

AUDITORS' REPORT

TO THE MEMBERS OF THE STOCK EXCHANGE, MUMBAI

We have audited the attached Balance Sheet of **THE STOCK EXCHANGE, MUMBAI** as at 31st March, 2000 and the Income and Expenditure Account of the Exchange for the year ended on that date, annexed thereto, and report thereon as follows :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account have been kept by the Exchange so far as it appears from our examination of those books.
3. The Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account.
4. As stated in Note 3 of Schedule "J", since the Management is of the opinion that the Exchange will be granted exemption from income-tax, no provision has been made in the accounts for income-tax payable. However, should such exemption not be granted, there would be an estimated income-tax liability of Rs. 51.00 crores for the year and a cumulative liability of Rs. 66.14 crores as at 31st March, 2000.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our comments under paragraph 4 above, give a true and fair view :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Exchange as at 31st March, 2000; and
 - (b) in the case of the Income and Expenditure Account, of the excess of income over expenditure of the Exchange for the year ended on that date.

For S.B. BILLIMORIA & CO.
Chartered Accountants

Nalin M. Shah
Partner

MUMBAI, 25TH May, 2000

**THE STOCK
BALANCE SHEET AS AT**

FUNDS AND LIABILITIES	Rs.	As at 31st March, 1999 Rs.
CONTRIBUTION BY MEMBERS		
As per Schedule " E "	153,51,55,757	97,78,81,286
ADVANCE RECEIVED FOR NEW MEMBERSHIP	24,25,00,000	--
RESERVES AND SURPLUS		
As per Schedule " F "	230,29,17,093	119,14,15,351
SECURED LOANS		
(Secured by pledge of Fixed Deposit)	43,65,50,348	--
UNSECURED LOANS		
As per Schedule " G "	2,43,000	2,43,000
CURRENT LIABILITIES & PROVISIONS		
As per Schedule " H "	1567,19,77,636	553,67,33,458
TOTAL	2018,93,43,834	770,62,73,095

(For notes forming part of the Accounts see Schedule " J ")

In terms of our report of even date.

For S.B.BILLIMORIA & CO.
Chartered Accountants

Nalin M. Shah
Partner

MUMBAI, 25th May, 2000

**EXCHANGE, MUMBAI
31ST MARCH, 2000**

PROPERTY AND ASSETS	Rs.	As at 31st March, 1999 Rs.
FIXED ASSETS		
As per Schedule " A "	62,60,43,193	45,04,67,454
Net Block (Original Cost less Depreciation)		
INVESTMENTS		
As per Schedule " B "	666,83,53,140	77,47,37,000
EARMARKED INVESTMENTS & OTHER ASSETS		
As per Schedule " C "	127,01,71,545	101,99,47,304
CURRENT ASSETS, LOANS & ADVANCES		
As per Schedule " D "	1162,47,75,956	546,11,21,337
TOTAL	2018,93,43,834	770,62,73,095

For and on behalf of the Governing Board.

SHRI ANAND RATHI
President

SHRI A. N. JOSHI
Executive Director

SMT. DEENA A. MEHTA
Vice President

SHRI HIMANSHU KAJI
Hon. Treasurer

SHRI A. A. TIRODKAR
Director, Finance & Secretary

MUMBAI, 25th May, 2000

THE STOCK INCOME AND EXPENDITURE ACCOUNT

EXPENDITURE	Rs.	Previous Year Rs.
Salaries, Wages and Bonus	11,18,19,722	9,77,72,191
Contribution to Provident and Gratuity Funds	1,65,92,621	1,44,55,721
Staff Welfare Expenses	2,89,90,715	3,31,77,439
Printing and Stationery	1,57,39,597	1,31,13,806
Postage and Telephone Expenses	74,06,538	69,14,663
Electricity Charges	4,74,99,120	3,79,13,488
Building Repairs & Maintenance Expenses	2,50,37,451	1,42,02,495
Repairs to Other Assets	92,90,331	80,02,853
Ground Rent & Property Taxes	69,73,178	68,34,028
Auditors' Remuneration (See Note No.4)	3,15,000	3,30,000
Professional and Legal Fees	2,23,15,111	66,74,174
Governing Board Directors' Fees & Other Committees fees (Public Representatives)	2,93,000	2,15,900
Contribution to SEBI	59,50,731	56,26,423
Contribution to Customers' Protection Fund	29,75,366	28,13,211
Charity & Donations	2,02,00,000	6,720
Travelling Expenses	89,99,069	51,68,756
Interest paid on Loans	--	3,94,092
Computer Maintenance and Service Charges	8,73,54,113	3,30,94,852
Clearing House Expenses	94,19,149	1,96,42,394
Insurance Premium	1,55,60,057	1,85,91,805
Miscellaneous Expenses	2,37,87,584	1,23,68,064
Depreciation	31,15,91,695	25,56,50,363
Loss on Sale of Fixed Assets	--	1,56,431
TOTAL EXPENSES	77,81,10,148	59,31,19,869
Less: Expenses transferred To Investors' Service Account	2,37,56,425	2,24,93,691
	75,43,53,723	57,06,26,178
Excess of Income over Expenditure transferred to Balance Sheet	52,26,81,573	15,52,99,165
TOTAL	127,70,35,296	72,59,25,343

