

# ANNUAL REPORT 2015-2016



“BE THE CHANGE THAT YOU WISH  
TO SEE IN THE WORLD”

*-Mahatma Gandhi*

A stylized, abstract illustration of a modern building and a dome. The building is composed of several vertical, curved sections in shades of blue and grey, with a series of horizontal lines suggesting windows or architectural details. To the right of the building is a large, dome-shaped structure with horizontal grey and white stripes. Below these structures is a solid blue horizontal band, and at the very bottom is a dark blue band containing the text.

THE WORLD'S FASTEST EXCHANGE WITH A SPEED OF 6 MICROSECONDS



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# BOARD OF DIRECTORS

(As on 5<sup>th</sup> May, 2016)



Mr. Sudhakar Rao  
Chairman



Mr. Ashishkumar Chauhan  
Managing Director & CEO



Dr. K. Kasturirangan



Mr. Dhirendra Swarup



Ms. Usha Sangwan



Dr. Sriprakash Kothari



Mr. S. Ravi



Ms. Rajeshree Sabnavis



Mr. Thomas Bendixen

| BOARD OF DIRECTORS  |
|---|
| <b>Chairman (Public Interest Director)</b>                              |
| Mr. Sudhakar Rao ( <i>w.e.f. 22<sup>nd</sup> March, 2016</i> )          |
| Mr. S. Ramadorai ( <i>upto 7<sup>th</sup> March, 2016</i> )             |
|   |
| <b>Managing Director &amp; CEO</b>                                      |
| Mr. Ashishkumar Chauhan   |
|   |
| <b>Public Interest Directors</b>  |
| Dr. K. Kasturirangan  |
| Mr. Dharendra Swarup  |
| Mr. S. Ravi ( <i>w.e.f. 5<sup>th</sup> February, 2016</i> )             |
| Dr. Sanjiv Misra ( <i>upto 21<sup>st</sup> April, 2016</i> )            |
| Late Mr. S. H. Kapadia ( <i>upto 4<sup>th</sup> January, 2016</i> )     |
|   |
| <b>Shareholder Directors</b>  |
| Mr. Thomas Bendixen   |
| Dr. Sriprakash Kothari ( <i>w.e.f. 4<sup>th</sup> September, 2015</i> ) |
| Ms. Rajeshree Sabnavis ( <i>w.e.f. 4<sup>th</sup> September, 2015</i> ) |
| Ms. Usha Sangwan ( <i>w.e.f. 4<sup>th</sup> September, 2015</i> )       |
|   |
| <b>Company Secretary</b>  |
| Ms. Neena Jindal  |

| EXECUTIVE MANAGEMENT COMMITTEE                         |
|--|
| Mr. Ashishkumar Chauhan    MD & CEO                    |
| Mr. V. Balasubramaniam    Chief Business Officer       |
| Mr. Nehal Vora    Chief Regulatory Officer             |
| Mr. Nayan Mehta    Chief Financial Officer             |
| Mr. Kersi Tavadia    Chief Information Officer         |
| Mr. Neeraj Kulshrestha    Chief of Business Operations |

| STATUTORY AUDITORS                                    |
|---|
| Deloitte Haskins & Sells LLP<br>Chartered Accountants |

| REGISTRAR & TRANSFER AGENT  |
|---|
| Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot No 31 & 32<br>Gachibowli, Financial District,<br>Nanakramguda, Serilingampally<br>Hyderabad – 500 032<br>E-Mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a><br>Tel. No.: +91 40 6716 1500<br>Fax. No.: +91 40 2342 0814 |

| REGISTERED OFFICE   |
|---|
| 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street,<br>Mumbai 400 001 |

| ELEVENTH ANNUAL GENERAL MEETING  |
|--|
| Day : Friday   |
| Date : 24 <sup>th</sup> June, 2016   |
| Time : 11.30 a.m.  |
| Venue : Sir Dinshaw Petit International Convention Hall,<br>1 <sup>st</sup> Floor, P. J. Towers, Dalal Street,<br>Mumbai - 400 001 |



*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Arun Jaitley, Hon'ble Minister of Finance, Corporate Affairs, Information and Broadcasting, Govt. of India, at the Asia Pacific Investment Co-operation Summit Hong Kong on September 25, 2015.*

# Directors' Report

Your Directors take great pleasure in presenting the Eleventh Annual Report of BSE Limited along with the audited financial statements for the financial year ("FY") ended March 31, 2016.

## 1. The Economic Environment

### 1.1 Global Outlook

Global growth is estimated at 2.4% in 2015, 0.4% below the projections as per the January 2016 World Bank Report on Global Economic Prospects. The below par performance largely reflected a continued growth deceleration in emerging and developing economies amid post-crisis lows in commodity prices, weaker capital flows and subdued global trade. In developing countries, growth in 2015 is estimated at a post-crisis low of 4.3%, down from 4.9% in 2014 and 0.4% lower than that projected in June 2015. The economic rebalancing in China is continuing and is accompanied by slowing growth. Brazil and Russia have been going through severe adjustments in the face of external and domestic challenges. More generally, 2015 growth estimates for more than half of the developing countries were further lowered.

According to the World Bank Global Economic Outlook 2016, global growth is projected to accelerate in the coming years reaching 2.9% in 2016 and 3.1% in 2017-18. This pickup is predicted on continued gains in major high-income countries, a gradual tightening of financing conditions, a stabilization of commodity prices, and a gradual rebalancing in China. The forecast is subject to downside risks, including a possible slowdown in major emerging market economies, financial market uncertainties arising from sudden shifts in borrowing costs and elbow room available for corrections to be attempted by the policy makers.

Growth in major high-income countries gained traction last year. This has been increasingly driven by stronger domestic demand, particularly in the United States, where employment conditions have improved. In the Euro area, credit growth is picking up and unemployment is declining. The recovery remains fragile in Japan despite substantial policy stimulus. With

external demand negatively affected by a slowdown in large emerging market economies, growth forecasts across major high-income economies in 2016 have been calibrated down. The tightening cycle of the U.S. Federal Reserve is projected to be very gradual, while policy accommodation is likely to continue in the Euro area and Japan. China's gradual slowdown and rebalancing continued in 2015, as further deceleration in sectors with excess capacity was partially offset by growth in services.

Overall, for world economies, downside risks dominate and have become increasingly centered on emerging and developing countries, as a gradual recovery in major high-income countries takes hold. As yet, unrealized gains from declining oil prices for importers pose an upside opportunity. India remains one of the brighter spots in the midst of uncertainty at the global level.

### 1.2 Indian Outlook

#### 1.2.1 Economic performance in FY 2015-16

The Economic Survey released in February 2016 depicts an optimistic picture of the Indian economy. Amidst persisting global headwinds, India remains



Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Ravi Shankar Prasad, Hon'ble Union Minister for Communications & Information Technology & Shri S. Ramadorai, Former Chairman, BSE on the dais during the "Launch of Free Public Wi-Fi" at BSE on January 10, 2016.



one of the best performing economies. Inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. As per the advanced estimates of the Government, the country is expected to register a GDP growth of 7.6% in FY 2015-16, as compared to 7.2% in 2014-15 (with the base as 2011-12), recording the highest percentage increase in the last five years. This year, India became the fastest growing major economy, surpassing China in terms of GDP growth. The economic reforms introduced by the government, a stable macro-economic environment and the falling commodity prices are some of the factors that have helped India achieve robust economic growth estimates.

According to the Economic Survey, India's GDP is estimated to grow at 7-7.5% in the FY 2016-17 despite moderate global growth. The survey indicated that encouraging demand would be vital, and the implementation of the Seventh Pay Commission and onset of normal monsoons, are expected to provide some added optimism. The Survey states that the economy would be able to grow at 8.0% over the next couple of years. Further, it goes on to state that the country's long run potential growth rate is still around 8-10% and realizing this potential requires a push on at least three fronts: being genuinely pro-competition, major investments in health and education of people, and focus on agriculture.

The Asian Development Outlook 2016 supports the Economic Survey findings and expects a 7.6% growth in GDP for the FY 2015-16 despite a double-digit decline in exports. The GDP growth is projected to dip marginally in FY 2016-17 due to a slowdown in public investment, stressed corporate balance sheets, and declining exports,



*Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Ahmad Javed, Commissioner of Police, Mumbai during an Open Interactive Session with him on November 9, 2015 at BSE.*

then pick up in FY 2017-18 as newly strengthened bank and corporate finances allow a revival in investment. The growth estimates for FY 2016-17 is 7.4% and for FY 2017-18 is 7.8%. Notwithstanding unexpected delays in enacting some economic reform, the prospects for continued rapid growth are undiminished.

Despite a weak monsoon for a second consecutive year, agriculture grew by 1.1% in FY 2015-16, mainly on strong growth in livestock. Food grain production is estimated to have increased by 0.5% in FY 2015-16, though there was lower production of rice, coarse cereals, oilseeds, and sugarcane.

After growing by 5.9% in FY 2014-15, industry accelerated further to 7.3% in FY 2015-16. Manufacturing growth also rebounded to 9.5%, much higher than the 5.5% growth in FY 2014-15, primarily with the aid of robust performance in the manufacturing operations of private corporations, whose margins have been inching up due to lower input costs. The strong growth in manufacturing, which is based on value added, continues to be at variance with muted growth in industrial production, which measures volume. Growth in other industry subsectors - mining, construction, and utilities - moderated in FY 2015-16.

Expansion in services also moderated to 9.2%, largely in line with slower growth in public administration, defence, and the "other services" category. An increase in bank deposit and credit growth in the second half of FY 2015-16 helped financial, real estate, and professional services grow at a healthy 10.3%, while robust growth in airline passengers and sales of commercial vehicles bolstered expansion in trade, hotels, transport, and communications to 9.5%.



*Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Himanshu Kapania, Managing Director, Idea Cellular Limited during the ETNow BSE day on December 28, 2015 at BSE.*





*Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri S. Ramadorai, Former Chairman, BSE and Shri Sameer Kochar, Chairman, Skoch Group presenting the award to Shri Anthony J.C. deSa, Chief Secretary, Madhya Pradesh, during the Skoch Awards on June 12, 2015 at BSE.*

Private consumption growth is estimated to have picked up to 7.6% in FY 2015-16 from 6.2% a year. Much of the improvement in private consumption stems from a pickup in urban consumption, while rural consumption has remained subdued as a result of two consecutive weak monsoons. Government consumption growth also stayed moderate as the central government boosted capital expenditure and curtailed current expenditure. A 20.9% increase in capital expenditure undertaken by the central government helped investment growth improve to 5.3% from 4.9% in FY 2014-15. However, private investment remained weakened by overcapacity and Indian corporations' debt overhang.

Inflation has been stable, averaging 5.0% in FY 2015-16. The easing of food inflation overall was helped by lower global commodity prices, restrained increases in domestic procurement prices, and improved management of government food stocks. Core inflation has remained steady, settling within the narrow range of 4.1% to 4.8% in FY 2015-16.

The government was able to achieve its target of reducing the budget deficit to the equivalent of 3.9% of GDP from 4.1% in FY 2014-15. The reduction came through curtailed current expenditure and through augmentation of tax revenue growth that exceeded the budgeted estimates. While corporate and personal income tax collection fell short of their targets, revenue from excise duties and taxes on services grew faster than planned, aided by hikes in excise duties on petroleum products. Despite receipts from planned asset sales falling well below their target, non-tax revenue registered healthy growth at over 30% as public sector enterprises, including public banks, paid higher dividends.

Expenditure grew by 7.3% in FY 2015-16, marginally higher than budgeted growth at 6.8%. Unlike in previous years, capital expenditure grew robustly, by 20.9%, such that the ratio of capital expenditure to GDP rose to 1.8% in FY 2015-16. By contrast, current expenditure growth was contained at 5.5%. The sharp drop in global oil prices, deregulation of diesel prices, and use of cash transfers to qualified recipients to rationalize the subsidized cooking gas benefit cut expenditures on the petroleum subsidy by more than half. However, there was an uptick in the outgo on account of fertilizer and food subsidies.

Buoyed by measures to enhance foreign direct investment - including raising the ceiling for investment in several important sectors such as broadcasting and defence, as well as rationalizing and simplifying procedures - net flows of foreign direct investment surged to an estimated \$32 billion, nearly 26% higher than in the previous year. FDI inflows were primarily driven by investments in infrastructure and the services sector. Inflows in the form of deposits by non-resident Indians also remained strong, growing to nearly \$15 billion in FY 2015-16. These inflows and continuing business and government loan inflows increased gross international reserves by \$9.2 billion in FY 2015-16 to over \$350 billion.

The Indian rupee depreciated by 8% against the US dollar in FY 2015-16. However, it weakened in nominal effective terms by a smaller 5%, and in real effective terms by less than 3%, implying that it moved in parallel with the currencies of its trading partners.



*(L to R) CS Ashish Garg, Central Council Member & Program Director, ICSI; CS Atul Mehta, President, ICSI; Shri Ashishkumar Chauhan, MD & CEO, BSE; CS Makarand Lele, Central Council Member & Chairman, Financial Services Committee, ICSI and CS Rishikesh Gagan Vyas, Chairman, ICSI-WIRC & program coordinator present on dais during the ICSI Capital Markets Week June 2, 2015 at BSE.*

Foreign Portfolio Investors (“FPI”) net investments in Indian equities and debt reached record highs in FY 2015-16 backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FPIs net investments stood at ₹ 18,106 Crore in March 2016, out of which ₹ 16,731 Crore was invested in equities and ₹ 1,375 Crore invested in debt. In the Asia-Pacific region ex-China, India was the highest recipient of inflows in equities and ranked third for debt.

### **1.2.2 Economic Prospects for FY 2016-17**

While public investment and urban consumption were the major drivers of growth in FY 2015-16, a revival of private investment and rural consumption is critical if growth is to remain strong in FY 2016-17 and FY 2017-18, given the likely sluggish recovery in the advanced economies and the bleak outlook for global trade. Urban consumption is expected to receive a boost due to the implementation of 7<sup>th</sup> Pay Commission recommendations. Rural incomes and spending also received a boost in the Budget 2016-17 as it supports programs aimed to improve agricultural productivity and funding of the government employment scheme for poor rural families. An expectation of normal monsoon to above-normal monsoon gives hope to mitigate some of the pressure on food prices, which firmed up in the second half of FY 2015-16.

Public investment will continue to be an important driver of growth, as the government is expected to use savings from oil to further boost government investment. Ongoing deleveraging by private corporations, reductions in policy rates, and positive externalities from public investment are likely to initiate a recovery in private investment. The manufacturing purchasing managers’ index declined for 6 consecutive months to December



*Shri Ashishkumar Chauhan, MD & CEO, BSE with Shri V.P. Nandakumar, MD & CEO, Manappuram Finance ringing the Opening Bell on Completion of 20 years of Manappuram Finance on November 6, 2015 at BSE.*

but rose in January, February and March 2016 on new orders and exports. The services index has been more robust, reaching a 21-month high in January but then falling in February and again rising in March 2016 on a marginal increase in output.

RBI’s monetary policy over the last year had rested on rate cuts and liquidity measures - in that sequence of events and importance. The central bank has signaled an accommodative monetary stance and delivered a 25bp rate cut in April 2016 to bring down the policy repo rate to 6.5% in line with market expectations and stuck to its “accommodative” forward guidance. Though further cuts to key policy rates would be contingent on the evolving inflation trajectory and the implementation of planned budget consolidation. RBI’s projection for March 2017 CPI is at 5% and they target it to be 4.2% by early 2018. Thus, while aggressive rate cuts are unlikely, FY 2016 may see some monetary easing. The lending rates of the banks have not come down in tandem with the RBI rate cuts and the focus of the RBI is now on transmission of these rate cuts.

As per the survey conducted by Centre for Monitoring Indian Economy Pvt. Ltd. (“CMIE”), 41.2% of the respondents expect an increase in industrial production which is slightly less than 48.6% respondents who don’t expect it to change. A positive sign is that respondents who feel that production will decrease has never crossed 14% since Q1-11 and form a minority.

The FY 2016-17 budget displays fiscal prudence by reaffirming the path of fiscal consolidation and reducing the fiscal deficit to 3.5% of GDP. The Budget of 2016-17 has focused on a 9-pillar theme that supports the inclusive and overall growth



*Shri Ashishkumar Chauhan, MD & CEO, BSE, interacting with the delegate at the Dun & Bradstreet Risk Management Conclave on May 22, 2015.*



*Bollywood actress Ms. Isha Koppikar along with BSE members ringing the Opening Bell for Muhurat Trading on November 11, 2015 at BSE.*

policies of the Government. The proposals put forth are oriented towards providing for entrepreneurial skills, support start-ups and enable job creation. This would have long term implications in terms of boosting domestic demand, coming from both the urban and the rural sectors. The budget has special emphasis on reviving rural demand. The scope covers budget proposals to increase social sector spending and boosting infrastructure allocations for road transport, power generation, renewable energy, and railways. Numerous measures enacted to attract foreign direct investment along with further measures to improve the business environment. The regulator, Securities and Exchange Board of India ("SEBI") has now allowed Foreign Portfolio Investors ("FPI") to invest in units of Real Estate Investment Trusts ("REITs"), Infrastructure Investment Trusts ("InvITs"), Category III Alternative Investment Funds ("AIF"), and also permitted them to acquire corporate bonds under default. There is a focus of the Government to develop markets in Government securities, corporate bonds and commodities as additional asset classes for trading. The Budget contains a number of tax proposals for providing relief to small taxpayers, measures to boost growth and employment generation, incentivizing domestic value addition, reducing litigation and providing certainty, and for simplification and rationalization of taxation.

This year's Budget bears the imprimatur of the Government's intent in accelerating growth with its "Transform India" focus. The International Monetary Fund has projected India to be at a 'bright spot', while the World Economic Forum has commented that India's growth rate is 'extraordinarily high'. The government clearly wants to see India break out of the "big-but-poor"

contradiction and take its rightful place with the most developed countries. Initiatives like 'Skill India', 'Digital India', 'Startup India Plan', 'Make in India' and 'Swachh Bharat' initiatives are clear indicators of the Government's intent to encourage employment, generate domestic demand and facilitate overall growth that will ensure that India remains a favoured base for investment.

## **2. The Capital Markets**

### **Overview**

BSE has become the world's fastest Stock Exchange with an order response time of 6 microseconds and the largest exchange in the world in terms of number of companies listed. As of March 2016, BSE is the 2<sup>nd</sup> largest exchange in the world for currency options, 3<sup>rd</sup> largest in the world for currency futures, 11<sup>th</sup> largest by number of trades and 12<sup>th</sup> largest exchange in the world by market capitalization.

### **2.1 Primary Market**

The total number of companies listed (equity as well as debt) on BSE as on March 31, 2016 was 5,911 as compared to 5,624 on March 31, 2015.

During FY 2015-16, 24 companies came to the market through the Initial Public Offering ("IPO") process in the Main Board. The amount raised through Main Board IPOs in FY 2015-16 was ₹ 15,374.99 Crore as against ₹ 1,374.62 Crore in FY 2014-15, a 10 fold-increase. Further, there were no Follow-on Public Offers ("FPO") in FY 2015-16. In addition to the 24 IPOs on the Main Board, another 38 companies raised ₹ 237.34 Crore through the SME IPO process in FY 2015-16. The total amount mobilized through Privately Placed Debt Securities at BSE in FY 2015-16 was ₹ 2,35,402 Crore as against ₹ 2,46,221 Crore in FY 2014-15.

During FY 2015-16, there were 20 public issues of bonds



*Shri Neeraj Kulshrestha, Chief of Business Operations, BSE presenting a memento to Mr. Ramin Toloui, U.S. Treasury Assistant Secretary for International Finance at the USIBC Roundtable on November 3, 2015 at BSE.*



which mobilized ₹ 34,461 Crore as against ₹ 10,716 Crore from public issues of bonds in the FY 2014-15. Further out of these 20 public issues, 15 issues were exclusively listed on BSE (75%). The BSE platform was used to collect ₹ 89,537 Crore and the average bids garnered through BSE's Internet based- Book Building Software ("iBBS") platform for these debt public issuances was 96%.

During FY 2015-16 there were 18 Offer for Sale ("OFS") issues, of which BSE was appointed as the Designated Stock Exchange in 14 issues (78%). Out of the 14 OFS issues, 10 issues were conducted exclusively on the BSE platform. In FY 2015-16, the total amount raised through OFS issues was ₹ 19,813.87 Crore.

During the year, SEBI has extended Stock Exchange Mechanism route of secondary market to tender shares by investors for any Buyback/Delisting or Take Over offer. BSE enabled this facility through its iBBS platform as an Offer to Buy ("OTB") window. BSE has again emerged as the market leader in this new product offering. Since inception, there were 37 OTB issues, of which BSE was appointed as the Designated Stock Exchange in 5 issues and 28 issues were conducted exclusively on the BSE platform.

Further, during the year, SEBI also changed the guidelines and regulations for public issue of equity shares. Thus, the Applications Supported by Blocked Amount ("ASBA") mechanism was made mandatory and listing of shares is required to be completed within 6 days in place of 12 days permitted earlier. The average bids garnered through BSE's iBBS platform after the streamlining of the IPO process was 61%.

In the Budget 2016, Government has given further relaxation in the matter of taxation for REIT and InvITs.



*Shri Ashishkumar Chauhan, MD & CEO, BSE discussing with Dr. Ramgopal Agarwal, Honorary Senior Fellow, National Council of Applied Economic Research (NCAER) and Dr. Rajiv Kumar, a Senior Fellow at CPR during the BSE – CPR event on October 26, 2015 at BSE.*

Source : World Federation of Exchange



*Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to CS K. Sethuraman, Company Secretary & Chief Compliance Officer, Reliance Industries Ltd. at the signing of agreement of RIL Listing at BSE on October 26, 2015.*

BSE has started engaging with the regulators and market participants for the successful roll out of this product and for a new asset class to be available to investors on its Trading Platform.

## **2.2 Secondary Market**

### **Equity Segment**

The S&P BSE SENSEX ended FY 2015-16 at 25,342 compared to 27,958 at year end of FY 2014-15, a decrease of 9.36% over the year which has been one of the factors in the decline in trading volumes this year. The average daily value of equity turnover on BSE in FY 2015-16 was ₹ 2,996 Crore, an annual decrease of about 14.83% from ₹ 3,518 Crore in FY 2014-15.

### **Equity Derivatives Segment**

Equity derivatives trading reached an average daily volume of 4.32 Lakh contracts per day in FY 2015-16 as compared to 20.80 Lakh from FY 2014-15. BSE has decided to discontinue its Liquidity Enhancement Incentive Programme Scheme ("LEIPS") that has been running for the past few years. Instead it has decided to provide incentives in terms of technological support to gain market share in this segment.

### **Currency Derivatives Segment**

In the currency derivatives, BSE's market share increased to 36.41% in FY 2015-16 from 33.86% in FY 2014-15. Members' participation in this segment also increased to 285 members during FY 2015-16 which includes 14 banks that have been active out of the 26 banks who are our trading members, compared to 242 members in FY 2014-15. Open Interest ("OI") for FY 2015-16 was 12.87 lakh contracts, an increase of over 93.82% as compared to 6.64 lakh contracts during FY 2014-15.

### **Interest Rate Derivatives**



*Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Vazil Hudak, Hon'ble Minister of Economy of Slovak Republic during his visit to BSE on October 8, 2015.*

During FY 2015-16, BSE's market share in interest rate derivatives increased to 17.19% from 8.85% in FY 2014-15. Members participation increased to 94 members (76 in FY 2014-15). Currently seven banks and two primary dealers are active in this segment.

#### **Debt Segment**

The Fixed Income segment at BSE provides an array of products and services to market participants. In this space, BSE also offers reporting of Secondary Market Trades in Government Securities, Treasury Bills, Corporate Bonds, Certificate of Deposit ("CDs") and Commercial Paper ("CPs") on the Wholesale Debt Market platform called Indian Corporate Debt Markets ("ICDM"). BSE witnessed reporting of OTC trades in Corporate Bonds on ICDM worth ₹ 2,07,652 Crore in FY 2015-16 as against ₹ 2,03,387 Crore in the previous year, marking an increase of 2.10%. In case of SLR securities i.e. Government Securities and Treasury Bills, trades worth ₹ 2,27,125 Crore were reported on ICDM in the current year as against ₹ 2,21,233.28 Crore in FY 2014-15. The same is mainly attributed to increased Brokers participation on BSE's Debt platforms.

Trading in Non-Convertible Debentures ("NCDs") and Bonds on 'F' group on BOLT saw increased activity of ₹ 4,608 Crore in FY2015-16 as against ₹ 3,756.82 Crore in the previous year. BSE has retained a market share of over 61.9% in the retail trading of Corporate Bonds in FY 2015-16.

No significant activities were observed in trading in Government Securities on the Retail Debt Market ("RDM") 'G' group across the entire market. In accordance with RBI and SEBI guidelines, BSE has developed a platform called 'E-settle' to facilitate clearing and settlement of secondary market trades in corporate bonds, CPs and CDs on Delivery Vs Payment 1

("DvP1") basis through the Indian Clearing Corporation Limited ("ICCL").

The settlement volume for corporate bonds witnessed business of ₹ 57,874 Crore in FY 2015-16 as against ₹ 44,432.72 Crore in the previous year.

BSE had launched the New Debt segment ("BSE-NDS") on March 20, 2014 in accordance with SEBI guidelines for new dedicated debt segment on stock exchanges issued in January 2013 and September 2013. 135 Trading Members and Institutional Members are registered on BSE NDS.

#### **ebidXchange – Auction of FPI limits for debt**

A custom designed platform called 'ebidXchange' for allocation of FPI limits for investment in government securities and corporate bonds was launched by BSE in May 2009.

The ebidXchange platform pioneered the auction of multiple products - Infrastructure Bonds, Corporate Bonds and Government Securities. During FY 2015-16, BSE conducted 9 auction sessions, all of which were conducted seamlessly and received positive response from market participants. The total cumulative amount bid for these 9 auctions was ₹ 23,499 Crore.

#### **Exchange Traded Funds ("ETF")**

As at March 2016, BSE had 45 ETF listed. During FY 2015-16, the average daily turnover in ETFs increased nearly 459% i.e. ₹ 28.99 Crore from ₹ 6.32 Crore in FY 2014-15.

#### **Employee Provident Fund Organization's ("EPFO") investment in SENSEX based ETF**

SBI Mutual Fund has created and listed the SBI Sensex ETF on BSE which is based on the most popular benchmark index of India, the S&P BSE Sensex and



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Mohit Kamboj, President – National Board, Indian Bullion & Jewellers Association Limited and other delegates from Indian Bullion & Jewellery Association during the signing of MoU between BSE and Indian Bullion & Jewellery Association on December 11, 2015.*

made available for trading on BSE's platform. During the financial year, EPFO has commenced investing 5% of its incremental corpus in the SENSEX ETF. During FY 2015-16, average daily turnover in ETFs has increased nearly 459% i.e. from ₹ 6.32 Crore in FY 2014-15 to ₹ 28.99 Crore in FY 2015-16.

### **Mutual Fund Segment ("MF")**

The MF industry pumped in significant funds in debt and equity funds leading to assets under management ("AUM") reaching ₹ 13,53,444 Crore as in FY 2015-16, an increase of 13.86 % over ₹ 11,88,690 Crore in FY 2014-15. Encouragingly, BSE's online Mutual Fund platform "BSE StAR MF" continued to gain acceptance with turnover reaching ₹ 44,235 Crore in FY 2015-16, an increase of nearly 321% over the previous year compared to ₹ 10,462 Crore in FY 2014-15. With new features and continuous innovations to meet customer needs, the model of investment and redemption of mutual fund units through an exchange-provided infrastructure has gained tremendous response in the market.

BSE StAR MF is a web-based transaction processing system that can be accessed "anytime" and "anywhere", and enabled for Intra Asset Management Companies ("AMC") switches, Direct Pay-out to Clients ("DPC"), NRI transactions, Minor Transactions and a unique product called SIP or X-SIP. The BSE StAR MF platform has emerged as the largest online platform in mutual funds with:

- Number of Orders: Market share of 81%
- Traded Value: Market share of 85% (FY 2015-16)
- 40 AMCs with over 5,000 schemes, accounting for 99% of the MF Industry AUM, are available on the BSE StAR MF Platform



*Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Zhang Yuyan, Director of IWEP, CASS during his visit to BSE on September 14, 2015.*



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Leo Puri, MD, UTI Asset Management Company Ltd.; Shri Imtaiyazur Rehman, CFO, UTI Asset Management Company Ltd. and other dignitaries at the lamp lighting ceremony of UTI MF SENSEX ETF on September 3, 2015 at BSE.*

- Number of orders reached 32.8 Lakh in FY 2015-16, up by 106% from 15.91 Lakh orders in FY 2014-15, along with over 4,00,000 SIPs / X-SIPs registered on BSE StAR MF Platform, triggering every month.

### **Innovations and unique Features for on BSE StAR MF Platform**

- OverNite Funds Management: The liquid-overnight investments are synchronized with BSE's settlement. This creates a call money market equivalent product for liquid mutual funds on the platform to pool the brokers own funds as well as their clients' money.
- X-SIP Facility: Under this product, a single mandate can be used for investing in SIPs across all schemes and all AMCs registered with StAR MF. The SIP administration and the cost of administration is borne by BSE and the money is debited to the client's bank account directly instead of debiting the member pool account.
- X-SIP Facility with First order today flexibility: Enabling BSE StAR MF members to start SIP within couple of minutes instead of waiting for a month. This was in response to the demand from the market.
- Multiple mode of payments viz. payment gateway, one time mandate, cheque, RTGS/NEFT
- Completely digital and real time investors registration
- DPC Facility: Direct pay-out of units to client accounts option to member broker
- Connectivity: Multi mode of platform access;
  - a) Web – browser with CO-BRANDING facility,





*Shri S.Ramadorai, Former Chairman, BSE along with Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Sudhakar Rao, Chairman, BSE; Shri Dhirendra Swarup, Public Interest Director, BSE Inaugurating the DR Room of BSE.*

- b) APIs over leased lines
- c) WEB Services - APIs over internet
- SMS/email based redemption order authentication

#### **BSE SME Platform**

The framework for SME Platforms to serve small and medium-size enterprises on stock exchanges were established by SEBI vide a circular on May 18, 2010. The BSE SME platform received the final approval of SEBI on September 27, 2011. BSE SME IPO Index was launched on December 14, 2012 with 100 as the base. On March 31, 2016 the value of this index reached 767.86. Additionally, the total market capitalization of all the 127 companies listed on BSE SME Platform reached ₹ 9,356.68 Crore.

During FY 2015-16 the SME platform continued to be a front-runner with a market share of over 90%. 38 companies raised ₹ 237.24 Crore from the market.

#### **Migration to Main Board**

BSE issued a circular on November 26, 2012 stating that companies have to be mandatorily listed and traded on the SME Platform for a minimum period of two years for them to migrate on to the Main Board as per SEBI guidelines. During FY 2015-16, 13 BSE SME Companies have migrated to the BSE Main Board.

#### **Global Recognition for the BSE-SME platform**

In its research report of July 2015, International Organization of Securities Commissions ("IOSCO") commended BSE's SME platform for being the most cost effective platform for SME listing in the world. In March 2016, it also received the SKOCH Achiever Award from Shri. K. T. Rama Rao, Hon'ble Minister of IT, Government of Telangana. In March 2016, the World Federation of

Exchanges, put forth a report on SME funding through exchanges and has taken the BSESME platform as a key case study.

#### **BSE Hi-Tech**

BSE has launched a new segment BSE Hi-Tech, following the announcement of the new Institutional Trading Platform Regulations by SEBI in August 2015. This platform will facilitate young, fast growing companies to access capital and provide liquidity to early stage investors. BSE has formed an Advisory Panel comprising eminent persons from the ecosystem and organized several knowledge sessions. Feedback has been gathered from the companies, investors and intermediaries in addition to the Advisory Panel and shared with SEBI.

#### **Aadhaar based e-KYC**

BSE has announced Aadhaar based e-KYC for intermediaries to facilitate an easy and simplified account opening process in the Securities Market.

This new facility is in line with SEBI's initiative vide the SEBI Circular CIR/MIRSD/29/2016 dated January 22, 2016

SEBI has clarified that:

1. In-person verification of the client is not required to be carried out, if:
  - a. Verification of the client with UIDAI is carried out through biometric authentication (fingerprint or iris scanning).
  - b. Verification of the client with UIDAI is carried out through one time password ("OTP") received on client's mobile number or on e-mail address registered with UIDAI provided, the amount invested by the client does not exceed ₹ 50,000 per financial year per Mutual Fund and payment for the same



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Arun Jaitley, Hon'ble Minister of Finance, Corporate Affairs, Information and Broadcasting, Govt. of India, and other dignitaries at the Asia Pacific Investment Co-operation Summit Hong Kong on September 25, 2015.*



is made through electronic transfer from the client's bank account registered with that Mutual Fund

2. eSign Electronic Signature Service is an innovative initiative that allows easy, efficient, and secure signing of electronic documents by authenticating signatory using Aadhaar e-KYC services. With this service any Aadhaar holder can digitally sign an electronic document without having to obtain a physical digital signature dongle.

The Electronic Signatures facilitated through eSign Online Electronic Signature Service is legally valid, provided the eSign signature framework is operated under the provisions of the Second Schedule of the Information Technology Act, 2000 and guidelines issued by the Controller.

3. If KYC verification of the client is carried out through Aadhaar based e-KYC service offered by UIDAI as per the aforementioned SEBI Circular and PAN of the client is verified from the income tax website, the information downloaded from UIDAI shall be considered as sufficient information for the purpose of KYC verification and the client is not required to fill up the KYC form and put his / her signature on the same.

### **3. Business Operations Review**

#### **Membership**

During FY 2015-16, 46 new Deposit Based Membership ("DBM") applications were received at BSE. Since the launch of the new DBM scheme in April 2010, BSE has received a total of 789 DBM applications.

#### **Corporate Services (Listing)**

The Corporate Services segment of BSE registered healthy revenue growth in FY 2015-16. Annual Listing



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Mr. David Thomson, Chairman, Thomson Reuters with the BSE Bull during his visit to BSE on April 15, 2016.*



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri P.K. Tiwari, Director, FIU-IND and Shri Siddharth Shah, Chairman, BSE Brokers Forum on the dais at the Brokers Forum Event on August 27, 2015 at BSE.*

Fees (equity, debt and MF) increased by 61.86% to ₹ 101.33 Crore compared to ₹ 65.60 Crore in FY 2014-15. This increase in Annual Listing Fees is mainly attributed to an increase effected in the Fee Schedule.

Overall the listing processing fees, reflecting activity in new listings and new issuances were ₹ 37.76 Crore in FY 2015-16 compared to ₹ 27.79 Crore in FY 2014-15 up 36% from the previous year on account of many IPOs, Debt Issuance, Direct Listings, new SME listings, QIP Issues, OFS, Mutual Funds Listings.

BSE also provides other services to corporates such as book building software, buy-back facilities, reverse book building software, etc. Fees earned from such services were ₹ 11.23 Crore in FY 2015-16 as compared to ₹ 5.53 Crore in FY 2014-15, a rise of 103% from the previous year on account of new primary market issuances including tax-free bonds and the newly introduced OTB facility.

#### **Data Information Products**

BSE and Deutsche Bourse have entered into a partnership in October 2013 under which Deutsche Bourse would act as the licensor of BSE market data and information to all international clients. Under the co-operation, Deutsche Bourse is responsible for sales and marketing of all BSE market data products to customers outside India, while BSE continues to serve its domestic clients. Deutsche Bourse also shares the joint responsibility along with BSE for product development and innovation, which includes extending its existing infrastructure and creation of new, market data solutions and infrastructure to support BSE's product offerings.

The business for sales and marketing of BSE market data products to International customers by Deutsche Bourse commenced from April 2014. The total revenue from the sale of market data and information products was



Shri Nehal Vora, Chief Regulatory Officer, BSE addressing the audience at the launch of Non – Executive Directors in Conversation Trust on July 22, 2015 at BSE.

₹ 22.42 Crore in FY 2015-16 as compared to ₹ 22.10 Crore in the previous year. The increase in revenue was mainly due to increase in subscription for BSE information products and services by new customers.

#### 4. Secondary Market Policy Developments

##### Periodic Price Bands (“PPB”)

BSE, in order to prevent excessive price movement in the securities exclusively listed on its trading platform, has put in place an additional framework of PPB in addition to the SEBI prescribed daily price band framework. The PPB framework was introduced in September 2015 and specifies additional price bands for different periods (weekly, monthly, quarterly and yearly) for a security based on its daily applicable price band. The PPB framework also factors in, the likely movements in the security on account of overall market conditions and company level announcements/ developments by way of reflecting relevant adjustments in the price bands. PPB framework has been found to be working well as a systemic solution for fair and equitable price discovery in BSE exclusively traded securities including SME and SME-ITP securities.

##### Trade Annulment

Pursuant to SEBI circular, BSE introduced Trade Annulment Framework in August 2015. The framework specifies eligibility and processing criteria for trade annulment request and reviews submitted by trading members. Under this framework, the trading members can submit trade annulment requests through a workflow based electronic interface available to them. Such annulment requests are decided based on the laid down criteria by BSE. Further, the trading members can also seek review of BSE’s decision which would be put up before the Trading and Surveillance Oversight Committee for appropriate decision.

##### Price Reasonability Check (“PRC”)

To reduce order entry errors and potential instances of market abuse, BSE had introduced PRC functionality in September 2014 for the currency futures segment. During January and March 2016, the functionality was extended to the equity derivatives and the currency options segments respectively. PRC ensures that the entered prices of Limit Buy Orders or Limit Sell Orders are not too far away from the actual market price by validating the new incoming limit order prices within the specified Price Reasonability Range (“PRR”). The PRR is dynamically computed and applied by the trading system using a real-time reference price.

##### Reversal Trade Prevention Check (“RTPC”)

In March 2016, BSE introduced a new feature with an intention to prevent potential cases of trade reversal taking place on BSE’s trading platform. In this measure, the second leg (latest leg) of a reversal trade shall be automatically cancelled by BSE at the time of order matching in an online real time manner in the trading system. RTPC is being implemented in a phase-wise manner and to begin with, it has been made applicable on all contracts available for trading in the equity derivatives segment except for stock futures, futures contracts on S&P BSE Sensex, current and near month options contracts on S&P BSE Sensex.

##### Policy Measures taken by SEBI in FY 2015-16:

During FY 2015-16, SEBI communicated to the Exchanges that One Person Company (“OPC”), as permitted under the Companies Act, 2013, can be registered as stock broker and sub-broker, subject to certain conditions stipulated therein.

#### 5. Regulation

The BSE Regulatory Group comprises Surveillance, Investigation, Broker Supervision, Investor Services,



Shri Ashishkumar Chauhan, MD & CEO, BSE and Mr. Thomas Bendixen, Shareholder Director, BSE with the Taiwan Stock Exchange team in Taiwan on May 5, 2015.

Listing Compliance, Legal Regulatory and Membership Compliance.

### Surveillance & Investigation

As part of market monitoring activities during FY 2015-16, 79,798 surveillance alerts were generated, of which 1,009 alerts were taken up for snap investigations. Subsequently, 156 cases were taken up for preliminary / detailed investigations, of which 103 preliminary / investigation reports have been forwarded to SEBI. Based on the findings, 843 observations letters were issued to various members/clients. Further, on account of surveillance measures, there were 3,000 price band reductions and suspensions in 158 securities during FY 2015-16. Actions were taken against 5 entities which were suspended for 1 day and 1 entity was suspended for 2 weeks for trading in illiquid stock options. BSE has also provided E-Boss, the member level surveillance system to trading members to monitor their clients positions and manage risk at a nascent stage.

### Broker Supervision

574 inspections of members were conducted during FY 2015-16, which include 462 routine inspections and 112 special inspections. This also included 99 inspections on the basis of risk based supervision.

### Investor Services

BSE redresses investor complaints against trading members and listed companies by taking prompt action upon receiving the complaints. Investor complaints against trading members are received through the SEBI Complaints Redressal ("SCORES") System of SEBI, a web based system where investors can lodge their complaints online. BSE in turn communicates the complaints to the members electronically through the BSE Electronic Filing System ("BEFS"), thereby reducing the communication



*Shri Shankar Jadhav, Head Strategy, BSE along with China delegates during their visit to BSE on November 20, 2015.*

time resulting in expeditious resolution of investor complaints. All actions taken in the process of redressal are then updated on this system. The complaints against trading members were earlier redressed through mediation and counselling by Investor Grievances Redressal Committees ("IGRC").

IGRC of BSE has in the FY 2015-16 decided the claim values of 133 investors against the trading members amounting to ₹ 3.42 Crore. Further, in the case of 9 investors, payment amounting to ₹ 2.69 Lakh has been released from the Investor Protection Fund ("IPF") while for 48 investors, payment amounting to ₹ 87.83 Lakh, has been released from the deposits of the trading members.

BSE at present provides IGRC as well as arbitration services at its Regional Investor Service Centers located at Mumbai, Chennai, Delhi, Kolkata, Ahmedabad, Hyderabad, Kanpur, Indore, Jaipur, Pune, Bangalore, Patna, Vadodara and Lucknow. BSE is the only Exchange in the country, where 15 Registrars and Transfer Agents ("RTAs") regularly visit its Investor Service Centre at Mumbai, for redressal of investor complaints against Companies listed on BSE.

## 6. Listing Compliance

### Initiative of XBRL reporting

BSE has become the first Stock Exchange in India to introduce and implement XBRL based reporting in association with its partner in this endeavor, Microvista Technologies. eXtensible Business Reporting Language or XBRL is an electronic format for communication of business and financial data which is revolutionizing business reporting around the world. The standardization in-built in the XBRL documents provides significant benefits in the preparation, analysis and communication of business information. BSE had already launched its state-of-the-art e-filing portal called "Listing Center" on



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Ananta Barua, Executive Director, SEBI and Shri Atul Joshi, Managing Director and CEO, India Ratings and other delegates during the Roundtable Conference for Municipal Bond Issuances on May 22, 2015 at BSE.*





Smt. Sonal Chauhan along with Shri Ashishkumar Chauhan, MD & CEO, BSE and BSE management performing the lakshmi puja during Muhurat Trading Day at BSE on November 11, 2015.

February 8, 2013 which enables all listed companies to file their submissions / disclosures online and even facilitates submission of digitally signed documents.

With a view to making reporting by listed companies to Stock Exchanges more accurate and efficient, BSE had introduced the globally recognized XBRL based reporting for Shareholding Pattern with effect from June 11, 2015 and Financial Results with effect from October 15, 2015.

As a further step to this initiative and in keeping with BSE's commitment to transparency, BSE has now made available in public domain, the XBRL Taxonomies for 5 reports required to be filed by listed companies under the Listing Regulations. The same are disseminated on the BSE website under the tab: Corporates -> Corporate Filings -> XBRL.

