any recovery process nor any legal action is initiated for the recovery of outstanding dues by the Company. However, in the opinion of the Management these balances are good for recovery and necessary action for recovery has now been initiated and the amount would be fully recovered/ adjusted in the Financials year 2021-22.
- V. FDRs amounting to ₹ 5.00 lacs (previous year ₹ 5.00 lacs) has been pledged by sub-broker directly with the BSE limited. In the name of the company as base Minimum Capital and Additional Margin as on 31.03.2021 without routing it through the books of the accounts of the company and accordingly interest thereon are also not credited to the account of the company. The management is of the opinion that there is no impairment of assets as contemplated in Accounting Standard 28.
- VI. As per Accounting Standard 22 on "Accounting for taxes on income", virtual certainty supported by conclusive evidence is necessary to credit deferred tax asset on unabsorbed losses under the income tax laws. The management do foresee substantial profitability in the near future; thus, deferred tax asset is been created.
- VII. Income tax refunds aggregating to ₹ 4.00 Lacs for the prior year are still pending for recovery from the income tax department for which effective action is being initiated by the Management for the recovery.

VIII. There are some unclaimed shares (quoted value of Rs. 0.14 lacs as on 31.03.2021) lying for more than 3 year in the Demat account of the company, which do not belong to it. The Board of Director of the company is looking into the matter and would take appropriate decision shortly.

IX. Director's Remuneration-NIL.

There is no Whole time Executive Director in the company during the Financial Year 2020-21 and immediately preceding year.

X. The disclosures of "Employee Benefits" as defined in the Accounting Standard 15 are as under:-

i) Defined Contribution Plan

As per the provision of the Employee Provident Fund and Miscellaneous Provision Act, 1952 are not applicable to the company employer's contribution during the year is Rs NIL (previous year is Rs NIL)

ii) Defined Benefits Plans.

a) Gratuity Liability is accounted as per the company's policy for employees who have completed six months as at Balance Sheet date computed as per the provision of the Payment of Gratuity Act, 1972.

b) Leave encashment liability of employees is accounted for on accrual basis computed as per the company's policy on the basis of last year pay drawn at the end of the year.

XI. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, accordingly they are no micro, small and medium enterprises to whom the company owes dues.

XII. As the company is covered under the definition of Small and Medium Enterprises (SME), the disclosure required under the mandatory accounting standard have only been furnished in the Notes to Accounts of the accompanying financial statements.

XIII. Income in Foreign Currency Nil

XIV. Expenditure in Foreign Currency Nil

XV. Auditors Remuneration (Excluding Taxes)

S. No.	Particulars	Current Year	Previous Year
I	Audit Fee SMA & ASSOCIATES (Statutory Auditors)	<b>1,00,000</b>	1,00,000
II	Fees for Other Matters (Certification Work)	<b>15,000</b>	15,000
III	TAX Audit Fees	<b>10,000</b>	10,000

**XVI. Related Party Transactions**

**A. List of Related Parties**

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



**B. Transactions with Related Parties**

Name of Key Management Personnel	Nature of Transaction	Amount in Rs.
DSE Estates Limited (Formerly Delhi Stock Exchange Ltd.)	Office Rent	25,200/- (25,200/-)
DSE Estates Limited (Formerly Delhi Stock Exchange Ltd.)	Reimbursement of expenses/ electricity and Maintenance Charges etc.	1,20,000/- (1,20,000/-)
DSE Estates Limited (Formerly Delhi Stock Exchange Ltd.)	Payment of Outstanding Liability	52,98,280/-
M.K. Gupta	Sitting Fees	1,20,000/-(P.Y. 95,000/-)
I.C. Singhal	Sitting Fees	1,00,000/-(P.Y. 80,000/-)
Vinod Kr. Goel	Sitting Fees	1,10,000/-(P.Y. 90,000/-)
Rachana Prakash	Remuneration to Company Secretary	4,56,813/-(P.Y. 4,54,213/-)

**XVII. Obligation toward Lease:**

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

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

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

S. No.	Particulars	Current Year	Previous Year
A	Net Profit for the year	68,21,632	80,25,981
B	Amount available for equity shareholders (A)	68,21,632	80,25,981
C	Weighted average number of shares (B)	60,000	60,000
D	Basic earnings per share (A/B)	113.69	133.77

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

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

**(i) Contingent Liabilities:**

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

**(ii) Commitment:**

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

As per our report attached of even date.

FOR SMA & ASSOCIATES  
Chartered Accountants  
FRN 009912N

For and on behalf of the Board of Directors of  
**DELSTOX STOCKS AND SHARES LIMITED**  
(Formerly DSE Financial Services Ltd)

**Preeti Gupta**  
M. No. 515317

**M.K. Gupta**  
Director  
DIN: 01194791

**I. C. Singhal**  
Director  
DIN: 00898743

**Vinod Kumar Goel**  
Director  
DIN: 00039086

Place: New Delhi  
Date : September 01, 2021