(For notes forming part of the Accounts see Schedule " J ")
In terms of our report of even date.

For S.B.BILLIMORIA & CO.
Chartered Accountants

Nalin M. Shah
Partner

MUMBAI, 25th May, 2000

**EXCHANGE, MUMBAI
FOR THE YEAR ENDED 31ST MARCH, 2000**

INCOME	Rs.	Previous Year Rs.
Listing Fees	11,90,14,626	11,25,28,455
Membership Annual Subscription	45,35,000	46,01,750
Penalties and Fines	4,01,99,824	3,65,13,793
Charges Recovered from Members	58,11,55,432	24,43,61,703
Rent and Maintenance Service Charges	1,93,75,090	1,81,39,153
Income from Investments and Deposits (Schedule "I")	48,27,99,757	30,80,44,488
Miscellaneous Income	5,37,11,992	2,42,29,692
TOTAL INCOME	130,07,91,721	74,84,19,034
Less: Contribution transferred to Investors' Service Account	2,37,56,425	2,24,93,691
TOTAL	127,70,35,296	72,59,25,343

For and on behalf of the Governing Board
 SHRI ANAND RATHI
 President
 SHRI A. N. JOSHI
 Executive Director
 SMT. DEENA A. MEHTA
 Vice President
 SHRI HIMANSHU KAJI
 Hon. Treasurer
 SHRI A. A. TIRODKAR
 Director, Finance & Secretary

MUMBAI, 25th May, 2000

79

1999 - 2000
 ANNUAL - REPORT

**THE STOCK
STATEMENT OF FIXED ASSETS FORMING**

SR. NO.	PARTICULARS OF ASSETS	COST AS AT 01.04.99	ADDITIONS	DEDUCTIONS/ADJUSTMENTS	COST AS AT 31.03.2000	DEPRECIATION UPTO 31.03.99
1.	FREEHOLD LAND	22,27,857	--	--	22,27,857	--
2.	BUILDINGS	32,76,18,474	13,75,000	--	* 32,89,93,474	15,28,67,645
3.	PLANT & MACHINERY	10,15,33,896	1,34,00,291	--	11,49,34,187	7,94,90,487
4.	ELECTRICAL INSTALLATIONS	3,50,71,946	1,05,11,486	--	4,55,83,432	2,40,95,141
5.	COMPUTERS & NETWORK SYSTEM	70,31,89,095	# 41,83,19,887	--	112,15,08,982	54,06,57,291
6.	FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	11,49,41,320	5,14,58,367	13,680	16,63,86,007	4,82,12,643
7.	MOTOR VEHICLES	46,41,458	6,21,638	--	52,63,096	19,44,925
8.	CAPITAL WORK-IN-PROGRESS	85,11,540	41,33,571	1,26,45,111	--	--
AS AT 31ST MARCH, 2000		129,77,35,586	49,98,20,240	1,26,58,791	178,48,97,035	84,72,68,132
AS AT 31ST MARCH, 1999		114,26,85,127	16,88,82,845	1,38,32,386	129,77,35,586	59,23,25,427

(*) Buildings include cost of shares in Co-operative Housing Societies amounting to Rs. 1,750/- (Previous Year Rs. 1,750/-)

(#) Additions during the year financed out of Technology Reserve.