**Initiative to encourage suspended companies to complete compliances for resumption of trading in the interest of the investors – else face compulsory delisting.**

Trading in the securities of certain listed companies has been suspended for a long period of time on account of non-compliance with the critical clauses of the erstwhile Listing Agreement.

BSE, mindful of the difficulties faced by investors on account of suspension of trading, has in the past written to such companies to initiate and complete the process of revocation so that the investors can take suitable investment decisions. However, the response to BSE initiatives has been tepid.

In order to once again encourage companies which have been under suspension for a period of 7 years or more, to expedite the completion of all formalities for revocation or else be compulsorily delisted from BSE, a detailed procedure has been formulated and disseminated to the listed companies vide Exchange

Circular dated February 12, 2016. BSE has also issued a Media Release on the same matter for the information of investors and the public at large.

#### **Mandatory filing of Compliances/ Information in electronic mode**

Pursuant to Regulation 10 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), BSE has made it mandatory for listed entities with effect from March 21, 2016, to submit filings for critical Regulations (mentioned in the circular of Standard Operating Procedure) through the Listing Centre. This would also make the filing process easier, more convenient and faster with BSE.

Further, effective from March 28, 2016, compliance filings in respect of Corporate Governance Report (Regulation 27) and Shareholding Pattern (Regulation 31) are required to be filed mandatorily by all listed entities, through XBRL mode only. This has been informed to all listed companies by way of emails and the same is posted on our website as a circular to listed companies under the tab Corporates.

#### **7. State of Affairs**

The financial performance of BSE for the financial year ended March 31, 2016 is summarised below:

(₹ In Lakh)

| Particulars                                      | Standalone    |               | Consolidated  |               |
|--|---------------|---------------|---------------|---------------|
|  | 2015-16       | 2014-15       | 2015-16       | 2014-15       |
| Total Revenue                                    | 51,589        | 43,918        | 65,827        | 62,475        |
| Total Expenses                                   | 34,161        | 27,441        | 44,590        | 35,308        |
| <b>Profit before exceptional items &amp; tax</b> | <b>17,428</b> | <b>16,477</b> | <b>21,237</b> | <b>27,167</b> |



Shri Ashishkumar Chauhan, MD & CEO, BSE with the delegates from Friends of India during their visit to BSE on October 26, 2015.

| Particulars                                    | Standalone    |               | Consolidated  |               |
|--|---------------|---------------|---------------|---------------|
|  | 2015-16       | 2014-15       | 2015-16       | 2014-15       |
| Exceptional items                              | 7,327         | 4,920         | 4,660         | 5,075         |
| <b>Profit before tax</b>                       | <b>10,101</b> | <b>11,557</b> | <b>16,577</b> | <b>22,092</b> |
| Provision for tax                              | (511)         | 1,413         | 3,241         | 4,378         |
| Share of Minority & Share of Loss of Associate | -             | -             | 3,662         | 2,161         |
| <b>Profit for the year</b>                     | <b>10,612</b> | <b>10,144</b> | <b>9,674</b>  | <b>15,553</b> |
| Balance brought forward from previous year     | 31,181        | 32,494        | 55,883        | 60,007        |
| Setoff of Settlement Guarantee Fund            | 5,144         | -             | 5,144         | -             |
| Rebate of Dividend Distribution Tax            | 1,796         | 628           | -             | -             |
| Prior period Depreciation as per Schedule II   | -             | (327)         | -             | (329)         |
| <b>Amount available for appropriation</b>      | <b>48,733</b> | <b>42,939</b> | <b>70,701</b> | <b>75,231</b> |
| <b>Appropriations</b>                          |               |               |               |               |
| Interim and Proposed Dividend                  | 8,188         | 5,459         | 8,188         | 5,459         |
| Tax on Dividend                                | 1,667         | 1,111         | 1,667         | 1,111         |
| General Reserve                                | -             | -             | -             | 7             |



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Jageshwar S. Saharia, State Election Commissioner on August 19, 2015 at BSE.



Shri S. Ramadorai, Former Chairman, BSE presenting the award to Shri Narayana Murthy, co-founder, Infosys during the ICSI National Awards for Excellence in Corporate Governance Awards on January 6, 2016.

| Particulars                             | Standalone    |               | Consolidated  |               |
|---|---------------|---------------|---------------|---------------|
|   | 2015-16       | 2014-15       | 2015-16       | 2014-15       |
| Core Settlement Guarantee Fund          | -             | 5,188         | 3,456         | 12,771        |
| <b>Balance carried to Balance Sheet</b> | <b>38,878</b> | <b>31,181</b> | <b>57,390</b> | <b>55,883</b> |

## 7.1 BSE Performance

### Consolidated Results

The total income of the Exchange during the FY 2015-16 on a consolidated basis was ₹ 65,827 Lakh reflecting an increase of ₹ 3,352 Lakh (5.4%) over previous year. The total expenses for the year were higher by ₹ 9,282 Lakh (26.3%) at ₹ 44,590 Lakh. During the year, the expenses were higher mainly due to payments and provision towards Settlement Guarantee Fund and Core Settlement Guarantee Fund amounting to ₹ 9,463 Lakh in accordance with SEBI Regulations and Circulars. In view of the same, profit before tax was lower by ₹ 5,515 Lakh (25%) to ₹ 16,577 Lakh as against ₹ 22,092 Lakh in the previous year and profit for the year was lower by ₹ 5,879 Lakh (37.8%) to ₹ 9,674 Lakh as against ₹ 15,553 Lakh in the previous year.

### Standalone Results

The total income of the Exchange during the FY 2015-16 on a standalone basis was ₹ 51,589 Lakh reflecting an increase of ₹ 7,671 Lakh (17.5%) over previous year. The total expenses for the year were higher by ₹ 6,720 Lakh (24.5%) at ₹ 34,161 Lakh. During the year, the expenses were higher mainly due to payments and provision towards Settlement Guarantee Fund and Core Settlement Guarantee Fund amounting to ₹ 9,463 Lakh in accordance with SEBI Regulations and Circulars. In view of the same, profit before tax was lower by



Shri Suresh Prabhu, Hon'ble Minister of Railways, Govt. of India, Shri Piyush Goyal, Hon'ble Minister of State for Power, Coal, New & Renewable Energy, Govt. of India & Member of Parliament, Rajya Sabha ; Shri Sudhir Mungantiwar, Hon'ble State Cabinet Minister of Finance, Planning and Forest departments, Govt. of Maharashtra flag off to start the BSE Bull Run on January 10, 2016.

₹ 1,456 Lakh (12.6%) to ₹ 10,101 Lakh as against ₹ 11,557 Lakh in the previous year and profit for the year was higher by ₹ 468 Lakh (4.6%) at ₹ 10,612 Lakh as against ₹ 10,144 Lakh in the previous year.

## 7.2 Appropriations

### Dividend

The Board, in its meeting held on February 3, 2016 declared an interim dividend of ₹ 3.50/- per equity share of the face value of ₹ 1/- each fully paid up. Further, the Board in its meeting held on May 5, 2016 has recommended a final dividend of ₹ 4/- per equity share of the face value of ₹ 1/- each fully paid up for the FY ended March 31, 2016 subject to the approval of the shareholders at the Eleventh Annual General Meeting.

The total dividend appropriation (excluding dividend tax) for the current year is ₹ 8,188 Lakh, as against ₹ 5,459 Lakh in the previous year. Total dividend (including dividend tax) as a percentage of consolidated net profit after tax is 102% as compared to 42% in the previous year.

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme), the allotment of equity shares to 14 Trading Members of the erstwhile BSE has been kept in abeyance for various reasons as on March 31, 2016. Meanwhile, all corporate benefits including dividend as may be declared by BSE from time to time are being provided for and would be payable on the allotment of these shares.

### Transfer to Reserves

BSE does not propose to transfer any amount to the General Reserve out of amount available for appropriations.

## 7.3 Internal Financial Control Systems and their Adequacy

The details in respect of Internal Financial Control Systems and their Adequacy are included in the Management Discussion and Analysis which form part of this report.

## 7.4 Particulars of Loans, Guarantees or Investments by BSE under Section 186 of the Companies Act, 2013

A detailed disclosure of the particulars relating to loans and investments by BSE as per Section 186 of the Companies Act, 2013 is provided in notes to the financial statements.

## 7.5 Particulars of Contracts or Arrangements with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013

BSE has formulated a Policy on Related Party Transactions. The same is available on BSE's website at [http://www.bseindia.com/downloads1/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between BSE and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. Prior approval was obtained of Audit Committee during July 2014 of all the Related Parties and Transactions thereof, entered in the Ordinary Course of Business and at Arm's Length. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Rakesh Jhunjunwala, Investor and Trader at the Market Conversation of 2016 on January 14, 2016 at BSE.



A detailed disclosure of these transactions with the Related Parties is annexed with this Report in Form AOC-2 as **Annexure I**.

#### **7.6 Material Changes and Commitments Affecting the Financial Position of BSE**

There have been no material changes and commitments affecting the financial position of BSE which have occurred between the end of the financial year of BSE to which the financial statements relate and the date of the report.

#### **7.7 Change in the Nature of Business**

BSE has not undergone any changes in the nature of the business during the financial year.

#### **7.8 Deposits**

BSE has not accepted any public deposits during FY 2015-16 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

#### **Details of Deposits not in compliance with the requirements of the Act.**

Since BSE has not accepted any deposits during FY 2015-16, there has been no non-compliance with the requirements of the Act.

#### **8. The details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and BSE's operation in future.**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and BSE's operation in future.

#### **9. Risk Management**

Risk Management is an enterprise wide function at BSE which covers major business and functional areas



*Shri S. Ramadorai, Former Chairman, BSE presenting a memento to 'The Honourable C Y Leung, GBM, GBS, JP, The Chief Executive, Hong Kong Special Administrative Region, People's Republic of China' along with Shri Ashishkumar Chauhan, MD & CEO, BSE during the Bell Ringing ceremony on February 3, 2016 at BSE.*

including (a) strategy, (b) operations, (c) technology, (d) personnel, (e) finance and (f) compliance. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. During the year, in order to strengthen the Risk Management, BSE has set up a Risk Management Committee comprising of Board members to assess and monitor the risks and their mitigating action plans. The risks in relation to internal control over financial recording and reporting is reviewed by the Audit Committee. BSE's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor. The Audit Committee reviews adequacy and effectiveness of BSE's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of BSE's financial risk management policies and systems.

#### **10. Report on performance of subsidiaries, joint ventures and associate companies**

BSE has the following thirteen (13) subsidiary companies (direct and indirect), two (2) joint ventures and one (1) associate company during the year ended March 31, 2016 as follows:

##### Subsidiaries:

- 1) Indian Clearing Corporation Limited ("ICCL")
- 2) BSE Institute Limited ("BIL")
- 3) BFSI Sector Skill Council of India ("BFSI") (Section 8 Company)
- 4) BSE Skills Limited (w.e.f. March 26, 2014)



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with the other delegates during the 5<sup>th</sup> Annual Conference, India's Biggest gathering of financial Planning on January 29, 2016.*





*Shri Neeraj Kulshrestha, Chief of Business Operations, BSE; Shri Nehal Vora, Chief Regulatory Officer, BSE; Shri Nayan Mehta, Chief Financial Officer, BSE; Shri Kersi Tavadia, Chief Information Officer, BSE and Shri K Kumar, MD & CEO, ICCL along with Deutsche Borse Officials with the BSE Bull on February 8, 2016.*

- 5) BIL – Ryerson Technology Startup Incubator Foundation (“BRTSIF”) (Section 8 Company) (w.e.f. November 5, 2015)
- 6) Marketplace Technologies Private Limited (“MTPL”)
- 7) Marketplace Tech Infra Services Private Limited
- 8) Central Depository Services (India) Limited (“CDSL”)
- 9) CDSL Ventures Limited
- 10) CDSL Insurance Repository Limited
- 11) BSE Investments Limited
- 12) BSE Sammaan CSR Limited (w.e.f. September 10, 2015)
- 13) BSE CSR Integrated Foundation (Section 8 Company) (w.e.f. March 7, 2016)

Joint Ventures:

- 14) Asia Index Private Limited (“AIPL”)
- 15) BOI Shareholding Limited (“BOISL”) (upto January 8, 2016)

Associate:

- 16) Institutional Investor Advisory Services India Limited (“IIAS”) (upto January 5, 2016)

There has been no material change in the nature of the business of the subsidiaries.

Pursuant to Rule 5 (1) of the Companies (Accounts) Rules 2014 the performance and financial position of the subsidiaries, joint ventures and associates companies is included for the financial year ended March 31, 2016 as per **Form AOC-1** attached to the financial statements of the company.

The financial statements of the subsidiary companies are

kept for inspection by the shareholders at the Registered Office of BSE. BSE shall provide free of cost, the copy of the financial statements of its subsidiary companies to the shareholders upon their request. The statements are also available on the website at [www.bseindia.com](http://www.bseindia.com).

**Name of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:**

BSE incorporated the following subsidiaries during the year ended March 31, 2016:

- 1) BSE Sammaan CSR Limited (w.e.f. September 10, 2015)
- 2) BIL – Ryerson Technology Startup Incubator Foundation (“BRTSIF”) (Section 8 Company) (w.e.f. November 5, 2015)
- 3) BSE CSR Integrated Foundation (Section 8 Company) (w.e.f. March 7, 2016)

Further following companies ceased to be a joint venture / associate during the year ended March 31, 2016:

- 1) Institutional Investor Advisory Services India Limited (“IIAS”) ceased to be an associate on January 5, 2016.
- 2) BOISL ceased to be joint venture on January 8, 2016.

BSE holds 54.20% equity stake in its subsidiary CDSL. The shareholders of BSE have approved part divestment of equity stake in CDSL through a postal ballot during FY 2015-16. The said transactions would be executed after necessary regulatory approvals.

**11. Significant Developments**

**Sammaan**

Sammaan, has been developed by BSE in partnership with the Indian Institute of Corporate Affairs (“IICA”),



*Dr. (CA). Kirit Somaiya, Member of Parliament, Lok Sabha along with Shri Ashishkumar Chauhan, MD & CEO, BSE with BSE Bull during the National Conference on XBRL on January 22, 2016.*

a body under the Ministry of Corporate Affairs and the Confederation of Indian Industries ("CII"). As on March 31, 2016, 755 NGOs with 793 programs have been registered on Sammaan. The programs have funding requirements of ₹ 1,414 Crore. The programs of the NGOs are catering to various sectors, 341 programs are targeted at Education sector, 282 at Livelihood sector, 270 addressing Health sector and 69 Agricultural sector. All listed as well as unlisted corporates can access the Sammaan website to view and transact with the NGOs. BSE along with its partners is actively marketing Sammaan to Corporates and NGOs at all events and avenues.

### Introduction of Overnight Investment product

BSE has introduced an Overnight (Liquid Fund) product on its Mutual Fund platform, BSE StAR MF - India's largest MF platform. It allows the smallest investor or a corporate or a trust to invest even for one night in liquid funds anywhere in India.

MF Liquid Schemes are alternative investment avenue for idle money which provide better returns and relatively lower risk.

### New Tenure for Interest Rate Derivatives

In June 2015, SEBI permitted introduction of Interest Rate Futures Contracts for 6 and 13 year duration, based on Government of India ("GOI") securities. On 28 July 2015, BSE introduced contracts for the new maturities in addition to Interest Rate Futures contracts on the existing 10-year GOI security. This is expected to expand the interest rate future market in India.

### First exchange in India to implement Precision Time Protocol ("PTP")

BSE has implemented the PTP in its exchange trading platform and has also extended it to all the members



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Dr. Christoph Leitl, President, WKO and other delegates from Austria during their visit to BSE on February 19, 2016.

trading from colocation facility. World exchanges are slowly migrating to PTP because Network Time Protocol ("NTP") is not a suitable framework in today's ultra-low latency trading platforms.

BSE uses the latest and most accurate time synchronization protocols like PTP for time synchronization of the entire trading infrastructure. PTP offers time synchronizations in the range of nanoseconds, due to which BSE has been able to leverage the accuracy in all its time stamps. This is the highest level of transparency and fairness which BSE has brought in for all its stakeholders. BSE has been the pioneer in making the measurements available for all the latencies across various stages of order route from the member server to BSE and back to member server. These latencies are reported in nanoseconds.

### Launch of Algorithm Trading Test Environment

BSE has launched a new service for Algorithm Trading test environment on Cloud platform in partnership with Symphony Fintech Solutions Pvt. Limited and Amazon Web Services. This will enable all market participants to test their trading algorithms in equity, equity derivatives and currency derivatives segments free of cost. The members will be able to test their trading strategies with live market data feed during market hours and historical market data. There is also a provision to generate data analytics reports to check the performance of the strategies. BSE will provide individual test session for each member and there is no time slot booking for login sessions for trading members.

### BSE and India Bullion and Jewellers Association ("IBJA") agreement to jointly setup a Gold Spot Exchange

In December 2015, BSE has signed an agreement with the IBJA for setting up a spot bullion exchange, the first of its kind in India. A Special Purpose Vehicle is to be formed, wherein IBJA and its constituents will hold 70



Smt. Nita Ambani, Mr. Ricky Ponting, Shri Rohit Sharma (Mumbai Indian's Team) ringing the Opening Bell along with Shri Ashishkumar Chauhan, MD & CEO, BSE on April 7, 2016 at BSE.



*His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE during his visit to BSE on February 12, 2016.*

per cent and BSE the rest. BSE will provide the trading technology, platform and technical knowhow. IBA is to bring in the infrastructure, trading expertise and other necessary funds.

The spot bullion exchange will primarily trade in gold in the initial stages. Trading in silver would be launched once stability is established in gold trading. It would primarily offer three settlements a day for both buyers and sellers.

#### **BSE and International Finance Corporation (“IFC”) collaborate to develop India’s first Corporate Governance Scorecard**

IFC, a member of the World Bank Group, has partnered with BSE, to develop a unique Corporate Governance Scorecard. The scorecard, a first-of-its-kind initiative, will help companies assess their corporate governance performances against national or international benchmarked practices.

Using the scorecard, companies can identify areas of further improvement and track progress over time. It can be used as a powerful analytical tool to make board processes more efficient, improve strategy, aid decision making, and manage risks. Companies can better understand governance and how it affects their operations. An improved governance framework can also help develop more efficient capital markets. IFC works across the region to strengthen capital markets. Increased access to capital enables new investments, improves economic growth, and creates jobs.

#### **Launch of world’s first high-frequency data on unemployment in India**

BSE and CMIE, have joined hands to launch world’s first high-frequency data on unemployment in India. Incidentally, this is the first instance of non-governmental organisations producing an unemployment measure for

any country in the world.

India does not have a fast-frequency measure of unemployment. This joint effort by BSE and CMIE will produce a 30-day moving average measure of the unemployment rate in India on daily and monthly basis. It takes into account all observations available for a calendar month and is available from January 2016 onwards. State wise unemployment rates are also planned to be released after a few months.

#### **Launch of Consumer Sentiments Indices in India**

For consumer sentiment indices, University of Michigan’s Institute for Social Research, Survey Research Centre has partnered with BSE and CMIE. University of Michigan is a leader in producing consumer sentiment indices in the US that had commenced its first Survey of Consumers in 1946. These indices consist of 30-day moving average measures of consumer sentiments on a daily basis. Its two major constituents are index of current economic conditions and the index of consumer expectations.

The indices are based on response received from individuals in over 158,000 households, both in rural and urban India. All indices are being provided as public goods, free for public consumption. These vitally important indicators for India are expected to help policymakers, investors, entrepreneurs, academia, the media and the public at large get a better grip of macro-economic status of Indian economy.

#### **Clearstream and ICCL collaborate on triparty margin collateral management**

- ICCL linked to Clearstream’s Global Liquidity Hub
- Clearing members/custodians may use the Global Liquidity Hub to manage margin requirements at ICCL



*Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Morari Bapu; Shri Paresh Rawal, Actor & Member of Parliament, Lok Sabha; Shri Maulik Kotak, Chairman, Chitrallekha on the dais at the 100 Birth Anniversary of Shri Vaju Kotak, Founder, Chitrallekha at BSE on February 11, 2016.*



- Collaboration extends the reach of the Global Liquidity Hub in Asia

ICCL and the Luxembourg-based international central securities depository Clearstream have collaborated on collateral management. They have signed an agreement on linking ICCL to Clearstream's integrated collateral management engine, the Global Liquidity Hub.

This step enables clearing members to manage their ICCL margin requirements resulting from trades executed on the BSE platform with the Global Liquidity Hub. Collateral can be pooled at the Global Liquidity Hub from assets held at Clearstream and partner agent banks to avoid bottlenecks in the sourcing of the right high-grade collateral to meet the CCP's margin requirements.

This link to the triparty collateral management solution of Clearstream enables foreign investors trading on the BSE platform to deposit and use AAA-rated foreign sovereign bonds as collateral with ICCL towards their margin requirements within a highly automated and efficient triparty collateral environment. This setup is based on the guidelines prescribed by RBI and SEBI in this regard. It is in line with their objectives of strengthening the stability of Indian capital markets through the use of high-quality collateral for risk management purposes and of facilitating access for foreign investors to make India a globally competitive market.

#### **ICCL renews Counterparty Default Insurance of ₹ 411.24 Crore**

ICCL has renewed its Counterparty Default Insurance cover to ₹ 411.24 Crore. Now in its third year, the objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL network making the resources of the non-defaulting members even safer.



*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Devendra Fadnis, Hon'ble Chief Minister of Maharashtra & Chairman, MMRDA at the launch of the book "Pursuit of Affordable Housing" by Sanjay Shah & Naman Srivastava at BSE on February 3, 2016.*



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with Mr. Kyungsoo Choi, CEO and Chairman, Korea Stock Exchange & Mr. Bo Chung, Managing Director, Client Coverage, S&P Dow Jones Indices (S&P DJI) with the signed MOU between BSE & Korea Exchange on April 27, 2016.*

ICCL seeks to maintain sufficient financial resources to finance growth and ensure financial flexibility while maintaining its creditworthiness and liquidity. ICCL is the only CCP in the World with such a Default Insurance, which comes above the Default Fund of the CCP in the Default Waterfall. The policy further boosts the ability of ICCL to absorb losses before any resources of the non-defaulting members are put at risk. The magnitude of potential loss due to default a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the network of the Clearing Corporation and additional capital cushions, which insulates the non-defaulting members' resources from the default loss. The additional capital cushion, provided by the Insurance cover, along with ICCL's own resources in the Default Waterfall, covers nearly 4 times the default fund requirement of ICCL and further increases the safety for domestic and international participants alike. This Default Insurance cover has been one of the enablers for ICCL to limit the liability of additional contributions by non-defaulting members to ₹ 10 Lakh.

#### **ICCL's application to ESMA for recognition under EMIR**

ICCL has applied to European Securities and Market Authority ("ESMA") as a Third Country Central Counterparty ("TC-CCP") under the European Market Infrastructure Regulations ("EMIR") which is contingent upon India being rated "Equivalent" by the European Commission. ICCL has received a notification of completeness of application from ESMA and is currently awaiting recognition.

The European Commission is currently assessing the legal and supervisory arrangements of India, to verify whether they ensure that CCPs authorised therein comply with legally binding requirements which are



*Shri Jayant Sinha, Hon'ble Minister of State for Finance and Shri Vivek Law, Co-founder and Editor-in-Chief, Investonomix & Author of the Money Book ringing the Closing Bell along with Shri Sudhakar Rao, Chairman, BSE and Shri Ashishkumar Chauhan, MD & CEO, BSE at BSE on April 18, 2016.*

equivalent to the requirements laid down in Title IV of EMIR, that the legal and supervisory arrangements of India in respect of the CCPs authorised therein provide for effective supervision and enforcement on an ongoing basis and that the legal and supervisory arrangements of India provide for an effective equivalent system for the recognition of third-country CCPs.

## **12. Human Resources**

Organizations that invest in human capital invest in the future. At BSE, the focus has been on making the right investments in human capital to take BSE and all its employees to the next level of competence and expertise. BSE has always believed that motivated employees are the core source of competitive advantage and these is continuous investments in training and development programs along with various other HR initiatives.

BSE has aligned the compensation packages of Management and successfully revamped many outdated HR policies to make benefits and compensation more transparent and employee-friendly.

Also, the organizational structure of BSE has undergone significant restructuring to enhance accountability and efficiency with a view to aligning performance management and reward strategies.

As of March 31, 2016 BSE had 382 officers and 124 staff level employees.

### **Material Developments in Human Resources / Industrial Relations Front, including number of people employed**

BSE has been hiring talent both experienced as well as fresh graduates from leading Business Schools in the recent years with a focus on matching skills and expertise to the relevant roles to enhance employee

satisfaction. The Employee Relations scenario has also been satisfactory during the year. The clerical and sub-staff are represented by an internal union.

## **13. Marketing and Communications**

During the year, BSE continued with the task of educating investors and supporting key products.

Two of the key initiatives undertaken by BSE were the BSE Bull Run & Free Public Wi-Fi service. The BSE Bull Run, was a 7 km fun run which celebrated the vitality of the Indian Economy and optimism for the year ahead. It is a run which symbolizes BSE's commitment not just for a healthy market but also for the community around it and general public at large. The event was a huge success with over 5,000 participants

As a token of our commitment and support to the Digital India initiative, BSE launched a free public Wi-Fi service wherein the common man on the street could access the internet and broaden his horizons.

BSE did get significant coverage in all leading national/international newspapers & channels while BSE's presence on social media grew manifold. BSE hosted more than 240 events ranging from international delegations to education programs to roundtables on important national and international topics.

During the course of the year BSE witnessed many high-profile visits and delegations from the government, industry and other sectors from India and abroad. The dignitaries include Shri Ravi Shankar Prasad, the Hon'ble Minister of Communications and Information Technology; Shri Suresh Prabhakar Prabhu, the Hon'ble Railway Minister of India, Gen. (Dr.) V.K. Singh (Retd.) the Hon'ble Minister of State for External Affairs ; Shri Jayant Sinha, the Hon'ble Minister of State for Finance; Shri Sudhir Mungantiwar, the Hon'ble Minister of Finance, Planning, and Forest Departments; Shri



*Shri Zafar Sarehwala, Chancellor, Maulana Azad National Urdu University, Hyderabad; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Kersi Tavadia, Chief Information Officer, along with the students of the university at the Bell Ringing ceremony on February 10, 2016 at BSE.*

Piyush Goyal, Hon'ble Minister of State for Power, Coal, New & Renewable Energy, Govt. of India & Member of Parliament, Rajya Sabha; Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra & Chairman, MMRDA; Shri K. P. Bakshi, Additional Chief Secretary; His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces; Shri Ahmad Javed, (I.P.S.), former Commissioner of Police, Indian Ambassador to Saudi Arabia; Smt. Shaina N C, Politician; Shri Paresh Rawal, Actor; Hon. Adv. Shri Prakash Yashwant Ambedkar, Head, Bharipa Bahujan Mahasangh; Shri Arvind Sawant, Member of Parliament, Lok Sabha; Shri Ram Kadam, MLA of BJP; Shri Rakesh Jhunjhunwala, Investor and Trader; Dr. Swaroop Rawal, Educationist, Social Activist and Celebrity; Smt. Nita Ambani, Chairperson and Founder of Reliance Foundation; Shri Rohit Sharma & Shri Ricky Ponting, the Cricket team Mumbai Indians and Shri Milind Soman, Actor, Model.

#### **14. Awards and Recognition**

The financial year 2015-16 was a very eventful year. BSE and its group companies have received many awards & recognitions.

##### **Awards**

1. Golden Peacock Award 2015 for Corporate Governance.
2. Skoch Achiever Award 2016 for SME Enablement
3. Lions CSR Precious Awards 2016
4. InfoSec Maestros Awards 2016

##### **HR Awards**

1. World HRD Congress award for 50 most talented HR Leaders in Asia
2. Lokmat HR Leadership Award



*Shri Alok Sharma, Member of Parliament, UK & British Prime Minister's Infrastructure Envoy to India along with Shri Nayan Mehta, Chief Financial Officer, BSE with the BSE Bull on February 17, 2016.*



*Shri Nayan Mehta, Chief Financial Officer, BSE presenting a memento to Shri Rikhab C. Jain Chairman, TT Limited during the Silver Jubilee Bell Ringing on February 24, 2016*

3. HR leadership award in 5th Asia Best Employer Brand Awards in Singapore
4. Best HR award in (IWP) Inspiring Workplaces Awards
5. Gold Winner Award for Best HR Leader – 2016 by Greentech Foundation

##### **Recognitions**

- (a) SKOCH CEO of the Year awarded to Shri Ashishkumar Chauhan (MD & CEO, BSE)
- (b) IDC Insights Award 2015 – Excellence in Customer Experience to Shri Kersi Tavadia (CIO, BSE)
- (c) SKOCH CTO of the Year awarded to Shri Kersi Tavadia (CIO, BSE)
- (d) Global Quality Leadership Awards to Shri Kersi Tavadia (CIO, BSE)
- (e) SKOCH Order-Of-Merit Award - India's Best – 2015 – Smart Technology For "Fastest Exchange In The World – BSE
- (f) PC Quest Best IT Implementation Award 2016 - For New Data Centre and Disaster Recovery Automation, Most Complex Project Category.

#### **15. Investor Protection Fund**

BSE, through its IPF, regularly conducts Investor Awareness Programmes ("IAPs") throughout the country. IPF has conducted a total of 2,648 IAPs during FY 2015-16. During the year, IPF conducted 63 Regional Investor Seminars exclusively with SEBI across different parts of the country.

BSE IPF also periodically brings out advertisements on Do's and Don'ts for investors to educate investors and enable them to safeguard their interests.





*Shri Ashishkumar Chauhan, MD & CEO, BSE welcoming Shri Praveen Garg, Joint Secretary, Department of Economic Affairs, Ministry of Finance, GOI on January 15, 2016.*

IPF has started publishing Research Reports on traded companies to fill the information gap for the benefit of investors in those companies. As of March 31, 2016 there were 1,472 Company Research Reports available on the BSE website free of cost for the investors. Search filters available on the BSE website give easy access to initiation research reports as well as quarterly reports.

During the year, several educational and other capital market awareness events were sponsored by BSE IPF to raise awareness about corporate best-practice. BSE IPF has also supported global conferences and seminars that enhance understanding of Indian markets both in India and abroad. IPF is currently managing 15 offices across India covering all the major state capitals.

In order to create Capital Market Awareness with Post Graduate college students, IPF Secretariat has conducted more than 600 programs with Universities and Educational Institutions across India.

Major Initiatives include:

- 1) Financial Literacy - Money Gurukul Series with Economic Times - Times Now across 12 cities.
- 2) Listing Obligations and Disclosure Requirements ("LODR") 2016 series with ICSI across 10 cities.

In order to spread awareness about capital market as part of financial inclusion and to educate investors at national level across India especially in tier 2, tier 3 & tier 4 cities, BSE IPF has used services of national level TV channels including leading Business channels and Doordarshan for spreading financial literacy programs related to capital market education, financial planning etc. BSE IPF has understanding with following TV channels in order to spread capital market awareness among masses:

- a. CNBC TV18 and CNBC Awaaz

- b. ZEE Business
- c. Bloomberg TV
- d. Doordarshan ("DD") – Prasar Bharati

## **16. Listing of BSE's Shares**

Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 allows, subject to certain regulatory conditions, an Exchange to list its equity on other exchanges. BSE has received in-principle approval for listing of its equity shares from SEBI on March 14, 2016. The Board has constituted an IPO Committee to review and facilitate IPO related activities.

## **17. Issue and Allotment of Equity Shares during the Financial Year**

BSE has allotted 34,28,572 equity shares of ₹ 1/- each fully paid to the shareholders of United Stock Exchange of India Limited ("USE") on June 4, 2015 pursuant the Scheme of Amalgamation (scheme) of United Stock Exchange of India Limited ("USE") with BSE in the ratio of 1:385 i.e. for every 385 equity shares of ₹ 1/- each fully paid-up in USE, one share of ₹ 1/- each fully paid-up of BSE.

The allotment of equity shares pursuant to the BSE (Corporatisation and Demutualisation) Scheme, 2005 against 14 membership rights held by 14 Trading Members of erstwhile BSE continue to remain in abeyance as at the end of the financial year.

## **18. Directors and Key Managerial Personnel ("KMP")**

### **Chairman**

Shri Sudhakar Rao was appointed as Chairman of Board of Director w.e.f. March 22, 2016.

Shri S. Ramadorai ceased to be Chairman and Public Interest Director w.e.f. March 8, 2016 due to completion of his term.



*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Prof Sanjay Bakshi at the Moneylife Event - "Investing Traps & How To Avoid Them" By Prof Sanjay Bakshi on January 23, 2016.*



### Managing Director

Shri Ashishkumar Chauhan, is the Managing Director and Chief Executive Officer of BSE.

### Public Interest Directors

Shri S. Ravi was appointed as Public Interest Director w.e.f. February 5, 2016.

Dr. Sanjiv Misra ceased to be Public Interest Director w.e.f. April 22, 2016 due to completion of his term.

Shri S. H. Kapadia ceased to be Public Interest Director w.e.f. January 5, 2016, due to his sudden demise.

Shri Sudhakar Rao, Dr. Krishnaswamy Kasturirangan and Shri Dharendra Swarup, continue to remain the Public Interest Directors of BSE.

### Shareholder Directors

Shri Thomas Bendixen was re-appointed as Shareholder Director in the 10<sup>th</sup> Annual General Meeting held on September 25, 2015.

Dr. Sriprakash Kothari, Smt. Usha Sangwan and Smt. Rajeshree Sabnavis were appointed as Shareholder Directors w.e.f. September 4, 2015.

Smt. Rajeshree Sabnavis is liable to retire by rotation at ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

### Key Managerial Personnel

Shri Ashishkumar Chauhan, Managing Director & CEO, Shri Nayan Mehta, Chief Financial Officer and Smt. Neena Jindal, Company Secretary are the Key Managerial Personnel of BSE pursuant to the Companies Act, 2013.

Shri Ashishkumar Chauhan, Managing Director & CEO, Shri Nayan Mehta, Chief Financial Officer, Shri Nehal Vora, Chief Regulatory Officer, Shri V. Balasubramaniam, Chief Business Officer and Shri Kersi Tavadia, Chief Information



*Shri Ashishkumar Chauhan, MD & CEO, BSE along with delegation of US Congressmen during their visit to BSE on January 22, 2016.*

Officer are the Key Management Personnel of BSE pursuant to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

### 19. Declarations by Independent Directors

All Public Interest Directors / Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

### 20. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Board has carried out the annual performance evaluation of its own performance and the Directors individually.

### 21. Policy on Directors' appointment and remuneration

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration policy is stated in the Corporate Governance report.

### 22. Number of Board Meetings:

During the year, five Board Meetings were held on May 18, 2015, July 31, 2015, September 24, 2015, November 10, 2015 and February 3, 2016.

### 23. Directors' Responsibility Statement

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed:-

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



*Shri Neeraj Kulshrestha, Chief of Business Operations, BSE speaking at Bombay Chartered Accountants' Society & BSE Lecture Meeting on Crowd Funding, Newcomers IPO, and SME IPO on January, 13, 2016*



*Dr. Oskar Andesner, Commercial Counsellor, Austrian Embassy with the BSE Bull along with Shri Ramesh Kalnawat, Director, Austrian Trade Officer, Mumbai and Shri Nayan Mehta, Chief Financial Officer during the visit to BSE on January 27, 2016.*

- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of BSE at the end of the financial year and of the profit and loss of BSE for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of BSE and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **24. Auditors**

### **Statutory Auditors**

The Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), Mumbai, had been appointed as statutory auditor, in the Ninth Annual General meeting held on August 1, 2014, for a period of three years to hold the office from the conclusion of the Ninth Annual General Meeting until the conclusion of the Twelfth Annual General Meeting to be held in the year 2017, subject to ratification by shareholders at every Annual General Meeting. The Auditors have confirmed that, their appointment would be in accordance with the Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder, BSE has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretary firm to undertake its Secretarial Audit. The Secretarial Audit Report is annexed to the Board Report as “Annexure II”

## **25. Auditors’ Report and Secretarial Auditors’ Report**

The auditors’ report and secretarial auditor’s report does not contain any qualification, reservation or adverse remarks.

## **26. Vigil Mechanism**

BSE has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of establishment of such mechanism has been disclosed on the website.

## **27. Particulars relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

BSE has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. BSE always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

BSE has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee (“ICC”) has been set up from the senior management (with women employees constituting the majority) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.



*Shri Ashishkumar Chauhan, MD & CEO, BSE addressing at the Australia India Institute on May 26, 2015.*

During the year ended March 31, 2016, no complaints pertaining to sexual harassment have been received.

**28. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo**

**Conservation of Energy**

- (i) The steps taken and their impact on conservation of energy;

BSE uses electricity to run its electronics and the offices. During the year we have regularly replaced the induction ballasts with electronic ballasts and also replaced the fluorescent lights with LED lights where feasible. We conserve energy by switching off lights & other equipment when they are not required. We prefer to use lighter and brighter colors in our offices to maximize efficiency of lighting. Wherever possible, we have coated the glass windows to reduce the heat entering the building which reduces the air-conditioning load. BSE continuously strives to optimize its energy usage and efficiency.

- (ii) The steps taken by BSE for utilising alternate sources of energy;

Since our building has a large surface covered by glass windows we also use the ambient light for lighting purposes as much as possible. This reduces the electricity consumption due to lesser need of lighting during the day.

- (iii) The capital investment on energy conservation equipment;

Nil



(L to R) Shri. V. Balasubramaniam, Chief Business Officer, BSE along with Shri. Samir Somaiya, President, Somaiya Vidyavihar; Smt. Jyotsna Sitling, Joint Secretary, Ministry of Skill Development & Entrepreneurship, Govt of India; Shri. Prabodh Thakker, President, IMC, Dr Mukund G Rajan, Chief Ethics Officer, Tata Group & Member Group Executive Council, Tata Sons; Shri. Bijay Sahoo Chairman, IMC Skill Development Committee Chairman RASCI & President HR, Reliance Industries at the lighting of the lamp ceremony at Mission Skill Development Leveraging CSR event on May 7, 2015.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Rakesh Kumar Kakkar, Commissioner of Income Tax, Mumbai during his visit to BSE on May 20, 2015.

**Technology absorption**

**Fastest trading system with response time of 6 microseconds:**

Continuing the momentum of implementing newer and faster Trading Technologies, BSE Ltd achieved a revolutionary milestone by providing 6 microseconds response time for order confirmation, making BSE the fastest Trading System in the world.

As part of the initial implementation of the BOLTPLUS trading system in April 2014, BSE had achieved a target of 200 microseconds response time. It was BSE's phase 2 goal of reducing this latency. In order to further reduce the latency, we have implemented a new order confirmation response of 6 microseconds.

**Tick-by-Tick Order data:**

BSE introduced a new market data feed called Enhanced Order Book Interface ("EOBI") to provide Tick-by-Tick order data as per international standards. This feed is completely free of cost to all its trading members. It is disseminated on multicast to ensure all members get data in a fair manner.

**Self-Trade Prevention checks for all segments based on PAN:**

The Feature of preventing the self-trade execution, was further fine-tuned to check at PAN level, thereby ensuring the prevention of self-trade across the brokers / market.

**Multi-legged Orders for Currency Derivatives and Equity Derivatives Segment:**

BSE introduced facility to enter multi-legged orders upto 4 legs. This enables members and ISV's to easily execute derivative strategies. BSE guarantees the execution of all the legs of the multi-leg order or the entire multi-leg order gets cancelled.





Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with other dignitaries at the Zee Markets Conclave on May 22, 2015 at BSE.

#### **Introduction of Paired Options and Straddle Strategy for Currency Derivatives and Equity Derivatives Segment:**

In order to further the business in the derivatives segments, BSE also introduced paired options in currency and equity derivatives segments and straddle contracts in currency derivatives segment.

#### **Time synchronisation in trading system with nanosecond accuracy:**

High volume trading demands extremely accurate time synchronization amongst / across all its systems. BSE is the 1<sup>st</sup> Exchange in the country to achieve Time synchronisation in trading system with nanosecond accuracy, by deploying Precision Time Protocol ("PTP") technology. BSE also extends this time synchronisation facility to its members trading from colocation and is currently being used by many colocation members.

#### **Process Automation:**

BSE has been working towards the automation of all its daily 'beginning of day' and 'end of day' manual operations. This activity has been completed and all operations are now being carried out without any manual intervention with the deployment of the online Automation tool. Apart from saving time, the automation has eliminated the possibility of human errors.

The automation tool has a facility to log every action, in addition to Audit Trail with crucial elements as essential for any IT audit and regulatory compliance requirements.

#### **Automation of switchover/switchback between PR & DR:**

BSE has successfully deployed fully automated process for switchover from Primary site to Disaster Site (and reversal from Disaster Site as well) in event of Disaster to ensure Business Continuity at all points. This automation includes handling interdependencies of all applications

(database links, file interchange mechanisms, messaging etc.) as well as taking appropriate backups before the switch. The tool provides a real-time dashboard showing the status of data synchronisation between PR and DR. This has helped complying with the Regulatory requirements of RPO & RTO.

#### **New State-of-Art Data Centre.**

BSE's old data centre was built about 20 years back and was facing typical challenges of foot-print crunch / space crunch, with very little scope of further expansion. Since all other areas of application and hardware infrastructure were growing exponentially it was essential to relocate IT Infrastructure to a new state-of-art data centre.

The new data centre of BSE is approx. 3,200 sq. ft. and has provisioned zones for server farm area, network access room, network core room, staging area, BMS room, console room, separate utility area for electrical & UPS.

The migration from the old data centre to the new data centre was a humongous activity and was very time critical and sensitive in nature. This activity was done in 5 phases. The liberty of downtime available was barely 12-24 hours for each phase.

There were more than 250 people working throughout the migration. By the end of the migration, BSE had shifted about 1,400 network links and the entire infrastructure including servers, network and storage devices for about 60 applications.

Also during the migration, BSE successfully demonstrated its DR capability, by running its entire operation for a day from its DR Site. This was done in order to use one additional day at PR site for the migration activity. The entire switchover and switchback between PR and DR was completely automated. During the entire 5 phases of migration, there had been no disruption in any of the services of BSE. The new data centre was fully operational by end of November 2015.



BSE member's placing their first trade on the auspicious Muhurat Trading day of Diwali on November 11, 2015 at BSE.

For this project, BSE was awarded the “PC Quest Best IT Implementation Award” in the ‘Most Complex Project Category’.

### Information Technology (“IT”) Infrastructure Management:

BSE has implemented a comprehensive IT Infrastructure Monitoring Solution. This solution enables it to monitor the networks for outages on Primary & Disaster recovery (“DR”) Site and other regional offices. Along with monitoring of various crucial equipment and servers for system generated events, the tool also manages logging of the events, provides alerts and publishes dashboards and reports as desired.

This tool also doubles as an Asset Management System maintaining a centralized inventory for IT and also as an IT Helpdesk service management system. IT services required by all departments are approved and serviced through this helpdesk system.