EXCHANGE, MUMBAI
PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2000

SCHEDULE "A"

DEPRECIATION FOR THE YEAR	DEDUCTIONS/ADJUSTMENTS	DEPRECIATION UPTO 31.03.2000	NET ASSETS 31.03.2000	NET ASSETS 31.03.99
--	--	--	22,27,857	22,27,857
1,49,57,751	--	16,78,25,396	16,11,68,078	17,86,15,495
79,16,828	--	8,74,07,315	2,75,26,872	1,81,78,743
43,71,490	--	2,84,66,631	1,71,16,801	1,09,76,805
27,02,98,238	--	81,09,55,529	31,05,53,453	16,25,31,804
1,34,45,917	5,985	6,16,52,575	10,47,33,432	6,67,28,677
6,01,471	--	25,46,396	27,16,700	26,96,533
--	--	--	--	85,11,540
31,15,91,695	5,985	115,88,53,842	62,60,43,193	45,04,67,454
25,56,50,363	7,07,658	84,72,68,132	45,04,67,454	55,03,59,700

**THE STOCK EXCHANGE, MUMBAI
AS AT 31ST MARCH, 2000**

INVESTMENTS

SCHEDULE " B "

	Rs.	Rs.	As at Rs.	31st March, 1999 Rs.
INVESTMENTS:				
<u>LONG-TERM:</u>				
IDBI DEEP DISCOUNT BONDS	49,95,000		49,95,000	
98,000 SHARES OF BOI SHAREHOLDING LTD OF Rs.100/- Each	98,00,000		98,00,000	
6,59,99,200 SHARES OF CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED OF RS. 10/- EACH	65,99,92,000 -----	67,47,87,000	65,99,92,000 -----	67,47,87,000
<u>CURRENT:</u>				
ICICI BONDS	--		9,99,50,000	
RSRTC BONDS	7,00,00,000		--	
IDBI BONDS	56,84,00,000		--	
PSIDC BONDS	5,00,00,000 -----	68,84,00,000	-- -----	9,99,50,000
<u>MUTUAL FUND INVESTMENTS</u> (AT LOWER OF COST AND MARKET VALUE)				
BALANCE SCHEMES	63,90,67,904		--	
DEBT SCHEMES	451,25,28,236		--	
EQUITY SCHEMES	15,35,70,000 -----	530,51,66,140	-- -----	--
TOTAL		666,83,53,140		77,47,37,000

**THE STOCK EXCHANGE, MUMBAI
EARMARKED INVESTMENTS AND OTHER ASSETS AS AT 31ST MARCH,2000**

SCHEDULE " C "

	Rs.	Rs.	Rs.	Rs.	As at 31st March,1999	
					Rs.	Rs.
INVESTMENTS:						
TRADE GUARANTEE FUND :						
LONG-TERM:						
IDBI BONDS	6,87,00,000			-		
RSRTC BONDS	4,00,00,000	10,87,00,000		-		
CURRENT:						
DEPOSIT WITH BANKS IN CD/TDR	56,05,05,804			59,17,43,486		
DEPOSIT WITH HDFC LIMITED	33,46,31,529			14,75,40,000		
DEPOSIT WITH ICICI LIMITED	-			9,83,35,000		
		89,51,37,333			83,76,18,486	
			100,38,37,333			83,76,18,486
BROKERS' CONTINGENCY FUND :						
LONG-TERM:						
IDBI BONDS		2,10,00,000				
CURRENT:						
DEPOSIT WITH BANKS IN CD/TDR	13,17,07,764			6,80,83,622		
DEPOSIT WITH ICICI LIMITED	-			4,02,50,000		
DEPOSIT WITH HDFC LIMITED	4,89,61,000			4,45,61,000		
		18,06,68,764			15,28,94,622	
			20,16,68,764			15,28,94,622
OTHER ASSETS*						
TRADE GUARANTEE FUND :						
ACCRUED INTEREST ON INVESTMENTS	3,91,32,624			1,81,02,458		
TDS ON INCOME ON TGF INVESTMENTS	2,08,44,795			94,99,755		
		5,99,77,419			2,76,02,213	
BROKERS' CONTINGENCY FUND :						
ACCRUED INTEREST ON INVESTMENTS		46,88,029			18,31,983	
			6,46,65,448			2,94,34,196
TOTAL			127,01,71,545			101,99,47,304

* Excluding Bank Balances In Current Account

THE STOCK EXCHANGE, MUMBAI
CURRENT ASSETS, LOANS & ADVANCES AS AT 31ST MARCH, 2000

SCHEDULE " D "