### Cyber Security Framework and Governance:

BSE has been constantly in the process of keeping its Information Security Management System upto date by periodically reviewing the systems and processes and making appropriate amendments in its policies and governance.

BSE has been successfully audited for recertification of ISO27001:2013, international standard for Information Security Management System.

In pursuance to the SEBI Cyber Security Circular Implementation, BSE has brought about the changes in its procedures and policies as required.

BSE has an in-house Security Operations Centre (“SOC”) which monitors and inspects various events and incidents. A comprehensive monitoring system has been implemented to aid the SOC team to carry out its responsibility.



Shri Shankar Jadhav, Head Strategy, BSE along with the delegation of Japanese bank during their visit to BSE on November 16, 2015.



Shri Ashishkumar Chauhan, MD & CEO, BSE with the NIFM students during their visit to BSE on October 26, 2015.

BSE is identified as the National Critical Information Infrastructure by National Critical Information Infrastructure Protection Centre (“NCIIPC”). BSE is continuously strengthening its cyber security under the guidance from NCIIPC and other national agencies like the Indian Computer Emergency Response Team (“CERT-In”), National Security Council Secretariat (“NSCS”), Ministry of Home Affairs (“MHA”) and SEBI.

### Other Initiatives:

As part of the new initiatives to improve the trading system performance, BSE is exploring the possibility of implementing the exchange modules on Field Programmable Gate Arrays (“FPGA”). These are essentially hardware chips that are programmable. FPGAs inherently provide excellent performance as they are independent of any software like Operating systems, drivers etc. Additionally, they also provide a deterministic response that is critical for exchange functionality.

Further, BSE is also looking at consolidation of the infrastructure and services by moving key systems to a Cloud based implementation. Here, we are looking at Private, Public and Hybrid Clouds based on the application needs. Cloud implementation will allow us to leverage infrastructure sharing, service utilization and host of other Cloud based facilities.

### Foreign Exchange Earning and Outgo

The particulars of Foreign Exchange Earnings and outgo during the year under review are furnished hereunder:

Foreign Exchange Earning: ₹ 1,999 Lakh (Previous Year ₹ 1,592 Lakh)

Foreign Exchange Outgo: ₹ 663 Lakh (Previous Year ₹ 1,758 Lakh)

## 29. Particulars of Employees

In compliance with the requirements of Rule 5(2) of



*Dr. Habil Khorakiwala, Chairman, Wockhardt ringing the Opening Bell with Shri Nayan Mehta, Chief Financial Officer, BSE during the ETNow BSE Day on October 27, 2015 at BSE.*

The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012, a statement containing details of employees is annexed as **Annexure III**.

### 30. Corporate Social Responsibility ("CSR")

BSE has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The details of BSE's CSR Policy, its development and initiatives taken on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure IV** to this Report.

### 31. Extract of Annual Return (sec 92)

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as per **Annexure V**.

### 32. Management Discussion & Analysis

The Management Discussion & Analysis Report forms part of this Annual Report.

### 33. Corporate Governance

Pursuant to the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012"), corporate governance norms as specified for listed companies mutatis mutandis applies to a recognized Stock Exchange.

In accordance with good corporate governance practices and in order to comply with the SECC Regulations 2012, a report on Corporate Governance as at March 31, 2016 forms part of the Annual Report. A Certificate from a Practicing Company Secretary, Mumbai confirming status of compliances of the conditions of Corporate Governance is annexed to this Report.

## 34. Acknowledgements

The Board thanks the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India, the Government of Maharashtra and other State Governments and various government agencies for their continued support, cooperation and advice.

The Board is grateful to the members of various committees constituted during the year.

The Board also acknowledges the support extended by trading members, issuers, investors in the capital market and other market intermediaries and associates.

The Board expresses sincere thanks to all its business associates, consultants, bankers, auditors, solicitors and lawyers for their continued partnership and confidence in the Exchange.

The Board wishes to thank all the employees for the exemplary dedication and excellence displayed in discharge of their duties for the Exchange.

Further, the Board expresses its gratitude to you as shareholders for the confidence reposed in the management of the Exchange.

For and on behalf of the Board of Directors

sd/-

Place: Mumbai

Date: May 5, 2016

**Sudhakar Rao**

Chairman



*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Sudhir Mungantiwar, Hon'ble State Cabinet Minister of Finance, Planning and Forest departments, Government of Maharashtra during the BSE Bull Run, January 10, 2016.*

## 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 arm's length transactions under third proviso thereto**

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

|     |   |     |
|-----|---|-----|
| (a) | Name(s) of the related party and nature of relationship   | NIL |
| (b) | Nature of contracts/arrangements/transactions   |     |
| (c) | Duration of the contracts / arrangements/transactions   |     |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any                        |     |
| (e) | Justification for entering into such contracts or arrangements or transactions                                    |     |
| (f) | date(s) of approval by the Board  |     |
| (g) | Amount paid as advances, if any:  |     |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |     |

## 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                                     | Indian Clearing Corporation Limited  |
| (b) | Nature of contracts / arrangements / transactions   | Leasing of property, availing and rendering services, Regulatory Compliance  |
| (c) | Duration of the contracts / arrangements / transactions                                     | April 1, 2014 – Ongoing  |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | During the FY 2015-16, transactions relating to lease rentals, contribution to core settlement guarantee fund, settlement guarantee fund, administrative and other expenses aggregated to ₹ 9,783 Lakh as per Transfer Pricing guidelines. |
| (e) | Date(s) of approval by the Board, if any:   | August 1, 2014, February 12, 2015 and July 31, 2015  |
| (f) | Amount paid as advances, if any:  | N.A.   |

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 5, 2016

sd/-  
**Sudhakar Rao**  
Chairman





*Shri Ashishkumar Chauhan, MD & CEO, BSE with Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra & Chairman, MMRDA with the BSE Bull on February 3, 2016.*

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**For the Period 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016**

To,  
The Members  
**BSE Limited**  
Floor 25, P.J. Towers  
Dalal Street, Mumbai - 400001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BSE Limited (CIN: U67120MH2005PLC155188)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and applicable provisions of The Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. (Not applicable)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Now known as SEBI [Prohibition of Insider Trading] Regulation 2015) is complied except with respect to similar provisions prescribed under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) wherein the provisions of SECC Regulations, being principle regulations governing exchanges is complied and adopted. BSE has sought guidance from SEBI on the matter vide its letter dated July 03, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as SEBI (Share based employees Benefits) Regulation 2014. (Not applicable)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not applicable)

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable)
- h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009. (Not applicable)

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. Securities Contracts (Regulation) Act, 1956
2. Securities Exchange Board of India Act, 1992 & Rules, Regulations, Circulars, Master Circulars, Orders, Notifications and Directives issued by SEBI and applicable to recognized stock exchange.
3. Securities Contract (Regulation) (Stock Exchanges & Clearing Corporations) Regulations 2012
4. Prevention of Money laundering Act, 2002

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. Complied since the Secretarial Standard I and II have come into effect from 1<sup>st</sup> July, 2015 hence applicable to the Company during the audit period under review.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

**We further report that** during the audit period:

BSE has allotted 34,28,572 equity shares of ₹ 1/- each fully paid-up to the shareholders of United Stock Exchange of India Limited ("USE") pursuant the Scheme of Amalgamation (scheme) of United Stock Exchange of India Limited ("USE") with BSE in the ratio of 1:385 i.e BSE has issued 1 equity share of ₹ 1/- each fully paid-up for every 385 equity shares of ₹ 1/- each fully paid-up in USE.

**For Ragini Chokshi & Co.**

sd/-

**Ragini Chokshi**

**(Partner)**

**C.P.No. 1436**

**FCS No. 2390**

**Date: 29<sup>th</sup> April, 2016**

**Place: Mumbai**

**STATEMENT UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2012, FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016**

| Sr. No. | Name                       | Age (Yrs.) | Date of Joining | Total Remuneration in ₹ | Designation / Nature of Duties        | Educational Qualifications  | Experience in years | Previous Employment   |
|---------|----------------------------|------------|-----------------|-------------------------|---------------------------------------|---|---------------------|---|
| 1       | Mr. Ashishkumar Chauhan* @ | 48         | 22-Sep-09       | 3,26,84,427             | Managing Director & CEO               | B Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)  | 25                  | President and Group Chief Information Officer (CIO) - Reliance Industries Limited, Deputy CEO - BSE Limited, Interim CEO - BSE Limited. |
| 2       | Mr. Nehal Vora* @          | 42         | 20-Jul-09       | 1,29,81,650             | Chief Regulatory Officer              | B.Com., MMS (Finance)   | 20                  | Director - DSP Merrill Lynch Ltd.   |
| 3       | Mr. Balasubramaniam V* @   | 44         | 24-Sep-09       | 1,29,45,400             | Chief Business Officer                | M.Com., ICWA, CFA, CISA, NYIF   | 25                  | Vice President - Reliance Industries Group  |
| 4       | Mr. Nayan Mehta* @         | 49         | 19-Jan-12       | 64,60,903               | Chief Financial Officer               | B. Com., AICWA, FCA   | 24                  | Joint General Manager (Accounts) - Credit Analysis & Research Ltd.  |
| 5       | Mr. Kersi Tavadia* @       | 53         | 25-Oct-10       | 66,81,200               | Chief Information Officer             | B.Sc, PGDCS, MFM, CISM  | 33                  | Chief Technology Office-HSBC Invest Direct Securities, Sr. Vice President & Head-IT-Motilal Oswal Securities                            |
| 6       | Mr. Neeraj Kulshrestha @ # | 50         | 05-May-15       | 59,42,628               | Chief of Business Operations          | Bachelors in Science (Computer) from Delhi University and a MBA (Finance) from Indore University. | 28                  | Executive Director at Morgan Stanley India  |
| 7       | Mr. Shankar Jadhav         | 49         | 15-Nov-12       | 68,86,011               | Sr. General Manager - Head – Strategy | B.Tech (Elec Engg) IIT Bombay, PGDM IIM Ahmedabad   | 26                  | President – Quantum Project Infra Pvt. Ltd.   |
| 8       | Mr. Girish Joshi           | 47         | 06-Aug-10       | 62,84,000               | Sr. General Manager - Listing Sales   | B. Com, A.C.A, AICWA  | 25                  | Assistant General Manager at ICICI Bank in Treasury and Financial Reporting   |

\* Total Remuneration stated above is excluding unpaid 50% of total variable pay as per the Securities Contract (Regulation) (Stock exchanges and Clearing Corporation) Regulations, 2012. # Employed for a part of the financial year. @ Employed on contractual basis in accordance with the employment terms and conditions and service rules.

Notes:

1. Remuneration as shown above includes Salary, Allowances, Ex-gratia, Contribution to Provident Fund, Performance Linked Bonus and other perquisites.
2. None of the employees named above is relative of any Director of the Company.
3. None of the employees named above hold any equity shares in the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 5, 2016

sd/-  
**Sudhakar Rao**  
Chairman



## ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief outline of the Company's CSR policy**

The purpose of the CSR Policy is to support initiatives in areas that would maximise social welfare. The CSR Policy is aligned to BSE's tradition of facilitating educational & financial inclusion and job creation. The CSR Policy has put in place a framework to identify the areas of focus to achieve the purposes, as stated above.

The focus areas as identified in the CSR Policy would inter-alia include:

- i. Promoting education and employment enhancing vocation skills among various social and demographic groups, including, children, women, elderly, and the differently abled
- ii. Promoting technology incubators, including those set as non-academic Technology Business Incubators, as permitted under Companies Act, 2013 and various guidelines issued thereunder

Any other CSR activity as allowed under Section 135 of Companies Act 2013.

The detailed CSR Policy of BSE is publicly available at the Weblink [http://www.bseindia.com/downloads1/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.bseindia.com/downloads1/Corporate_Social_Responsibility_Policy.pdf).

BSE and some of its Group companies have established a section 8 company namely "BSE CSR Integrated Foundation" to carry out the CSR activities on their behalf.

**2. Composition of CSR Committee:**

| Sr. No. | Name                                 | Category  |
|---------|--------------------------------------|---|
| 1.      | Mr. Sudhakar Rao                     | Chairman, Non-Executive, Public Interest Director |
| 2.      | Mr. S. Ramadorai <sup>1</sup>        | Non-Executive, Public Interest Director           |
| 3.      | Mr. Ashishkumar Chauhan <sup>2</sup> | Managing Director & CEO                           |
| 4.      | Mr. Dharendra Swarup <sup>2</sup>    | Non-Executive, Public Interest Director           |
| 5.      | Dr. K. Kasturirangan                 | Non-Executive, Public Interest Director           |
| 6.      | Mr. Thomas Bendixen <sup>2</sup>     | Non-Executive, Shareholder Director               |
| 7.      | Ms. Usha Sangwan <sup>3</sup>        | Non-Executive, Shareholder Director               |

<sup>1</sup> Ceased to be a member w.e.f. March 8, 2016

<sup>2</sup> Ceased to be a member of committee w.e.f. November 27, 2015 (reconstitution of committee)

<sup>3</sup> Appointed as member of committee w.e.f. November 27, 2015 (reconstitution of committee)

**3. Average net profit of the Company for last three financial years, ending March 31, 2016: ₹ 5,715.76 Lakh****4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 114.31 Lakh****5. Details of CSR expenditure for the financial year ending March 31, 2016:**

- a. Total amount to be spent for the financial year: ₹ 114.31 Lakh
- b. Amount unspent, if any: ₹ 2.30 Lakh

c. Details of the expenditure on CSR activities during the financial year are as under:

| Sr. No | CSR project identified   | Sector     | Location of the Project | Amount outlay (budget) | Direct expenditure on the projects | Cumulative expenditure* | Manner of spending   |
|--------|--|------------|-------------------------|------------------------|------------------------------------|-------------------------|--|
| 1      | Contribution to technology incubator   | Technology | Mumbai, Maharashtra     | ₹ 102 Lakh             | ₹ 102 Lakh                         | ₹ 102 Lakh              | Through BSE CSR Integrated Foundation                                    |
| 2      | Donation of income earned on investment in HDFC Debt Fund to Indian Cancer Society | Health     | All India               | ₹ 9.31 Lakh            | ₹ 7.01 Lakh                        | ₹ 17.31 Lakh            | Through investment in HDFC Debt Fund for Cancer Cure of HDFC Mutual Fund |
| 3      | Donation to Navsrijan Education Society towards education of school children       | Education  | Lucknow, Uttar Pradesh  | ₹ 3 Lakh               | ₹ 3 Lakh                           | ₹ 3 Lakh                | Direct   |
|        | Total  |            |                         | ₹ 114.31 Lakh          | ₹ 112.01 Lakh                      | ₹ 122.31 Lakh           |  |

\*Refers to the expenditure on cumulative basis only on Projects identified during the Financial Year, since the Base Year FY 2014-15

#### 6. Reason for shortfall (if any) of CSR spends

An amount of ₹ 2.30 Lakh, otherwise budgeted, remained unspent due to lower than estimated declaration of dividend by HDFC Debt Fund for Cancer Cure in March 2016. The dividend income derived from the said HDFC Mutual Fund scheme is designed to be paid directly to the Indian Cancer Society. An amount of ₹ 2.30 Lakh has been subsequently transferred to the BSE CSR Integrated Foundation towards contribution to a technology incubator project in the month of April 2016.

#### 7. Responsibility statement of CSR Committee

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Place: Mumbai  
Date: May 5, 2016

sd/-  
**Ashishkumar Chauhan**  
Managing Directors & CEO

sd/-  
**Sudhakar Rao**  
Chairman, CSR Committee

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

As on the financial year ended 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

| I. REGISTRATION AND OTHER DETAILS |   |   |
|-----------------------------------|---|---|
| i)                                | CIN:-   | U67120MH2005PLC155188   |
| ii)                               | Registration Date –   | August 8, 2005  |
| iii)                              | Name of the Company -   | BSE Limited   |
| iv)                               | Category / Sub-Category of the Company                                | Company limited by shares<br>Indian Non-Government Company  |
| v)                                | Address of the Registered office and contact details                  | 25 <sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai 400001.  |
| vi)                               | Whether listed company  | No  |
| vii)                              | Name, Address and Contact details of Registrar Transfer Agent, if any | <b>Karvy Computershare Private Limited</b><br>Unit : BSE Limited,<br>Karvy Selenium Tower B, Plot No 31 & 32<br>Gachibowli, Financial District,<br>Nanakramguda, Serilingampally,<br>Hyderabad – 500 032<br><br><b>Contact Person</b><br>Mr. Ramachandra V V<br>Manager – Corporate Registry<br>Tel : +91 40 6716 1500<br>Email :- <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> |

| 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:- |  |                                  |                                    |
| Sr. No.  | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
| 1  | Exchange Operation                               | 66110                            | 100%                               |

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES |  |                       |                                |                  |                    |
|---|--|-----------------------|--------------------------------|------------------|--------------------|
| Sr. No  | Name and Address of The Company  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
| 1   | INDIAN CLEARING CORPORATION LIMITED<br>Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai 400001      | U67120MH2007PLC170358 | Wholly Owned Subsidiary        | 100.00%          | 2(87)              |
| 2   | MARKETPLACE TECHNOLOGIES PRIVATE LIMITED<br>Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai 400001 | U72200MH2005PTC152920 | Wholly Owned Subsidiary        | 100.00%          | 2(87)              |
| 3   | BSE INSTITUTE LIMITED<br>Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai 400001                    | U80903MH2010PLC208335 | Wholly Owned Subsidiary        | 100.00%          | 2(87)              |
| 4   | BSE INVESTMENTS LIMITED<br>Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai 400001            | U65990MH2014PLC253680 | Wholly Owned Subsidiary        | 100.00%          | 2(87)              |

| <b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b> |  |                       |  |                         |                           |
|--|--|-----------------------|--|-------------------------|---------------------------|
| <b>Sr. No</b>  | <b>Name and Address of The Company</b>   | <b>CIN/GLN</b>        | <b>Holding/ Subsidiary/ Associate</b>  | <b>% of shares held</b> | <b>Applicable Section</b> |
| 5  | BSE SAMMAAN CSR LIMITED<br>Address: 25 <sup>th</sup> Floor, P. J. Towers,<br>Dalal Street, Fort Mumbai –<br>400001.  | U74999MH2015PLC268298 | Wholly Owned<br>Subsidiary   | 100.00%                 | 2(87)                     |
| 6  | BSE CSR INTEGRATED<br>FOUNDATION<br>Address: 25 <sup>th</sup> Floor, P. J. Towers,<br>Dalal Street, Fort Mumbai –<br>400001.   | U85191MH2016NPL273997 | Subsidiary   | 75.00%                  | 2(87)                     |
| 7  | CENTRAL DEPOSITORY SERVICES<br>(INDIA) LIMITED<br>Address: Phiroze Jeejeebhoy<br>Towers, 17 <sup>th</sup> Floor, Dalal Street,<br>Mumbai 400001  | U67120MH1997PLC112443 | Subsidiary   | 54.20%                  | 2(87)                     |
| 8  | MARKETPLACE TECH INFRA<br>SERVICES PRIVATE LIMITED<br>Address: 3 <sup>rd</sup> Floor, B Wing,<br>Aggarwal Trade Centre, Plot No.<br>62, Sector-11, C. B. D. Belapur,<br>Navi Mumbai 400614 | U72900MH2011PTC213218 | Subsidiary (Wholly<br>Owned Subsidiary<br>of Marketplace<br>Technologies Private<br>Limited, referred to at<br>Sr. no 2) | -                       | 2(87)                     |
| 9  | CDSL VENTURES LIMITED<br>Address: 17 <sup>th</sup> Floor, Phiroze<br>Jeejeebhoy Towers, Dalal Street,<br>Fort, Mumbai 400001   | U93090MH2006PLC164885 | Subsidiary (Subsidiary<br>of Central Depository<br>Services (India)<br>Limited, referred to at<br>Sr. no 7)              | -                       | 2(87)                     |
| 10   | CDSL INSURANCE REPOSITORY<br>LIMITED<br>Address: Phiroze Jeejeebhoy<br>Towers, 17 <sup>th</sup> Floor, Dalal Street,<br>Mumbai – 400001.   | U74120MH2011PLC219665 | Subsidiary (Subsidiary<br>of Central Depository<br>Services (India)<br>Limited, referred to at<br>Sr. no 7)              | -                       | 2(87)                     |
| 11   | BSE SKILLS LIMITED<br>Address: 25 <sup>th</sup> Floor, P. J. Towers,<br>Dalal Street, Fort Mumbai –<br>400001.   | U80904MH2014PLC255068 | Subsidiary (Wholly<br>Owned Subsidiary of<br>BSE Institute Limited,<br>referred to at Sr. no 3)                          | -                       | 2(87)                     |
| 12   | BFSI SECTOR SKILL COUNCIL OF<br>INDIA<br>Address: 25 <sup>th</sup> Floor, P. J. Towers,<br>Dalal Street, Fort Mumbai –<br>400001.  | U80904MH2011NPL222074 | Subsidiary (additional<br>2.44% of shares<br>held by BSE Institute<br>Limited, referred to at<br>Sr. no 3)               | 48.78%                  | 2(87)                     |
| 13   | BIL-RYERSON TECHNOLOGY<br>STARTUP INCUBATOR<br>FOUNDATION<br>Address: 18 <sup>th</sup> Floor, P. J. Towers,<br>Dalal Street, Fort Mumbai –<br>400001.                                      | U80904MH2015NPL269911 | Subsidiary (Wholly<br>Owned Subsidiary of<br>BSE Institute Limited,<br>referred to at Sr. no 3)                          | -                       | 2(87)                     |
| 14   | ASIA INDEX PRIVATE LIMITED<br>Address: 14 <sup>th</sup> Floor, P.J. Towers,<br>Dalal Street, Fort, Mumbai –<br>400001.   | U74900MH2013PTC247709 | Associate  | 50.00%                  | 2(6)                      |



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

## i) Category-wise Share Holding

| Category of Share holders                                  | 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) Individual/HUF  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| b) Central Government                                      | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| c) State Government (s)                                    | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| d) Bodies Corp.  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| e) Banks / FI  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| f) Any Other....   | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| <b>Sub-total (A) (1):-</b>                                 | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| <b>(2) Foreign</b>   |   |          |         |                   |   |          |         |                   |                          |
| a) NRIs - Individuals                                      | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| b) Other – Individuals                                     | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| c) Bodies Corp.  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| d) Banks / FI  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| e) Any Other....   | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| <b>Sub-total (A) (2):-</b>                                 | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| <b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b> |   |          |         |                   |   |          |         |                   |                          |
| <b>B. Public Shareholding</b>                              |   |          |         |                   |   |          |         |                   |                          |
| <b>1. Institutions</b>                                     |   |          |         |                   |   |          |         |                   |                          |
| a) Mutual Funds  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| b) Banks / FI  | -   | -        | -       | -                 | 38961                                     | -        | 38961   | 0.04              | 0.04                     |
| c) Central Government                                      | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| d) State Government (s)                                    | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| e) Venture Capital Funds                                   | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| f) Insurance Companies                                     | 5019443   | -        | 5019443 | 4.83              | 5019443                                   | -        | 5019443 | 4.68              | -0.15                    |
| g) FIIs  | 9720407   | -        | 9720407 | 9.35              | 9720407                                   | -        | 9720407 | 9.05              | -0.30                    |
| h) Foreign Venture Capital Funds                           | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| i) Others (specify)  | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |

|   |                  |               |                  |               |                  |               |                  |               |              |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|--------------|
| a) FDI  | 22244404         | -             | 22244404         | 21.40         | 22244404         | -             | 22244404         | 20.72         | -0.68        |
| <b>Sub-total (B)(1):-</b>   | <b>36984254</b>  | <b>-</b>      | <b>36984254</b>  | <b>35.59</b>  | <b>37023215</b>  | <b>-</b>      | <b>37023215</b>  | <b>34.49</b>  | <b>-1.10</b> |
| <b>2. Non-Institutions</b>  |                  |               |                  |               |                  |               |                  |               |              |
| a) Bodies Corp.   |                  |               |                  |               |                  |               |                  |               |              |
| i) Indian   | 8459574          | -             | 8459574          | 8.14          | 8994425          | -             | 8994425          | 8.38          | 0.24         |
| ii) Overseas  | -                | -             | -                | -             | -                | -             | -                | -             | -            |
| b) Individuals  | -                | -             | -                | -             | -                | -             | -                | -             | -            |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 4987889          | 431           | 4988320          | 4.80          | 6045189          | 254           | 6045443          | 5.63          | 0.83         |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 2117263          | -             | 2117263          | 2.04          | 2377263          | -             | 2377263          | 2.21          | 0.17         |
| c) Other Specify  | -                | -             | -                | -             | -                | -             | -                | -             | -            |
| i. HUF  | 467701           | -             | 467701           | 0.45          | 552576           | -             | 552576           | 0.51          | 0.06         |
| ii. Trust   | 100              | -             | 100              | 0.00          | 100              | -             | 100              | -             | -            |
| iii. Non Resident Indians   | 360192           | -             | 360192           | 0.35          | 457593           | -             | 457593           | 0.43          | 0.08         |
| iv. Limited liability partnership (LLP)   | 27600            | -             | 27600            | 0.03          | 13000            | -             | 13000            | 0.01          | -0.02        |
| <b>Sub-total (B)(2):-</b>   | <b>16420319</b>  | <b>431</b>    | <b>16420750</b>  | <b>15.80</b>  | <b>18440146</b>  | <b>254</b>    | <b>18440400</b>  | <b>17.18</b>  | <b>1.38</b>  |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                              | <b>53404573</b>  | <b>431</b>    | <b>53405004</b>  | <b>51.39</b>  | <b>55463361</b>  | <b>254</b>    | <b>55463615</b>  | <b>51.66</b>  | <b>0.27</b>  |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          | <b>-</b>         | <b>-</b>      | <b>-</b>         | <b>-</b>      | <b>-</b>         | <b>-</b>      | <b>-</b>         | <b>-</b>      | <b>-</b>     |
| <b>Grand Total (A+B+C)</b>  | <b>53404573</b>  | <b>431</b>    | <b>53405004</b>  | <b>51.39</b>  | <b>55463361</b>  | <b>254</b>    | <b>55463615</b>  | <b>51.66</b>  | <b>0.27</b>  |
| <b>D. Trading Members &amp; Associates of Trading Members</b>                   |                  |               |                  |               |                  |               |                  |               |              |
| Corporate Trading Member  | 22920377         | 442000        | 23362377         | 22.48         | 22164274         | 445897        | 22610171         | 21.06         | -1.42        |
| Individual Trading Member   | 7922643          | 143000        | 8065643          | 7.76          | 7585335          | 143000        | 7728335          | 7.20          | -0.56        |
| Trading Member BANK   | 7142785          | -             | 7142785          | 6.87          | 8837589          | -             | 8837589          | 8.23          | 1.36         |
| Trading Member - NRI  | -                | 130000        | 130000           | 0.13          | -                | -             | -                | -             | -0.13        |
| Associate Trading Member-CORPORATE  | 4657160          | -             | 4657160          | 4.48          | 5179797          | -             | 5179797          | 4.82          | 0.34         |
| Associate Trading Member-INDIVIDUAL   | 6508627          | -             | 6508627          | 6.26          | 6679467          | -             | 6679467          | 6.22          | -0.04        |
| Associate Trading Member-HUF  | 125334           | -             | 125334           | 0.12          | 170684           | -             | 170684           | 0.16          | 0.04         |
| Associate Trading Member Banks  | -                | -             | -                | 0.00          | 38961            | -             | 38961            | 0.04          | 0.04         |
| Associate Trading Member FDI Banks  | -                | -             | -                | 0.00          | 116883           | -             | 116883           | 0.11          | 0.11         |
| Associate Trading Member - Venture Capital                                      | 530842           | -             | 530842           | 0.51          | 530842           | -             | 530842           | 0.49          | -0.02        |
| <b>Sub-total D:</b>   | <b>49807768</b>  | <b>715000</b> | <b>50522768</b>  | <b>48.61</b>  | <b>51303832</b>  | <b>588897</b> | <b>51892729</b>  | <b>48.34</b>  | <b>-0.27</b> |
| <b>Grand Total (A+B+C+D)</b>  | <b>103212341</b> | <b>715431</b> | <b>103927772</b> | <b>100.00</b> | <b>106767193</b> | <b>589151</b> | <b>107356344</b> | <b>100.00</b> | <b>0.00</b>  |

| ii) Shareholding of Promoters – Not Applicable |                    |   |                                  |  |                                     |                                  |  |  |
|--|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| Sr. No   | Shareholder's Name | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % Change in shareholding 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  | Not Applicable     | -   | -                                | -  | -                                   | -                                | -  | -  |
|  | <b>Total</b>       | -   | -                                | -  | -                                   | -                                | -  | -  |

| iii) Change in promoters' Shareholding (please specify, if shares is no change) – Not Applicable |  |   |                                  |   |                                  |
|--|--|---|----------------------------------|---|----------------------------------|
| Sr. No   | Particulars  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the Year |                                  |
|  |  | No. of Shares                             | % of Total Shares of the Company | No. of Shares                           | % of Total shares of the Company |
| 1  | At the beginning of the year   | -   | -                                | -                                       | -                                |
| 2  | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus Sweat equity etc.) | -   | -                                | -                                       | -                                |
| 3  | At the end of the year   | -   | -                                | -                                       | -                                |

| 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 shareholders  |  | 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  | Deutsche Boerse AG   |  | 5098886                                   | 4.91                             | 5098886                                 | 4.75                             |
| 2  | Singapore Exchange Limited   |  | 5098886                                   | 4.91                             | 5098886                                 | 4.75                             |
| 3  | State Bank of India  |  | 5019443                                   | 4.83                             | 5019443                                 | 4.68                             |
|  | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus Sweat equity etc.) |  |   |                                  |   |                                  |
|  | 04.06.2015   | No. of Equity Shares of the face value of ₹ 1/- each to be allotted in the ratio of 385:1 due to amalgamation of United Stock Exchange of India Limited With BSE Limited | 77922                                     | 0.07                             | 5097365                                 | 4.75                             |
|  | At the End of the Year   |  |   |                                  | 5097365                                 | 4.75                             |
| 4  | Life Insurance Corporation Of India  |  | 5019443                                   | 4.83                             | 5019443                                 | 4.68                             |
| 5  | GKFF Ventures  |  | 4913863                                   | 4.73                             | 4913863                                 | 4.58                             |
| 6  | Quantum (M) Limited  |  | 4015544                                   | 3.86                             | 4015544                                 | 3.74                             |
| 7  | Caldwell India Holdings Inc  |  | 4015544                                   | 3.86                             | 4015544                                 | 3.74                             |
| 8  | Atticus Mauritius Limited  |  | 4015544                                   | 3.86                             | 4015544                                 | 3.74                             |
| 9  | Acacia Banyan Partners Limited   |  | 4015544                                   | 3.86                             | 4015544                                 | 3.74                             |
| 10   | Bajaj Holdings and Investment Limited  |  | 3006796                                   | 2.89                             | 3006796                                 | 2.80                             |

| <b>v) Shareholding of Directors and Key Managerial Personnel :</b> |  |  |   |  |   |
|--|--|--|---|--|---|
| <b>Sr No</b>   | <b>For each of the Directors and KMP</b>   | <b>Shareholding at the beginning of the year</b> |   | <b>Cumulative Shareholding during the Year</b> |   |
|  |  | <b>No. of Shares</b>                             | <b>% of Total Shares of the Company</b> | <b>No. of Shares</b>                           | <b>% of Total Shares of the Company</b> |
| 1  | At the beginning of the year   | -  | -                                       | -  | -                                       |
| 2  | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus Sweat equity etc.) | -  | -                                       | -  | -                                       |
| 3  | At the end of the year   | -  | -                                       | -  | -                                       |

| <b>V. INDEBTEDNESS</b>  |   |                        |                 |                           |
|---|---|------------------------|-----------------|---------------------------|
| <b>Indebtedness of the Company Including interest outstanding / accrued but not due for payment (₹ in Lakh)</b> |   |                        |                 |                           |
|   | <b>Secured Loans excluding deposits<sup>1</sup></b> | <b>Unsecured Loans</b> | <b>Deposits</b> | <b>Total Indebtedness</b> |
| <b>Indebtedness at the beginning of the financial year</b>  |   |                        |                 |                           |
| i) Principal Amount   | 181   | -                      | -               | 181                       |
| ii) Interest due but not paid   | -   | -                      | -               | -                         |
| iii) Interest accrued but not due   | 14  | -                      | -               | 14                        |
| <b>Total (i+ii+iii)</b>   | <b>195</b>  | <b>-</b>               | <b>-</b>        | <b>195</b>                |
| <b>Change in Indebtedness during the financial year</b>   |   |                        |                 |                           |
| i) Addition   | -   | -                      | -               | -                         |
| ii) Reduction   | 58  | -                      | -               | 58                        |
| <b>Net Change</b>   | <b>58</b>   | <b>-</b>               | <b>-</b>        | <b>58</b>                 |
| <b>Indebtedness at the end of the financial year</b>  |   |                        |                 |                           |
| i) Principal Amount   | 127   | -                      | -               | 127                       |
| ii) Interest due but not paid   | -   | -                      | -               | -                         |
| iii) Interest accrued but not due   | 10  | -                      | -               | 10                        |
| <b>Total (i+ii+iii)</b>   | <b>137</b>  | <b>-</b>               | <b>-</b>        | <b>137</b>                |

<sup>1</sup> These liabilities represent obligations under finance lease including current portion of obligations.

| <b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>                 |   |   |                     |
|---|---|---|---------------------|
| <b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b> |   |   |                     |
| <b>(In ₹)</b>   |   |   |                     |
| <b>Sr No.</b>   | <b>Particulars of Remuneration</b>  | <b>Name of MD/WTD/ Manager (Mr. Ashishkumar Chauhan)*</b> | <b>Total Amount</b> |
| 1   | Gross salary  |   |                     |
|   | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,17,08,827   | 3,17,08,827         |
|   | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 39,600  | 39,600              |
|   | Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -   | -                   |
| 2   | Stock Option  | -   | -                   |
| 3   | Sweat Equity  | -   | -                   |



|   |   |                    |                    |
|---|---|--------------------|--------------------|
| 4 | Commission  | -                  | -                  |
|   | - as % of profit                                      | -                  | -                  |
|   | - others, specify...                                  | -                  | -                  |
| 5 | Others,<br>-Employer's contribution to Provident Fund | 9,36,000           | 9,36,000           |
|   | <b>Total</b>  | <b>3,26,84,427</b> | <b>3,26,84,427</b> |
|   | Ceiling as per the Act (₹ in Lakh)                    | 534                | 534                |

\* Total Remuneration of MD & CEO stated above is excluding unpaid 50% of total variable pay as per the Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012,

#### B Remuneration to other directors

| (₹ in Lakh) |  |  |            |                        |              |
|-------------|--|--|------------|------------------------|--------------|
| Sr. No.     | Particulars of Remuneration                    | Fee for attending board / committee meetings | Commission | Others, please specify | Total Amount |
| <b>1</b>    | <b>Independent Directors</b>                   |  |            |                        |              |
|             | Mr. S. Ramadorai                               | 12.75  | -          | -                      | 12.75        |
|             | Mr. Sudhakar Rao                               | 15.50  | -          | -                      | 15.50        |
|             | Mr. Dharendra Swarup                           | 17.75  | -          | -                      | 17.75        |
|             | Dr. Sanjiv Misra                               | 12.75  | -          | -                      | 12.75        |
|             | Dr .K. Kasturirangan                           | 13.25  | -          | -                      | 13.25        |
|             | Mr. S. H. Kapadia                              | 3.25   | -          | -                      | 3.25         |
|             | <b>Total (1)</b>                               | <b>75.25</b>                                 | -          | -                      | <b>75.25</b> |
| <b>2</b>    | <b>Shareholder Director</b>                    |  |            |                        |              |
|             | Mr. Thomas Bendixen                            | 10.00  | -          | -                      | 10.00        |
|             | Ms. Usha Sangwan                               | 1.00   | -          | -                      | 1.00         |
|             | Ms. Rajeshree Subnavis                         | 3.75   | -          | -                      | 3.75         |
|             | Dr. Sriprakash Kothari                         | 3.75   | -          | -                      | 3.75         |
|             | <b>Total (2)</b>                               | <b>18.50</b>                                 | -          | -                      | <b>18.50</b> |
|             | <b>Total Managerial Remuneration (1) + (2)</b> | <b>93.75</b>                                 | -          | -                      | <b>93.75</b> |

Sitting fees paid to directors are within the prescribed limit of Companies Act, 2013 and the above fees does not include the Swachh Bharat Cess amounting to ₹ 13,750/- which the Company has to born.

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

| (In ₹)  |   |                          |                   |           |
|---------|---|--------------------------|-------------------|-----------|
| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel |                   |           |
|         |   | CFO*                     | Company Secretary | Total     |
| 1.      | Gross salary  |                          |                   |           |
|         | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 60,12,343                | 27,19,559         | 87,31,902 |
|         | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 3,04,560                 | -                 | 3,04,560  |
|         | Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                        | -                 | -         |
| 2.      | Stock Option  | -                        | -                 | -         |
| 3.      | Sweat Equity  | -                        | -                 | -         |

|   |  |                  |                  |                  |
|---|--|------------------|------------------|------------------|
| 4 | Commission<br>As % of Profit<br>Other specify        | -                | -                | -                |
| 5 | Others<br>-Employer's contribution to Provident Fund | 1,44,000         | 62,136           | 2,06,136         |
|   | <b>Total</b>   | <b>64,60,903</b> | <b>27,81,695</b> | <b>92,42,598</b> |

\*Total Remuneration of CFO Stated above is excluding unpaid 50% of total variable pay as per the Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012,

**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. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |



Shri Sudhir Mungantiwar, Hon'ble State Cabinet Minister of Finance, Planning and Forest departments, Govt. of Maharashtra presenting the award to one of the winner at the BSE Bull Run prize distribution ceremony on January 10, 2016.



Smt. Shaina NC, spokesperson for the BJP & Indian Fashion Designer presenting the award to one of the winner at the BSE Bull Run prize distribution ceremony on January 10, 2016.



*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Suresh Prabhhu, Hon'ble Minister of Railways, Govt. of India during the seminar 'Indian Railways - Transformation Underway' on April 21, 2016.*

# Management Discussion & Analysis

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian securities market has essentially three categories of participants—the issuer of securities, the investors in securities and the intermediaries. The issuers are the borrowers or deficit savers, who issue securities to raise funds. The investors, who are surplus savers, deploy their savings by subscribing to these securities. The intermediaries are the agents who match the needs of the users and the suppliers of funds for a commission. This process of mobilizing the resources is carried out in Stock Exchanges under the supervision and overview of the regulators. Stock Exchanges are primarily regulated by the Securities and Exchange Board of India (“SEBI”). Before October 2015, there was another regulator- Forward Market Commission (“FMC”). It was regulating commodities trading. However, on September 28, 2015, there was a historic merger of FMC with SEBI resulting in a single regulator for both securities and commodities.

The Stock Exchange industry in India has evolved rapidly in the past few years. Currently, the Indian Exchange space potentially spans many asset classes – equities, equity derivatives, currency derivatives, exchange-traded funds (“ETF”), mutual funds, debt, interest rate derivatives, power trading and commodity derivatives. During the past few years we have seen introduction of new product classes like currency derivatives, interest rate futures etc.

Along with the Stock Exchanges, other Market Infrastructure Institutions (“MII”) comprise Depositories and Clearing Corporations that conduct the function of holding the traded securities in dematerialized form and providing novation, settlement and guarantee, respectively.

In India, there are three Clearing Corporations that exist in the Exchange clearing space, promoted by three of the Pan-India Stock Exchanges and one Clearing Corporation in the over-the-counter (“OTC”) clearing space. Besides, there are two Depositories, which operate on an interoperable basis. BSE and the National Stock Exchange

of India Limited (“NSE”) hold equity stakes in the Depository promoted by each of them.

SEBI had set up the Kamath committee to discuss the issue of interoperability of Clearing Corporations vis-à-vis establishing a single Clearing Corporation and to submit its recommendations. After almost three years of deliberations, recently the Committee put forth a strong case for interoperability by citing the case of Europe where the cost of clearing has come down by 40%. Multiple Clearing Corporations working on interoperable basis is the trend for future and will save huge cost on margins and collaterals for market participants.

## 2. OUTLOOK

Despite a number of years of declining equity volumes globally, the outlook for the Indian capital market is still quite positive. If India continues to develop as a resilient growth economy and one of the most attractive emerging markets for investments, then over the medium to long term, investors and higher volume levels will return to the market.

In the long term, given the outlook for continued growth and wealth-creation in India, we continue to believe corporate profits and equity market performance will warrant continued interest from Indian Institutional Investors and Foreign Investors. There is also a significant scope to increase participation in ETFs and Mutual Funds in India. The securities market would continue to be driven by introduction of newer products and services for investment and risk mitigation through better technology.

## 3. COMPETITIVE STRENGTHS AND OPPORTUNITIES

### • Strong brand recognition

BSE is Asia’s oldest Stock Exchange, established in 1875, and one of the most recognizable brand names in India with high levels of recognition among investors, intermediaries and the general public. In addition, the S&P BSE SENSEX, an index based on 30 BSE-listed large, well-established and financially



sound companies across key sectors of the Indian economy, serves as the primary global barometer for India's financial markets and is comparable in recognition to other global indices such as the S&P 500, the Dow Jones Industrial Average, the FTSE 100, the DAX and the Hang Seng Index.

- **Sound corporate governance and regulatory framework**

As a Stock Exchange, we are subject to a high level of regulatory oversight. We are committed to working with national and international Regulators, Exchanges, Clearing Corporations, Depositories and Market Participants to ensure an orderly, informed and fair market for the benefit of investors. We are also committed to strong and effective internal governance and regulation and believe that regulatory integrity benefits investors, strengthens our brand and attracts companies seeking to list securities on our markets. In furtherance of these goals, we have a dedicated surveillance department to keep a close and daily watch on the price movement of securities, detect market manipulation, monitor abnormal prices and volumes which are not consistent with normal trading patterns and monitor our members' exposure levels to ensure that defaults do not occur.

- **Financial strength with diversified and stable sources of revenue**

Since our inception, we have maintained a strong financial profile and our financial policy seeks to maintain sufficient financial resources and capabilities to finance the growth of our business and ensure financial flexibility while maintaining strong creditworthiness and liquidity.



*Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Frank-Jürgen Richter, Chairman, Horasis during the Horasis Event on September 28, 2015 at BSE.*

- **State-of-the-art infrastructure and technology**

BSE in its on-going endeavor to be the premier institution in terms of speed has introduced a new order confirmation from the gateway in its trading system. Any request entering the gateway is immediately responded to with the new order confirmation message. This response is given in 6 microseconds, thus making BSE the fastest trading system in the world. Algo users also benefit from this new order confirmation message due to the early decision-making ability.

BSE is also the first Exchange in the country to implement Precision Time Protocol ("PTP"), which helps in time synchronization across all its servers with nanosecond accuracy. This facility is available to all co-location participants of BSE. Many functional improvements including tick-by-tick order data, multi legged orders, straddle strategy for currency derivatives and equity derivatives have also been rolled out.

#### 4. THREATS

- **Industry activity levels decline**

BSE's performance is dependent upon the volume and value of trades executed on its trading platform, the number of new / further listings and the amount of capital raised through such new / further issues, the number of active traders in the market, etc. While BSE efforts can influence these activity levels, many factors that can have an impact on these are beyond the control of BSE. In particular, adverse macro-economic developments and political uncertainty may dampen the sentiments of the capital markets and negatively affect our business.



*Mr. Kipchu Tshering, Director, Royal Securities Exchange, Bhutan presenting a memento to Shri Ashishkumar Chauhan, MD & CEO, BSE during his visit to BSE on October 26, 2015.*



*Shri Nehal Vora, Chief Regulatory Officer, BSE addressing the gathering at the Exchanges Driving Credibility and Transparency event on April 29, 2015.*

- **Foreign Portfolio Investors (“FPI”) participation in Indian markets decline**

Post liberalization, FPIs have played a dominant role in generating volumes in the capital markets. The level of participation of FPIs in the Indian market is influenced by many exogenous developments beyond the control of BSE. Policy decisions by the Exchange’s regulator could impact the attractiveness (to foreign and domestic market participants) of participating in our markets and thereupon influence our business.

- **Regulatory changes impacts our ability to compete**

The competitive landscape for the securities transactions business in India continues to be challenging. Our ability to compete in this environment and ensure that regulations continue to allow competition on a level playing field will be a major factor in ensuring sustained growth and profitability. Regulatory decisions relating to the Exchanges ownership structure, the ownership structure of Indian Clearing Corporation Limited (“ICCL”) and Central Depository Services Limited (“CDSL”), compensation policies, restrictions on how Exchanges distribute their profit and public listing will continue to impact competitiveness. The evolution of the debate on interoperability of Clearing Corporations will have a major impact on the competitive position of BSE in the future.

## 5. KEY STRATEGIES

- **Maintain new product innovation and development**

In addition to our ongoing strength in product innovation, we intend to target the investors’ needs through innovative product development, such as new indices and index-based products for national and international investors and other

new products and services, subject to regulatory approvals. Overnight investment in mutual funds on the StAR MF platform, algorithm trading test environment on cloud platform, new institutional trading platform, reversal trade prevention check (“RTPC”) in trading platform, price reasonability check (“PRC”) for currency futures segment etc. are some of the new products and initiatives undertaken during the year.

- **Launch of world’s first high-frequency data on unemployment data in India**

BSE and the Centre for Monitoring Indian Economy (“CMIE”), have joined hands to launch the world’s first high-frequency data on unemployment in India. Incidentally, this is the first instance of non-governmental organisations producing an unemployment measure for any country in the world.

India did not have a fast-frequency measure of unemployment. This joint effort by BSE and CMIE will produce a 30-day moving average measure of the unemployment rate in India on a daily and monthly basis. It takes into account all observations available for a calendar month and are available from January 2016. State wise unemployment rates are also planned to be released after a few months.

- **Launch of Consumer Sentiments Indices in India**

For consumer sentiment indices, University of Michigan’s Institute for Social Research, Survey Research Centre has partnered with BSE and CMIE. University of Michigan is a leader in producing consumer sentiment indices in the US that had commenced its first Survey of Consumers in 1946. These indices consist of 30-day moving average measures of consumer sentiments on a daily basis. Its two major constituents are the index



*(L to R) Mr. Laurent Cunin, Head of Asia Pacific Region, Senior Manager Director, Societe Generale; Shri Sujit Kadakia, Head of India Office, Societe Generale; Shri Nehal Vora, CRO, BSE and Shri Nayan Mehta, CFO, BSE with BSE Bull during their visit to BSE on April 29, 2015.*

of current economic conditions and the index of consumer expectations.

The indices are based on the responses received from individuals in over 158,000 households, spanning rural and urban India. All indices are being provided as public goods, free for public consumption. These vitally important indicators for India are expected to help policymakers, investors, entrepreneurs, academia, the media and the public at large get a better grip of the macro- economic status of Indian economy.

- **Strengthen our position as the Exchange of choice in India and expand our cross-border reach**

BSE had entered into a strategic partnership with S&P Dow Jones Indices LLC, USA ("SPDJI") to calculate, disseminate and license the widely followed suite of BSE indices. Further, in cooperation with the BRICS Exchanges Alliance, the S&P BSE SENSEX has been listed for trading of derivatives on the leading Stock Exchanges in Brazil, Russia, Hong Kong and South Africa besides listing Benchmark Indices of those countries' Stock Exchanges on BSE. This enhances the international dimension of BSE and simultaneously gives the local investors greater access and exposure to key international markets. Besides, options and futures based on S&P BSE SENSEX are also listed and traded on the Eurex Exchange and the Dubai Gold and Commodities Exchange ("DGCX").

Recently BSE and the Korea Exchange ("KRX") signed a Memorandum of Understanding ("MoU") to conduct joint research in different areas including derivatives markets and to support each other in the development of new products and cooperate in Information Technology. The



*Shri Bala Giri, Chairman and Managing Director, GV Films ringing the bell along with Shri Shankar Jadhav Head - Strategy, BSE at the GV Films Silver Jubilee Bell Ringing Ceremony on August 27, 2015 at BSE.*

co-operation would extend to investor relation activities of cross-listed products and cross-border supervision and enforcement pertaining to market link-up and cross-listing of products. We believe that the enhanced ease of trading and access that results from such ventures will strengthen our ability to attract cross-border investors and issuers to our Exchange.

The merger of SEBI and FMC provides us with an opportunity to quickly enter the commodities trading space. Along with India Bullion and Jewellers Association ("IBJA"), BSE is planning to set up a Spot Bullion Exchange, the first of its kind in India.

BSE will establish an international Exchange in GIFT City - International Financial Services Centre ("IFSC"), being developed as India's first IFSC developed by Gujarat International Finance Tec-City Company Ltd. ("GIFTCL"). BSE is in the process of preparing a high level business plan and identifying partners (both domestic and international Stock Exchanges) to invest in the proposed Exchange, Clearing Corporation and a Depository to set up at GIFT City.

- **Focus on increasing our market share of derivative products**

We actively evaluate products and asset classes outside our traditional focus areas in order to diversify our revenue sources. By doing so, we seek to continually attract market participants and issuers and capture the significant revenue potential that comes with a broader product line, particularly derivative products. These initiatives have yielded us good results as is evident in our increasing market share in the currency and interest rate derivatives segments.



*(L to R) Shri Shankar Jadhav, Head Strategy, BSE; Shri Nehal Vora, Chief Regulatory Officer, BSE; Shri Dilip Oak, Information Technology Operations, BSE; Shri Nayan Mehta, Chief Financial Officer, BSE; Shri Siddharth Shah, Chairman, BSE Brokers Forum, with Shri Hasmukh Adhia, Revenue Secretary with BSE Bull on April, 29, 2015 at BSE.*





Shri Harsh Pati Singhania, CEO & Vice Chairman, JK Paper along with Shri V. Balasubramaniam, Chief Business Officer, BSE and the other dignitaries ringing the bell during the Golden Jubilee Bell Ringing Ceremony of JK Paper on August 25, 2015 at BSE.

- **Maintain best-in-class platform infrastructure**

- **Shift to a new state-of-the-art data centre**

During November 2015, BSE fully operationalized a new state-of-the-art data centre having an area of approximately 3200 sq. feet with separate zones for server farm area, network access room, network core room, staging area, BMS room, console room, separate utility area for electrical & UPS, etc. The migration from the old data centre had its unique challenges. However, there were no disruptions in any of the services of BSE during the migration phase.

- **Cloud Based Platforms**

BSE is also considering consolidation of the infrastructure and services by moving key systems to a Cloud based platform. Private, public and hybrid Clouds based on the application needs are being considered. This implementation will allow BSE to leverage infrastructure sharing, service utilization and host of other Cloud based facilities.

- **Monitoring of Infrastructure**

BSE has rolled out a system which will do a comprehensive monitoring of the entire infrastructure including network, servers and other equipment on real time basis. It provides alerts based on defined thresholds. This system can log and assign events to specific stakeholders for further action and allows the management to track all such events. Apart from monitoring and logging, the system also keeps an account of the asset

in the organization and has a configurable service helpdesk.

- **Automation**

BSE has entirely automated operations of 50+ applications. In addition, BSE's switch-over and switch-back processes between Primary site and Disaster Recovery site is also fully automated.

- **Information Security**

Constant enhancement in the Cyber Security Framework and Information Security Management System has been our top priority. BSE was successfully audited for recertification of ISO27001:2013-the international standard for Information Security Management System. BSE has brought about changes in its procedures and policies in pursuance to the SEBI Cyber Security Circular. BSE has an in-house Security Operations Centre ("SOC") which monitors and inspects various events and incidents. A comprehensive monitoring system has been implemented to aid the SOC team to carry out its responsibility.

BSE was identified as a National Critical Information Infrastructure by National Critical Information Infrastructure Protection Centre ("NCIIPC"). It is continuously strengthening its cyber security under the guidance from NCIIPC and other national agencies like Indian Computer Emergency Response Team ("CERT-In"), National Security Council Secretariat ("NSCS"), Ministry of Home Affairs ("MHA") and SEBI.



Shri V. Balasubramaniam, Chief Business Officer, BSE and Shri Nayan Mehta, Chief Financial Officer, BSE presenting a memento to Shri Keki Mistry, Vice Chairman & CEO, HDFC during the ETNow BSE Day on August 31, 2015 at BSE.



## 6. RISKS AND CONCERNS

- Our performance relies upon the volume and value of trades executed on the trading platform, the number of active traders in the market and the number of new/further listings and the amount of capital raised through such listings.
- Adverse economic conditions could negatively affect our business, financial condition and results of operations.
- Our industry is highly competitive and we compete globally with a broad range of market participants for listings, clearing, trading and settlement volumes.
- We operate in a business environment that continues to experience significant and rapid technological change.
- We operate in a highly regulated industry and may be subject to censures, fines and other legal proceedings if we fail to comply with our legal and regulatory obligations. Changes in government policies could adversely affect trading volumes of instruments traded on BSE.
- The continuation or recurrence of systemic events such as the global economic crisis, changes in economic policies and the political situation in India or globally may adversely affect our performance.

## 7. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

BSE identifies a risk based internal audit scope and assesses the inherent risk in the processes and activities of the department within BSE and ensures that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The Internal Auditors, via, their internal audit reports, make observations relating to the deficiencies /non-compliance of various audit areas and give suggestions /recommendations



*Shri Shankar Jadhav, Head - Strategy, BSE with the delegation from Taiwan Academy of Banking during their visit to BSE on December 2, 2015.*

and control directives like periodic reconciliation, proper authorizations /approvals, processing controls, segregations of duties, maker – checker approach, etc. so as to mitigate the deficiencies and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The observations made by the Internal Auditors and the compliances thereof are placed before the Audit Committee.

BSE has implemented the Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and accordingly the COSO based procedures and process manual were prepared establishing interlinkages between departments, defining responsibility, accountability and reporting matrix and control framework of each processes and activities and identified the risks. Internal Auditors refer to COSO based process and procedures while performing the internal audit functions.

BSE has further implemented pre-audit of all the major payments made to vendors based on a set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirement, etc.

BSE conducts in-house monitoring of the important applicable statutory and regulatory compliances.. We identify and prioritize key compliance issues with the help of an outsourced agency. The compliances and the monitoring thereof are regularly placed before the Audit Committee and Board.

The processes and quality management systems of BSE is ISO 9001:2008 accredited with Joint Accreditation System of Australia and New Zealand (“JAS-ANZ”). BSE conducts the audits of the processes as required under ISO 9001:2008 and has successfully completed 2nd Surveillance Audit for the financial year (“FY”) 2015-16.



*Shri Nehal Vora, Chief Regulatory Officer, BSE present on the dais during BSE - HDFC Blood Donation Camp on December 11, 2015.*



*Shri Shankar Jadhav, Head Strategy, BSE presenting a memento to Mr. Roni Zehavi, CEO, Cyberspark on December 29, 2015 at BSE.*

BSE has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Committee reviews audit reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Committee follows up on the implementation of corrective actions. The Committee also meets the Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in BSE.

#### **8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

We have been hiring talent - experienced and fresh graduates from leading Business Schools since the last few years. Our focus is on matching skills and expertise to the roles to enhance employee performance and satisfaction.

The employee relations scenario was also satisfactory during the year. We have an internal union representing clerical and sub-staff.

##### **Human Capital:**

Recognizing the growing importance of talent in driving success of the organisation and changing dynamics of the business, we have built a talent pool of around 424 professionals in the officers category with an ideal mix of experience and youth.

##### **Training & Development:**

We have carried out a comprehensive training need identification and analysis from the inputs drawn from individual annual appraisals and prepared a training calendar. The training calendar covers both the technical/operational skills as well as behavioural/soft skills. We have been using in-house and external

resources to impart the required training as per the calendar. Knowledge updation of employees is also taken care of by regularly sending them for various public seminars and conferences. The in-house training is imparted through our 100% subsidiary company, BSE Institute Limited and by the HR Head on behavioral/soft skills. Eminent professionals from capital markets and industry also help our employees upgrade their skills in various sessions that happen periodically.

#### **9. FINANCIAL PERFORMANCE**

##### **9.1 CONSOLIDATED PERFORMANCE**

(₹ in Lakh)

| Particulars               | Year Ending March 31, 2016 | Year Ending March 31, 2015 | Variance (%) |
|---------------------------|----------------------------|----------------------------|--------------|
| <b>A. Income</b>          |                            |                            |              |
| - Securities Services     | 24,301                     | 23,365                     | 4%           |
| - Services to Corporates  | 16,111                     | 10,539                     | 53%          |
| - Investments & Deposits  | 18,965                     | 22,257                     | -15%         |
| - Data Dissemination Fees | 2,242                      | 2,210                      | 1%           |
| - Training Institute      | 1,315                      | 1,023                      | 29%          |
| - Software Services       | 590                        | 505                        | 17%          |
| - Other Income            | 2,303                      | 2,576                      | -11%         |
| <b>Total Income</b>       | <b>65,827</b>              | <b>62,475</b>              | <b>5%</b>    |



*Smt. Arundhati Bhattacharya, Chairperson, SBI along with Shri Nikunj Dalmia, Stocks Editor, ET NOW and Shri Nehal Vora, CRO, BSE ringing the bell during the ETNow BSE Day on July 23, 2015 at BSE.*



Smt. Naina Lal Kidwai Chair, India Sanitation Coalition with the BSE Bull during Dasra Philanthropy Week on March 3, 2016.

| Particulars   | Year Ending March 31, 2016 | Year Ending March 31, 2015 | Variance (%) |
|---|----------------------------|----------------------------|--------------|
| <b>B. Expenses</b>  |                            |                            |              |
| - Employee Benefits Expense   | 11,155                     | 9,986                      | 12%          |
| - Computer Technology Related Expenses                              | 8,064                      | 7,042                      | 15%          |
| - Administration & Other Expenses                                   | 19,136                     | 12,337                     | 55%          |
| <b>Total Expenses</b>   | <b>38,355</b>              | <b>29,365</b>              | <b>22%</b>   |
| <b>C. EBITDA</b>  | <b>27,472</b>              | <b>33,110</b>              | <b>-9%</b>   |
| <b>EBITDA Margin</b>  | <b>42%</b>                 | <b>53%</b>                 |              |
| Depreciation & Amortization   | 6,168                      | 5,877                      | 5%           |
| Finance Cost  | 67                         | 66                         | 2%           |
| <b>D. Profit before, Exceptional Items and Tax</b>                  | <b>21,237</b>              | <b>27,167</b>              | <b>-22%</b>  |
| Exceptional Items   | 4,660                      | 5,075                      | -8%          |
| <b>E. Profit before tax</b>   | <b>16,577</b>              | <b>22,092</b>              | <b>-25%</b>  |
| Provision for taxes   | 3,241                      | 4,378                      | -26%         |
| <b>F. Profit after tax and before share of Minority / Associate</b> | <b>13,336</b>              | <b>17,714</b>              | <b>-25%</b>  |
| Share of Minority   | 3,635                      | 2,133                      | 70%          |

| Particulars                    | Year Ending March 31, 2016 | Year Ending March 31, 2015 | Variance (%) |
|--------------------------------|----------------------------|----------------------------|--------------|
| Share of Loss of Associate     | 27                         | 28                         | -4%          |
| <b>G. Net Profit After Tax</b> | <b>9,674</b>               | <b>15,553</b>              | <b>-38%</b>  |
| <b>Net Margin</b>              | <b>15%</b>                 | <b>25%</b>                 |              |

➤ **CONSOLIDATED INCOME**

(₹ in Lakh)

| Particulars             | Year Ending Mar. 31, 2016 | % of Total Income | % Growth  | Year Ending Mar. 31, 2015 | % of Total Income |
|-------------------------|---------------------------|-------------------|-----------|---------------------------|-------------------|
| Securities Services     | 24,301                    | 37%               | 4%        | 23,365                    | 37%               |
| Services to Corporates  | 16,111                    | 24%               | 53%       | 10,539                    | 17%               |
| Data Dissemination Fees | 2,242                     | 3%                | 1%        | 2,210                     | 4%                |
| Investment Income       | 18,965                    | 29%               | -15%      | 22,257                    | 35%               |
| Other Income            | 4,208                     | 7%                | 3%        | 4,104                     | 7%                |
| <b>Total Income</b>     | <b>65,827</b>             |                   | <b>5%</b> | <b>62,475</b>             |                   |

BSE's consolidated total income has increased by 5% to ₹ 65,827 Lakh in FY 2015-16 as compared to ₹ 62,475 Lakh in FY 2014-15. This increase in total income is primarily attributable to the 53% increase in service



Shri Shankar Jadhav, Head Strategy, BSE along with delegates at the 'The Hindu In School's Principals' Conclave at BSE on March 11, 2016.

to corporates to ₹ 16,111 Lakh in FY 2015-16 from ₹ 10,539 Lakh in FY 2014-15 mainly due to increase in listing fees. Transaction charges increased by ₹ 447 Lakh from ₹ 5,049 Lakh in FY 2014-15 to ₹ 5,496 Lakh in FY 2015-16. While the average daily turnover in equity cash segment was down by 16% in FY 2015-16 to ₹ 2,996 Crore as compared to ₹ 3,552 Crore in FY 2014-15, the increase in transaction charges is attributable to increase of transaction charges in companies listed in XC, XD, XT, Z and ZP group and healthy growth in turnover in the currency derivatives segment. Depository income rose by 17% to ₹ 12,268 Lakh in FY 2015-16 from ₹ 10,455 Lakh in FY 2014-15. The 15% reduction in investment income to ₹ 18,965 Lakh in FY 2015-16 as compared to ₹ 22,257 Lakh in FY 2014-15 is primarily due to the decrease in yields on debt investments during the year and transfer of investible funds / investments to a separate Core Settlement Guarantee Fund ("Core SGF").

➤ **CONSOLIDATED EXPENSES**

(₹ in Lakh)

| Particulars                          | Year Ending Mar. 31, 2016 | % of Total Income | % Growth | Year Ending Mar. 31, 2015 | % of Total Income |
|--------------------------------------|---------------------------|-------------------|----------|---------------------------|-------------------|
| Employee Benefits Expense            | 11,155                    | 17%               | 12%      | 9,986                     | 16%               |
| Computer Technology Related Expenses | 8,064                     | 12%               | 15%      | 7,042                     | 11%               |
| Regulatory Fees                      | 3,699                     | 6%                | 6%       | 3,492                     | 6%                |



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with NDC people during their visit to BSE on March 17, 2016.



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Kiren Rijiju, Hon'ble Union Minister of State for Home Affairs, India at the event 'Taleem Ki Taqat' on March 11, 2016 at Guwahati.

| Particulars                          | Year Ending Mar. 31, 2016 | % of Total Income | % Growth   | Year Ending Mar. 31, 2015 | % of Total Income |
|--------------------------------------|---------------------------|-------------------|------------|---------------------------|-------------------|
| Contribution to Core SGF             | 4,320                     | 7%                | NA         | -                         | -                 |
| Contribution to SGF (25% of Profits) | 5,143                     | 8%                | NA         | -                         | -                 |
| Legal Fees                           | 608                       | 1%                | 4%         | 582                       | 1%                |
| Professional Fees                    | 1,663                     | 3%                | 68%        | 989                       | 2%                |
| Electricity Charges                  | 2,098                     | 3%                | 49%        | 1,412                     | 2%                |
| Repairs & Maintenance                | 965                       | 1%                | 39%        | 696                       | 1%                |
| Travelling Expenses                  | 607                       | 1%                | 9%         | 558                       | 1%                |
| Rent                                 | 275                       | 0%                | -44%       | 487                       | 1%                |
| Others                               | 4,901                     | 7%                | 19%        | 4,121                     | 7%                |
| Depreciation                         | 6,168                     | 9%                | 5%         | 5,877                     | 9%                |
| Interest                             | 67                        | 0%                | 2%         | 66                        | 0%                |
| Exceptional Items                    | (483)                     | -1%               | -110%      | 5,075                     | 8%                |
| <b>Total Expenses</b>                | <b>49,250</b>             | <b>75%</b>        | <b>22%</b> | <b>40,383</b>             | <b>65%</b>        |

BSE's consolidated total expenses have increased by 22% to ₹ 49,250 Lakh in FY 2015-16 as compared to ₹ 40,383 Lakh in FY 2014-15. The increase is mainly attributable to a contribution of 25% transfer of profit to the SGF in accordance with SEBI circular SEBI/HO/MRD/DRMNP/ CIR/P/2016/54 dated May 4, 2016, amounting to





Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Milind Soman, Actor; Dr. Swaroop Rawal, Celebrity, Educationist & Social Activist and Shri Pooran Chandra Pandey, Executive Director, UN Global Compact India Ringing the Opening Bell for Gender Equality at BSE on March 8, 2016.

₹ 5,143 Lakh accounted as Exceptional item. Further, the increase is also due to a contribution of Core SGF amounting to ₹ 4,320 Lakh in FY 2015-16 of which ₹ 2,579 Lakh accounted as prior-period expenses (FY 2014-15: Nil). Regulatory fees increased to ₹ 3,699 Lakh in FY 2015-16 as compared to ₹ 3,492 Lakh in FY 2014-15, an increment of 6% mainly due to an increase in listing income and offset by decrease in required contribution to its Investor Protection Fund ("IPF") Trust by CDSL. Employee cost increased by 12% to ₹ 11,155 Lakh in FY 2015-16 from ₹ 9,986 Lakh in FY 2014-15. Professional fees increased by 68% to ₹ 1,663 Lakh in FY 2015-16 from ₹ 989 Lakh in FY 2014-15. Computer technology related costs increased by 15% to ₹ 8,064 Lakh in FY 2015-16 as compared to ₹ 7,042 Lakh in FY 2014-15 primarily due to increase in technology program costs.

The increase in other expenses by 19% to ₹ 4,901 Lakh in FY 2015-16 from ₹ 4,121 Lakh in FY 2014-15 includes provision for bad and doubtful debts which has been made for ₹ 109 Lakh (net of Bad Debts written off) in FY 2014-15. Bad debts amounting to ₹ 495 Lakh has been written off during FY 2015-16 out of provisions for bad and doubtful debts made in the earlier years.

Depreciation and amortisation increased by ₹ 291 Lakh from ₹ 5,877 Lakh in FY 2014-15 to ₹ 6,168 Lakh in FY 2015-16 primarily due to capitalization of disaster recovery site of BSE at Hyderabad and setting up of new Data Centre at BSE Premises at Mumbai.

Exceptional items expenses decreased by ₹ 5,558 Lakh primarily due to (a) decrease in expenses towards Liquidity Enhancement Incentive Schemes by ₹ 1,701 Lakh to ₹ 1,724 Lakh, (b) non-recurrence of expenses of ₹ 1,432 Lakh towards Voluntary Retirement Scheme introduced in FY 2014-15, and (c) reversal of earlier year contribution to Depository IPF of ₹ 3,310 Lakh by CDSL in accordance with change in SEBI Regulations.

## 9.2 STANDALONE PERFORMANCE

(₹ in Lakh)

| Particulars   | Year Ending March 31, 2016 | Year Ending March 31, 2015 | Variance (%) |
|---|----------------------------|----------------------------|--------------|
| <b>A. Income</b>                                    |                            |                            |              |
| - Trading Member                                    | 7,745                      | 7,428                      | 4%           |
| - Services to Corporate                             | 16,111                     | 10,539                     | 53%          |
| - Investments & Deposits                            | 23,404                     | 18,675                     | 25%          |
| - Data Dissemination Fees                           | 2,242                      | 2,193                      | 2%           |
| - Other Income                                      | 2,087                      | 2,483                      | -16%         |
| - Other Operating Income                            | -                          | 2,600                      | -100%        |
| <b>Total Income</b>                                 | <b>51,589</b>              | <b>43,918</b>              | <b>17%</b>   |
| <b>B. Expenses</b>                                  |                            |                            |              |
| - Employee Benefits Expense                         | 5,857                      | 5,528                      | 6%           |
| - Computer Technology Related Expenses              | 8,161                      | 6,746                      | 21%          |
| - Administration & Other Expenses                   | 14,489                     | 9,929                      | 46%          |
| <b>Total Expenses</b>                               | <b>28,507</b>              | <b>22,203</b>              | <b>28%</b>   |
| <b>C. EBITDA</b>                                    | <b>23,082</b>              | <b>21,715</b>              | <b>6%</b>    |
| <b>EBITDA Margin</b>                                | <b>45%</b>                 | <b>49%</b>                 |              |
| Depreciation & Amortization                         | 5,638                      | 5,216                      | 8%           |
| Finance Cost  | 16                         | 22                         | -27%         |
| <b>D. Profit before Exceptional Items &amp; Tax</b> | <b>17,428</b>              | <b>16,477</b>              | <b>6%</b>    |
| Exceptional Items                                   | 7,327                      | 4,920                      | 49%          |



Shri Shankar Jadhav, Head Strategy, BSE along with the business delegation from Japan with the BSE Bull during their visit to BSE on March 21, 2016.

| Particulars                    | Year Ending March 31, 2016 | Year Ending March 31, 2015 | Variance (%) |
|--------------------------------|----------------------------|----------------------------|--------------|
| <b>E. Profit before tax</b>    | <b>10,101</b>              | <b>11,557</b>              | <b>-13%</b>  |
| Provision for taxes            | (511)                      | 1,413                      | -136%        |
| <b>F. Net Profit After Tax</b> | <b>10,612</b>              | <b>10,144</b>              | <b>5%</b>    |
| Net Margin                     | 21%                        | 23%                        |              |

➤ **STANDALONE INCOME**

(₹ in Lakh)

| Particulars             | Year Ending March 31, 2016 | % of Total Income | % Growth   | Year Ending March 31, 2015 | % of Total Income |
|-------------------------|----------------------------|-------------------|------------|----------------------------|-------------------|
| Trading Member          | 7,745                      | 15%               | 4%         | 7,428                      | 17%               |
| Services to Corporates  | 16,111                     | 31%               | 53%        | 10,539                     | 24%               |
| Data Dissemination Fees | 2,242                      | 4%                | 2%         | 2,193                      | 5%                |
| Investment Income       | 23,404                     | 45%               | 25%        | 18,675                     | 43%               |
| Other Income            | 2,087                      | 4%                | -16%       | 2,483                      | 6%                |
| Other Operating Income  | -                          | -                 | -          | 2,600                      | 6%                |
| <b>Total Income</b>     | <b>51,589</b>              |                   | <b>17%</b> | <b>43,918</b>              |                   |

BSE's standalone total income grew by 17% to ₹ 51,589 Lakh in FY 2015-16 from ₹ 43,918 Lakh in FY 2014-15. This surge in total income is primarily attributable to the 53% increase in service to corporates to ₹ 16,111 Lakh in FY 2015-16 from ₹ 10,539 Lakh in FY 2014-15, mainly due to the increase in listing fees. Transaction charges increased by ₹ 447 Lakh from ₹ 5,049 Lakh to ₹ 5,496 Lakh. While the average daily turnover in equity cash segment reduced by 16% in FY 2015-16 to



Shri Shankar Jadhav, Head Strategy, BSE presenting a memento to Mr. Marco Graf, Director General IHK Osnabrück-Emsland-Grafschaft Bentheim along with few German delegates at BSE on March 23, 2016.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to The Rt Hon Alderman the Lord Mountevans, Lord Mayor of the City of London during his visit to BSE on March 14, 2016.

₹ 2,996 Crore as compared to ₹ 3,552 Crore in FY 2014-15, the increase in transaction charges is attributable to the increase of transaction charges in companies listed in XC, XD, XT, Z and ZP group and healthy growth in turnover in currency derivatives segment. The 25% growth in investment income to ₹ 23,404 Lakh in FY 2015-16 from ₹ 18,675 Lakh in FY 2014-15 is primarily due to the increase of ₹ 4,931 Lakh in dividends received from strategic investments over previous year offset by decrease in yields on debt investments during the year and transfer of investible funds to a separate Core SGF.

➤ **STANDALONE EXPENSES**

(₹ in Lakh)

| Particulars                          | Year Ending March 31, 2016 | % of Total Income | % Growth | Year Ending March 31, 2015 | % of Total Income |
|--------------------------------------|----------------------------|-------------------|----------|----------------------------|-------------------|
| Employee Benefits Expense            | 5,857                      | 11%               | 6%       | 5,528                      | 13%               |
| Computer Technology Related Expenses | 8,161                      | 16%               | 21%      | 6,746                      | 15%               |
| Regulatory Fees                      | 3,335                      | 6%                | 56%      | 2,140                      | 5%                |
| Contribution to Core SGF             | 4,320                      | 8%                | NA       | -                          | -                 |
| Contribution to SGF (25% of Profits) | 5,143                      | 10%               | NA       | -                          | -                 |
| Legal Fees                           | 428                        | 1%                | -15%     | 504                        | 1%                |
| Professional Fees                    | 1,188                      | 2%                | 123%     | 532                        | 1%                |



Shri V. Balasubramaniam, Chief Business Officer, BSE interacting with Shri Venkat Thiagarajan, Sr. Vice President & Head Treasury, Reliance Industries Limited during the Seminar on Cross Currency Derivatives on April 1, 2016.

| Particulars           | Year Ending March 31, 2016 | % of Total Income | % Growth   | Year Ending March 31, 2015 | % of Total Income |
|-----------------------|----------------------------|-------------------|------------|----------------------------|-------------------|
| Electricity Charges   | 1,961                      | 4%                | 52%        | 1,286                      | 3%                |
| Repairs & Maintenance | 750                        | 1%                | 18%        | 637                        | 1%                |
| Travelling Expenses   | 325                        | 1%                | 18%        | 275                        | 1%                |
| Rent                  | 123                        | 0%                | -61%       | 312                        | 1%                |
| Others                | 2,059                      | 4%                | -51%       | 4,243                      | 10%               |
| Depreciation          | 5,638                      | 11%               | 8%         | 5,216                      | 12%               |
| Interest              | 16                         | 0%                | -27%       | 22                         | 0%                |
| Exceptional Items     | 2,184                      | 4%                | -56%       | 4,920                      | 11%               |
| <b>Total Expenses</b> | <b>41,488</b>              | <b>80%</b>        | <b>28%</b> | <b>32,361</b>              | <b>74%</b>        |

BSE's standalone total expenses increased by 28% to ₹ 41,488 Lakh in FY 2015-16 from ₹ 32,361 Lakh in FY 2014-15.

The increase is mainly on account of a contribution of 25% transfer of profit to the SGF in accordance with SEBI circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016, amounting to ₹ 5,143 Lakh accounted as an exceptional item. Further, the increase is also due to a contribution to Core SGF amounting to ₹ 4,320 Lakh in FY 2015-16 of which ₹ 2,579 Lakh accounted as prior-period expenses (FY 2014-15: Nil). Regulatory fees has increased by 56% to ₹ 3,335 Lakh in FY 2015-16 from ₹ 2,140 Lakh in FY 2014-15 mainly due to the increase in listing income.

Employee cost increased by 6% to ₹ 5,857 Lakh in FY 2015-16 from ₹ 5,528 Lakh in FY 2014-15. Professional fees increased by 123% to ₹ 1,188 Lakh in FY 2015-16

from ₹ 532 Lakh in FY 2014-15. Computer technology related costs increased by 21% to ₹ 8,161 Lakh in FY 2015-16 from ₹ 6,746 Lakh in FY 2014-15 primarily due to the increase in technology program costs.

The drop in other expenses by 51% to ₹ 2,059 Lakh in FY 2015-16 as compared to ₹ 4,243 Lakh in FY 2014-15 is primarily due to (a) non-recurrence of clearing expenses of ₹ 1,613 Lakh, and (b) Reduction in provision for diminution in value of long term investments by ₹ 713 Lakh.

Depreciation and amortisation increased by ₹ 422 Lakh from ₹ 5,216 Lakh in FY 2014-15 to ₹ 5,638 Lakh in FY 2015-16 primarily due to capitalization of disaster recovery site of BSE at Hyderabad and setting up of new Data Centre at BSE Premises at Mumbai.

Exceptional expenses decreased by ₹ 2,736 Lakh primarily due to (a) decrease in expenses towards Liquidity Enhancement Incentive Schemes by ₹ 1,701 Lakh to ₹ 1,724 Lakh, and (b) non-recurrence of expenses of ₹ 1,277 Lakh towards Voluntary Retirement Scheme introduced in FY 2014-15.

### 9.3 BALANCE SHEET

#### ➤ CONSOLIDATED

(₹ in Lakh)

| Particulars                       | As at March 31, 2016 | As at March 31, 2015 |
|-----------------------------------|----------------------|----------------------|
| <b>EQUITIES &amp; LIABILITIES</b> |                      |                      |
| Shareholders' Funds               | 2,44,928             | 2,46,089             |
| Core Settlement Guarantee Fund    | 17,605               | 11,126               |
| Share Application Money           | 1                    | 1                    |
| Minority Interest                 | 22,231               | 19,864               |
| Non-Current Liabilities           | 7,439                | 7,099                |



Shri Ashishkumar Chauhan, MD & CEO, BSE along with the other delegates lighting the lamp during Aadhaar Based KYC workshop in BSE on February 4, 2016.



| Particulars               | As at<br>March<br>31, 2016 | As at<br>March<br>31, 2015 |
|---------------------------|----------------------------|----------------------------|
| Current Liabilities       | 1,28,493                   | 1,35,556                   |
| <b>Total</b>              | <b>4,20,697</b>            | <b>4,19,735</b>            |
| <b>ASSETS</b>             |                            |                            |
| Goodwill on Consolidation | 8,504                      | 8,504                      |
| Non-Current Assets        | 1,82,233                   | 1,67,346                   |
| Current Assets            | 2,29,960                   | 2,43,885                   |
| <b>Total</b>              | <b>4,20,697</b>            | <b>4,19,735</b>            |

➤ **STANDALONE**

(₹ in Lakh)

| Particulars                       | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|-----------------------------------|----------------------------|----------------------------|
| <b>EQUITIES &amp; LIABILITIES</b> |                            |                            |
| Shareholders' Funds               | 2,25,361                   | 2,22,911                   |
| Share Application Money           | 1                          | 1                          |
| Non-Current Liabilities           | 4,823                      | 4,520                      |
| Current Liabilities               | 61,582                     | 62,727                     |
| <b>Total</b>                      | <b>2,91,767</b>            | <b>2,90,159</b>            |
| <b>ASSETS</b>                     |                            |                            |
| Non-Current Assets                | 1,86,031                   | 1,68,025                   |
| Current Assets                    | 1,05,736                   | 1,22,134                   |
| <b>Total</b>                      | <b>2,91,767</b>            | <b>2,90,159</b>            |

➤ **EQUITIES & LIABILITIES**

**Share Capital**

The paid up equity share capital of BSE rose from ₹ 1,039 Lakh (representing 10,39,27,772 shares of the face value of ₹ 1 each), as on March 31, 2015 to ₹ 1,074 Lakh (representing 107,356,344 shares of the face value



*Shri Ashishkumar Chauhan, MD & CEO, BSE speaking on Indian Economy at the Annual Stock Broker's Association Conference, Sydney on May 28, 2015.*



*Shri Ashishkumar Chauhan, MD & CEO, BSE with Shri Ramesh Abhishek, Chairman, Forward Market Commission; Shri Siddharth Shah, Chairman, BSE Brokers Forum; Shri Alok C Churiwala, Vice Chairman, BSE Brokers Forum on the dais with the other delegates during the launch of 'Operation Manual For Commodity Markets' & a talk on 'Union Budget & Capital Markets' on February 26, 2015 at BSE.*

of ₹ 1 each) as on March 31, 2016. The increase is on account of allotment of 34,28,572 equity shares of ₹ 1 each issued as fully paid-up pursuant to the merger of United Stock Exchange of India Limited ("USE") with BSE under the scheme of amalgamation without the payment being received in cash.

**Reserves & Surplus**

**Capital Reserve:** On a standalone basis and a consolidated basis, the balance as at March 31, 2016 amounted to ₹ 66,179 Lakh, which is the same as the previous year.

**Securities Premium Account:** On a standalone basis and a consolidated basis, the balance as at March 31, 2016 reduced by ₹ 104 Lakh to ₹ 39,285 Lakh, as compared to the previous year. This is due to utilisation of the reserve for share issue expenses on merger of USE with BSE.

**General Reserve:** The balance of General Reserve as on March 31, 2016 stood at ₹ 69,415 Lakh on a standalone basis and ₹ 70,470 Lakh on a consolidated basis, which is the same as the previous year.

**Settlement Guarantee Fund:** On a standalone basis, the balance as at March 31, 2016 reduced by ₹ 5,144 Lakh to Nil, as compared to the previous year. On a consolidated basis, the balance as at March 31, 2016 reduced by ₹ 2,565 Lakh to Nil, as compared to previous year.

**Surplus in Statement of Profit and Loss:** On a standalone basis, the balance retained in the surplus in Statement of Profit and Loss as at March 31, 2016 was ₹ 38,878 Lakh, after providing interim and final dividend for the year of ₹ 3,821 Lakh and ₹ 4,367 Lakh respectively, and dividend tax of ₹ 1,667 Lakh thereon. The total amount of profits appropriated to dividend including dividend tax was ₹ 9,855 Lakh, as compared to ₹ 6,570 Lakh in the previous year.

On a consolidated basis, the balance retained in the surplus in Statement of Profit and Loss as at March 31, 2016 was ₹ 57,390 Lakh.





Shri Nimesh Shah, MD & CEO, ICICI Prudential Asset Management Company ringing the bell during the ETNow BSE Day on November 15, 2016.

#### Shareholders' funds:

The total shareholders fund on consolidated basis decreased to ₹ 2,44,928 Lakh as on March 31, 2016 from ₹ 2,46,089 Lakh as at March 31, 2015. The book value per equity share on consolidated basis decreased to ₹ 224.34 as at March 31, 2016 compared to ₹ 225.41 as at March 31, 2015. Primarily on account of Core Settlement Guarantee Fund.

The total shareholders fund on standalone basis increased to ₹ 2,25,361 Lakh as on March 31, 2016 from ₹ 2,22,911 Lakh as at March 31, 2015. The book value per equity share on standalone basis increased to ₹ 206.42 as at March 31, 2016 compared to ₹ 204.18 as at March 31, 2015.

#### Long Term Liabilities and Current Liabilities:

On consolidated basis, total long-term liabilities and current liabilities decreased by ₹ 6,723 Lakh to ₹ 1,35,932 Lakh (FY 2014-15: ₹ 1,42,655 Lakh) as follows:

(₹ in Lakh)

| Long Term Liabilities & Current Liabilities - Consolidated |            |         |            |         |
|--|------------|---------|------------|---------|
| Particulars  | FY 2015-16 |         | FY 2014-15 |         |
|  | Long Term  | Current | Long Term  | Current |
| Contribution Payable to Settlement Guarantee Fund          | -          | 5,143   | -          | -       |
| Deposits & Margins from Members                            | 1,900      | 25,319  | 1,900      | 28,313  |
| Other Security Deposits Received                           | 4,522      | 1,379   | 3,918      | 3,870   |

| Long Term Liabilities & Current Liabilities - Consolidated |              |                 |              |                 |
|--|--------------|-----------------|--------------|-----------------|
| Particulars  | FY 2015-16   |                 | FY 2014-15   |                 |
|  | Long Term    | Current         | Long Term    | Current         |
| Deposits from Clearing Banks                               | -            | 13,801          | -            | 13,801          |
| Settlement Obligations Payable                             | -            | 29,698          | -            | 30,362          |
| Earmarked Liabilities                                      | -            | 26,707          | -            | 24,024          |
| Unsecured Loans  | 188          | -               | 356          | -               |
| Trade Payables   | 416          | 6,966           | 339          | 5,805           |
| Provision for Dividend & Other Taxes                       | 15           | 6,731           | 267          | 7,477           |
| Others   | 398          | 12,749          | 319          | 21,904          |
| <b>TOTAL</b>   | <b>7,439</b> | <b>1,28,493</b> | <b>7,099</b> | <b>1,35,556</b> |

The decrease in total long term liabilities and current liabilities was primarily on account of (a) decrease in deposit and margins from members by ₹ 2,994 Lakh, (b) decrease in settlement obligation payable by ₹ 664 Lakh, (c) decrease in other security deposit payable by ₹ 1887 Lakh, (d) decrease in statutory remittance by ₹ 7,619 Lakh, (e) reversal of liability towards contribution to CDSL IPF Trust ₹ 3,079 Lakh, (f) decrease in provision for dividend and taxes by ₹ 998 Lakh, (g) decrease in unsecured loans by ₹ 168 Lakh, offset by (a) increase in contribution payable to Core SGF pursuant to SEBI Circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 by ₹ 5,143 Lakh (b) increase in earmarked liabilities by ₹ 2,683 Lakh (c) increase in trade payables by ₹ 1,237 Lakh.



Shri Nayan Mehta, CFO, BSE, along with the American Officials from Mission India near the BSE Bull during their visit to BSE on September 10, 2015.