	Rs.	Rs.	Rs.	As at 31st March, 1999 Rs.
INTEREST ACCRUED ON INVESTMENTS / DEPOSITS: (SEE NOTE NO. 5 OF SCHEDULE " J ")		41,85,69,161		6,44,48,184
<u>CASH AND BANK BALANCES:</u>				
CASH ON HAND	80,416		62,603	
BALANCE WITH SCHEDULED BANKS:				
IN CURRENT ACCOUNT (INCLUDES BALANCES OF TGF & BCF)	73,89,483		1,38,75,531	
IN DEPOSIT ACCOUNT	924,94,41,387		500,17,18,954	
	-----	925,69,11,286	-----	501,56,57,088
		967,54,80,447		508,01,05,272
DEPOSIT WITH ICICI LTD.		56,60,00,000		10,00,00,000
DEPOSIT WITH HDFC LTD.		64,95,00,000		--
DEPOSIT WITH EXIM BANK		21,98,19,820		--
<u>ADVANCES RECOVERABLE IN CASH OR IN KIND :</u>				
SUNDRY ADVANCES	26,65,39,917		5,69,64,266	
LESS: PROVISION FOR DOUBTFUL ADVANCES	9,04,140		9,04,140	
	-----	26,56,35,777	-----	5,60,60,126
DEPOSIT WITH PUBLIC BODIES & OTHERS		1,00,59,428		1,00,37,429
ADVANCES TO STAFF		5,65,91,053		4,39,94,535
TAX DEDUCTED AT SOURCE		12,12,10,946		9,19,50,052
SHETH CHUNILAL MOTILAL LIBRARY		5,050		5,050
INCOME RECEIVABLE		5,66,24,940		7,43,04,911
STOCK ON HAND		38,48,495		46,63,962
TOTAL		1162,47,75,956		546,11,21,337

**THE STOCK EXCHANGE, MUMBAI
CONTRIBUTION BY MEMBERS AS AT 31ST MARCH, 2000**

SCHEDULE " E "

	Rs.	Rs.	Rs.	As at 31st March, 1999 Rs.
BALANCE AS PER LAST BALANCE SHEET		12,08,34,651		11,38,34,651
ADD: FEES RECEIVED FROM NEW MEMBERS:				
ADMISSION FEES (CORPORATE)		1,67,50,000		70,00,000
ADMISSION FEES (INDIVIDUAL)		2,50,000		-
		-----		-----
		13,78,34,651		12,08,34,651
ENTRANCE FEES (CORPORATE)		33,15,88,400		-
		-----		-----
		46,94,23,051		12,08,34,651
LESS: REFUNDED DURING THE YEAR		2,50,000		-
		-----		-----
		46,91,73,051		12,08,34,651
TRADE GUARANTEE FUND:				
BALANCE AS PER LAST BALANCE SHEET :	85,70,46,635		68,67,52,287	
ADD:				
INITIAL CONTRIBUTION BY MEMBERS	4,70,000		1,80,000	
CONTINUOUS CONTRIBUTION BY MEMBERS	8,12,16,640		6,73,89,777	
INTEREST ON CD/TDR INVESTMENTS	11,92,49,431		9,10,60,487	
PROFIT ON SALE OF UNITS OF UTI	-		56,64,084	
DEPOSIT IN LIEU OF BANK GUARANTEE	80,00,000		60,00,000	
	-----	106,59,82,706	-----	85,70,46,635
TOTAL		153,51,55,757		97,78,81,286

**THE STOCK EXCHANGE, MUMBAI
RESERVES AND SURPLUS AS AT 31ST MARCH, 2000**

SCHEDULE " F "

	Rs.	Rs.	Rs.	As at 31st March, 1999 Rs.
STOCK EXCHANGE BUILDING A/C		9,13,896		9,13,896
SHETH CHUNILAL MOTILAL LIBRARY A/C		37,050		37,050
CHARITY A/C		16,041		16,041
<u>STOCK EXCHANGE TECHNOLOGY RESERVE :</u>				
BALANCE AS PER LAST BALANCE SHEET	1,74,93,111		1,59,62,111	
ADD: ACCRETION DURING THE YEAR	6,14,66,174		15,31,000	
ADD : TRANSFERRED FROM INCOME ON INVESTMENTS & DEPOSITS	48,27,99,757		--	
	-----	56,17,59,042	-----	1,74,93,111
<u>INVESTORS' SERVICE ACCOUNT :</u>				
BALANCE AS PER LAST BALANCE SHEET	1		1	
ADD : CONTRIBUTION RECEIVED DURING THE YEAR	2,37,56,425		2,24,93,691	
	-----		-----	
LESS : EXPENSES INCURRED DURING THE YEAR	2,37,56,426		2,24,93,692	
	-----	1	-----	1
<u>BROKERS' CONTINGENCY FUND:</u>				
BALANCE AS PER LAST BALANCE SHEET	16,24,47,214		11,99,41,807	
ADD :				
INITIAL CONTRIBUTION BY MEMBERS	1,62,57,000		70,01,000	
CONTINUOUS CONTRIBUTION BY MEMBERS	83,20,700		1,87,53,528	
INTEREST ON CD/TDR INVESTMENTS	1,89,22,608		1,67,50,879	
TRANSFER FROM ASSETS OF DEFAULTER	10,53,930		--	
	-----	20,70,01,452	-----	16,24,47,214
<u>INCOME & EXPENDITURE ACCOUNT :</u>				
BALANCE AS PER LAST BALANCE SHEET	101,05,08,038		85,52,08,873	
ADD: EXCESS OF INCOME OVER EXPENDITURE	52,26,81,573		15,52,99,165	
	-----	153,31,89,611	-----	101,05,08,038
TOTAL		230,29,17,093		199,14,15,351

**THE STOCK EXCHANGE, MUMBAI
UNSECURED LOANS AS AT 31ST MARCH, 2000**

SCHEDULE " G "

	Rs.	As at 31st March, 1999 Rs.
FIXED DEPOSIT :		
FROM MEMBERS	50,000	50,000
FROM PUBLIC (UNCLAIMED)	1,93,000	1,93,000
TOTAL	2,43,000	2,43,000

THE STOCK EXCHANGE, MUMBAI
CURRENT LIABILITIES & PROVISION AS AT 31st March 2000

SCHEDULE "H"

	Rs.	Rs.	Rs.	Rs.	As at 31st March, 1999 Rs.	Rs.
CURRENT LIABILITIES :						
MEMBERS :						
DEPOSITS & MARGINS RECEIVED		1465,55,29,057			499,76,85,187	
OTHER LIABILITIES		26,75,311			90,24,395	
		-----	1465,82,04,368		-----	500,67,09,582
OTHERS :						
1. DEPOSITS:						
(a) DEPOSITS FROM COMPANIES - 1% OF THEIR PUBLIC ISSUE	33,74,20,994			29,02,77,843		
(b) OTHER DEPOSITS RECEIVED	6,44,76,517			6,42,14,517		
	-----	40,18,97,511		-----	35,44,92,360	
2. INCOME RECEIVED IN ADVANCE		63,51,839			31,24,150	
3. ADVANCE RECEIVED FOR DIS INVESTMENT OF SHARE HOLDING IN CDSIL	24,50,00,000			-		
4. OTHER LIABILITIES	29,46,12,124			13,88,87,379		
	-----	53,96,12,124		-----	13,88,87,379	
5. SUNDRY CREDITORS		5,58,78,794			2,47,56,987	
		-----	100,37,40,268		-----	52,12,60,876
PROVISIONS :						
LEAVE ENCASHMENT		1,00,33,000			87,63,000	
		-----	101,37,73,268		-----	53,00,23,876
TOTAL			1567,19,77,636			553,67,33,458

THE STOCK EXCHANGE, MUMBAI
SUMMARY OF INCOME FROM INVESTMENTS & DEPOSITS

SCHEDULE "I"

PARTICULARS	Current Year 31st March, 2000 Rs.	Previous Year 31st March, 1999 Rs.
INTEREST ON BONDS/DEPOSITS WITH FI	4,21,97,832	6,72,93,426
INTEREST ON CD WITH BANKS	1,16,49,095	6,36,61,008
INTEREST ON FD & TDR INVESTMENTS	75,27,58,940	17,68,37,199
PROFIT FROM MUTUAL FUND INVESTMENTS	18,95,25,680	-
INCENTIVE ON MUTUAL FUND INVESTMENTS	2,00,10,544	-
PROFIT ON REDEMPTION OF BONDS	50,000	-
OTHER INTEREST INCOME	97,563	3,26,951
	-----	-----
	101,62,89,654	30,81,18,584
LESS: (1) PROVISION FOR DIMINUTION ON MUTUAL FUND INVESTMENTS	2,82,33,861	-
(2) INTEREST ON OVERDRAFT	2,24,56,279	74,096
	-----	-----
	96,55,99,514	30,80,44,488
LESS: TRANSFERRED TO TECHNOLOGY RESERVE (50%) (SEE NOTE NO. 10 OF SCHEDULE "J")	48,27,99,757	-
NET INCOME FROM INVESTMENTS	48,27,99,757	30,80,44,488

NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies :

- (a) The Exchange maintains its books of account on accrual basis.
- (b) Fixed Assets are stated at cost and depreciation thereon is provided for on the 'Written Down Value' basis at the rates prescribed under the Income -Tax Act, 1961.
- (c) Retirement benefits : Retirement benefits to employees are provided for by way of provident fund, gratuity and leave encashment. The monthly contributions to provident fund are charged to revenue account. Provision for gratuity is made on the basis of an actuarial valuation. Provision for leave encashment is also based on actuarial valuation.