On standalone basis, total long-term liabilities and current liabilities decreased by ₹ 842 Lakh to ₹ 66,405 Lakh (FY 2014-15: ₹ 67,247 Lakh) as follows:

(₹ in Lakh)

| Long Term Liabilities & Current Liabilities - Standalone |              |               |              |               |
|--|--------------|---------------|--------------|---------------|
| Particulars  | FY 2015-16   |               | FY 2014-15   |               |
|  | Long Term    | Current       | Long Term    | Current       |
| Contribution Payable to Settlement Guarantee Fund        | -            | 5,143         | -            | -             |
| Deposits & Margins from Members                          | 1,900        | 7,162         | 1,900        | 7,157         |
| Other Security Deposits Received                         | -            | 1,479         | -            | 3,869         |
| Earmarked Liabilities                                    | -            | 28,041        | -            | 24,770        |
| Trade Payables   | 333          | 5,457         | 309          | 4,528         |
| Provision for Dividend & Other Taxes                     | -            | 6,108         | 251          | 7,422         |
| Others   | 2,590        | 8,192         | 2,060        | 14,981        |
| <b>TOTAL</b>   | <b>4,823</b> | <b>61,582</b> | <b>4,520</b> | <b>62,727</b> |

The decrease in total long term liabilities and current liabilities was primarily on account of (a) decrease in other security deposit payable by ₹ 2,390 Lakh, (b) decrease in provision for dividend and taxes by ₹ 1,314 Lakh (c) decrease in statutory remittance



Shri Rana Kapoor, MD & CEO, YES Bank along with Shri Nehal Vora, Chief Regulatory Officer, BSE ringing the bell during the ETNow BSE Day on February 9, 2016 at BSE.



Shri Varun Berry, Managing Director, Britannia Industries Limited along with Shri Neeraj Kulshrestha, Chief of Business Operations, BSE ringing the bell during the ETNow BSE Day on January 16, 2016 at BSE.

by ₹ 7,708 Lakh, offset by (a) increase in Contribution payable to Core SGF pursuant to SEBI circular SEBI/HO/ MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 by ₹ 5,143 Lakh, (b) increase in earmarked liabilities by ₹ 3,271 Lakh, (c) increase in trade payables by ₹ 953 Lakh.

#### ➤ ASSETS

Non-current Assets and Current Assets

Non-current assets and current assets on a consolidated basis increased by ₹ 962 Lakh to ₹ 4,20,697 Lakh (FY 2014-15: ₹ 4,19,735 Lakh) as follows:

(₹ in Lakh)

| Non-current Assets and Current Assets - Consolidated |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| Particulars  | FY 2015-16      |                 | FY 2014-15      |                 |
|  | Long Term       | Current         | Long Term       | Current         |
| Fixed Assets incl. Capital Work in Progress          | 24,962          | -               | 25,423          | -               |
| Investments and Cash & Bank Balances                 | 1,52,508        | 2,14,736        | 141,023         | 2,31,843        |
| Loans & Advances                                     | 12,039          | 1,970           | 8,563           | 2,470           |
| Trade Receivables                                    | -               | 4,799           | -               | 3,600           |
| Others   | 1,228           | 8,455           | 841             | 5,972           |
| <b>TOTAL</b>   | <b>1,90,737</b> | <b>2,29,960</b> | <b>1,75,850</b> | <b>2,43,885</b> |

The increase in non-current and current assets is primarily on account of (a) increase in prepaid taxes by ₹ 3,401 Lakh, (b) increase in trade receivable by



Shri Ravi Uppal, MD & Group CEO, JSPL and Shri Nayan Mehta, Chief Financial Officer, ringing the bell during the ETNow BSE Day on March 30, 2016 at BSE.

₹ 1,199 Lakh, and (c) increase in accrued interest on investments by ₹ 2,598 Lakh offset by (a) decrease in Investments and cash & bank balances by ₹ 5,622 Lakh and (b) decrease in fixed assets by ₹ 461 Lakh,

Non-current assets and current assets on a standalone basis increased by ₹ 1,608 Lakh to ₹ 2,91,767 Lakh (FY 2014-15: ₹ 2,90,159 Lakh) as follows:

(₹ in Lakh)

| Non-current Assets and Current Assets - Standalone |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| Particulars  | FY 2015-16      |                 | FY 2014-15      |                 |
|  | Long Term       | Current         | Long Term       | Current         |
| Fixed Assets incl. Capital Work in Progress        | 15,089          | -               | 15,368          |                 |
| Investments and Cash & Bank Balances               | 1,62,355        | 97,427          | 1,44,199        | 1,12,699        |
| Loans & Advances                                   | 8,178           | 723             | 5,669           | 3,166           |
| Trade Receivables                                  | -               | 2,941           | -               | 2,630           |
| Others   | 409             | 4,645           | 2,789           | 3,639           |
| <b>TOTAL</b>                                       | <b>1,86,031</b> | <b>1,05,736</b> | <b>1,68,025</b> | <b>1,22,134</b> |

The increase in non-current and current assets is primarily on account of (a) increase in Investments and cash & bank balances by ₹ 2,884 Lakh, (b) increase in trade receivable by ₹ 311 Lakh, (c) increase in accrued interest on investments by ₹ 1,006 Lakh, offset by (a) decrease in loans & advances by ₹ 799 Lakh, (b) decrease in fixed assets by ₹ 279 Lakh, (c) decrease in Contribution to Core SGF by ₹ 2,579 Lakh.

#### 9.4 CASH FLOW

##### ➤ CASHFLOW - CONSOLIDATED

BSE's growth is financed by its bought forward surpluses and cash generated from operations. It has sufficient cash generated from operations for meeting its working capital requirements as well as the requirements for capital expenditure.

Summary of consolidated cash flow statement is given below:

(₹ in Lakh)

| Particulars   | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Operating Activities  | (1,815)                           | (15,945)                          |
| Investing Activities  | 25,078                            | 9,433                             |
| Financing Activities  | (15,266)                          | (3,884)                           |
| <b>Net increase / (decrease) in cash &amp; cash equivalents</b> | <b>7,997</b>                      | <b>(10,396)</b>                   |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>       | <b>15,972</b>                     | <b>7,975</b>                      |
| <b>Cash and Cash Equivalents at the beginning of the year</b>   | <b>7,975</b>                      | <b>18,104</b>                     |
| <b>Cash and Cash Equivalents acquired from Amalgamation</b>     | <b>-</b>                          | <b>267</b>                        |

In FY 2015-16, the operating cash flow generated before working capital changes increased to ₹ 10,667 Lakh as compared to ₹ 7,078 Lakh in FY 2014-15. There was a net outflow of ₹ 5,155 Lakh in FY 2015-16 towards working capital changes mainly attributable towards earmarked payments and payment of statutory remittances. The cash flow used from operating activities was ₹ 1,815 Lakh after tax payments of ₹ 7,327 Lakh.

The cash generated from investing activities on consolidated basis was ₹ 25,078 Lakh in FY 2015-16. It was primarily due to income from investments ₹ 16,981 Lakh and adjusted by addition of fixed deposit ₹ 4,956 Lakh. Of the same, ₹ 19,267 Lakh was invested in non-current and current investments and ₹ 6,214 Lakh was invested in fixed assets.

Cash used in financing activities on a consolidated basis in the FY 2015-16 was ₹ 15,266 Lakh. It is primarily on account of payment of Dividend & tax on dividend of ₹ 12,437 Lakh.

➤ **CASHFLOW - STANDALONE**

| Particulars   | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| Operating Activities  | (5,529)                           | 4,689                             |
| Investing Activities  | 17,282                            | 1,830                             |
| Financing Activities  | (11,882)                          | (6,883)                           |
| <b>Net increase / (decrease) in cash &amp; cash equivalents</b> | <b>(129)</b>                      | <b>(364)</b>                      |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>       | <b>213</b>                        | <b>342</b>                        |
| <b>Cash and Cash Equivalents at the beginning of the year</b>   | <b>342</b>                        | <b>439</b>                        |
| <b>Cash and Cash Equivalents acquired from amalgamation</b>     | <b>-</b>                          | <b>267</b>                        |

In FY 2015-16, the operating cash flow used before working capital changes decreased to ₹ 7,111 Lakh as compared to ₹ 747 Lakh in FY 2014-15. There was a net outflow of ₹ 4,373 Lakh in FY 2015-16 towards working capital changes mainly attributable towards earmarked payments and payment of statutory remittances. The cash flow used from operating activities was ₹ 5,529 Lakh after tax payments of ₹ 2,791 Lakh.

The cash generated from investing activities on standalone basis of ₹ 17,282 Lakh in FY 2015-16. It is primarily due to income from investments ₹ 21,926 Lakh and maturity of fixed deposit ₹ 2,649 Lakh. Of the same, net proceeds of ₹ 1,489 Lakh were received from non-current and current investments and ₹ 5,804 Lakh was invested in fixed assets.

Cash used in financing activities on a standalone basis in

FY 2015-16 was ₹ 11,882 Lakh. It is primarily on account of payment of dividend & tax on dividend ₹ 9,373 Lakh.

**9.5 SEGMENT-WISE REPORTING**

BSE's consolidated results are reportable under 2 business segments viz. Stock Exchange Operations and Depository Services. The remaining operations do not meet the thresholds for reporting separate segment information under Accounting Standard AS-17 on Segment Reporting. Segment-wise revenue and results are provided in this section.

(₹ in Lakh)

| Particulars                  | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 |
|------------------------------|-----------------------------------|-----------------------------------|
| <b>Segment Revenue</b>       |                                   |                                   |
| (a) Stock Exchange Activity  | 48,108                            | 46,438                            |
| (b) Depository Activity      | 13,818                            | 12,589                            |
| <b>Total Segment Revenue</b> | <b>61,926</b>                     | <b>59,027</b>                     |
| <b>Segment Results</b>       |                                   |                                   |
| (a) Stock Exchange Activity  | 21,676                            | 25,341                            |
| (b) Depository Activity      | 8,769                             | 7,267                             |
| <b>Total Segment Results</b> | <b>30,445</b>                     | <b>32,608</b>                     |

BSE's standalone results are reportable under in one business segment only i.e. "Facilitating trading in securities and other related ancillary services", the operations have been carried out within India and hence does not have any reportable segments as per Accounting Standard 17 on "Segment Reporting".

**9.6 MATERIAL DEVELOPMENTS AFTER BALANCE SHEET DATE**

There are no material developments after the Balance Sheet Date.





*Shri Ravi Shankar Prasad, Hon'ble Minister of Communications and Information Technology, Government of India interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE during the Launch of Free Public Wi-Fi on January 10, 2016.*

# Report on Corporate Governance

BSE Limited (the Exchange) is a Public Limited Company, the securities of which are not listed on any stock exchange. However pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012"), Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Exchange has been practicing the principles of good corporate governance since inception. Exchange is striving to improve them continuously by setting its standard in line with the best corporate governance practices in the world. Good governance practices stem from the culture and mind set of the organization. It is therefore not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders. Corporate Governance is about commitment to values, ethical business conduct and transparency thus ensuring honest and professional business practices. The Exchange being a company incorporated under the Companies Act, 1956 (the Act) and a premier exchange of the country, has special nature of functions to perform. While as a public limited company, it has its obligations towards all its stakeholders, as a self-regulatory organisation catering to about 5,000 companies whose securities are listed on the Exchange, it has its own commitments and responsibilities. Thus it is required to strike a fine balance between the compliance of various guidelines and circulars issued by SEBI and the expectations of listed companies and millions of investors who view the Exchange as a catalyst for wealth creation for the Nation.

## 2. BOARD OF DIRECTORS

The Exchange is managed exclusively by and under the directions of the Board of Directors. The composition of the Board is governed by applicable laws, rules, regulations, circulars and guidelines issued by SEBI from time to time.

## 3. THE BOARD COMPOSITION

The Board consists of Ten (10) Directors, out of which Five (5) are Public Interest Directors and Four (4) are

Shareholder Directors, besides the Managing Director & CEO.

### A. Chairman

1. Mr. Sudhakar Rao (Public Interest Director)

### B. Managing Director & CEO

2. Mr. Ashishkumar Chauhan

### C. Public Interest Directors:

3. Dr. Sanjiv Misra
4. Mr. Dharendra Swarup
5. Dr. Krishnaswamy Kasturirangan
6. Mr. S. Ravi

### D. Shareholder Directors:

7. Mr. Thomas Lars Bendixen
8. Dr. Sriprakash Kothari
9. Ms. Usha Sangwan
10. Ms. Rajeshree Sabnavis

### Note:

*As on March 31, 2016 there were 10 directors on the Board*

*Dr. Sanjiv Misra ceased to be Public Interest director from April 22, 2016*

### Directors' Profile

#### A. Chairman

➤ **Mr. Sudhakar Rao**, (DIN 00267211) is a retired Indian Administrative Service (IAS) Officer of the 1973 batch. After initial postings at the field level in Karnataka, he went on deputation to the Union Government as Under Secretary in the Ministry of Power, where he was closely associated with the work of the path breaking Rajyadhyaksha Committee on Power. He was Deputy Commissioner & District Magistrate of Shimoga District (Karnataka) during 1982 and 1983. He proceeded on deputation to the Government of India (GoI) once again after completing his district assignment, and was Deputy Secretary in the Department of Economic Affairs, Ministry of Finance and thereafter Director in the Prime Minister's Office, dealing with policy matters covering social sectors. In his subsequent

deputation to GoI he was Joint Secretary in the Ministry of Power, following which he was posted as Minister (Economic) in the Embassy of India in Washington for four years.

On his return to the State Government in 2000, he held various assignments, including Chairman & Managing Director of the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC), Principal Secretary, Finance; Principal Secretary, Home; Principal Secretary to the Chief Minister of Karnataka; Development Commissioner and finally, Chief Secretary of Karnataka, from which post he retired from Government service on 30<sup>th</sup> September 2009.

On retirement, he was appointed as a Member of the Public Enterprises Selection Board (PESB), GoI from which post he resigned on 26<sup>th</sup> October, 2010 to take up other engagements.

Mr. Rao has a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

Mr. Rao is an Independent Director on the boards of several companies (including L&T IDPL, USL, HCG and IFFCO-TOKIO). He completed his three year term as an Independent Director on the Board of Indian Oil Corporation Limited in 2014. Mr. Rao was the Group Advisor, Strategy and Development with the Manipal Educational and Medical Group (MEMG) for four years till the end of 2013.

Mr. Rao is also Chairman of BSE Training Institute and BFSI Sector Skill Council of India.

Mr. Rao is involved with the work of several non-profits, including (Director) Public Affairs Centre, Bengaluru; (Chairman) Public Affairs Foundation, Bengaluru; (Chairman) Common Purpose (India); (Trustee) CMCA, Bengaluru; and (Trustee) Nightingale Medical Trust, Bengaluru, Mr. Rao is also the current Chairman of the Advisory Committee for the National Gallery of Modern Art, Bengaluru and the Chairman of the Advisory Group of the Bangalore School of Music.

Mr. Rao was conferred the Kannada Rajyotsava Award under Public Service category by the Government of Karnataka on November 1, 2010.

## B. Managing Director & CEO

- **Mr. Ashishkumar Chauhan**, (DIN 00898469) currently works as the MD & CEO of BSE Limited (Bombay Stock Exchange), the first stock exchange of Asia. He is one of the founders of India's National Stock Exchange ("NSE") where he worked from 1992 to 2000. At NSE, he was instrumental in setting up the first screen based trading in India,

equities market and first commercial satellite communications network for India. He is best known as the father of modern financial derivatives in India. He also created several path breaking frameworks including Nifty index, NSE certifications in financial markets etc.

From 2000 to 2009, he worked as the President and Chief Information Officer of Reliance group and also acted as the CEO of the cricket team Mumbai Indians in its formative years.

Mr. Ashishkumar Chauhan has won several International and Indian awards including

1. CEO of the Year, Diamond Sabre Awards 2015, Hongkong
2. Indian Business Leader of the Year, Horasis Interlaken/Switzerland 2015
3. RH Patil Award for Excellence in Financial Services, June 2015
4. Distinguished Alumnus Award, Indian Institute of Technology, Bombay, 2014
5. Best CEO in the Financial Markets in the Asia Pacific by the Asian Banker, 2014
6. Zee Business Awards- Special contribution in Commodities and Capital Market, 2013
7. TOP 50 CIOs, Information Week, US, 2009

He holds a B Tech in Mechanical Engineering from IIT Bombay and a PGDM from IIM Kolkata. He is a Distinguished Visiting professor at Ryerson University, Toronto, Canada.

Due to his work in various fields spanning a quarter of a century, he is considered one of the foremost experts in the fields of Information Technology, Finance, Markets, Micro structure of markets, cricket, telecommunications, organized retail, oil and gas, refining and Indian social issues.

He is the Chairperson on the Board of Governors (BoGs) of the National Institute of Technology (NIT) Manipur. He is an Advisor to the Technical Evaluation Committee set up by the Department of Posts for Postal Bank and also a part of several other committees of World Federation of Exchanges ("WFE"), Government of India ("GoI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Central Board of Direct Taxes (CBDT), Confederation of Indian Industry ("CII"), Federation of Indian Chambers of Commerce and Industry ("FICCI"), Indian Merchants Chamber ("IMC"), India UK council ("UKIBC") etc. He is also associated with several NGOs and education institutions. His quotes and writings have been published in various newspapers, magazines and journals in India and



abroad. He currently serves on the Board of BSE Institute Limited, Marketplace Technologies Private Limited, BSE Investment Limited and BSE Sammaan CSR Limited.

**C. Public Interest Directors**

- **Dr. Sanjiv Misra**, (DIN 03075797) superannuated from the Indian Administrative Service (IAS) in March 2008. An alumnus of St. Stephen's College, Delhi and the Delhi School of Economics, Dr. Misra obtained his M.P.A. degree from the John F. Kennedy School of Government, Harvard University, U.S.A. and Ph.D from the Jawaharlal Nehru University (JNU), New Delhi.

He combines a strong academic background with wide policy experience at the highest levels in the federal government. Dr. Misra is a former member of the 13th Finance Commission, a constitutional position with the rank and status of a Minister of State, Union of India. Prior to joining the Finance Commission, Dr. Misra served in the federal government in various key positions, including Secretary to the Government of India, Department of Expenditure and the Department of Disinvestment in the Ministry of Finance.

He has travelled extensively and represented India in various international conferences, seminars and negotiations. Dr. Misra was conferred the prestigious Lucius N Littauer Fellow Award of 1987 at Harvard University in recognition of exceptional intellectual strength and leadership qualities. He is currently the non-executive Chairman of Axis Bank Limited and an independent Director on the Boards of Hindustan Unilever Limited and Akzo Nobel India Limited.

- **Mr. Dharendra Swarup**, (DIN 02878434) has over four decades of experience across Finance, Budgeting, Public Debt Management, Public Policy and Pension Reforms. A former Chairman of Pension Funds Regulatory and Development Authority, he has been a civil servant, retired as Secretary to the Government of India, Ministry of Finance.

Mr. Swarup was Chairman of the Cash and Debt Management Committee of the Reserve Bank of India from 2000 to 2003. He was the government nominee Director on the Board of SEBI for 3 years and on a Public Sector Bank for 5 years. He was also Member-Convener, Financial Sector Legislative Reforms Commission - FSLRC (2011-2013). He is one of the main authors of the Fiscal Responsibility and Budget Management (FRBM) Act.

Mr Swarup was Member-Secretary of the Financial Sector Legislative Reforms Commission (2011-13) which, inter alia, recommended an Indian Financial

Code applicable to the entire financial sector. He is currently Chairman of the Public Debt Management Agency task force set up by the Ministry of Finance. Mr. Swarup is an IMF expert on fiscal affairs and has worked in UK, Turkey and Georgia.

He currently serves on the Board of Eros International Media Limited, PTC India Limited, Berger Paints India Limited, Towers Watson Insurance Brokers India Private Limited and Eros International Films Private Limited.

- **Dr. Krishnaswamy Kasturirangan**, (DIN 01749241) took his Bachelor of Science with Honours and Master of Science in Physics from Bombay University and received his Doctorate in Experimental High Energy Astronomy in 1971 while working at the Physical Research Laboratory, Ahmedabad. He was Member (Science) in the Planning Commission, Government of India (since July 2009 to April 2014).

He is presently the Chancellor of Jawaharlal Nehru University (JNU) (from March, 2012). He is an Honorary Professor of Physics at the Physical Research Laboratory, Ahmedabad and also at the Jawaharlal Nehru Centre for Advanced Research, Bangalore and is INAE Satish Dhawan Chair of Engineering Eminence at the National Institute of Advanced Studies, Bangalore. Earlier, he was Director of the National Institute of Advanced Studies (2004-2009) and also a Member of Upper House (Rajya Sabha) of the Indian Parliament (2003-2009).

For over 9 years until 2003, Dr. Kasturirangan steered the Indian Space programme as Chairman of the Indian Space Research Organisation. Under his leadership, the programme witnessed several major milestones including the successful launching and operationalisation of the India's prestigious satellite launch vehicles, viz., the Polar Satellite Launch Vehicle and the Geosynchronous Satellite Launch Vehicle; the development and launching of some of the world's best civilian remote sensing satellites, IRS-1C and 1D; new generation INSAT communication satellites and the ocean observation satellites, IRS-P3/P4.

He laid the foundation for the ASTROSAT satellite project and conceptualized the moon mission, Chandrayaan-1, steering it to the stage of approval by the Government. As an Astrophysicist, his interest includes research in high energy X-ray and gamma ray astronomy as well as optical astronomy. He has made extensive and significant contributions to studies of Cosmic x-ray and gamma ray sources and effect of cosmic x-rays in the lower atmosphere. Dr. Kasturirangan is a Member of the International Academy of Astronautics and served as its Vice President. He is a Member of the



International Astronomical Union and a Fellow of Third World Academy of Sciences (TWAS).

He is a Fellow of Indian Academy of Sciences and served as its President during 2001- 03. He is a Fellow of Indian National Academy of Engineering and was its President during 2005-06. He was also General President of the Indian Science Congress for the years 2002-2003. Besides, he is 'Honorary Professor for Life' of the University of Delhi, Fellow of the Indian National Science Academy and Fellow and the President of the National Academy of Sciences, India.

He is Honorary Fellow of the Cardiff University, UK and Academician of the Pontifical Academy of Sciences, Vatican City. He has won several awards which include "Brock Medal" of International Society of Photogrammetry and Remote Sensing (2004); "Allan D Emil Memorial Award" of the International Astronautical Federation (2004); "Lifetime Achievement Award" of Asia-Pacific Satellite communications Council, Singapore (2005); "Theodore Von Karman Award" by International Academy of Astronautics (IAA), France (2007); "Shanti Swarup Bhatnagar Award" in Engineering (1983); "Goyal Award" by Goyal Foundation (1997); Aryabhata Medal by Indian National Science Academy (2000); "GM Modi Award" by GM Modi Science Foundation (2002); "Aryabhata Award" of Astronautical Society of India (2003); "Asutosh Mookerjee Memorial Award" by the Indian Science Congress (2004); Award of "Jewel of Ruia", Ruia College Alumni Association (2007); "Maharana Udai Singh Award" by Maharana of Mewar Charitable Foundation (2008); Rajayogindra Award, Maharaja of Mysore (2008); "ISRO Life Time Achievement Award" instituted by Indian Space Research Organisation (2008); Vikram Sarabhai Memorial Gold Medal, Indian Science Congress (2009), Karnataka Rajyotsava Award (2014). He has been conferred the Award of "Officer of the Legion d'honneur" by the President of the French Republic and also honoured with the highest Indian civilian awards, viz., "Padma Shri", "Padma Bhushan" and "Padma Vibhushan" by the President of India.

- **Mr. S. Ravi**, (DIN 00009790), is a science graduate and holds a Masters Degree in Commerce. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and also holds a Diploma in Information Systems Audit (DISA) from ICAI.

His experience includes holding a number of positions on the Board of Banks, Financial Institutions and Asset Management Companies in the financial sector. As the Promoting and Managing Partner of Ravi Rajan & Co., Chartered

Accountants, he supervises the entire gamut of audit and accounting activities of the firm and offers Financial and Management Consultancy in specialized areas comprising of Business Valuations, Brand Valuation, Mergers and Acquisitions, Rehabilitation, Restructuring and Turnaround Strategies.

He has a rich experience in Banking Sector which includes tenure as director of UCO Bank (appointed by Govt. of India). As the Shareholder's Director of Dena Bank during 2000-02, he was member in the Audit Committee, Asset-liability and Risk Management Committee and Board's Committee for monitoring NPAs. He was also Chairman of Revival Committee of the Bank. He has served on the Board of Corporation Bank and Union Bank of India. He was also a Chairman/ member of Technical Expert's Committee for Revival of Punjab & Sind Bank and Working Group formed by Reserve Bank of India for preparation of the Draft Government Securities Regulations within the framework of the Government Securities Bill, 2004. His past experience in the finance sector includes serving as director on the Boards of IFCI, CANBANK Mutual Fund and Principal Trustee Company Pvt. Ltd.

Among PSUs, he has served on the boards of ONGC, BHEL, Kudremukh Iron Ore Company Ltd. and Hindustan Aeronautics Ltd. During his tenure in BHEL, he was Lead Independent Director and Chairman of the audit committee.

Presently, Mr. S. Ravi serves as a Director on boards of various companies such as IDBI Capital Markets Services Limited, UTI Trustee Company Private Limited, S Ravi Financial Management Services Private Limited, SMERA Ratings Limited, SBI-SG Global Securities Private Limited, IDBI Bank Limited, STCI Finance Ltd., Tourism Finance Corporation of India Ltd and BOI Merchant Bankers Limited.

He is member of the working group, constituted by Ministry of Heavy Industries & Public Enterprises, for suggesting possible modalities for creation of an institutional structure to be located in Department of Public Enterprises (DPE) on Corporate Social Responsibilities matters, member of the Takeover Panel of SEBI and, also, Mutual Funds Advisory Committee of SEBI and member of the Task Force of MOU (under DPE, Government of India) for the year 2015-16. He is a special invitee to ICAI's Committee on Banking, Insurance & Pension for the year 2015-16 and a co-opted member to ICAI's Committee on Information Technology for the year 2015-16. He was a jury member for ICAI's Award for Excellence in Financial Reporting for the year 2012-13.

A number of articles written by Mr. S. Ravi have been published by various business dailies. He is regularly invited by professional institutes, educational institutions and regulatory bodies to deliver lectures, host panel discussions, etc.

**D. Shareholder Directors**

- **Mr. Thomas Bendixen**, (DIN 03595996) is a shareholder director representing Deutsche Boerse AG. He is an employee of Deutsche Boerse derivatives subsidiary Eurex Frankfurt AG, responsible for exchange co-operations. He represents Deutsche Boerse AG in the working committee of the World Federation of Exchanges. He is also Chairman of the board of the GMEX Group in the UK.

Prior positions include ISE Inc in New York between 2003 - 2009 where he was Corporate Initiatives Officer since 2006, OMX Transaction NA where he was CEO between 2000-2002 and Swedgiro AB where he was CEO between 1995 – 2000. During the period 1986 - 1995 he was corporate legal counsel of OMX AB in Stockholm.

He holds a Masters (LLM) degree in Law and Economics from the University of Stockholm and completed the Insead International Executive Program in January 2000.

- **Dr. Sriprakash Kothari**, (DIN 06824003) is Deputy Dean and Gordon Y Billard Professor of Accounting and Finance at Massachusetts Institute of Technology. He is also an editor of the world-renowned academic publication, Journal of Accounting & Economics. Recently, Dr. Kothari was a recipient of the American Accounting Association's Notable Contributions to the Accounting Literature award. His other awards include an honorary doctorate, Doctor Honoris Causa, from the University of Technology, Sydney in May 2013, and a Distinguished Alumnus Award from Birla Institute of Technology and Science, Pilani, in 2013. Dr. Kothari's research focuses on US and international financial reporting practices and the pricing of financial information, investment analysis, and valuation. Dr. Kothari has served as global head of equity research for Barclays Global Investors (BGI), where he was responsible for research supporting BGI's active equity strategies, from 2008-09. The actively managed equity portfolio had in excess of \$100 billion in assets, and the research team was comprised of approximately 50 PhDs based in San Francisco, London, and Sydney. In addition, Dr. Kothari has frequently served as a Senior Consultant with Charles River Associates, a business-economics and litigation support consulting firm. He has consulted with many large corporations, including

leading US and international banks and asset management companies, Australian television broadcast corporations, US steel companies, E&Y, KPMG, PriceWaterhouse Coopers, and the U.S. Department of Justice. Mr. Kothari served on the Board of VVisions from 1998-2004 and is currently on the Board of FIA Technology Services. He is an expert on economic policy issues in India and has written numerous opinion-page editorials in The Economic Times.

Dr. Kothari holds BE from the Birla Institute of Technology and Science, Pilani and has earned his master's from the Indian Institute of Management, Ahmedabad. He completed his PhD from University of Iowa, United States.

- **Ms. Usha Sangwan**, (DIN 02609263) is the first ever woman Managing Director of Life Insurance Corporation of India since its inception. She holds a Master's Degree in Economics and a Post Graduate Diploma in Human Resource Management. She joined LIC as Direct Recruit Officer in 1981.

Ms. Sangwan is the Board Member of Axis Bank Ltd and Ambuja Cements Ltd., Chairman and Director of LIC HFL Care Homes, Director on the board of LIC (Singapore) Pte. Ltd., and LIC (Lanka) Ltd., Member of Governing Council of National Insurance Academy, a Trustee of LIC Golden Jubilee Foundation and a Member of Policyholder Protection Committee & Risk Management Committee of LIC of India.

She has worked in almost all core areas of life insurance including Marketing, Personnel, Corporate Planning, CSR, Housing Finance, Underwriting and Reinsurance, Corporate Communication, Investment Risk Management and Research, Group Business, Customer Relationship Management, Estate Management, Board Management, Direct Marketing and International Operations.

Her expertise lies in analytics, strategy, execution, people skill, use of technology particularly in marketing and servicing and setting up of systems.

She has been featured in Forbes List of 50 most powerful Business Women in Asia in 2015. She has been awarded the "Women Leadership Award" in BFSI sector by Institute of Public Enterprise and "Brand Slam Leadership Award" by CMO Asia. She has also been awarded "Women Leadership Role Model" by Top Rankers Management Consultants. Also felicitated by Free Press Journal, Colour TV and Doordarshan for Women in Leadership Role.

- **Ms. Rajeshree Sabnavis** (DIN 06731853) is a Partner at BMR & Associates LLP, one of India's leading independent firms of tax advisors. With a

specialisation in tax advisory and transaction tax matters, she has over 20 years of experience in advising clients on their cross border acquisitions and implementing the India business strategy for multinationals. She has also advised multinationals including Fortune 500 companies in the areas of tax and transfer pricing, and has assisted large Indian Companies in implementing their transfer pricing across jurisdictions in the ITES sector. She works with some of the larger portfolio investors investing in India including some of the large Institutional

investors in managing their tax compliance and litigation in India.

Ms. Sabnavis is part of the Direct Taxation Committee with the Bombay Chamber of Commerce where she is a Co-Chairperson. In this capacity, she has represented India business Houses and Multinationals on various tax issues before the Central Board of Direct Taxes. She is also a member of the EU Chamber of Commerce. She is a qualified Chartered Accountant and a Company Secretary.

#### 4. BOARD MEETINGS HELD DURING THE YEAR

During the financial year ended March 31, 2016 Five (5) meetings of Board of Directors were held. The dates of the Board meetings are as under:

18<sup>th</sup> May, 2015; 31<sup>st</sup> July, 2015; 24<sup>th</sup> September, 2015; 10<sup>th</sup> November, 2015 and 3<sup>rd</sup> February, 2016

The details of nature of directorships, number of directorships, Committee chairmanships/ memberships held by them in other public companies and shareholding are detailed below as on March 31, 2016:

| Name of the Director                                  | Category                 | Attendance at meeting during FY 2015-16 |          | Whether attended last AGM held on 25.09.2015 | No. of Director-ship (s) | Number of Committee positions held in other public companies |        |
|---|--------------------------|---|----------|--|--------------------------|--|--------|
|   |                          | Held                                    | Attended |  |                          | Chairman   | Member |
| Mr. Sudhakar Rao<br>(Chairman w.e.f. March 22, 2016)  | Chairman                 | 5                                       | 5        | Yes  | 6                        | 2  | 5      |
| Mr. S. Ramadorai <sup>1</sup><br>(Till March 7, 2016) | Chairman                 | 5                                       | 5        | Yes  | NA                       | NA   | NA     |
| Mr. Ashishkumar Chauhan                               | Managing Director & CEO  | 5                                       | 5        | Yes  | 3                        | Nil  | Nil    |
| Dr. Sanjiv Misra *                                    | Public Interest Director | 5                                       | 5        | Yes  | 3                        | 1  | 1      |
| Dr. K. Kasturirangan                                  | Public Interest Director | 5                                       | 5        | Yes  | Nil                      | Nil  | Nil    |
| Mr. Dharendra Swarup                                  | Public Interest Director | 5                                       | 5        | Yes  | 3                        | 2  | 2      |
| Mr. Thomas Lars Bendixen                              | Shareholder Director     | 5                                       | 5        | Yes  | Nil                      | Nil  | Nil    |
| Dr. Sriprakash Kothari <sup>2</sup>                   | Shareholder Director     | 5                                       | 3        | Yes  | Nil                      | Nil  | Nil    |
| Ms. Rajeshree Sabnavis <sup>2</sup>                   | Shareholder Director     | 5                                       | 3        | Yes  | Nil                      | Nil  | Nil    |
| Ms. Usha Sangwan <sup>2</sup>                         | Shareholder Director     | 5                                       | 1        | No   | 5                        | 1  | Nil    |
| Mr. S .Ravi <sup>3</sup>                              | Public Interest Director | 5                                       | -        | NA   | 7                        | 4  | 3      |
| Mr. S.H. Kapadia <sup>4</sup>                         | Public Interest Director | 5                                       | 3        | Yes  | NA                       | NA   | NA     |

<sup>1</sup> Ceased to be Chairman & Public Interest Director w.e.f. March 8, 2016.

<sup>2</sup> Appointed as Shareholder Director(s) w.e.f. September 4, 2015.

<sup>3</sup> Appointed as Public Interest Director w.e.f. February 5, 2016.

<sup>4</sup> Ceased to be Public Interest Director w.e.f. January 5, 2016 due to his sudden demise.

\* Dr. Sanjiv Misra ceased to be Public Interest director from April 22, 2016

**NOTES:**

- All directors except Mr. Ashishkumar Chauhan, MD & CEO are non-executive Directors
- All Public Interest Director are Independent Director
- Above Directorship excludes directorship in Indian Private Companies, Section 8 Companies and Companies Incorporated outside India
- Memberships/ Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee of all Public Companies have been considered above.
- None of the Directors are related to each other.
- None of the Director hold any shares of the Company

**5. CODE OF CONDUCT AND CODE OF ETHICS**

The Exchange has a well-defined Code of Conduct for its Board of Directors and a Code of Ethics for its Board of Directors and Key Management Personnel, as stipulated by SEBI.

**6. COMMITTEES OF THE BOARD**

**a) Audit Committee**

This Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013, Regulation 35 of SECC Regulations 2012 and Corporate Governance Norms (Regulation 18(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015).

**Terms of Reference of Audit Committee**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
5. Reviewing, with the management, the annual financial statements and the auditors' report thereon, before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly, financial statements before submission to the board for approval.
7. To review the financial statements, in particular, the investments made by the unlisted subsidiary company.
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.



10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. Discussion with internal auditors any significant findings and follow up there on.
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
16. To review the functioning of the Whistle Blower Mechanism.
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
18. Valuation of undertakings or assets of the Company, wherever it is necessary.
19. Scrutiny of inter-corporate loans and investments.
20. Evaluation of internal financial controls and risk management systems.
21. Approval or any subsequent modification of transactions of the company with related parties.
22. To appoint a person having such qualifications and experience and registered as a Valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or

any other assets or net worth of a company or its liabilities.

23. To ensure proper system for storage, retrieval, display or printout of the electronic records as deemed appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law provided that the back-up of the books of account and other books and papers of the company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **POWERS OF AUDIT COMMITTEE**

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **REVIEW OF INFORMATION BY AUDIT COMMITTEE**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

#### **THE AUDIT**

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of Finance Function), representatives of Statutory Auditors and representatives of Internal Auditors to be present at its meeting. The Company Secretary acts as a Secretary to the Audit Committee.

The previous Annual General Meeting of the Company was held on 25<sup>th</sup> September, 2015 and was attended by the Chairman of the Audit Committee.

**Composition, meeting and attendance during the year:**

| Name                                | Category   | No. of Meetings during the financial year 2015-16 |          |
|-------------------------------------|--|---|----------|
|                                     |  | Held  | Attended |
| Mr. Dharendra Swarup (Chairman)     | Non-Executive, Public Interest Director (Independent Director) | 4   | 4        |
| Mr. S. Ramadorai <sup>1</sup>       | Non-Executive, Public Interest Director (Independent Director) | 4   | 3        |
| Mr. Sudhakar Rao <sup>2</sup>       | Non-Executive, Public Interest Director (Independent Director) | 4   | 3        |
| Mr. Thomas Bendixen                 | Non-Executive, Shareholder Director                            | 4   | 4        |
| Dr. Sriprakash Kothari <sup>3</sup> | Non-Executive, Shareholder Director                            | 4   | 1        |
| Dr. Sanjiv Misra*                   | Non-Executive, Public Interest Director (Independent Director) | 4   | 4        |

<sup>1.</sup> Ceased to be member w.e.f. March 8, 2016

<sup>2.</sup> Ceased to be member of committee w.e.f. November 27, 2015 (reconstitution of committee).

<sup>3.</sup> Appointed as member of committee w.e.f. November 27, 2015 (reconstitution of committee).

\* Dr. Sanjiv Misra ceased to be Public Interest director from 22nd April, 2016

Four Audit Committee meetings were held during the financial year 2015-16. The dates on which the said meetings were held are 18<sup>th</sup> May, 2015; 31<sup>st</sup> July, 2015; 10<sup>th</sup> November, 2015 and 2<sup>nd</sup> February, 2016.

**b) Nomination and Remuneration / Compensation Committee**

The Committee is vested with all the necessary powers and authority to:

identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

**Terms of Reference**

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel under Companies Act 2013 and other employees.
2. Devising a policy on Board diversity
3. Formulation of criteria for evaluation of independent directors and the Board
4. Decide on the compensation policy of the Company
5. Determine the duration of appointment and compensation payable to Exchange's Managing Director (the "MD"), Whole Time Directors ("WTD")
6. Decide on the policy relating to duration of appointment and policy relating to Compensation payable to Key Management Personnel ("KMP") under SECC Regulations and Companies Act, 2013 other than MD and decide on policy relating to evaluation of their performance.

**Section 178(4) The Nomination and Remuneration Committee shall, while formulating the policy under subsection (3) ensure that—**

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

#### Key Management Personnel

| Sr. No. | Key Managerial Personnel under Companies Act 2013 | Sr. No. | Key Managerial Personnel under SECC Regulations |
|---------|---|---------|---|
| 1       | MD & CEO  | 1       | MD & CEO  |
| 2       | Chief Financial Officer                           | 2       | Chief Financial Officer                         |
| 3       | Company Secretary                                 | 3       | -   |
| 4       | -   | 4       | Chief Regulatory Officer                        |
| 5       | -   | 5       | Chief Business Officer                          |
| 6       | -   | 6       | Chief Information Officer                       |

#### Composition, meeting and attendance during the year:

| Name                          | Category                                | No. of Meetings during the financial year 2015-16 |          |
|-------------------------------|---|---|----------|
|                               |   | Held  | Attended |
| Mr. Sudhakar Rao (Chairman)   | Non-Executive, Public Interest Director | 3   | 3        |
| Mr. S. Ramadorai <sup>1</sup> | Non-Executive, Public Interest Director | 3   | 3        |
| Dr. Sanjiv Misra <sup>2</sup> | Non-Executive, Public Interest Director | 3   | 2        |
| Mr. Dharendra Swarup          | Non-Executive, Public Interest Director | 3   | 3        |
| Mr. Thomas Bendixen           | Non-Executive, Shareholder Director     | 3   | 3        |
| Ms. Usha Sangwan <sup>3</sup> | Non-Executive, Shareholder Director     | 3   | NA       |

<sup>1</sup> Ceased to be Member w.e.f. March 08, 2016.

<sup>2</sup> Ceased to be member w.e.f. November 27, 2015.

<sup>3</sup> Appointed as member w.e.f. November 27, 2015.

Note: Dr. Sanjiv Misra ceased to be Public Interest director from April 22, 2016

Three Nomination and Remuneration Compensation Committee meetings were held during the financial year 2015-16. The dates on which the said meetings were held are 7<sup>th</sup> April, 2015, 4<sup>th</sup> June 2015 and 10<sup>th</sup> November 2015.

#### Performance Evaluation Criteria of the Board

Pursuant to the provision of the Act and the SEBI regulation, the Board has carried out the annual evaluation of its own performance, as well as the performance of individual director and evaluation of the committees constituted under the Companies Act, 2013. A structured questionnaire was prepared after taking into consideration inputs received from directors covering various aspects of the Board's Functioning.

#### ➤ Remuneration of Directors:

Remuneration paid to Non-Executive Directors during the year

| Name of the Non-Executive Director | Sitting Fees (₹ in Lakh) |
|------------------------------------|--------------------------|
| Mr. S. Ramadorai                   | 12.75                    |
| Mr. Sudhakar Rao                   | 15.50                    |
| Dr. Sanjiv Misra                   | 12.75                    |
| Dr. K. Kasturirangan               | 13.25                    |
| Mr. Dharendra Swarup               | 17.75                    |
| Mr. S. Ravi                        | NA                       |
| Mr. Thomas Bendixen <sup>1</sup>   | 10.00                    |
| Dr. Sriprakash Kothari             | 3.75                     |
| Mr. S. H. Kapadia                  | 3.25                     |
| Ms. Rajeshree Sabnavis             | 3.75                     |
| Ms. Usha Sangwan <sup>2</sup>      | 1.00                     |

<sup>1</sup> Sitting fees paid to Deutsche Boerse AG (DB) for the meetings attended by Mr. Thomas Bendixen, as representative of Deutsche Boerse AG

<sup>2</sup> Sitting fees paid to Life Insurance Corporation (LIC) for the meetings attended by Ms. Usha Sangwan, as representative of Life Insurance Corporation

Non- Executive directors did not have any other pecuniary relationship or transactions with the Company during Financial Year 2015-16.

**Remuneration paid to Managing Director and Chief Executive Officer**

The details of remuneration paid to Managing Director & CEO during the financial year 2015-16 is given in the following table:

| Particulars                        | ₹ in Lakh     |
|------------------------------------|---------------|
| Basic Salary                       | 78.00         |
| Allowances & Perquisites           | 172.23        |
| Variable Pay based on performance* | 56.33         |
| PF Contribution                    | 9.36          |
| Ex - gratia                        | 10.92         |
| <b>Total</b>                       | <b>326.84</b> |

\* Represent 50% payment of total variable pay. As per SEBI Circular on Procedural norms on Recognition, Ownership and Governance for Stock Exchange and Clearing Corporations, 50% of the variable pay will be paid on a deferred basis after three years.

- Stock Option: NIL
- Appointment of MD & CEO is governed by a service contract for a period of 5 years and a notice period of 3 months.

**Policy for selection, appointment and remuneration of Directors and KMPs**

The Nomination and Remuneration (N&R) Committee has adopted policies which, inter alia, deals with the manner of selection, appointment and remuneration of Directors and KMPs

**Criteria of selection of Non-Executive Directors**

- A director shall possess appropriate skills, experience and knowledge in one or more fields of capital market, banking, finance, regulatory, administration, legal, commercial, science and technology or other disciplines related to the company's business.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director are qualified for appointment as Directors pursuant to Companies Act 2013 and SECC Regulations, 2012:
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board.

**Remuneration Policy for Directors**

In BSE, the Directors i.e. Public interest directors and Shareholder Directors are paid sitting fees for attending the Board and Committee meetings and reimbursement of expenses incurred for attending the meetings as approved by the Board subject to the provisions of the Companies Act 2013 and SECC Regulations, 2012.

**Managing Director & Chief Executive Officer**

The appointment, reappointment, remuneration payable and variation in terms of appointment are subject to the approval of the Nomination and Remuneration Committee /Board/Shareholders and SEBI pursuant to the provisions of the Companies Act, 2013 and SECC Regulations, 2012.

**Senior Management and other employees**

Remuneration to Key Managerial Personnel (KMP), Senior Management and all other Officers comprises of Fixed and Variable components. The same are reviewed annually based on the performance appraisal ratings and annual increments on fixed pay and Performance Linked Bonus on variable pay is paid against the individual ratings of all officers. As per the SECC guidelines, 50% of the variable pay is payable to KMPs after three years.

**c) Stakeholder Relationship / Share Allotment Committee**

This Committee has been constituted for allotment of shares of the Exchange issued / to be issued, from time to time and to look into the redressal of shareholder and investors complaints and is also in line with the prevailing guidelines on corporate governance .

**Terms of Reference:**

- To allot shares/securities from time to time.
- To consider all matters pertaining to securities, including but not limited to – offer of securities, allotment of securities, issue of securities, crediting of securities in depository system, listing / de-listing of securities on / from stock exchange(s) in India or abroad, transfer of



securities, transmission of securities, demat of securities, remat of securities, issue of duplicate securities certificate, consolidation of securities certificates, split of securities certificate and to do all acts required to be done under the applicable rules, regulations and guidelines, from time to time and to consider matters incidental thereto.

3. To monitor the shareholding pattern and related reports on securities.
4. To approve the opening, operations and closure of bank accounts for payment of interest, dividend and issue / redemption of securities and to authorize officials to open, operate and close the said accounts from time to time.
5. To appoint / change and fix the fees and other charges payable to the Registrar and Transfer Agents (RTA) for handling the work relating to securities and to delegate powers to the RTA as may be deemed fit and to monitor all activities of the RTA.
6. To consider and resolve the matters/grievances of shareholders/ investors in regard to the following:
  - transfer of shares
  - non-receipt of dividends
  - non-receipt of shares in demat account
  - non-receipt of annual report
  - any other matter of shareholder / investor grievance
  - to delegate any of the aforesaid matters to Director(s) / official(s) and / or the officials of the RTA, as the Committee may deem fit.

**Composition, meeting and attendance during the year:**

| Name  | Category                                | No. of meetings during the financial year 2015-2016 |          |
|---|---|---|----------|
|   |   | Held  | Attended |
| Ms. Rajeshree Sabnavis <sup>2</sup> (Chairperson) | Non-Executive, Shareholder Director     | 2   | 1        |
| Mr. Sudhakar Rao <sup>1</sup>                     | Non-Executive, Public Interest Director | 2   | 1        |

|                                   |   |   |   |
|-----------------------------------|---|---|---|
| Mr. Ramadorai <sup>3</sup>        | Non-Executive, Public Interest Director | 2 | 1 |
| Mr. Ashishkumar Chauhan           | Managing Director & CEO                 | 2 | 2 |
| Dr. K. Kasturirangan <sup>1</sup> | Non-Executive, Public Interest Director | 2 | 1 |
| Dr. Sanjiv Misra <sup>2*</sup>    | Non-Executive, Public Interest Director | 2 | 1 |
| Ms. Usha Sangwan <sup>2</sup>     | Non-Executive, Shareholder Director     | 2 | 0 |

<sup>1</sup> Ceased to be member of committee w.e.f. November 27, 2015 (reconstitution of committee).

<sup>2</sup> Appointed as member of committee w.e.f. November 27, 2015 (reconstitution of committee)

<sup>3</sup> Ceased to be Member w.e.f. March 08, 2016

\* Dr. Sanjiv Misra ceased to be Public Interest director from April 22, 2016

Two Stakeholder Relationship/Share Allotment Committee meetings were held during the financial year 2015-16. The dates on which the said meetings were held are 4<sup>th</sup> June, 2015 and 3<sup>rd</sup> February, 2016.

**Name and designation of Compliance officer**

Mr. Nehal Vora  
Chief Regulatory Officer  
BSE Limited  
25<sup>th</sup> Floor, P.J.Towers,  
Dalal Street, Mumbai 400 001

**Details of Shareholders' complaints received and redressed:**

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 1               | 74                       | 72                       | 3*              |

\* Queries received towards the end of March, 2016, and which have all been subsequently resolved.

**d) Independent Directors / Public Interest Directors Committee**

The role of Independent Directors / Public Interest Directors Committee is as follows:

**Under SECC Regulations, 2012:**

During their meetings, the Public Interest Directors shall review the following:

- Status of compliance with SEBI letters/ circulars.
- Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.
- The public interest directors shall prepare a report on the working of the other committees where they are also the members. The report shall be circulated to the other public interest directors.
- A consolidated report shall then be submitted to the Governing Board of the stock exchange.
- The public interest directors shall identify important issues which may involve conflict of interest for the stock exchange or may have significant impact on the market and report the same to SEBI.

**Under Companies Act, 2013:**

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Composition, meeting and attendance during the year:**

| Name                       | Category                                | No. of meetings during the financial year 2015-2016 |          |
|----------------------------|---|---|----------|
|                            |   | Held  | Attended |
| Mr. Sudhakar Rao           | Non-Executive, Public Interest Director | 2   | 2        |
| Mr. Ramadorai <sup>1</sup> | Non-Executive, Public Interest Director | 2   | 2        |

|                                |   |   |   |
|--------------------------------|---|---|---|
| Dr. Sanjiv Misra*              | Non-Executive, Public Interest Director | 2 | 2 |
| Mr. S. Ravi <sup>2</sup>       | Non-Executive, Public Interest Director | 2 | 0 |
| Mr. Dharendra Swarup           | Non-Executive, Public Interest Director | 2 | 2 |
| Dr. K. Kasturirangan           | Non-Executive, Public Interest Director | 2 | 2 |
| Mr. S. H. Kapadia <sup>3</sup> | Non-Executive, Public Interest Director | 2 | 1 |

<sup>1</sup> Ceased to be member w.e.f. March 8, 2016

<sup>2</sup> Appointed as Public Interest Director w.e.f. February 5, 2016

<sup>3</sup> Ceased to be Public Interest Director w.e.f. January 5, 2016, due to his sudden demise.

\* Dr. Sanjiv Misra ceased to be Public Interest director from April 22, 2016

Two Independent Directors/ Public Interest Directors Committee meetings were held during the financial year 2015-16. The dates on which the said meetings were held are 18<sup>th</sup> May, 2015 and 3<sup>rd</sup> February, 2016.

**e) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee is constituted as per the requirements of Section 135 of the Companies Act, 2013.

The role of Corporate Social Responsibility Committee is as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

**Composition, meeting and attendance during the year:**

| Name                                 | Category                                | No. of meetings during the financial year 2015-2016 |          |
|--------------------------------------|---|---|----------|
|                                      |   | Held  | Attended |
| Mr. Sudhakar Rao                     | Non-Executive, Public Interest Director | 3   | 3        |
| Mr. Ramadorai <sup>1</sup>           | Non-Executive, Public Interest Director | 3   | 3        |
| Mr. Ashishkumar Chauhan <sup>2</sup> | Managing Director & CEO                 | 3   | 2        |
| Mr. Dharendra Swarup <sup>2</sup>    | Non-Executive, Public Interest Director | 3   | 2        |
| Dr. K. Kasturirangan                 | Non-Executive, Public Interest Director | 3   | 3        |
| Mr. Thomas Bendixen <sup>2</sup>     | Non-Executive, Shareholder Director     | 3   | 2        |
| Ms. Usha Sangwan <sup>3</sup>        | Non-Executive, Shareholder Director     | 3   | 0        |

<sup>1</sup> Ceased to be member w.e.f. March 8, 2016

<sup>2</sup> Ceased to be member of committee w.e.f. November 27, 2015 (reconstitution of committee).

<sup>3</sup> Appointed as member of committee w.e.f. November 27, 2015 (reconstitution of committee).

Three Corporate Social Responsibility Committee meetings were held during the financial year 2015-16. The dates on which the said meetings were held are 4<sup>th</sup> June, 2015, 24<sup>th</sup> September, 2015 and 3<sup>rd</sup> February, 2016.

**In addition to the above, the Exchange also has various other statutory Committees, viz.:**

1. Membership Selection Committee
2. Disciplinary Action Committee
3. Defaulters' Committee
4. Standing Committee on Technology
5. Investor Services Committee
6. Arbitration Committee
7. Ethics Committee
8. Oversight Committee (Member Regulation)
9. Oversight Committee (Listing Function)
10. Oversight Committee (Trading and Surveillance Function)
11. Advisory Committee
12. Sub-Committee for Monitoring Compliance of suggestions given in SEBI Inspection Report.
13. Risk Management Committee
14. Investor Grievance Redressal Committee (IGRC)

**7. GENERAL BODY MEETINGS****➤ Date and time of the General Meetings held during the last three years till 31<sup>st</sup> March, 2016.**

| Details of General Meeting                              | Date       | Time       | Venue   |
|---|------------|------------|---|
| Annual General Meeting (2012-13)                        | 30.07.2013 | 11.00 a.m. | Sir Dinshaw Petit   |
| Annual General Meeting (2013-14)                        | 01.08.2014 | 11.00 a.m. | International Convention Hall, 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400 001 |
| Meeting of Equity Shareholders (Court Convened Meeting) | 20.10.2014 | 11.00 am.  |   |
| Annual General Meeting (2014-15)                        | 25.09.2015 | 11.00 am.  |   |

**➤ Special Resolutions passed at the previous General Body Meetings (for last three years) are as under:****At the Eighth Annual General Meeting held on 30<sup>th</sup> July, 2013**

- Appointment of Mr. Ashishkumar Chauhan as Managing Director & CEO of the Exchange and approval of the terms and conditions of his appointment.
- Adoption of new set of Articles of Association of the Company, subject to the approval of SEBI.

**At the Ninth Annual General Meeting held on 1<sup>st</sup> August, 2014**

- Increase in the remuneration payable to Mr. Ashishkumar Chauhan, Managing Director & CEO of the Exchange, upto 10% of the total remuneration payable per annum at the discretion of the Board for the period ending on 1<sup>st</sup> November, 2015.

**At the Meeting of Equity Shareholders held on 20<sup>th</sup> October, 2014 (Court Convened Meeting) (Resolution passed by requisite majority as per Section 391 of the Companies Act, 1956).**

- Amalgamation of United Stock Exchange of India Limited with BSE Limited under the scheme of

amalgamation subject to such scheme being sanctioned by the Hon'ble High Court of Judicature at Bombay.

**At the Tenth Annual General Meeting held on 25<sup>th</sup> September, 2015**

- No Special resolution was passed at the Tenth Annual General Meeting held on 25<sup>th</sup> September, 2015

**Special Resolution passed through Postal Ballot during the year 2015-16**

- The Company successfully completed the process of obtaining approval of its Members on the following Special Resolutions through Postal Ballot.

➤ **Postal Ballot Notice dated 13<sup>th</sup> June, 2015:**

Adoption of New Set of Articles of Association of the Company

Mr. N.L Bhatia, Partner, Messrs. NL Bhatia and Associates, Practicing Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot / e-voting process in accordance with law and in a fair and transparent manner.

**Voting Pattern**

| Description of resolution                                     | Total No. of Valid votes | Votes Assenting the Resolution | % of votes Cast in favour | Votes Dissenting the Resolution | % of Votes Cast against |
|---|--------------------------|--------------------------------|---------------------------|---------------------------------|-------------------------|
| Adoption of New Set of Articles of Association of the Company | 1,98,15,206              | 1,98,11,591                    | 99.98%                    | 3,615                           | 0.02%                   |

➤ **Postal Ballot Notice dated 4<sup>th</sup> January, 2016:**

- 10% Stake sale in Central Depository Services (India) Limited
- 20.2% Stake sale in Central Depository Services (India) Limited

Mr. N.L Bhatia, Partner, Messrs. NL Bhatia and Associates, Practicing Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot / e-voting process in accordance with law and in a fair and transparent manner.

**Voting Pattern**

| Description of resolution                                       | Total No. of Valid votes | Votes Assenting the Resolution | % of votes Cast in favor | Votes Dissenting the Resolution | % of Votes Cast against |
|---|--------------------------|--------------------------------|--------------------------|---------------------------------|-------------------------|
| 10% Stake sale in Central Depository Services (India) Limited   | 3,02,24,388              | 2,49,13,229                    | 82.43%                   | 53,11,159                       | 17.57%                  |
| 20.2% Stake sale in Central Depository Services (India) Limited | 3,01,80,013              | 2,49,80,731                    | 82.77%                   | 51,99,282                       | 17.23%                  |

**Procedure of E-voting**

In compliance with Regulation 44 of SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 (erstwhile Clause 35B of the Listing Agreement) and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Karvy Computershare Private Limited/CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.



Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by Company Secretary. The results are also displayed on the website of the Company <http://www.bseindia.com>.

#### **Whether any special resolution is proposed to be conducted through postal ballot**

No special resolution is proposed to be conducted through postal ballot.

#### **Familiarisation programmes for Independent Directors**

The familiarisation programmes for Independent Directors is in place and link for the same is [http://www.bseindia.com/downloads1/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](http://www.bseindia.com/downloads1/Familiarisation_Programme_for_Independent_Directors.pdf)

### **8. DISCLOSURES**

#### ➤ **Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interests of company at large.**

BSE complies with the disclosure requirements as prescribed in Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 applicable to listed companies relating to Related Party Transactions (RPT) and for this purpose follows AS-18 issued by ICAI. Details of material RPT are informed to the Board on a quarterly basis alongwith financial results.

#### ➤ **Details of non-compliance by the company, penalties, strictures imposed by SEBI or any statutory authority, on any matter related to the capital markets during the last three years**

##### **1) SEBI Order dated September 11, 2014 against BSE Ltd in the matter of NMDC OFS issue**

SEBI vide its Order dated September 11, 2014 censured BSE's conduct in matter of "NMDC OFS" and advised to take certain steps in relation to the process adopted for "Offer For Sale" mechanism, inter alia, appointment of a consultant to review the entire process of OFS. Necessary steps were taken and extant requirements of said SEBI Order have been complied with by BSE. There were certain procedural recommendations given but no adverse findings by the consultant Ernst & Young, India.

Further, the compliance status was informed to the Board of Directors and SEBI.

##### **2) Judgement passed by Hon'ble Supreme Court in the matter of BSE vs. Income Tax Department**

The Hon'ble Supreme Court vide its Judgement dated September 25, 2014 has held that lien possessed by BSE under its Rules, Bye-laws and Regulations makes it a secured creditor and therefore, BSE would have a priority over the Government dues. The said judgement was passed in relation to attachment notice/prohibitory order issued by Income Tax department against BSE on the membership right/assets of the defaulter lying with it.

The said judgement would entail satisfaction of dues of the Exchange from the assets of member/ defaulter and in future, the Income Tax department shall not be entitled to issue attachment notice/ prohibitory order against such assets/deposits lying with BSE.

#### ➤ **Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;**

Details of the policy on whistle blower is available on the website and the link for the same is [http://www.bseindia.com/downloads1/Whistle\\_Blower\\_policy.pdf](http://www.bseindia.com/downloads1/Whistle_Blower_policy.pdf)

The Company confirms that no personnel has been denied access to the audit committee.

#### ➤ **Compliance with the conditions of Corporate Governance**

The Exchange has mutatis mutandis complied with the conditions of corporate governance as stipulated in Listing Agreement as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### ➤ **Policy for determining 'material' subsidiaries**

Details of the Policy for determining 'material' subsidiaries is available on the website and the link for the same is [http://www.bseindia.com/downloads1/Policy\\_on\\_Material\\_Subsiidiaries.pdf](http://www.bseindia.com/downloads1/Policy_on_Material_Subsiidiaries.pdf)

#### ➤ **Policy on dealing with related party transactions**

Details of the Policy on dealing with related party transactions is available on the website and the link for the same is [http://www.bseindia.com/downloads1/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf)

#### ➤ **Management Discussion and Analysis**

The Management Discussion and Analysis is covered separately in the Annual Report.

# **9. CEO CERTIFICATION**

The Certificate from CEO as required under Part D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations, 2012 for the financial year 2015-16 is attached at the end of this report.

# **10. GENERAL SHAREHOLDER INFORMATION**

## **(a) Eleventh Annual General Meeting**

|                            |  |
|----------------------------|--|
| <b>Day &amp; Date</b>      | Friday, 24 <sup>th</sup> June, 2016  |
| <b>Time</b>                | 11.30 a.m.   |
| <b>Venue</b>               | Sir Dinshaw Petit International Convention Hall, 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai – 400 001.   |
| <b>Financial year</b>      | 31 <sup>st</sup> March, 2016   |
| <b>Book Closure</b>        | Saturday, 18 <sup>th</sup> June, 2016 to Friday, 24 <sup>th</sup> June, 2016 (both days inclusive)                     |
| <b>Payment of Dividend</b> | Dividend if declared at Eleventh Annual General Meeting will be paid on or after Thursday, 30 <sup>th</sup> June, 2016 |

## **(b) Distribution of Shareholding as on 31st March, 2016:**

| Category     | No. of share holders | Percentage (%) | No. of Shares    | Percentage (%) |
|--------------|----------------------|----------------|------------------|----------------|
| 1-5000       | 8057                 | 89.45          | 3368215          | 3.14           |
| 5001-10000   | 163                  | 1.81           | 1254313          | 1.17           |
| 10001-20000  | 172                  | 1.91           | 2320148          | 2.16           |
| 20001-30000  | 67                   | 0.74           | 1681188          | 1.57           |
| 30001-40000  | 68                   | 0.75           | 2458395          | 2.29           |
| 40001-50000  | 53                   | 0.59           | 2393433          | 2.23           |
| 50001-100000 | 243                  | 2.70           | 16986739         | 15.82          |
| 100000-above | 184                  | 2.04           | 76893913         | 71.62          |
| <b>Total</b> | <b>9007</b>          | <b>100.00</b>  | <b>107356344</b> | <b>100.00</b>  |

## **(c) Categories of Shareholders as on 31st March, 2016**

| Category             | No. of share-holders | Percentage (%) | No. of Shares | Percentage (%) |
|----------------------|----------------------|----------------|---------------|----------------|
| Resident Individuals | 7991                 | 88.72          | 22830508      | 21.27          |
| Bodies Corporate     | 625                  | 6.94           | 36797393      | 34.28          |
| HUF                  | 319                  | 3.54           | 723260        | 0.67           |
| Trust                | 1                    | 0.01           | 100           | 0.00           |

|                                |             |            |                  |            |
|--------------------------------|-------------|------------|------------------|------------|
| Banks/ Financial Institutions  | 27          | 0.30       | 8915511          | 8.30       |
| Non Resident Indians           | 33          | 0.37       | 457593           | 0.43       |
| Foreign Bodies Corporate       | 6           | 0.07       | 22361287         | 20.83      |
| Foreign Institutional Investor | 3           | 0.03       | 9720407          | 9.05       |
| Insurance Company              | 1           | 0.01       | 5019443          | 4.68       |
| Venture Capital                | 1           | 0.01       | 530842           | 0.49       |
| <b>Total</b>                   | <b>9007</b> | <b>100</b> | <b>107356344</b> | <b>100</b> |

## **(d) List of Top 10 Shareholders as on 31st March, 2016**

| Sr. No. | Name of Shareholder                   | No. of shares held at the end of the year | Percentage of Share-holding |
|---------|---------------------------------------|---|-----------------------------|
| 1       | Deutsche Boerse AG                    | 5098886                                   | 4.75                        |
| 2       | Singapore Exchange Limited            | 5098886                                   | 4.75                        |
| 3       | State Bank of India                   | 5097365                                   | 4.75                        |
| 4       | Life Insurance Corporation of India   | 5019443                                   | 4.68                        |
| 5       | GKFF Ventures                         | 4913863                                   | 4.58                        |
| 6       | Quantum (M) Limited                   | 4015544                                   | 3.74                        |
| 7       | Caldwell India Holdings Inc           | 4015544                                   | 3.74                        |
| 8       | Atticus Mauritius Limited             | 4015544                                   | 3.74                        |
| 9       | Acacia Banyan Partners Limited        | 4015544                                   | 3.74                        |
| 10      | Bajaj Holdings and Investment Limited | 3006796                                   | 2.80                        |

## **(e) Dematerialization of shares**

Bifurcation of the category of shares in physical and electronic mode as on 31<sup>st</sup> March, 2016 is given below:

| Category     | No of Shareholders | No. of Shares    | Percentage % |
|--------------|--------------------|------------------|--------------|
| PHYSICAL     | 12                 | 589151           | 0.55         |
| NSDL         | 4818               | 76420235         | 71.18        |
| CDSL         | 4177               | 30346958         | 28.27        |
| <b>Total</b> | <b>9007</b>        | <b>107356344</b> | <b>100</b>   |

**(f) Registrar and Transfer Agent**

Karvy Computershare Private Limited is the Registrar and Transfer Agent of the Exchange and can be contacted at the following address:

Karvy Computershare Pvt. Ltd.  
Unit: BSE Limited  
Karvy Selenium Tower B, Plot No 31 & 32  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally  
Hyderabad – 500 032  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Telephone Nos.: +91-040- 6716 1500

**(g) Share Transfer**

99.45% of Equity Shares of the company are in electronic form. Transfer of these shares is done through depositories with no involvement of the company. As regards, transfer of shares held in physical form, the transfer deeds can be lodged with the Registrar and Share Transfer Agent at the address mentioned above and the company processes the transfers within the prescribed time limit.

**(h) Means of communications with Shareholders**

The Exchange disseminates all material information to its Shareholders through its website: [www.bseindia.com](http://www.bseindia.com)

The Exchange's website: [www.bseindia.com](http://www.bseindia.com) contains links to all important events and material information of the Exchange.

➤ **Dividend**

The Company provides the facility of direct credit of the dividend to the Members Bank Account. SEBI Regulations also mandate Companies to credit the dividend to the Members account electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account.

➤ **Unclaimed Dividends**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a

period of seven years to the Investor Education & Protection Fund (IEPF) established by the Government. The Company will, transfer unclaimed /unpaid Dividend for the year ended 31<sup>st</sup> March 2009 (4<sup>th</sup> Final Dividend) to said fund in August 2016.

➤ **Annual Report**

Annual Report containing, *inter-alia*, Audited Accounts, Auditors' Report, Directors' Report and other material and related matters/ information is circulated to the shareholders and others entitled thereto. The Corporate Governance Report annexed to Directors' Report forms part of the Annual Report.

**(i) Address for Correspondence**

Shareholders are requested to intimate all changes pertaining to their bank details, electronic clearing services mandate, nominations, power of attorney, change of name, change of address, e-mails, etc., only to their DPs and not to the RTA or the Exchange. Once such intimations are taken on record by the DPs, they would then be reflected in the records of the Exchange. Similarly, in case the mailing address mentioned in the Notice given along with the Annual Report is without the PIN Code, Shareholders are requested to inform their PIN Code immediately to the DPs.

Any query on Annual Report may be addressed to Ms. Neena Jindal, Company Secretary at the following address:

**BSE Limited**

25<sup>th</sup> Floor, P.J.Towers, Dalal Street,  
Mumbai - 400 001.  
Tel. 022-22728756; Fax 022-22721003  
E-mail: [bse.shareholders@bseindia.com](mailto:bse.shareholders@bseindia.com)

**Note:**

**In this Report:**

- 'The Company' or 'the Exchange' or 'BSE' has been used to denote BSE Limited.
- 'Members' has been used to denote shareholders of BSE Limited.

**Declaration Regarding Compliance by Board Members with the code of conduct**

I hereby confirm that the Company has obtained from all the members of the Board, affirmation that they have complied with the Code of Conduct for Directors for the financial year 2015-16.

**(Ashishkumar Chauhan)**  
Managing Director & CEO

Place: Mumbai

Date: May 5, 2016

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**Certificate on Corporate Governance**

To  
The Members  
**BSE Limited**  
25<sup>th</sup> Floor, P J Towers,  
Dalal Street,  
Mumbai – 400 001

We have examined all relevant records of BSE Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31<sup>st</sup> March, 2016. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pramod S. Shah & Associates**  
Practising Company Secretaries

sd/-  
**Pramod S. Shah** - Partner  
Membership No. 334  
Certificate of Practice No. 3804

Place: Mumbai

Date: April 20, 2016



**CEO / CFO Compliance Certificate**

The Board of Directors

**BSE Limited**

25<sup>th</sup> Floor, P. J. Towers, Dalal Street,

Mumbai – 400 001

**Re: CEO / CFO Certificate**

**We, Ashishkumar Chauhan, Managing Director and Chief Executive Officer and Nayan Mehta, Chief Financial Officer do hereby certify the following:-**

- a) We have reviewed the standalone financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2016, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We hereby indicated to the auditors and the Audit committee,
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

sd/-

**Ashishkumar Chauhan**  
Managing Director & CEO

sd/-

**Nayan Mehta**  
Chief Financial Officer

Place: Mumbai  
Date: May 5, 2016



*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with (Dr) V. K Singh (Retd.), Minister of State for External Affairs, Govt. of India during the ceremony to celebrate the success of Rahat, on October 9, 2015.*

# Independent Auditors' Report

## TO THE MEMBERS OF

## BSE LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BSE LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") its associate and jointly controlled entities, comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of matter**

Attention is invited to Note 31 of the Consolidated Financial Statements relating to the regulation / circulars mentioned therein issued by SEBI from time to time that requires recognition of a Settlement Guarantee Fund by an Exchange and the transfer of the same to its clearing corporation and the contribution of Minimum Required Corpus to a Core Settlement Guarantee Fund time to time and the consequent accounting and disclosures made in the Consolidated Financial Statements thereon. The Holding Company is in compliance with the aforesaid regulation / circulars.

Our opinion is not modified in respect of this matter.

**Other Matter**

We did not audit the financial statements of five subsidiaries, and two jointly controlled entities, whose financial statements reflect total assets of Rs.126,250 lakh as at March 31, 2016, total revenues of Rs.10,517 lakh and net cash flows amounting to Rs.150 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 27 lakh for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements 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 these subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our Report in “Annexure A”, which is based on the auditors’ reports of the Holding company, subsidiary companies, associate company and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company’s, subsidiary companies’ associate company’s and jointly controlled companies’ incorporated in India internal financial controls over financial reporting.
- 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, its associate and jointly controlled entities.
  - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at the year end. The Group, its associate and jointly controlled entities did not have any outstanding derivative contracts as at the year end.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate company and jointly controlled companies incorporated in India.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

**Kalpesh J. Mehta**

Partner

(Membership No. 48791)

Place : Mumbai  
Date : May 5, 2016

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of BSE Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate company and jointly controlled companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company, its subsidiary companies, its associate company and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the 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.

**Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 auditors of the subsidiary companies, associate company and jointly controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate company and jointly controlled companies, which are companies 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Holding 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.

**Other Matter**

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 five subsidiary companies, one associate company and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kalpesh J. Mehta**

Partner  
(Membership No. 48791)

Place : Mumbai  
Date : May 5, 2016

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

| PARTICULARS  | Note No. | As at March 31, 2016 | As at March 31, 2015 |
|--|----------|----------------------|----------------------|
|  |          | ₹ in Lakh            | ₹ in Lakh            |
| <b>A. EQUITY AND LIABILITIES</b>   |          |                      |                      |
| <b>1 Shareholders' Funds</b>   |          |                      |                      |
| (a) Share Capital  | 2        | 1,074                | 1,073                |
| (b) Reserves and Surplus   | 3        | 243,854              | 245,016              |
|  |          | 244,928              | 246,089              |
| <b>2 Core Settlement Guarantee Fund</b>  |          | 17,605               | 11,126               |
| <b>3 Share Application Money Pending Allotment</b>                                     |          | 1                    | 1                    |
| <b>4 Minority Interest</b>   | 40       | 22,231               | 19,864               |
| <b>5 Non-current Liabilities</b>   |          |                      |                      |
| (a) Deferred Tax Liabilities (net)   | 4        | 15                   | 267                  |
| (b) Long-term Borrowings   | 5        | 188                  | 356                  |
| (c) Other Long-term Liabilities  | 6        | 5,256                | 4,499                |
| (d) Deposits from Members  | 38       | 1,900                | 1,900                |
| (e) Long-term Provisions   | 7        | 80                   | 77                   |
|  |          | 7,439                | 7,099                |
| <b>6 Current Liabilities</b>   |          |                      |                      |
| (a) Trade Payables   |          |                      |                      |
| Total Outstanding dues to micro enterprises and small enterprises                      |          | -                    | -                    |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | 8        | 6,966                | 5,805                |
| (b) Other Current Liabilities  | 9        | 113,862              | 121,440              |
| (c) Short-term Provisions  | 10       | 7,665                | 8,311                |
|  |          | 128,493              | 135,556              |
| <b>TOTAL</b>   |          | 420,697              | 419,735              |
| <b>B. ASSETS</b>   |          |                      |                      |
| <b>1 Goodwill on Consolidation</b>   |          | 8,504                | 8,504                |
| <b>2 Non-current Assets</b>  |          |                      |                      |
| (a) Fixed Assets   | 11       |                      |                      |
| (i) Tangible Assets  |          | 14,345               | 13,630               |
| (ii) Intangible Assets   |          | 1,850                | 2,923                |
| (iii) Capital Work-in-progress   |          | 60                   | 305                  |
| (iv) Intangible Assets Under Development   |          | 203                  | 61                   |
|  |          | 16,458               | 16,919               |
| (b) Non-Current Investments  | 12       | 152,508              | 141,023              |
| (c) Deferred Tax Assets (net)  | 13       | 1,078                | 631                  |
| (d) Long-term Loans and Advances   | 14       | 12,039               | 8,563                |
| (e) Other Non-current Assets   | 15       | 150                  | 210                  |
|  |          | 165,775              | 150,427              |
| <b>3 Current Assets</b>  |          |                      |                      |
| (a) Investments  | 16       | 53,728               | 86,595               |
| (b) Trade Receivables  | 17       | 4,799                | 3,600                |
| (c) Cash and Bank Balances   | 18       | 161,008              | 145,248              |
| (d) Short-term Loans and Advances  | 19       | 1,970                | 2,470                |
| (e) Other Current Assets   | 20       | 8,455                | 5,972                |
|  |          | 229,960              | 243,885              |
| <b>TOTAL</b>   |          | 420,697              | 419,735              |
| <b>See accompanying notes forming part of financial statements</b>                     | 1-45     |                      |                      |

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants**Kalpesh J. Mehta**  
PartnerPlace : Mumbai  
Date : May 5, 2016

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman**Nayan Mehta**  
Chief Financial Officer**Ashishkumar Chauhan**  
Managing Director & CEO**Neena Jindal**  
Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| PARTICULARS   |  | Note No.     | For the year ended<br>March 31, 2016<br>₹ in Lakh | For the year ended<br>March 31, 2015<br>₹ in Lakh |
|---|--|--------------|---|---|
| CONTINUING OPERATIONS                                       |  |              |   |   |
| 1   | Revenue from Operations: Income from                               |              |   |   |
|   | Securities Services  | 21           | 24,301  | 23,365  |
|   | Services to Corporates   | 22           | 16,111  | 10,539  |
|   | Data Dissemination Fees  |              | 2,242   | 2,210   |
|   | Revenue from Operations  |              | 42,654  | 36,114  |
| 2   | Income From Investments and Deposits                               | 23           | 18,965  | 22,257  |
| 3   | Other Income   | 24           | 4,208   | 4,104   |
| 4   | Total Revenue (1+2+3)  |              | 65,827  | 62,475  |
| 5   | Expenses   |              |   |   |
|   | Employee Benefits Expense  | 25           | 11,155  | 9,986   |
|   | Finance Cost - Interest Expense                                    |              | 67  | 66  |
|   | Depreciation and Amortisation Expense                              | 11           | 6,168   | 5,877   |
|   | Administration and Other Expenses                                  | 26           | 24,621  | 19,379  |
|   | Prior Period Item  | 31           | 2,579   | -   |
|   | Total Expenses   |              | 44,590  | 35,308  |
| 6   | Profit Before Exceptional Items and Tax (4-5)                      |              | 21,237  | 27,167  |
| 7   | Exceptional Items  |              |   |   |
|   | Liquidity Enhancement Incentive Program Scheme                     | 43 (a)       | 1,724   | 3,425   |
|   | Settlement Guarantee Fund (25% Transfer of Profit)                 | 31           | 5,143   | -   |
|   | Voluntary Retirement Scheme  | 43 (b)       | -   | 1,432   |
|   | Others   | 43 (c) & (d) | 460   | 218   |
|   | Loss on Sale of BOISL  |              | 643   | -   |
|   | Reversal of Contribution to Depository Investor Protection Fund    | 29           | (3,310)   | -   |
| 8   | Profit Before Tax (6-7)  |              | 16,577  | 22,092  |
| 9   | Tax Expense:   |              |   |   |
|   | Current Tax  |              | 4,393   | 4,995   |
|   | MAT Credit Entitlement   |              | (349)   | -   |
|   | Current tax for earlier years                                      |              | (49)  | 68  |
|   | Deferred Tax   |              | (754)   | (685)   |
|   |  |              | 3,241   | 4,378   |
| 10  | Profit After Tax (8-9)   |              | 13,336  | 17,714  |
|   | Share of Minority  |              | 3,635   | 2,133   |
|   | Share of Loss of Associate   |              | 27  | 28  |
| 11  | Profit after Tax, Minority Interest and Share of Loss of Associate |              | 9,674   | 15,553  |
| 12  | Earning Per Equity Share:  | 37           |   |   |
|   | Basic and Diluted EPS before Extraordinary Item (₹)                |              | 8.86  | 14.00   |
|   | Basic and Diluted EPS after Extraordinary Item (₹)                 |              | 8.86  | 14.00   |
|   | Par Value Of Share (₹)   |              | 1   | 1   |
|   | Weighted Average Number Of Shares (Nos.)                           |              | 109,176,344                                       | 109,176,343                                       |
| See accompanying notes forming part of financial statements |  | 1-45         |   |   |

In terms of our report attached.

For Deloitte Haskins & Sells LLP  
Chartered AccountantsKalpesh J. Mehta  
PartnerPlace : Mumbai  
Date : May 5, 2016

For and on behalf of the Board of Directors

Sudhakar Rao  
ChairmanNayan Mehta  
Chief Financial OfficerAshishkumar Chauhan  
Managing Director & CEONeena Jindal  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ in Lakh                               | ₹ in Lakh                               |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                               |   |   |
| Net Profit before tax   | 16,577                                  | 22,092                                  |
| <b>Adjustments for:</b>   |   |   |
| Depreciation and amortised expense  | 6,168                                   | 5,877                                   |
| Finance cost  | 67                                      | 66                                      |
| Penalties / Contribution received towards Settlement Guarantee Fund         | 73                                      | 66                                      |
| Transferred to Exchange Contribution towards Core Settlement Guarantee Fund | -                                       | (32)                                    |
| Income Accrued on Core Settlement Guarantee Fund                            | 1,209                                   | -                                       |
| Exchange Contribution to Core Settlement Guarantee Fund                     | 4,320                                   | -                                       |
| Amortisation of Discount and Premium (net)                                  | 211                                     | (58)                                    |
| Profit on sale of investment  | (171)                                   | (1,121)                                 |
| Interest income   | (17,464)                                | (19,651)                                |
| Dividend Income   | (1,541)                                 | (1,427)                                 |
| Loss on sales of Fixed Assets (net)   | 9                                       | 18                                      |
| Provision for Diminution in Value of Current Investments                    | 29                                      | (75)                                    |
| Provision for Compensated Absence   | 370                                     | 398                                     |
| Provision for Trade Receivables   | 604                                     | 300                                     |
| Provision for Diminution in Value of long term Investments                  | 206                                     | 625                                     |
| Operating Cash Flow before working capital changes                          | 10,667                                  | 7,078                                   |
| <b>Adjustments for (increase) / decrease in:</b>                            |   |   |
| Trade Receivables   | (1,803)                                 | (365)                                   |
| Loan and Advances   | 425                                     | (401)                                   |
| Other Assets  | (427)                                   | (590)                                   |
| Trade Payable   | 1,162                                   | 651                                     |
| Other Liabilities   | (4,512)                                 | (17,515)                                |
| Operating Cash Flow after adjusting working capital changes                 | 5,512                                   | (11,142)                                |
| Taxes Paid  | (7,327)                                 | (4,803)                                 |
| <b>Net Cash used in Operation</b>   | <b>(1,815)</b>                          | <b>(15,945)</b>                         |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                               |   |   |
| <b>Fixed Assets</b>   |   |   |
| Acquisition of Fixed Assets<br>(Including Capital Work-in-progress)         | (6,234)                                 | (7,258)                                 |
| Proceeds from disposal of Fixed Assets                                      | 20                                      | 36                                      |
| <b>Investments</b>  |   |   |
| Purchase of Long Term Investments   | (39,322)                                | (69,295)                                |
| Proceeds from Long Term Investments   | 25,580                                  | 39,379                                  |
| Net Decrease in Current Investments   | 33,009                                  | 20,711                                  |
| <b>Fixed Deposits with Banks</b>  |   |   |
| Net Decrease / (Increase) in Fixed Deposits with Banks                      | (4,956)                                 | 5,256                                   |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ in Lakh                               | ₹ in Lakh                               |
| <b>Interest Income</b>   | <b>15,440</b>                           | <b>19,177</b>                           |
| <b>Dividend Income</b>   | <b>1,541</b>                            | <b>1,427</b>                            |
| <b>Net cash generated from Investment Activities</b>                                       | <b>25,078</b>                           | <b>9,433</b>                            |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |   |   |
| Proceeds from sale of equity share of subsidiary of CDSL                                   | -                                       | 97                                      |
| (Repayment of) / Proceeds from Long term borrowing   | (168)                                   | 225                                     |
| Share Issue Expenses   | (104)                                   | -                                       |
| Finance Cost   | (71)                                    | (69)                                    |
| (Decrease) / Increase in trading member and other deposits                                 | (2,486)                                 | 1,932                                   |
| Dividend and Tax on Dividend paid  | (11,169)                                | (4,949)                                 |
| Dividend and Tax on Dividend paid related to Minority                                      | (1,268)                                 | (1,120)                                 |
| <b>Net cash used in Financing Activities</b>   | <b>(15,266)</b>                         | <b>(3,884)</b>                          |
| <b>Net Increase / (Decrease) in Cash And Cash Equivalents (A + B + C)</b>                  | <b>7,997</b>                            | <b>(10,396)</b>                         |
| <b>Cash and Cash Equivalents at the end of Year:</b>                                       |   |   |
| In Current Accounts  | 15,972                                  | 7,975                                   |
|  | 15,972                                  | 7,975                                   |
| <b>Cash and Cash Equivalents at the beginning of Year:</b>                                 | <b>7,975</b>                            | <b>18,104</b>                           |
| <b>Cash and Cash Equivalents acquired from Amalgamation:</b>                               | <b>-</b>                                | <b>267</b>                              |
| <b>Change in Cash and Cash Equivalents:</b>  | <b>7,997</b>                            | <b>(10,396)</b>                         |
| <b>Cash and Cash Equivalents at the end of Year:</b>                                       | <b>15,972</b>                           | <b>7,975</b>                            |
| Add: Earmarked Balance in Current Account  | 5,503                                   | 96                                      |
| Add: Restricted Balance in Current Account   | 698                                     | 543                                     |
| Add: Fixed Deposits with Banks (maturity period over three month)<br>(Including Earmarked) | 138,835                                 | 136,634                                 |
| <b>Cash and Bank balances as per note no."18"</b>  | <b>161,008</b>                          | <b>145,248</b>                          |
| <b>See accompanying notes forming part of financial statements</b>                         | <b>1-45</b>                             |   |

**Notes to Cash Flow Statement:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on cash flow statements notified under the Companies (Accounting Standards) Rules, 2006 (as amended).
- Cash flow does not include cash and cash equivalent held by the Company for various Earmarked Liabilities excluding Settlement Guarantee Fund. These cash and cash equivalent of earmarked liabilities are held in segregated accounts.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants**Kalpesh J. Mehta**  
PartnerPlace : Mumbai  
Date : May 5, 2016

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman**Nayan Mehta**  
Chief Financial Officer**Ashishkumar Chauhan**  
Managing Director & CEO**Neena Jindal**  
Company Secretary

**Notes annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the Year ended March 31, 2016.**

**General Information**

BSE Limited. (Formerly known as Bombay Stock Exchange Limited) herein after referred to as the “The Exchange” or “The Company” was established in 1875 and is Asia’s first Stock Exchange and one of India’s leading exchange groups. Over the past 140 years, BSE has provided a capital-raising platform and provided a platform for trading in equity, debt instruments, derivatives and mutual funds. It also has a platform for trading in equities of small-and-medium enterprises (SME). Pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005 (the Scheme) notified by Securities and Exchange Board of India (“SEBI”) on May 20, 2005, the Exchange completed Demutualization and Corporatization in May 2007 bringing about the separation of ownership and management.