2. Contingent liabilities not provided for :

	31.03.2000 <u>Rs. in crores</u>	31.03.1999 <u>Rs. in crores</u>
a) Claims against the Exchange not acknowledged as debts in respect of Income Tax Matters	6.92	139.40
b) Guarantees given by the Exchange to HDFC Ltd. aggregating to Rs. 5.50 crores for their line of credit scheme for providing loans to employees of the Stock Exchange for housing. Aggregate loans outstanding from employees of Stock Exchange were Rs. 4,14,10,968/- as on 31 st March, 2000 (31.3.1999 - Rs. 3,01,55,060/-). The employees have mortgaged their flats / properties with HDFC Ltd.		
3. No provision for Taxation for the year ended 31 st March, 2000 has been made in the accounts as the Management is of the opinion that appeals will be disposed off in the Exchange's favour and the Exchange will be granted exemption under Sections 11 & 10 (23 C) (iv) of Income Tax Act, 1961. However, in the event that such exemption is not granted, there would be estimated tax liability of Rs. 51 crores for the year (31.3.1999 - Rs. 12.88 crores). The total cumulative income tax liability unprovided for is estimated at Rs. 66.14 crores (excluding the amounts referred to in Note 2 above) (31.3.1999 - Rs. 18.46 crores).		

4. Remuneration to the Auditors :

	31.03.2000 <u>Rs.</u>	31.03.1999 <u>Rs.</u>
Audit Fees	2,00,000	2,00,000
Tax Audit Fees	50,000	50,000
Other Capacity	50,000	50,000
Service Tax	15,000	30,000
	<u>3,15,000</u>	<u>3,30,000</u>

5. Current Assets include interest accrued on Investments/Bank Deposits of Rs. 41,85,69,161/- (31.3.1999 - Rs. 6,44,48,184/-) which is provided only on own funds. Interest accrued amounting to Rs. 3,68,39,721/- (31.3.1999 - Rs. 83,40,348/-) is not provided on defaulters' deposits and 1% Public Issue deposit as interest therefrom belongs to the respective beneficiaries.
6. From 1996-97 the Exchange decided to set aside 20% of the listing fees received to an Investors' Services Account. The Exchange has charged all direct expenses incurred towards Investors Services to the Account and has also charged pro-rata other revenue expenses, including premium paid for members' comprehensive insurance policy but excluding depreciation to the Account, on the basis of number of employees in the Investors Service Cell to the extent of the balance available in the said Account.
7. The Governing Board in its meeting held on 11th February, 1997 decided to set up a Trade Guarantee Fund for guaranteeing the trades executed in the Exchange. The constitution of the Fund and its rules and bye laws were approved by the Securities and Exchange Board of India on 9th May, 1997 and the Fund became operational on 12th May, 1997. The Exchange contributed a sum of Rs. 60 crores from accumulated contribution from its members for the year 1997-98. The members of the Exchange also contributed to the Fund through the initial contribution of Rs. 10,000/- and a levy based on turnover. The income of the investment of the Fund accrues to the credit of the Fund.
8. The Governing Board in its meeting held on 7th July, 1997 decided to set up a Brokers Contingency Fund for meeting temporary mismatch of fund requirements of its members. The initial corpus of the Fund was Rs. 9.51 crores. The members contribute to the Fund through a levy based on turnover. Contributions are also collected from new members. The income on the investment of the Fund accrues to the credit of the Fund.
9. BOI Shareholding Ltd (acting as the Clearing House) operates a Settlement Account with Bank of India, Global Trust Bank Ltd., HDFC Bank Ltd. and Standard Chartered Bank through which the pay-in and pay-out obligations of all members are routed. The general ledger balance of this account had a credit balance of Rs. 150.06 crores as on 31st March, 2000. (31.3.1999 - DR. Rs. 50.52 crores) which has not been reflected in the Balance Sheet.
10. In accordance with the Governing Board Resolution dated 17th March, 2000, 50% of the net income earned on Investments have been transferred to the Technology Reserve.
11. The figures of the previous year have been regrouped and re-arranged wherever necessary.