**1. Basis of Consolidation and Significant Accounting Policies**

**1.1 Basis of preparation:**

The Consolidated Financial Statements of BSE Ltd (Formerly known as Bombay Stock Exchange Limited) (“the Exchange / the company”), its subsidiaries, jointly controlled entities and associate (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the Act”) as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

**1.2 Principles of Consolidation:**

The consolidated financial statements relate to BSE Limited (the ‘Company’), its subsidiary companies, jointly controlled entities and the Group’s share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies, jointly controlled entities and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2016.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per Accounting Standard 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- iv. Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group’s equity interest in such entity as per Accounting Standard 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group’s share in the entity. Jointly controlled entities that are considered subsidiaries under Accounting Standard 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.
- v. The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as ‘Capital Reserve’



## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD.)..

and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

- vi. Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vii. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- viii. Goodwill arising on consolidation is not amortised but tested for impairment.
- ix. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned below and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- x. Particulars of subsidiaries, joint ventures and associate :

| Name of the Company   | Country of Incorporation | Percentage of Voting Power as at March 31, 2016 | Percentage of Voting Power as at March 31, 2015 |
|---|--------------------------|---|---|
| <b>(I) Subsidiary Companies</b>   |                          |   |   |
| - Direct  |                          |   |   |
| a) Indian Clearing Corporation Limited (ICCL)   | India                    | 100   | 100   |
| b) Marketplace Technologies Private Limited (MPTL)  | India                    | 100   | 100   |
| c) BSE Institute Limited (BIL)  | India                    | 100   | 100   |
| d) Central Depository Services (India) Limited (CDSL)   | India                    | 54.20   | 54.20   |
| e) BSE Investments Limited (w.e.f. March 28, 2014)  | India                    | 100   | 100   |
| f) BSE CSR Sammaan Limited (w.e.f. September 10, 2015)  | India                    | 100   | -   |
| g) BSE CSR Integrated Foundation (Being a Section 8 company under the Companies Act, 2013, the same has not been considered for consolidation)              | India                    | 75  | -   |
| - Indirect  |                          |   |   |
| a) Marketplace Tech Infra Services Private Limited  | India                    | 100   | 100   |
| b) CDSL Ventures Limited  | India                    | 54.20   | 54.20   |
| c) CDSL Insurance Repository Limited  | India                    | 54.20   | 54.20   |
| d) BFSI Sector Skill Council of India Limited (Being a Section 8 company under the Companies Act, 2013, the same has not been considered for consolidation) | India                    | 48.78   | 48.78   |
| e) BSE Skills Limited (w.e.f. March 26, 2014)   | India                    | 100   | 100   |
| <b>(II) Joint Ventures</b>  |                          |   |   |
| a) BOI Shareholding Limited (BOISL) (upto January 8, 2016)  | India                    | -   | 49  |
| b) Asia Index Private Limited (w.e.f. November 22, 2013)  | India                    | 50  | 50  |
| <b>(III) Associate</b>  |                          |   |   |
| Institutional Investor Advisory Services India Limited (IIASIL) (upto January 5, 2016)  | India                    | -   | 30  |

## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD.)..

**1.3 Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Any change in such estimates is recognised prospectively.

**1.4 Revenue Recognition:**

Revenue in respect of services rendered is recognised when the service is rendered and there is a reasonable certainty of ultimate realisation. Dividend income on investments is recognised when the unconditional right to receive dividend is established. Discount or premium on debt securities / discounted Money Market Instruments is accrued over the period of remaining maturity.

**1.5 Fixed Assets:****1.5.1 Tangible Assets:**

Fixed Assets are stated at cost, less accumulated depreciation. Cost includes cost of acquisition and other incidental expenses incurred until the asset is ready to put to use for its intended purpose. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for its intended use.

**1.5.2 Intangible Assets:**

- (i) Cost of development and production of internally developed or purchased software, used for the purpose of operations, is capitalised.
- (ii) Any expense on software for support, maintenance, upgrades etc., and payable periodically is charged to the Statement of Profit and Loss.

**1.5.3 Intangible Assets under development:**

Intangible Assets under development comprises outstanding advances paid to acquire intangible assets and the cost of intangible assets that are not yet ready for its intended use.

**1.6 Depreciation / Amortisation:****1.6.1 Tangible Assets:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**1.6.2 Intangible Assets:**

Computer software is amortised over 6 years on the 'Written Down Value' basis for the number of days the assets have been put to use for their intended purposes. Goodwill on amalgamation is amortised over a period of two years on a 'Straight Line Basis'.

**1.7 Impairment of Assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when its carrying cost exceeds the recoverable amount. An impairment loss, if any, is charged to the Statement of Profit and Loss in the period in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the assets no longer exist or have decreased.

## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD.)..

**1.8 Investments:**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value.

Premium paid / discount received at the time of acquisition of government / Debt securities is amortised over the residual period of its maturity.

**1.9 Employee Benefits:**

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) "Employee Benefits".

**1.9.1 Provident Fund – Defined Contribution Plan**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid on cessation of services. Both the employee and the Group make monthly contributions to the Bombay Stock Exchange Employees' Provident Fund, a trust set up and administered by the Exchange. The Group is liable for any shortfall in the fund assets based on the minimum rate of return specified by the Government, which is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

**1.9.2 Compensated Absences**

The leave balance is classified as long-term and short-term, based on the best estimates after considering the past trends. The short-term leave encashment liability has been measured on actual components eligible for leave encashment and expected short-term leave to be availed is valued at total cost to the Exchange. Long-term leave has been valued on actuarial basis as at the year end.

**1.9.3 Gratuity – Defined Benefit Plan**

The Group provides for gratuity, a defined benefit plan, in respect of employees. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**1.10 Leases:**

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**1.11 Provision for Current and Deferred Tax:**

Provision for Current Tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax, resulting from "timing differences" between the book and the taxable profits for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty, except for carried forwards losses and unabsorbed depreciation which are recognised based on virtual certainty that the difference will reverse in future.

## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD.)..

**1.12 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in Notes to Accounts, while contingent assets are neither recognised nor disclosed in the financial statements.

**1.13 Foreign Currency Transactions:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**1.14 Earnings per Share:**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

**1.15 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**1.16 Cash and cash equivalents (for purposes of Cash Flow Statement):**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.17 Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## NOTE 2

## SHARE CAPITAL

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Authorised</b><br>3,000,000,000 (500,000,000 as at March 31, 2015) equity shares of ₹ 1/- each  | <b>30,000</b>           | 5,000                   |
| <b>Issued</b><br>109,176,344 (105,747,772 as at March 31, 2015) equity shares of ₹ 1/- each  | <b>1,092</b>            | 1,057                   |
| <b>Subscribed and Paid-up</b><br>107,356,344 (103,927,772 equity shares as at March 31, 2015) equity shares of ₹ 1/- each fully paid-up.<br>Of the above 95,933,328 (95,933,328 equity shares as at March 31, 2015) equity shares are allotted as bonus shares by capitalisation of free reserves. | <b>1,074</b>            | 1,039                   |
| <b>Equity Share Capital Suspense Account</b><br>(Equity shares of ₹ 1 each to be issued as fully paid-up pursuant to merger of United Stock Exchange of India Limited with the Company under the scheme of amalgamation without the payment being received in cash)                                | -                       | 34                      |
| <b>TOTAL</b>   | <b>1,074</b>            | 1,073                   |

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

| PARTICULARS                                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| No. of shares at the beginning of the year | <b>103,927,772</b>      | 103,797,772             |
| Additions during the year (*)              | <b>3,428,572</b>        | 130,000                 |
| No. of shares at the end of the year       | <b>107,356,344</b>      | 103,927,772             |

Aggregate number and class of shares allotted as fully paid up by way of bonus shares.

| PARTICULARS | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------|-------------------------|-------------------------|
| 2008-09     | <b>94,493,328</b>       | 94,493,328              |
| 2009-10 (*) | <b>840,000</b>          | 840,000                 |
| 2010-11 (*) | <b>120,000</b>          | 120,000                 |
| 2011-12 (*) | <b>120,000</b>          | 120,000                 |
| 2012-13 (*) | <b>120,000</b>          | 120,000                 |
| 2013-14 (*) | <b>120,000</b>          | 120,000                 |
| 2014-15 (*) | <b>120,000</b>          | 120,000                 |
|             | <b>95,933,328</b>       | 95,933,328              |

(\*) Represent allotment of shares held in abeyance including bonus entitlements on such shares and share issued to shareholders of United Stock Exchange of India Limited.

**Notes:**

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share.
- Pursuant to the BSE (Corporatisation & Demutualisation) Scheme, 2005, (the Scheme) the Exchange had allotted 10,000 equity shares of ₹ 1/- each to each of those card based Members of the erstwhile Bombay Stock Exchange Limited whose names appeared on the Register of Members under Rule 64 of in accordance with Rules, Bye-laws and Regulations, on the Record Date fixed for the purpose.

## NOTE 2

## SHARE CAPITAL (CONTD.)..

- (c) Out of the total 95,550,000 equity shares of ₹ 1/- (including 88,200,000 bonus shares of ₹ 1/- each) issuable to the card based Members, the Exchange has allotted 93,730,000 equity shares (93,730,000 equity shares as on March 31, 2015) upon implementation of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme). The allotment of 1,820,000 equity shares (1,820,000 equity shares as on March 31, 2015) of ₹ 1/- each have been kept in abeyance for specific reasons pursuant to the provisions of the Scheme. However, all corporate benefits as declared from time to time, including dividend and bonus are accrued to all the 95,550,000 equity shares, as per the provisions of the Scheme.
- (d) As a part of the demutualisation process, the Exchange in order to fulfill its obligations under the Scheme and the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (the SEBI Regulations) dated 13<sup>th</sup> November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX). The Exchange has further agreed to issue additional shares to DBAG and SGX so as to maintain their holding percentage.
- (e) I. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.
- II. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTE 3

## RESERVES AND SURPLUS

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Capital Reserve</b>  | <b>66,179</b>           | 66,179                  |
| <b>Capital Reserve on Amalgamation</b>                            | <b>10,530</b>           | 10,530                  |
| <b>Securities Premium Account</b>                                 |                         |                         |
| Opening Balance   | 39,389                  | 39,390                  |
| Less: Share issued expense  | (104)                   | -                       |
| Less: Issue of Bonus shares *                                     | -                       | (1)                     |
|   | <b>39,285</b>           | 39,389                  |
| <b>Other Reserves</b>   |                         |                         |
| <b>General Reserve</b>  |                         |                         |
| Opening Balance   | 70,470                  | 70,463                  |
| Add: Transferred from Statement of Profit and Loss                | -                       | 7                       |
|   | <b>70,470</b>           | 70,470                  |
| <b>Settlement Guarantee Fund</b>                                  |                         |                         |
| Opening Balance   | 2,565                   | -                       |
| Add: Appropriations from Statement of Profit and Loss             | -                       | 5,144                   |
| Less: Contribution to Core Settlement Guarantee Fund              | 1,741                   | 2,579                   |
| Less: Contribution to Settlement Guarantee Fund                   | 545                     | -                       |
| Less: Investment Income Accrued to Core Settlement Guarantee Fund | 279                     | -                       |
|   | <b>-</b>                | 2,565                   |

## NOTE 3

## RESERVES AND SURPLUS (CONTD.)..

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Surplus in Statement of Profit and Loss</b>   |                         |                         |
| Balance brought forward from previous year   | 55,883                  | 60,007                  |
| Add: Profit for the year   | 9,674                   | 15,553                  |
| Add: Contribution to Core Settlement Guarantee Fund utilized from Settlement Guarantee Fund  | 4,320                   | -                       |
| Add: Contribution to Settlement Guarantee Fund   | 545                     | -                       |
| Add: Investment Income Accrued to Core Settlement Guarantee Fund   | 279                     | -                       |
| Less: Contribution to Settlement Guarantee Fund  | -                       | (5,156)                 |
| Less: Contribution to Settlement Guarantee Fund (United Stock Exchange of India Limited)   | -                       | (32)                    |
| Less: Clearing Corporation's Contribution to Core Settlement Guarantee Fund  | (3,456)                 | (7,314)                 |
| Less: Transferred to Exchange Contribution towards Settlement Guarantee Fund   | -                       | (6)                     |
| Less: Income Transferred to Settlement Guarantee Fund  | -                       | (263)                   |
| Less: General Reserve  | -                       | (7)                     |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (refer footnote of note 11) | -                       | (329)                   |
| Amount available for appropriation   | 67,245                  | 62,453                  |
| <b>Appropriations</b>  |                         |                         |
| Less: Interim Dividend (refer note 44)   | (3,821)                 | -                       |
| Less: Dividend   | (4,367)                 | (5,459)                 |
| Less: Tax on Dividend  | (1,667)                 | (1,111)                 |
|  | 57,390                  | 55,883                  |
| <b>TOTAL</b>   | <b>243,854</b>          | <b>245,016</b>          |

\* Represents allotment of shares held in abeyance.

**Note:****Capital Reserve**

Pursuant to the Scheme, the balance in Contribution by Members, Forfeiture of Members Application Money, Technology Reserve, Stock Exchange building, Seth Chunnilal Motilal Library, Charity, Income and Expenditure Account as at 19<sup>th</sup> August, 2005 as appearing in BSE are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operation of The Exchange.

## NOTE 4

## DEFERRED TAX LIABILITIES (NET)

| PARTICULARS                             | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Deferred Tax Liabilities:</b>        |                         |                         |
| Depreciation                            | 31                      | 1,006                   |
| <b>TOTAL (A)</b>                        | <b>31</b>               | <b>1,006</b>            |
| <b>Deferred Tax Assets:</b>             |                         |                         |
| Expenses allowed on payment basis       | 16                      | 228                     |
| Provision for Trade Receivable          | -                       | 122                     |
| Voluntary Retirement Scheme & Others    | -                       | 354                     |
| Provisions for non-performing assets    | -                       | 2                       |
| Others                                  | -                       | 33                      |
| <b>TOTAL (B)</b>                        | <b>16</b>               | <b>739</b>              |
| <b>Net Deferred Tax Liability (A-B)</b> | <b>15</b>               | <b>267</b>              |

## NOTE 5

## LONG-TERM BORROWINGS

| PARTICULARS    | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|----------------|-------------------------|-------------------------|
|                | ₹ In Lakh               | ₹ In Lakh               |
| Unsecured Loan | 188                     | 356                     |
| <b>TOTAL</b>   | <b>188</b>              | <b>356</b>              |

The Asia Index Private Limited (Joint Venture of BSE) has entered into Inter-company credit facility agreement with Capital IQ Information System (India) Private Limited to borrow loan of INR 5 Crore from time to time upto November 21, 2016. Interest is charged at SBI base rate (prevalent at end of previous quarter)+2% and is to be paid on quarterly basis. The principal amount shall be payable within 5 days after expiry of agreement.

## NOTE 6

## OTHER LONG-TERM LIABILITIES

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Security Deposits received                            | 4,522                   | 3,918                   |
| Income Received in advance                            | 95                      | 113                     |
| Trade Payable   |                         |                         |
| - Payable to Service Provider                         | -                       | 5                       |
| - Accrued Employee benefit expenses                   | 416                     | 334                     |
| Other Liabilities                                     |                         |                         |
| - Non Current maturities of finance lease obligations | 69                      | 129                     |
| Security Deposits (Premise)                           | 154                     | -                       |
| <b>TOTAL</b>  | <b>5,256</b>            | <b>4,499</b>            |



## NOTE 7

## LONG-TERM PROVISIONS

| PARTICULARS                  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|------------------------------|-------------------------|-------------------------|
|                              | ₹ In Lakh               | ₹ In Lakh               |
| <b>Others</b>                |                         |                         |
| Gratuity Liability (net)     | 80                      | 65                      |
| Add: Share in Joint Ventures | -                       | 12                      |
| <b>TOTAL</b>                 | <b>80</b>               | <b>77</b>               |

## NOTE 8

## TRADE PAYABLES

| PARTICULARS                       | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-----------------------------------|-------------------------|-------------------------|
|                                   | ₹ In Lakh               | ₹ In Lakh               |
| Payable to service providers      | 4,584                   | 3,877                   |
| Accrued Employee benefit expenses | 2,340                   | 1,908                   |
| Add: Share in Joint Ventures      | 42                      | 20                      |
| <b>TOTAL</b>                      | <b>6,966</b>            | <b>5,805</b>            |

**Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Based on the information available with the Company, the balance due to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is Nil. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006 (previous year is Nil).

## NOTE 9

## OTHER CURRENT LIABILITIES

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Owned:</b>  |                         |                         |
| Deposits Received from Trading Member                              | 7,162                   | 7,157                   |
| Other Deposits and Margin Received from Member                     | 638                     | 977                     |
| Deposit - Others   | 741                     | 2,893                   |
| Income Received in Advance   | 1,907                   | 1,960                   |
| Advance from Customers   | 920                     | 877                     |
| Statutory remittances  | 2,345                   | 9,964                   |
| Other Liabilities (refer notes below)                              | 2,922                   | 1,822                   |
| Contribution Payable to Settlement Guarantee Fund                  | 5,143                   | -                       |
| Payables on purchase of fixed assets                               | 621                     | 1,070                   |
| Current maturities of finance lease obligations                    | 65                      | 54                      |
| Accrued Interest on finance lease obligations                      | 10                      | 14                      |
| Investor Education and Protection Fund - Unpaid Dividend (Not Due) | 32                      | 29                      |
| Contribution Payable to Depository Investor Protection Fund        | 773                     | 3,852                   |
| Add: Share in Joint Ventures                                       | 77                      | 181                     |
| <b>TOTAL (A)</b>   | <b>23,356</b>           | <b>30,850</b>           |

## NOTE 9

## OTHER CURRENT LIABILITIES (CONTD.)..

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Earmarked:</b>   |                         |                         |
| From Companies - 1% of their Public Issue (*)                               | 14,329                  | 13,325                  |
| Defaulters' Liabilities (*)   | 6,702                   | 6,839                   |
| Withheld Liabilities (*)  | 5,676                   | 3,860                   |
| Clearing and Settlement   |                         |                         |
| (i) Deposit from Clearing banks   | 13,801                  | 13,801                  |
| (ii) Deposit and Margins from Members                                       | 18,157                  | 21,156                  |
| (iii) Settlement Obligation payable   | 29,698                  | 30,362                  |
| (iv) Others   | 809                     | 144                     |
| Others  | 1,334                   | 1,103                   |
| <b>TOTAL (B)</b>  | <b>90,506</b>           | <b>90,590</b>           |
| <b>TOTAL (A+B)</b>  | <b>113,862</b>          | <b>121,440</b>          |
| (*) Investments and Deposits have been earmarked against these liabilities. |                         |                         |

## Notes:

## 1. Other Liabilities includes Investors' Services Fund (ISF):

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Annual Listing Fees Received for the Year                     | 9,995                   | 6,180                   |
| 20% of the above (Amount to be contributed)                   | 1,999                   | 1,236                   |
| Expenses incurred on behalf of ISF                            | 1,127                   | 561                     |
| Expenses recoverable (Subject to maximum of the contribution) | 1,127                   | 561                     |

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Account. The Exchange has charged all direct expenses incurred towards Investors Services to this Account and has also charged on a pro-rata basis other relevant expenses. The balance in the Account as on March 31, 2016 is ₹ 2,057 Lakh (As at March 31, 2015 is ₹ 1,185 Lakh) which is shown as under and the same is forming part of Other Liabilities.

## 2. Other Liabilities includes dividend for earlier years in respect of shares held in abeyance as referred to in Note 2(c), amounting to ₹ 698 lakh (As at March 31, 2015 ₹ 543 lakh).

## 3. Investor Education and Awareness Programme :

During the year, out of the penalty collected on account of late transfer of securities by Depository Participants to beneficial owner accounts, ₹ 15.50 Lakh (Previous Year ₹ 10.26 Lakh) utilized for conducting various investor education and awareness programme. Balance of ₹ 1.22 Lakh (Previous year ₹ 2.51 Lakh) is to be utilised for the said programme has been disclosed in "Other Current Liabilities".

**NOTE 9****OTHER CURRENT LIABILITIES (CONTD.)..****4. Beneficial Owner's Protection Fund :**

As advised by SEBI, the Company had set up a Trust called "CDSL Beneficial Owner's Protection Fund" (BOPF). As per the rules of the said Fund, corpus is constituted mainly out of a) 25% of profits of depository and b) penalties collected from Depository Participants (DPs). Details of the Fund account disclosed in "Other Current Liabilities" are given below:

| PARTICULARS                 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-----------------------------|-------------------------|-------------------------|
|                             | ₹ In Lakh               | ₹ In Lakh               |
| Opening Balance             | 12                      | 8                       |
| Add: Penalties levied (net) | 4                       | 4                       |
| Closing Balance             | 16                      | 12                      |

**NOTE 10****SHORT TERM PROVISIONS**

| PARTICULARS                                  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| Compensated Absences                         | 912                     | 789                     |
| Provision for gratuity                       | 2                       | 2                       |
| Income Taxes Provisions (Net of Advance Tax) | 1,188                   | 905                     |
| Provision for Incentive Scheme for DPs       | 281                     | -                       |
| Proposed Dividend                            | 4,367                   | 5,459                   |
| Tax on Dividend                              | 889                     | 1,111                   |
| Wealth Tax                                   | 6                       | 2                       |
| Add: Share in Joint Ventures                 | 20                      | 43                      |
| <b>TOTAL</b>                                 | <b>7,665</b>            | <b>8,311</b>            |

## NOTE 11

## STATEMENT OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016

| Sr. No. | Particulars of Assets  | Cost As at April 1, 2015 | Additions During the Year | Deductions / Adjustments | Addition on Account of Merger | Cost As at March 31, 2016 | Depreciation upto March 31, 2015 | Depreciation / Amortisation for the Year | Transfer from Opening Reserve | Deductions/ Adjustments | Depreciation upto March 31, 2016 | Net Assets As at March 31, 2016 | Net Assets As at March 31, 2015 |
|---------|--|--------------------------|---------------------------|--------------------------|-------------------------------|---------------------------|----------------------------------|--|-------------------------------|-------------------------|----------------------------------|---------------------------------|---------------------------------|
|         |  | A                        | B                         | C                        | D                             | E = A+B-C+D               | F                                | G  | H                             | I                       | J = F+G+H-I                      | K = E-J                         | L = A-F                         |
|         | <b>Tangible Assets :</b>   |                          |                           |                          |                               |                           |                                  |  |                               |                         |                                  |                                 |                                 |
| 1       | Freehold Land (Previous Year)  | 1,010 (1,010)            | -                         | -                        | -                             | 1,010 (1,010)             | -                                | -  | -                             | -                       | -                                | 1,010 (1,010)                   | 1,010 (1,010)                   |
| 2       | Buildings (Previous Year)  | 6,524 (4,749)            | 657 (1,797)               | -                        | -                             | 7,181 (6,524)             | 3,032 (2,874)                    | 224 (162)                                | -                             | -                       | 3,256 (3,032)                    | 3,925 (3,492)                   | 3,492 (1,875)                   |
| 3       | Plant & Machinery (Previous Year)  | 3,100 (2,688)            | 698 (423)                 | 425 (11)                 | -                             | 3,733 (3,100)             | 2,114 (1,847)                    | 245 (233)                                | -                             | 420 (39)                | 1,939 (2,114)                    | 1,434 (986)                     | 986 (841)                       |
| 4       | Electrical Installations (Previous Year)                                   | 3,817 (2,140)            | 794 (1,679)               | 442 (2)                  | -                             | 4,169 (3,817)             | 1,684 (1,287)                    | 652 (376)                                | -                             | 440 (1)                 | 1,896 (1,684)                    | 2,273 (2,133)                   | 2,133 (853)                     |
| 5       | Computers - (a) Hardware And Networking Equipments - Owned (Previous Year) | 33,546 (29,153)          | 1,654 (4,739)             | 19,592 (354)             | -                             | 15,608 (33,546)           | 28,905 (26,623)                  | 2,326 (2,347)                            | -                             | 19,592 (348)            | 11,639 (28,905)                  | 3,969 (4,641)                   | 4,641 (2,530)                   |
|         | (b) Hardware And Networking Equipments - Lease (Previous Year)             | 304 (304)                | -                         | 200 -                    | -                             | 104 (304)                 | 168 (68)                         | 58 (100)                                 | -                             | 198 -                   | 28 (168)                         | 76 (136)                        | 136 (236)                       |
| 6       | Furniture, Fixtures And Office Equipments (Previous Year)                  | 4,393 (3,998)            | 1,033 (417)               | 667 (22)                 | -                             | 4,759 (4,393)             | 3,548 (2,992)                    | 529 (416)                                | -                             | 662 (13)                | 3,415 (3,548)                    | 1,344 (845)                     | 845 (1,006)                     |
| 7       | Motor Vehicles (Previous Year)   | 166 (136)                | - (44)                    | 6 (14)                   | -                             | 160 (166)                 | 41 (15)                          | 26 (34)                                  | -                             | 5 (8)                   | 62 (41)                          | 98 (125)                        | 125 (121)                       |
|         | Add : Share in Joint Venture (Previous Year)                               | 338 (106)                | 27 (259)                  | 59 (27)                  | -                             | 306 (338)                 | 76 (67)                          | 67 (28)                                  | -                             | 53 (19)                 | 90 (76)                          | 216 (262)                       | 262 (39)                        |
|         | <b>Sub Total (A)</b>   | <b>53,198</b>            | <b>4,863</b>              | <b>21,391</b>            | <b>-</b>                      | <b>36,670</b>             | <b>39,568</b>                    | <b>4,127</b>                             | <b>-</b>                      | <b>21,370</b>           | <b>22,325</b>                    | <b>14,345</b>                   | <b>13,630</b>                   |
|         | <b>Intangible Assets (other than internally generated) :</b>               |                          |                           |                          |                               |                           |                                  |  |                               |                         |                                  |                                 |                                 |
| 8       | Software (Previous Year)   | 9,664 (8,144)            | 975 (1,515)               | 1,855 -                  | -                             | 8,784 (9,664)             | 7,527 (6,131)                    | 1,256 (1,396)                            | -                             | 1,849 -                 | 6,934 (7,527)                    | 1,850 (2,137)                   | 2,137 (2,013)                   |
| 9       | Goodwill on Amalgamation (Previous Year)                                   | 1,565 -                  | - (1,565)                 | -                        | -                             | 1,565 (1,565)             | 780 -                            | 785 (780)                                | -                             | -                       | 1,565 (780)                      | - (785)                         | 785 -                           |
|         | Add : Share in Joint Venture (Previous Year)                               | 45 (45)                  | 1 -                       | 46 -                     | -                             | - (45)                    | 44 (39)                          | - (5)                                    | -                             | 44 -                    | - (44)                           | - (1)                           | 1 (6)                           |
|         | <b>Sub Total (B)</b>   | <b>11,274</b>            | <b>976</b>                | <b>1,901</b>             | <b>-</b>                      | <b>10,349</b>             | <b>8,351</b>                     | <b>2,041</b>                             | <b>-</b>                      | <b>1,893</b>            | <b>8,499</b>                     | <b>1,850</b>                    | <b>2,923</b>                    |
|         | <b>Grand Total (A+B)</b>   | <b>64,472</b>            | <b>5,839</b>              | <b>23,292</b>            | <b>-</b>                      | <b>47,019</b>             | <b>47,919</b>                    | <b>6,168</b>                             | <b>-</b>                      | <b>23,263</b>           | <b>30,824</b>                    | <b>16,195</b>                   | <b>16,553</b>                   |
| 10      | Capital Work-in-progress   |                          |                           |                          |                               |                           |                                  |  |                               |                         |                                  | <b>60</b>                       | <b>305</b>                      |
| 11      | Intangible Assets Under Development  |                          |                           |                          |                               |                           |                                  |  |                               |                         |                                  | <b>203</b>                      | <b>61</b>                       |
|         | Previous Year  | 52,473                   | 12,438                    | 452                      | 13                            | 64,472                    | 41,943                           | 5,877                                    | 497                           | 398                     | 47,919                           | 16,553                          |                                 |

## Footnote:

During the year ended March 31, 2015, the Company had reassessed the depreciation rate on tangible fixed assets as per the useful life specified in the Companies Act, 2013. Based on the current estimates at that time, depreciation of ₹ 497 lakh on account of assets whose useful life was already exhausted as on April 01, 2014 and deferred tax of ₹ 168 thereon was adjusted against the opening surplus in the Statement of Profit and Loss (refer note 3) as at April 1, 2014.



## NOTE 12

## NON CURRENT INVESTMENTS

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Non current Investments (At Cost, unless otherwise Specified):</b><br>(Fully Paid-up, Unless otherwise Stated) |                         |                         |
| <b>Trade Investment</b>   |                         |                         |
| <b>Investments in Equity Instruments</b>  |                         |                         |
| <b>Own Funds</b>  |                         |                         |
| - 30,875 Shares of Calcutta Stock Exchange Limited of ₹ 1/- each  | 618                     | 618                     |
| - 2,187,015 Shares of National Power Exchange Limited of ₹ 10/- each  | 219                     | 219                     |
| - 10,500,000 Shares of BFSI Sector Skill Council of India of ₹ 1/- each   | 105                     | 105                     |
|   | 942                     | 942                     |
| <b>Equity Accounted Associate - At Carrying Value</b>   |                         |                         |
| - Investment in Institutional Investor Advisory Services India Limited  |                         |                         |
| Cost of Investment  | -                       | 400                     |
| Add: Share of Post Acquisition Profit / (Loss)  | -                       | (144)                   |
|   | -                       | 256                     |
| <b>Non - Trade Investment</b>   |                         |                         |
| <b>Investments in Equity Instruments</b>  |                         |                         |
| <b>Own Funds</b>  |                         |                         |
| - 5,000 Shares of Equity Shares of Belapur Railway Station Commercial Company Limited ₹ 10/- each                 | 1                       | 1                       |
| - 51,000 Shares of Equity Shares of BIL - Ryerson Technology Startup Incubator Foundation ₹ 1/- each              | 1                       | -                       |
| <b>Investments in Debentures &amp; Bonds</b>  |                         |                         |
| <b>(a) Own Funds</b>  |                         |                         |
| - Bonds and Non-Convertible Debentures (Quoted)   | 136,573                 | 118,365                 |
| <b>(b) Earmarked Funds</b>  |                         |                         |
| - Bonds and Non-Convertible Debentures (Quoted)   | 4,550                   | 2,894                   |
| - Bonds and Non-Convertible Debentures (Quoted)   | 1,385                   | 4,559                   |
| - Core Settlement Guarantee Fund  |                         |                         |
| <b>Investments in Mutual Funds (Quoted)</b>   |                         |                         |
| <b>Own Funds</b>  |                         |                         |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)  | -                       | 150                     |
| - Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)  | 9,993                   | 14,587                  |
| Less : Provision for Diminution in value of Long Term Investment  | (937)                   | (731)                   |
| <b>TOTAL</b>  | <b>152,508</b>          | <b>141,023</b>          |
| Aggregate Amount of Quoted Investments  | 152,501                 | 140,555                 |
| Market Value of Quoted Investments  | 159,462                 | 145,715                 |
| Book Value of Unquoted Investments  | 6                       | 468                     |

**Note :** BFSI Sector Skill Council of India and BIL - Ryerson Technology Startup Incubator Foundation being a section 8 Company under the companies Act, 2013 and the same has not been considered for consolidation.

## NOTE 12

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No.                                     | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|---|---|------------------------------|-----------|------------------------------|-----------|
|   |   | Units                        | Amount    | Units                        | Amount    |
|   |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| (a)   | Own Funds   |                              |           |                              |           |
| Bonds & Non Convertible Debentures (Quoted) |   |                              |           |                              |           |
| 1   | 9.49%-HDB Financial Services Limited-18Jun2019-INE756I07399                             | 50                           | 499       | 50                           | 499       |
| 2   | 9.18%-HDFC Limited-12Feb2018-INE001A07KB4   | 250                          | 2,469     | 250                          | 2,453     |
| 3   | 9.70%-HDFC Limited-18Mar2017-INE001A07MK1   | -                            | -         | 200                          | 2,005     |
| 4   | 9.75%-HDFC Limited-07Dec2016-INE001A07HN5   | -                            | -         | 297                          | 2,962     |
| 5   | 8.10%-Housing and Urban Development Corporation Limited-05Mar2022-INE031A07832-Tax Free | 1,769,400                    | 18,321    | 1,069,400                    | 11,141    |
| 6   | 8.51%-Housing and Urban Development Corporation Limited-13Jan2024-INE031A07964-Tax Free | 300,000                      | 3,031     | 250,000                      | 2,500     |
| 7   | 8.29%-Housing and Urban Development Corporation Limited-24Mar2024-INE031A07AC0-Tax Free | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 8   | 10.00%-ICICI Bank Limited-10Nov2017-INE090A08MT3  | 7,551                        | 755       | 7,551                        | 755       |
| 9   | 9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016-INE871D07ML9        | -                            | -         | 100,000                      | 1,000     |
| 10  | 11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016-INE871D07MY2       | -                            | -         | 100,000                      | 1,015     |
| 11  | 9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019-INE871D07ND4        | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 12  | 6.72%-Indian Railway Finance Corporation Limited-20Dec2020-INE053F09HL5-Tax Free        | 7,500                        | 7,481     | 7,500                        | 7,478     |
| 13  | 7.55%-Indian Railway Finance Corporation Limited-08Nov2021-INE053F09HT8-Tax Free        | 500                          | 500       | 500                          | 500       |
| 14  | 8.00%-Indian Railway Finance Corporation Limited-23Feb2022-INE053F07520-Tax Free        | 652,773                      | 6,657     | 631,898                      | 6,462     |
| 15  | 7.19%-Indian Railway Finance Corporation Limited-14Dec2022-INE053F09IC2-Tax Free        | 100                          | 1,000     | 200                          | 2,000     |
| 16  | 8.23%-Indian Railway Finance Corporation Limited-18Feb2024-INE053F07652-Tax Free        | 300,000                      | 3,088     | 200,000                      | 2,035     |
| 17  | 8.35%-Indian Railway Finance Corporation Limited-21Nov2023-INE053F07611-Tax Free        | 700                          | 7,304     | 200                          | 2,000     |
| 18  | 8.64%-LIC Housing Finance Limited-03May2016-INE115A07DU7                                | -                            | -         | 200                          | 1,976     |
| 19  | 9.30%-LIC Housing Finance Limited-14Oct2016-INE115A07EN0                                | -                            | -         | 250                          | 2,492     |
| 20  | 10.18%-LIC Housing Finance Limited-19Sep2016-INE115A07EJ8                               | -                            | -         | 100                          | 1,001     |
| 21  | 10.60%-LIC Housing Finance Limited-06Sep2016-INE115A07EH2                               | -                            | -         | 250                          | 2,526     |
| 22  | 8.20%-NHAI-25Jan2022-INE906B07CA1-Tax Free  | -                            | -         | 61,810                       | 618       |
| 23  | 8.27%-National Highways Authority Of India-05Feb2024-INE906B07DC5-Tax Free              | 290,000                      | 2,922     | 250,000                      | 2,500     |
| 24  | 8.26%-National Housing Bank-13Jan2024-INE557F07082-Tax Free                             | 18,050                       | 903       | 18,050                       | 903       |
| 25  | 8.41%-National Thermal Power Corporation Limited-16Dec2023-INE733E07JE0-Tax Free        | 79,162                       | 792       | 79,162                       | 792       |

## NOTE 12

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No. | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|---------|---|------------------------------|-----------|------------------------------|-----------|
|         |   | Units                        | Amount    | Units                        | Amount    |
|         |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| 26      | 7.19%-Power Finance Corporation Limited-04Jan2023-INE134E07331-Tax Free                 | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 27      | 8.20%-Power Finance Corporation Limited-01Feb2022-INE134E07190-Tax Free                 | 1,225,828                    | 12,625    | 1,205,982                    | 12,480    |
| 28      | 8.01%-Rural Electrification Corporation Limited-29Aug2023-INE020B07HM5-Tax Free         | 250                          | 2,501     | 250                          | 2,501     |
| 29      | 8.01%-Rural Electrification Corporation Limited-24Sep2023-INE020B07HO1-Tax Free         | 500,000                      | 5,000     | 500,000                      | 5,000     |
| 30      | 9.30%-SBI-16Mar2021-INE062A08041  | -                            | -         | 3,791                        | 379       |
| 31      | 9.25%-Tata Sons Limited-19Jun2019-INE895D07479  | 100                          | 994       | 100                          | 992       |
| 32      | 8.09%-Power Finance Corporation Limited-25Nov2021-INE134E07133-Tax Free                 | 1,000                        | 1,045     | 1,000                        | 1,053     |
| 33      | 7.93%-Rural Electrification Corporation Limited-27Mar2022-INE020B07GG9-Tax Free         | 164,702                      | 1,702     | 48,991                       | 509       |
| 34      | 8.20% - Power Finance Corporation - 01 February 2022                                    | 119,000                      | 1,232     | 119,000                      | 1,240     |
| 35      | 8.23% - Indian Railway Financial Corporation - 18 February 2024                         | 1,000,000                    | 10,000    | 1,000,000                    | 10,000    |
| 36      | 8.35% Power Finance Corporation Ltd - 15 May 2016                                       | -                            | -         | 500                          | 4,931     |
| 37      | 8.00% - Indian Railway Finance Corporation Ltd - 23 February 2022                       | 61,000                       | 601       | 61,000                       | 599       |
| 38      | 8.27% - National Highway Authority of India - 05 February 2024                          | 812,098                      | 8,121     | 812,098                      | 8,121     |
| 39      | 8.20% - National Highway Authority of India - 25 January 2022                           | 34,000                       | 338       | 34,000                       | 337       |
| 40      | 8.14% HUDCO Limited, October 2023   | 2,500                        | 25        | 2,500                        | 25        |
| 41      | IIFCL (Tax free) Bonds  | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 42      | IRFCL (Tax free) Bonds  | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 43      | 7.21% RECL (Tax free) Bonds 21 November 22  | 50                           | 500       | 50                           | 500       |
| 44      | 7.22% PFC (Tax free) Bond Series 95 29 Novemeber 22                                     | 50                           | 500       | 50                           | 500       |
| 45      | 7.18% IRFCL (Tax free) Bonds 19 February 23   | 130,000                      | 1,306     | 130,000                      | 1,307     |
| 46      | 8.01% NHB (Tax free) Bonds 30 August 23   | 70                           | 700       | 70                           | 700       |
| 47      | 7.17% NHB (Tax free) Bonds 01 January 23  | 50                           | 503       | 50                           | 503       |
| 48      | 8.35% NHAI (Tax free) Bonds 22 November 23  | 70                           | 700       | 70                           | 700       |
| 49      | 8.20% NHAI (Tax free) Bonds 25 January 22   | 72,500                       | 750       | 72,500                       | 754       |
| 50      | 8.18% NHPC (Tax free) Bonds 02 November 23  | 22,547                       | 225       | 22,547                       | 225       |
| 51      | 8.19% NTPC (Tax free) Bonds 04 March 24   | 50                           | 500       | 50                           | 500       |
| 52      | 8.41% NTPC (Tax free) Bonds 16 December 23  | 31,665                       | 317       | 31,665                       | 317       |
| 53      | 8.18% RECL (Tax free) Bonds 11 October 23   | 50                           | 522       | 50                           | 527       |
| 54      | 8.20% PFC (Tax free) Bonds 01 February 22   | 100,000                      | 1,043     | 100,000                      | 1,052     |
| 55      | 8.19%-Rural Electrification Corporation Limited-24Mar2024-INE020B07IC4-Tax Free         | 250,000                      | 2,633     | -                            | -         |
| 56      | 7.34%-Housing and Urban Development Corporation Limited-16Feb2023-INE031A07857-Tax Free | 100,000                      | 1,003     | -                            | -         |

## NOTE 12

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No.   | SCHEME NAME   | Balance as on March 31, 2016 |                | Balance as on March 31, 2015 |                |
|---|---|------------------------------|----------------|------------------------------|----------------|
|   |   | Units                        | Amount         | Units                        | Amount         |
|   |   |                              | ₹ In Lakh      |                              | ₹ In Lakh      |
| 57  | 8.14%-Housing and Urban Development Corporation Limited-25Oct2023-INE031A07907-Tax Free | 50,000                       | 520            | -                            | -              |
| 58  | 7.62%-Housing and Urban Development Corporation Limited-11Nov2021-INE031A09FC5-Tax Free | 1,000                        | 1,015          | -                            | -              |
| 59  | 7.18%-Indian Railway Finance Corporation Limited-19Feb2023-INE053F07561-Tax Free        | 150,000                      | 1,493          | -                            | -              |
| 60  | 9.51%-LIC Housing Finance Limited-24Jul2019-INE115A07FK3                                | 100                          | 1,019          | -                            | -              |
| 61  | 11.08%-LIC Housing Finance Limited-13Aug2018-INE115A07569                               | 49                           | 512            | -                            | -              |
| 62  | 8.80%-Canfin Homes Limited-02Jul2018-INE477A07084                                       | 100                          | 1,000          | -                            | -              |
| 63  | 8.77%-HDB Financial Services Limited-02Jun2018-INE756I07597                             | 50                           | 500            | -                            | -              |
| 64  | 8.81%-HDB Financial Services Limited-28Jul2018-INE756I07621                             | 50                           | 500            | -                            | -              |
| 65  | 8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020-INE871D07OC4        | 50,000                       | 500            | -                            | -              |
| 66  | 8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018-INE871D07OF7        | 100,000                      | 1,000          | -                            | -              |
| 67  | 8.80%-Kotak Mahindra Prime Limited-26Jun2018-INE916DA7I18                               | 50                           | 500            | -                            | -              |
| 68  | 8.65%-HDB Financial Services Limited-25Sep2018-INE756I07670                             | 50                           | 500            | -                            | -              |
| 69  | 8.71%-HDB Financial Services Limited-20Oct2018-INE756I07654                             | 100                          | 998            | -                            | -              |
| 70  | 8.8394%-HDB Financial Services Limited-12Mar19-INE756I07878                             | 100                          | 1,002          | -                            | -              |
| 71  | 8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019-INE121H07AL5       | 20,000                       | 200            | -                            | -              |
| 72  | 8.34%-LIC Housing Finance Limited-22Mar2018-INE115A07DZ6                                | 250                          | 2,484          | -                            | -              |
| 73  | 9.50%-HDFC Ltd-14Aug2017-INE001A07JC4   | 100                          | 1,010          | -                            | -              |
| 74  | 9.30%-HDFC Ltd.-04Oct2017-INE001A07JN1  | 140                          | 1,411          | -                            | -              |
| 75  | 8.60%-LIC Housing Finance Limited-28Dec2020-INE115A07JF5                                | 150                          | 1,500          | -                            | -              |
| 76  | 7.19% IRFC Tax Free Bond 31 July 2025   | 50                           | 501            | -                            | -              |
| 77  | 7.15% NTPC Tax Free Bond 21 August 2025   | 50                           | 500            | -                            | -              |
| 78  | 7.17% RECL Tax Free Bond 23 July 2025   | 50                           | 500            | -                            | -              |
| 79  | 7.11% NHAH Tax Free Bonds 18 September 2025   | 30                           | 300            | -                            | -              |
| 80  | 7.16% PFC Tax Free Bonds 17 July 2025   | 50                           | 500            | -                            | -              |
| 81  | 7.17% RECL Tax Free Bonds 23 July 2025  | 50                           | 500            | -                            | -              |
|   | <b>TOTAL</b>  |                              | <b>136,573</b> |                              | <b>118,365</b> |
| <b>Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)</b> |   |                              |                |                              |                |
| 1   | HDFC Debt Fund For Cancer Cure-100% Dividend Donation-17Mar2017                         | -                            | -              | 1,500,000                    | 150            |
|   | <b>TOTAL</b>  |                              | -              |                              | <b>150</b>     |

## NOTE 12

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No.  | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|--|---|------------------------------|-----------|------------------------------|-----------|
|  |   | Units                        | Amount    | Units                        | Amount    |
|  |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted) |   |                              |           |                              |           |
| 1  | Reliance Fixed Horizon Fund-XXVIII- Series4-Direct-24Jan2018                            | 10,000,000                   | 1,000     | 10,000,000                   | 1,000     |
| 2  | Birla Sun Life Fixed Term Plan - Series KC (368days) - Growth Direct                    | -                            | -         | 7,186,155                    | 719       |
| 3  | Birla Sun Life Fixed Term Plan - Series KK (367days) - Growth Direct                    | -                            | -         | 4,658,410                    | 466       |
| 4  | Birla Sun Life Fixed Term Plan - Series KM (368days) - Growth Direct                    | -                            | -         | 5,600,000                    | 560       |
| 5  | Birla Sun Life Fixed Term Plan - Series KQ (368days) - Growth Direct                    | -                            | -         | 8,492,604                    | 849       |
| 6  | DSP BlackRock FMP S146-12M-Growth Direct Maturity Dt 26 February 16                     | -                            | -         | 7,145,127                    | 715       |
| 7  | DSP BlackRock FMP S153-12M-Growth Direct Maturity Dt 23 March 16                        | -                            | -         | 4,110,415                    | 411       |
| 8  | DSP BlackRock FMP S149-12M-Growth Direct Maturity Dt 09 March 16                        | -                            | -         | 4,015,031                    | 402       |
| 9  | DSP BlackRock FMP S109-12M-Growth Direct Growth   | -                            | -         | 5,720,279                    | 572       |
| 10   | DWS Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth                       | -                            | -         | 138,027                      | 14        |
| 11   | HDFC FMP 370D Mar2014 (1) - Direct Plan- Growth   | 4,384,836                    | 438       | 4,384,836                    | 438       |
| 12   | HDFC FMP 371D Feb 2014(2) Sr 29 - Direct Plan- Growth                                   | 6,000,000                    | 600       | 6,000,000                    | 600       |
| 13   | ICICI Prudential Fixed Maturity Plan-Series 72-366 days Plan K - Direct Plan-Cumulative | -                            | -         | 3,483,042                    | 348       |
| 14   | ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan P - Direct Plan-Cumulative | 12,303,571                   | 1,230     | 12,303,571                   | 1,230     |
| 15   | ICICI Prudential Fixed Maturity Plan-Series 73-366 days Plan A - Direct Plan-Cumulative | 3,284,400                    | 328       | 3,284,400                    | 328       |
| 16   | IDFC Fixed Term Plan Series 24 - Direct Plan - Growth                                   | -                            | -         | 6,000,000                    | 600       |
| 17   | IDFC Fixed Term Plan Series 27 - Direct Plan - Growth                                   | -                            | -         | 3,000,000                    | 300       |
| 18   | IDFC Fixed Term Plan Series 83 - Direct Plan - Growth                                   | -                            | -         | 3,422,759                    | 342       |
| 19   | Reliance Fixed Horizon Fund - XXV - Series 18 - Direct Plan Growth Plan                 | -                            | -         | 4,000,000                    | 400       |
| 20   | Reliance Fixed Horizon Fund - XXV - Series 24 - Direct Plan Growth Plan                 | 5,000,000                    | 500       | 5,000,000                    | 500       |
| 21   | Reliance Fixed Horizon Fund - XXV - Series 26 - Direct Plan Growth Plan                 | 4,840,140                    | 484       | 4,840,140                    | 484       |
| 22   | Sundaram Fixed Term Plan DO 366 Days Direct Growth                                      | -                            | -         | 5,360,560                    | 536       |
| 23   | Birla Fixed Term Plan Series JY - Direct - Growth                                       | -                            | -         | 3,544,730                    | 354       |
| 24   | Birla Fixed Term Plan Series KI - Direct - Growth                                       | -                            | -         | 5,630,000                    | 563       |
| 25   | Birla Fixed Term Plan Series KQ - Direct - Growth                                       | -                            | -         | 5,036,298                    | 504       |
| 26   | Birla Fixed Term Plan Series HL - Direct - Growth                                       | -                            | -         | 2,562,575                    | 256       |
| 27   | Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth                                  | -                            | -         | 3,000,000                    | 300       |
| 28   | Reliance Fixed Horizon Fund XXV Sr 26 - Direct Plan - Growth                            | 4,000,000                    | 400       | 4,000,000                    | 400       |
| 29   | Reliance Fixed Horizon Fund - XXIV 11 Direct Plan                                       | -                            | -         | 3,948,606                    | 395       |
| 30   | DSP BlackRock FMP S161-12M-Dir-G  | 6,549,900                    | 655       | -                            | -         |
| 31   | DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth                     | 6,500,000                    | 650       | -                            | -         |



## NOTE 12

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No.  | SCHEME NAME  | Balance as on March 31, 2016 |              | Balance as on March 31, 2015 |               |
|--|--|------------------------------|--------------|------------------------------|---------------|
|  |  | Units                        | Amount       | Units                        | Amount        |
|  |  |                              | ₹ In Lakh    |                              | ₹ In Lakh     |
| 32   | HDFC FMP 370D Apr 2014 (2) - Direct Plan- GR                                     | 4,079,690                    | 408          | -                            | -             |
| 33   | HDFC FMP 377Days March2014 (1) - Direct Plan- GR                                 | 14,468,207                   | 1,447        | -                            | -             |
| 34   | ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cum | 4,793,668                    | 479          | -                            | -             |
| 35   | ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cum | 4,000,000                    | 400          | -                            | -             |
| 36   | ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan-Cum | 5,565,133                    | 557          | -                            | -             |
| 37   | Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct-Growth                       | 165,632                      | 17           | -                            | -             |
| 38   | Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth                    | 4,000,000                    | 400          | -                            | -             |
|  | <b>TOTAL</b>   |                              | <b>9,993</b> |                              | <b>14,587</b> |
| <b>(b) Earmarked Funds</b>                             |  |                              |              |                              |               |
| <b>Bonds &amp; Non Convertible Debentures (Quoted)</b> |  |                              |              |                              |               |
| 1  | 9.25%-VIJAYA BANK-01AUG2016-INE705A09068   | -                            | -            | 150                          | 1,509         |
| 2  | 8.27% - National Highway Authority of India - 05 February 2024                   | 138,502                      | 1,385        | 138,502                      | 1,385         |
| 3  | 8.27% - National Highway Authority of India - 05 February 2024                   | 49,400                       | 494          | 49,400                       | 494           |
| 4  | 8.23% - Indian Railway Financial Corporation - 18 February 2024                  | 250,000                      | 2,517        | 250,000                      | 2,519         |
| 5  | 7.93% - Rural Electrification Corporation - 27 March 2022                        | 150,000                      | 1,539        | 150,000                      | 1,546         |
|  | <b>TOTAL</b>   |                              | <b>5,935</b> |                              | <b>7,453</b>  |

## NOTE 13

## DEFERRED TAX ASSETS (NET)

| PARTICULARS                             | As at March 31, 2016 | As at March 31, 2015 |
|---|----------------------|----------------------|
|   | ₹ In Lakh            | ₹ In Lakh            |
| <b>Deferred Tax Assets:</b>             |                      |                      |
| Depreciation                            | -                    | 172                  |
| Provision for employee benefits         | 823                  | 239                  |
| Provision for doubtful debts / advances | 269                  | 141                  |
| Others                                  | 309                  | -                    |
| Add : Share in Joint Venture (net)      | 9                    | 79                   |
| <b>Deferred Tax Liabilities:</b>        |                      |                      |
| Depreciation                            | 332                  | -                    |
| <b>Net Deferred Tax Assets</b>          | <b>1,078</b>         | <b>631</b>           |

## NOTE 14

## LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Deposit with Public Bodies and Others                     | 323                     | 274                     |
| Share Application Money Paid for Investment in subsidiary | 4                       | -                       |
| Advance To Staff  | 101                     | 88                      |
| Capital advances  | 22                      | 5                       |
| Income Taxes Paid in Advance (Net of Provisions)          | 11,182                  | 7,781                   |
| MAT Credit entitlement - Unsecured, considered good       | 6                       | 6                       |
| Prepaid Expenses  | 85                      | 84                      |
| Receivable from Punjab and Sindh Bank                     | 316                     | 317                     |
| Add: Share in Joint Ventures                              | -                       | 8                       |
| <b>TOTAL</b>  | <b>12,039</b>           | <b>8,563</b>            |

## NOTE 15

## OTHER NON CURRENT ASSETS

| PARTICULARS          | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|----------------------|-------------------------|-------------------------|
|                      | ₹ In Lakh               | ₹ In Lakh               |
| <b>Others</b>        |                         |                         |
| Gratuity asset (net) | 150                     | 210                     |
| <b>TOTAL</b>         | <b>150</b>              | <b>210</b>              |

## NOTE 16

## INVESTMENTS

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Non Trade Investments</b>   |                         |                         |
| <b>A) Current Investments (At lower of cost &amp; fair value)</b>    |                         |                         |
| <b>Investments in Debentures &amp; Bonds &amp; CDS</b>               |                         |                         |
| <b>(a) Own Funds</b>   |                         |                         |
| - Investment in Certificates of Deposit (Quoted)                     | 4,496                   | 45,439                  |
| <b>(b) Earmarked Funds</b>   |                         |                         |
| - Investment in Certificates of Deposit (Quoted)                     | -                       | 4,993                   |
| <b>Investments in Mutual Funds</b>                                   |                         |                         |
| <b>(a) Own Funds</b>   |                         |                         |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)   | 5,356                   | 2,571                   |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Unquoted) | 7,649                   | 7,897                   |
| - Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)     | 2,296                   | 1,100                   |
|  | <b>15,301</b>           | <b>11,568</b>           |

## NOTE 16

## INVESTMENTS (CONTD.)..

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>(b) Earmarked Funds</b>   |                         |                         |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)                                     | -                       | 229                     |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)<br>- Core Settlement Guarantee Fund | -                       | 5,715                   |
| - Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)                                       | 252                     | 500                     |
|  | 252                     | 6,444                   |
| <b>B) Current portion of Long Term Investments<br/>(At Cost, unless otherwise Specified)</b>           |                         |                         |
| <b>Investments in Debentures &amp; Bonds</b>   |                         |                         |
| <b>Own Funds</b>   |                         |                         |
| - Bonds & Non Convertible Debentures (Quoted)  | 19,969                  | 9,000                   |
| <b>Investments in Mutual Funds</b>   |                         |                         |
| <b>Own Funds</b>   |                         |                         |
| - Units of Growth Oriented Debt Schemes of Mutual Funds - (Quoted)                                     | 13,560                  | 9,151                   |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds - (Quoted)                                   | 150                     | -                       |
|  | 13,710                  | 9,151                   |
| <b>TOTAL</b>   | 53,728                  | 86,595                  |
| Aggregate Amount of Quoted Investments   | 46,079                  | 78,698                  |
| Market Value of Quoted Investments   | 48,714                  | 79,022                  |
| Book Value of Unquoted Investments   | 7,649                   | 7,897                   |

| Sr.<br>No. | SCHEME NAME   | Balance as on<br>March 31, 2016 |           | Balance as on<br>March 31, 2015 |           |
|------------|---|---------------------------------|-----------|---------------------------------|-----------|
|            |   | Units                           | Amount    | Units                           | Amount    |
|            |   |                                 | ₹ In Lakh |                                 | ₹ In Lakh |
| <b>A</b>   | <b>CURRENT INVESTMENT</b>   |                                 |           |                                 |           |
| <b>(a)</b> | <b>Own Funds</b>  |                                 |           |                                 |           |
|            | <b>Certificate of Deposit (Quoted)</b>                                  |                                 |           |                                 |           |
| 1          | HDFC Bank Limited   | 2,000                           | 1,998     | -                               | -         |
| 2          | Axis Bank Limited   | 2,500                           | 2,498     | -                               | -         |
| 3          | Bank Of India 06Apr2015   | -                               | -         | 13,500                          | 13,483    |
| 4          | Indusind Bank 06Apr2015   | -                               | -         | 23,000                          | 22,968    |
| 5          | South Indian Bank 06Apr2015   | -                               | -         | 9,000                           | 8,988     |
|            | <b>TOTAL</b>  |                                 | 4,496     |                                 | 45,439    |
|            | <b>Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)</b> |                                 |           |                                 |           |
| 1          | ICICI Prudential Liquid - Direct - DDR - ISF                            | 2,220,872                       | 2,222     | 1,109,593                       | 1,111     |
| 2          | Kotak Income Opportunities Fund - DIR- Weekly DR                        | 25,943,686                      | 2,636     | -                               | -         |
| 3          | Baroda Pioneer Liquid Fund Collection A/c                               | -                               | -         | 2,644                           | 40        |
| 4          | ICICI Prudential Liquid Fund Growth Plan                                | -                               | -         | 86,155                          | 177       |

## NOTE 16

## INVESTMENTS (CONTD.)..

| Sr. No.   | SCHEME NAME   | Balance as on March 31, 2016 |               | Balance as on March 31, 2015 |               |
|---|---|------------------------------|---------------|------------------------------|---------------|
|   |   | Units                        | Amount        | Units                        | Amount        |
|   |   |                              | ₹ In Lakh     |                              | ₹ In Lakh     |
| 5   | Reliance Liquidity Direct (Growth Plan)   | -                            | -             | 441                          | 9             |
| 6   | ICICI Prudential Liquid - Direct Plan - Daily Dividend                          | 6,306                        | 6             | 9,226                        | 9             |
| 7   | HDFC cash Management Fund - saving Plan Daily dividend                          | -                            | 23            | -                            | 819           |
| 8   | Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment                    | 94,399                       | 797           | 177,210                      | 1,773         |
| 9   | Birla Sun Life Dynamic Bond Fund - Retail Plan -Monthly Dividend-Direct Plan    | -                            | -             | 2,893,085                    | 305           |
| 10  | DSP Ultra Short Fund- Direct-DDR  | 6,955,046                    | 1,094         | 11,881,191                   | 1,193         |
| 11  | DWS Insta Cash Plus Fund -Direct -DDR   | -                            | -             | 287,319                      | 288           |
| 12  | DWS Ultra Short Term Fund-Direct-DDR  | -                            | -             | 816,171                      | 82            |
| 13  | Reliance Short Term Fund - Direct - Monthly Dividend Plan Dividend Reinvestment | 7,474,816                    | 826           | 7,231,191                    | 788           |
| 14  | Sundaram Select Debt Asset Plan -Direct-MDR                                     | 12,501,498                   | 1,545         | 12,090,423                   | 1,475         |
| 15  | Birla Sunlife Cash Plus Direct Plan DDR   | -                            | -             | 285,321                      | 515           |
| 16  | Birla Sunlife Saving Fund Direct Plan DDR                                       | -                            | -             | 380,008                      | 498           |
| 17  | ICICI Prudential Flexible Income Plan -Direct -DDR                              | -                            | -             | 80,499                       | 85            |
| 18  | ICICI Prudential Banking and PSU Debt Fund- Direct -Growth                      | 4,209,448                    | 650           | 4,209,448                    | 650           |
| 19  | Reliance Liquid Fund-Treasury Plan Direct Plan-DDR                              | -                            | -             | 15,964                       | 244           |
| 20  | Sensex Prudential ICICI ETF (SPICE)   | 120,000                      | 306           | 100,000                      | 280           |
| 21  | Reliance R*Share NIFTY ETF  | 100,000                      | 84            | 150,000                      | 127           |
| 22  | Reliance Money Manager Direct -DDR  | 61,063                       | 1,001         | -                            | -             |
| 23  | Kotak Floater Short Term- Direct Plan - Daily Dividend Reinvest                 | 72,122                       | 730           | -                            | -             |
| 24  | DSP BlackRock Liquidity Fund Direct - DDR*                                      | 41,352                       | 414           | -                            | -             |
| 25  | Reliance R*Share SENSEX ETF   | 30,000                       | 78            | -                            | -             |
| 26  | Religare Invesco Liquid Fund - Direct-DDR                                       |                              | 593           |                              | -             |
|   | <b>TOTAL</b>  |                              | <b>13,005</b> |                              | <b>10,468</b> |
| <b>Units Of Growth Oriented Debt Schemes Of Mutual Funds (Quoted)</b> |   |                              |               |                              |               |
| 1   | HDFC Short Term Plan - Growth   | 411,216                      | 100           | 411,216                      | 100           |
| 2   | ICICI Prudential Regular Savings fund   | -                            | -             | 345,478                      | 50            |
| 3   | Kotak Income Opportunity Fund   | 2,658,075                    | 350           | 2,658,075                    | 350           |
| 4   | Birla Sunlife Short Term Opportunities Fund -Growth                             | -                            | -             | 243,869                      | 50            |
| 5   | DSP Blackrock Inc Opportunities Fund Regular Plan Growth                        | 1,413,067                    | 300           | 977,256                      | 200           |
| 6   | ICICI Prudential Corporate Bond Fund - Regular Plan Growth                      | -                            | -             | 499,833                      | 100           |
| 7   | IDFC Super Saver fund Medium Term   | 1,078,579                    | 250           | 661,758                      | 150           |
| 8   | HDFC Corporate Debt Opportunities Fund  | 922,943                      | 100           | 922,943                      | 100           |
| 9   | Investment in BSE STAR MF   | 54,979                       | 550           | -                            | -             |
| 10  | HDFC Floating Rate Income Fund - Direct Plan                                    |                              | 246           |                              | -             |
| 11  | Kotak Income Opportunity Fund-Direct Plan-Growth                                |                              | 400           |                              | -             |
|   | <b>TOTAL</b>  |                              | <b>2,296</b>  |                              | <b>1,100</b>  |

## NOTE 16

## INVESTMENTS (CONTD.)..

| Sr. No.  | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|--|---|------------------------------|-----------|------------------------------|-----------|
|  |   | Units                        | Amount    | Units                        | Amount    |
|  |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| (b)  | Earmarked Funds   |                              |           |                              |           |
| Certificate of Deposit (Quoted)                                  |   |                              |           |                              |           |
| 1  | South Indian Bank 06 April 2015   | -                            | -         | 3,000                        | 2,996     |
| 2  | ICICI Bank Limited CD 06 April 2015   | -                            | -         | 600                          | 598       |
| 3  | Axis Bank 06 April 2015   | -                            | -         | 1,400                        | 1,399     |
|  | TOTAL   |                              | -         |                              | 4,993     |
| Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted) |   |                              |           |                              |           |
| 1  | Birla Sunlife Floating Rate Fund - STP  | -                            | -         | 228,535                      | 229       |
| 2  | ICICI Prudential Liquid - Dir Daily Div   | -                            | -         | 5,711,831                    | 5,715     |
|  | TOTAL   |                              | -         |                              | 5,944     |
| Units Of Growth Oriented Debt Schemes Of Mutual Funds (Quoted)   |   |                              |           |                              |           |
| 1  | ICICI Prudential FRF - Plan C - Growth  | -                            | -         | 71,460                       | 75        |
| 2  | HDFC Liquid Fund - Dir - Growth   | 10,517                       | 252       | 1,771,700                    | 425       |
|  | TOTAL   |                              | 252       |                              | 500       |
| B  | CURRENT PORTION OF LONG TERM INVESTMENTS<br>(At cost, unless otherwise specified) |                              |           |                              |           |
| Own Funds  |   |                              |           |                              |           |
| Bonds and Non Convertible Debentures (Quoted)                    |   |                              |           |                              |           |
| 1  | 11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016-INE871D07MY2 | 100,000                      | 1,004     | -                            | -         |
| 2  | 10.60%-LIC Housing Finance Limited-06Sep2016-INE115A07EH2                         | 250                          | 2,508     | -                            | -         |
| 3  | 10.18%-LIC Housing Finance Limited-19Sep2016-INE115A07EJ8                         | 100                          | 1,000     | -                            | -         |
| 4  | 9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016-INE871D07ML9  | 100,000                      | 1,000     | -                            | -         |
| 5  | 9.75%-HDFC Limited-07Dec2016-INE001A07HN5   | 297                          | 2,967     | -                            | -         |
| 6  | 9.30%-LIC Housing Finance Limited-14Oct2016-INE115A07EN0                          | 250                          | 2,497     | -                            | -         |
| 7  | 9.70%-HDFC Limited-18Mar2017-INE001A07MK1   | 200                          | 2,003     | -                            | -         |
| 8  | 8.64%-LIC Housing Finance Limited-03May2016-INE115A07DU7                          | 200                          | 1,998     | -                            | -         |
| 9  | 9.85%-HDFC Limited-05Jun2015-INE001A07IL7   | -                            | -         | 250                          | 2,500     |
| 10   | 7.60%-Power Finance Corporation Limited-30Dec2015-INE134E08883                    | -                            | -         | 100                          | 996       |
| 11   | 8.90%-Power Grid Corporation Limited-25Feb2016-INE752E07GG1                       | -                            | -         | 40                           | 501       |
| 12   | 9.40%-Lic Housing Finance Limited-26Feb2016-INE115A07DP7                          | -                            | -         | 250                          | 2,494     |
| 13   | 9.20%-Power Grid Corporation Limited-12Mar2016-INE752E07FJ7                       | -                            | -         | 160                          | 2,009     |
| 14   | 6.05% IRFCL Tax Free Bonds Series 73 201215                                       | -                            | -         | 500                          | 500       |
| 15   | 11.50% GOI 2015 -21052015   | -                            | -         | 10                           | 0         |
| 16   | 8.35% - Power Finance Corporation Ltd - 15 May 2016                               | 500                          | 4,992     | 10                           | 0         |
|  | TOTAL   |                              | 19,969    |                              | 9,000     |



## NOTE 16

## INVESTMENTS (CONTD.)..

| Sr. No.  | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|--|---|------------------------------|-----------|------------------------------|-----------|
|  |   | Units                        | Amount    | Units                        | Amount    |
|  |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted) |   |                              |           |                              |           |
| 1  | HDFC Debt Fund for Cancer Cure-100% Dividend Donation-17Mar2017                         | 1,500,000                    | 150       | -                            | -         |
|  | TOTAL   |                              | 150       |                              |           |
| Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted) |   |                              |           |                              |           |
| 1  | Birla Sun Life Interval Income Fund - Annual Plan 5 - Growth-Direct                     | 8,266,209                    | 900       | 8,266,209                    | 900       |
| 2  | DSP BlackRock FMP S161-12M-Growth Direct Maturity 20 April 15                           | -                            | -         | 6,549,900                    | 655       |
| 3  | DWS Fixed Maturity Plan Series 63 - Direct Plan - Growth                                | -                            | -         | 6,500,000                    | 650       |
| 4  | HDFC FMP 370D Apr 2014 (2) - Direct Plan- Growth  | -                            | -         | 4,079,690                    | 408       |
| 5  | HDFC Annual Interval Fund Sr1-Plan A - Direct Plan- Growth                              | 5,756,369                    | 630       | 5,756,369                    | 630       |
| 6  | HDFC FMP 377Days March2014 (1) - Direct Plan- Growth                                    | -                            | -         | 14,468,207                   | 1,447     |
| 7  | ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cumulative | -                            | -         | 4,793,668                    | 479       |
| 8  | ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cumulative | -                            | -         | 4,000,000                    | 400       |
| 9  | ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan-Cumulative | -                            | -         | 5,565,133                    | 557       |
| 10   | ICICI Prudential Interval Fund Sr-VI-Annual Interval Plan C- Direct Plan-Cumulative     | 5,887,877                    | 644       | 5,887,877                    | 644       |
| 11   | Reliance Yearly Interval Fund - Series 5 - Direct Plan Growth Plan                      | 4,496,857                    | 490       | 4,496,857                    | 490       |
| 12   | Reliance Yearly Interval Fund Sr 2 367 days   | 3,995,528                    | 436       | 3,995,528                    | 436       |
| 13   | Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth                                 | 3,257,927                    | 355       | 3,257,927                    | 355       |
| 14   | Reliance Yearly Interval Fund Sr 4 - Direct Plan - Growth                               | 4,567,712                    | 500       | 4,567,712                    | 500       |
| 15   | Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth                           | -                            | -         | 4,000,000                    | 400       |
| 16   | HDFC FMP 370D Jan 2014-1-Direct   |                              | -         |                              | 200       |
| 17   | Birla Sun Life Fixed Term Plan - Series KC (368days) - Gr. Direct                       | 7,186,155                    | 719       | -                            | -         |
| 18   | Birla Sun Life Fixed Term Plan - Series KK (367days) - Gr. Direct                       | 4,658,410                    | 466       | -                            | -         |
| 19   | Birla Sun Life Fixed Term Plan - Series KM (368days) - Gr. Direct                       | 5,600,000                    | 560       | -                            | -         |
| 20   | Birla Sun Life Fixed Term Plan - Series KQ (368days) - Gr. Direct                       | 8,492,604                    | 849       | -                            | -         |
| 21   | DSP BlackRock FMP S146-12M-Dir-G  | 7,145,127                    | 715       | -                            | -         |
| 22   | DSP BlackRock FMP S153-12M-Dir-G  | 4,110,415                    | 411       | -                            | -         |
| 23   | DSP BlackRock FMP S149-12M-Dir-G  | 4,015,031                    | 402       | -                            | -         |
| 24   | DSP BlackRock FMP S109-12M-Dir-Growth   | 5,720,279                    | 572       | -                            | -         |
| 25   | DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth            | 138,027                      | 14        | -                            | -         |
| 26   | ICICI Prudential Fixed Maturity Plan-Series 72-366 days Plan K - Direct Plan-Cum        | 3,483,042                    | 348       | -                            | -         |

## NOTE 16

## INVESTMENTS (CONTD.)..

| Sr. No. | SCHEME NAME   | Balance as on March 31, 2016 |               | Balance as on March 31, 2015 |              |
|---------|---|------------------------------|---------------|------------------------------|--------------|
|         |   | Units                        | Amount        | Units                        | Amount       |
|         |   |                              | ₹ In Lakh     |                              | ₹ In Lakh    |
| 27      | IDFC Fixed Term Plan Series 83 - Direct Plan - Growth                   | 3,422,759                    | 342           | -                            | -            |
| 28      | IDFC Fixed Term Plan Series 24 - Direct Plan - Growth                   | 6,000,000                    | 600           | -                            | -            |
| 29      | IDFC Fixed Term Plan Series 27 - Direct Plan - Growth                   | 3,000,000                    | 300           | -                            | -            |
| 30      | Reliance Fixed Horizon Fund - XXV - Series 18 - Direct Plan Growth Plan | 4,000,000                    | 400           | -                            | -            |
| 31      | Sundaram Fixed Term Plan DO 366 Days Direct Growth                      | 5,360,560                    | 536           | -                            | -            |
| 32      | Birla Fixed Term Plan Series HL - Direct - Gr                           | 2,562,575                    | 256           | -                            | -            |
| 33      | Birla Fixed Term Plan Series JY - Direct - Gr                           | 3,544,730                    | 354           | -                            | -            |
| 34      | Birla Fixed Term Plan Series KI - Direct - Gr                           | 5,630,000                    | 563           | -                            | -            |
| 35      | Birla Fixed Term Plan Series KQ - Direct - Gr                           | 5,036,298                    | 504           | -                            | -            |
| 36      | Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth                  | 3,000,000                    | 300           | -                            | -            |
| 37      | Reliance Fixed Horizon Fund - XXIV 11 Direct Plan                       | 3,948,606                    | 395           | -                            | -            |
|         | <b>TOTAL</b>  |                              | <b>13,560</b> |                              | <b>9,151</b> |

## NOTE 17

## TRADE RECEIVABLES

| PARTICULARS   | As at March 31, 2016 | As at March 31, 2015 |
|---|----------------------|----------------------|
|   | ₹ In Lakh            | ₹ In Lakh            |
| <b>1. Secured and Considered Good</b>                               |                      |                      |
| - Outstanding for a period exceeding six months (from Invoice date) | 88                   | 60                   |
| - Other Debts   | 1,222                | 1,355                |
|   | <b>1,310</b>         | <b>1,415</b>         |
| <b>2. Unsecured and Considered Good</b>                             |                      |                      |
| - Outstanding for a period exceeding six months (from Invoice date) | 551                  | 613                  |
| - Other Debts   | 2,858                | 1,453                |
|   | <b>3,409</b>         | <b>2,066</b>         |
| <b>3. Unsecured and Considered Doubtful</b>                         |                      |                      |
| - Outstanding for a period exceeding six months (from Invoice date) | 710                  | 1,114                |
| - Other Debts   | 441                  | -                    |
| Less: Provision for Doubtful Debts                                  | (1,151)              | (1,114)              |
|   | -                    | -                    |
| Add: Share in Joint Ventures  | 80                   | 119                  |
| <b>TOTAL</b>  | <b>4,799</b>         | <b>3,600</b>         |

## NOTE 18

## CASH AND BANK BALANCES

| PARTICULARS                                  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>1. Cash on Hand</b>                       | <b>1</b>                | -                       |
| <b>2. Cheques on Hand</b>                    | <b>31</b>               | -                       |
| <b>3. Balances with Banks</b>                |                         |                         |
| <b>Owned</b>                                 |                         |                         |
| - In Current Accounts                        | <b>1,713</b>            | 1,180                   |
| - In Deposit Accounts                        | <b>57,350</b>           | 58,758                  |
|  | <b>59,063</b>           | 59,938                  |
| <b>Earmarked</b>                             |                         |                         |
| - In Current Accounts                        | <b>20,234</b>           | 5,528                   |
| - In Deposit Accounts                        | <b>64,137</b>           | 74,943                  |
|  | <b>84,371</b>           | 80,471                  |
| <b>Earmarked - Settlement Guarantee Fund</b> |                         |                         |
| - In Current Accounts                        | <b>89</b>               | 600                     |
| - In Deposit Accounts                        | <b>17,347</b>           | 2,933                   |
|  | <b>17,436</b>           | 3,533                   |
| Add: Share in Joint Ventures                 | <b>106</b>              | 1,306                   |
| <b>TOTAL</b>                                 | <b>161,008</b>          | 145,248                 |

Balances in Deposit Account with Banks (owned) includes ₹ 28,341 Lakh (As at March 31, 2015 ₹ 6,656 Lakh), which have a remaining maturity of more than 12 months.

## NOTE 19

## SHORT TERM LOANS AND ADVANCES

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>1. Unsecured and Considered Good</b>                             |                         |                         |
| - Advances to Staff   | <b>48</b>               | 54                      |
| - Prepaid Expenses  | <b>516</b>              | 415                     |
| - Balances with Government Authorities<br>CENVAT Credit Receivable  | <b>773</b>              | 757                     |
| - Others  |                         |                         |
| Advances Recoverable in Cash or in Kind or for value to be received | <b>457</b>              | 1,067                   |
| - Receivable from Selling Shareholders                              | <b>170</b>              | 170                     |
| Add: Share in Joint Ventures  | <b>6</b>                | 7                       |
|   | <b>1,970</b>            | 2,470                   |
| <b>2. Unsecured and Considered Doubtful</b>                         | <b>771</b>              | 771                     |
| Less: Provision for Doubtful Advances                               | <b>(771)</b>            | (771)                   |
|   | -                       | -                       |
| <b>TOTAL</b>  | <b>1,970</b>            | 2,470                   |

## Note 20

## OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Accrued Interest - Owned</b>                                      |                         |                         |
| - On Deposits  | 686                     | 214                     |
| - On Investments   | 5,784                   | 4,370                   |
|  | 6,470                   | 4,584                   |
| <b>Accrued Interest - Earmarked</b>                                  |                         |                         |
| - On Deposits  | 1,249                   | 636                     |
| - On Investments   | 289                     | 518                     |
|  | 1,538                   | 1,154                   |
| <b>Accrued Interest - Earmarked - Core Settlement Guarantee Fund</b> |                         |                         |
| - On Deposits  | 431                     | -                       |
| - On Investments   | 5                       | 108                     |
|  | 436                     | 108                     |
| Add: Share in Joint Ventures   | 11                      | 126                     |
| <b>TOTAL</b>   | <b>8,455</b>            | <b>5,972</b>            |

## NOTE 21

## INCOME FROM SECURITIES SERVICES

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| Transaction Charges                                | 5,496                                   | 5,049                                   |
| Income from Depository Services                    | 12,268                                  | 10,455                                  |
| Charges Recovered                                  | 1,897                                   | 2,032                                   |
| Auction Charges                                    | 83                                      | 100                                     |
| Annual Subscription & Admission Fees               | 176                                     | 173                                     |
| Processing Fees                                    | 72                                      | 221                                     |
| Treasury Income from Clearing and Settlement Funds | 4,130                                   | 5,319                                   |
| Charges Recovered - Earmarked                      | -                                       | 9                                       |
| Add : Share in Joint Venture                       | 179                                     | 7                                       |
| <b>TOTAL</b>                                       | <b>24,301</b>                           | <b>23,365</b>                           |

## Note 22

## INCOME FROM SERVICES TO CORPORATES

| PARTICULARS                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------------------------|---|---|
|                                | ₹ In Lakh                               | ₹ In Lakh                               |
| Listing Fees                   | 14,460                                  | 9,579                                   |
| Book Building Software Charges | 1,123                                   | 553                                     |
| Company Reinstatement Fees     | 351                                     | 302                                     |
| Other Fees                     | 177                                     | 105                                     |
| <b>TOTAL</b>                   | <b>16,111</b>                           | <b>10,539</b>                           |

## NOTE 23

## INCOME FROM INVESTMENTS AND DEPOSITS

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>A. Own Funds</b>                                     |   |   |
| <b>Income From Long-term Investments:</b>               |   |   |
| Interest Income   | 12,136                                  | 9,596                                   |
| Dividend Income   | 6                                       | 6                                       |
| Profit / (Loss) on Sale / Redemption (net)              | (1)                                     | 6                                       |
| Profit on Sale of Investment in Long Term Investment    | 71                                      | -                                       |
| <b>Income From Current Investments:</b>                 |   |   |
| Interest Income   | 64                                      | 701                                     |
| Dividend Income   | 1,535                                   | 1,387                                   |
| Profit on Sale / Redemption                             | 101                                     | 1,115                                   |
| <b>Interest Income on Application Money</b>             | -                                       | 29                                      |
| <b>Interest From Fixed Deposits &amp; Term Deposits</b> | <b>4,867</b>                            | <b>8,915</b>                            |
| Add : Share in Joint Venture                            | 186                                     | 214                                     |
| <b>TOTAL (A)</b>  | <b>18,965</b>                           | <b>21,969</b>                           |
| <b>B. Earmarked Funds</b>                               |   |   |
| Dividend Income From Current Investments                | -                                       | 34                                      |
| Interest Income From Long Term Investments              | -                                       | 156                                     |
| Interest From Fixed Deposits & Term Deposits            | -                                       | 98                                      |
| <b>TOTAL (B)</b>  | <b>-</b>                                | <b>288</b>                              |
| <b>TOTAL (A+B)</b>                                      | <b>18,965</b>                           | <b>22,257</b>                           |



## Note 24

## OTHER INCOME

| PARTICULARS                     | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---------------------------------|---|---|
|                                 | ₹ In Lakh                               | ₹ In Lakh                               |
| Rent and Infrastructure Charges | 940                                     | 976                                     |
| Training Institute              | 1,315                                   | 1,023                                   |
| Income from software services   | 590                                     | 505                                     |
| Website Income                  | 289                                     | 303                                     |
| Miscellaneous Income            | 305                                     | 470                                     |
| Add : Share in Joint Ventures   | 769                                     | 827                                     |
| <b>TOTAL</b>                    | <b>4,208</b>                            | <b>4,104</b>                            |

## NOTE 25

## EMPLOYEE BENEFITS EXPENSE

| PARTICULARS                               | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| Salaries, Allowances and Bonus            | 9,464                                   | 8,440                                   |
| Contribution to Provident and Other Funds | 450                                     | 420                                     |
| Staff Welfare Expenses                    | 447                                     | 364                                     |
| Compensated Absences                      | 370                                     | 398                                     |
| Add : Share in Joint Ventures             | 424                                     | 364                                     |
| <b>TOTAL</b>                              | <b>11,155</b>                           | <b>9,986</b>                            |

## NOTE 26

## ADMINISTRATION AND OTHER EXPENSES

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| Advertising and Marketing Expenses                                  | 631                                     | 433                                     |
| Incentive Scheme for DPs (refer note 30)                            | 282                                     | -                                       |
| Amortisation of Preliminary Expenses                                | 1                                       | 1                                       |
| Bad debts written off   | 495                                     | 142                                     |
| Building Repairs and Maintenance Expenses                           | 770                                     | 539                                     |
| Clearing House Expenses   | 24                                      | 24                                      |
| Computer Technology Related Expenses (refer note 1 below)           | 5,475                                   | 5,750                                   |
| Technology Programme  | 2,589                                   | 1,292                                   |
| Contribution to Depository Investor Protection Fund (refer note 29) | 231                                     | 1,235                                   |
| Contribution to Investors Service Fund                              | 1,999                                   | 1,236                                   |
| Contribution to Investors' Protection Fund                          | 100                                     | 62                                      |
| Contribution to Core Settlement Guarantee Fund (refer note 31)      | 1,741                                   | -                                       |
| Contribution to SEBI  | 1,133                                   | 740                                     |

## Note 26

## ADMINISTRATION AND OTHER EXPENSES (CONTD.)..

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| Contribution to Corporate Social Responsibility (CSR Expenditure refer note 2 below) | 314                                     | 121                                     |
| Directors' Fees  | 99                                      | 79                                      |
| Electricity Charges (Net of Recoveries)  | 2,098                                   | 1,412                                   |
| Insurance  | 411                                     | 428                                     |
| Legal Fees   | 608                                     | 582                                     |
| Loss on sale of Fixed Assets   | 9                                       | 18                                      |
| Professional Fees  | 1,663                                   | 989                                     |
| Postage and Telephone Expenses   | 658                                     | 461                                     |
| Printing and Stationery  | 117                                     | 75                                      |
| Property Taxes (Net of Recoveries)   | 245                                     | 303                                     |
| Diminution in Value of Long term Investments   | 206                                     | 625                                     |
| Diminution in Value of Current Investments   | 29                                      | (75)                                    |
| Provision for Trade Receivables  | 109                                     | 158                                     |
| Rebate on Transaction Charges  | 8                                       | 11                                      |
| Rent   | 275                                     | 487                                     |
| Repairs to Other Assets  | 195                                     | 157                                     |
| SEBI Regulatory Fees   | 236                                     | 219                                     |
| Travelling Expenses  | 607                                     | 558                                     |
| Miscellaneous Expenses (refer note 1 below)  | 1,100                                   | 1,133                                   |
| Add : Share in Joint Ventures  | 163                                     | 184                                     |
| <b>TOTAL</b>   | <b>24,621</b>                           | <b>19,379</b>                           |

## Notes: 1.

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| a) Computer Technology Related Expenses include Repairs and Maintenance on Computers | 5,052                                   | 4,464                                   |
| b) Auditors' Remuneration included in Miscellaneous Expenses:                        |   |   |
| Statutory Audit Fees   | 87                                      | 90                                      |
| Tax Audit Fees   | 11                                      | 10                                      |
| Other Services   | 11                                      | 2                                       |
| <b>TOTAL</b>   | <b>109</b>                              | <b>102</b>                              |

## 2. CSR Expenditure

- a) The gross amount required to be spent by company during the year is ₹ 386 Lakh (₹ 397 Lakh for the year ended March 31, 2015).
- b) Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / acquisition of any asset.

## NOTE 27 TO 45

## 27. Contingent Liabilities not provided for in respect of:

| Sr. No. | PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---------|--|-------------------------|-------------------------|
|         |  | ₹ In Lakh               | ₹ In Lakh               |
| a)      | Claims against the Group not acknowledged as debts in respect of :   |                         |                         |
|         | i) Income tax matters  | 2,870                   | 2,765                   |
|         | ii) Service tax matters  | 2,262                   | 2,298                   |
|         | iii) Department of telecommunication license matters<br>(Refer Note below)   | 401                     | 401                     |
|         | iv) Other matters<br>(Including ₹ 10,370 Lakh (₹ 10,394 Lakh for the year ended March 31, 2015) which in the opinion of the Management are remote)   | 10,403                  | 10,510                  |
| b)      | Guarantees given by the Group to the loan provider:<br><br>Aggregate loans outstanding from employees of the Group as on date.<br>The employees have mortgaged their flats/ properties with the loan provider. | 48                      | 60                      |

**Note:** During the 2012-13 the Exchange has received notices from Department of Telecommunication (DoT), Government of India to pay a revised VSAT Network License Fees, Royalty etc. aggregating ₹ 636 Lakh against which amount of ₹ 235 Lakh has been paid and expensed during the earlier years. In respect of the balance of ₹ 401 lakh the Management has filed a reply, after legal consultations, with DoT challenging the claim stating that the demand notices are based on an incorrect interpretation of the existing guidelines / orders. Hence no provision for the same is made in the accounts and the amount has been considered as a Contingent Liability.

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,142 Lakh as on March 31, 2016 (₹ 3,178 Lakh as on March 31, 2015).

29. SEBI had issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012 (the "2012 Regulations"). According to the 2012 Regulations, depositories are required to establish and maintain an Investor Protection Fund (the "IPF") for the protection of interest of beneficial owners and every depository is required to credit 25% of its profits every year to the Investor Protection Fund. Accordingly, the Subsidiary Company had accrued and credited a total sum of ₹ 3,852 lakh from FY 2012-13 to FY 2014-15 to the IPF as at March 31, 2015.

On January 21, 2016, SEBI has issued the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the "Amended Regulations"). According to these Amended Regulations, every depository shall credit only 5% or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF. Further, it is stated that these Amended Regulations shall be deemed to have come into force from September 11, 2012. Pursuant to the aforesaid Amended Regulations, the amount to be accrued and credited to the IPF as at March 31, 2015 is reduced to ₹ 542 lakh. Consequently, the excess amounts of ₹ 3,310 lakh credited earlier to the IPF has been written back and the same has been disclosed as exceptional item in the Statement of Profit and Loss for the current year.

30. SEBI vide its circular no. CIR/MRD/DP/18/2015 dated December 9, 2015 (the "Circular") has revised the annual custody / issuer charges to be collected by the depositories from the issuers with effect from financial year 2015-16. With an objective of promoting financial inclusion and expanding the reach of depository services through depository participants (DPs) in tier II and tier III towns, the Circular recommends that the Depository Participants (DPs) be incentivised by way of two schemes. In the first scheme, the depositories shall pay the DPs an incentive of ₹ 100/- for every new Basic Services Demat Accounts (BSDA) opened by their participants in specified cities mentioned in the Circular. In the second scheme, the depositories may pay ₹ 2 per folio per ISIN to the respective depository participants (DPs), in respect of the ISIN positions held in BSDA across all BSDA accounts in the depository. In order to manage the aforementioned incentive schemes, the

## NOTE 27 TO 45

## (CONTD.)..

Circular has directed the Depositories to set aside 20% of the incremental revenue received from the issuers.

Pursuant to the Circular, the Subsidiary Company has set aside ₹ 282 lakh being 20% of incremental revenue on issuer income for the year ended March 31, 2016 for DP incentive scheme.

**31.** The following regulation / circulars issued by SEBI from time to time requires the recognition by the Exchange of a Settlement Guarantee Fund and the transfer of the same to its clearing corporation and the contribution of a Minimum Required Corpus to a Core Settlement Guarantee Fund from time to time:

1. As per Regulation 33 of The Securities Contracts (Regulations) (SECC) Regulations, 2012 (the "Regulation") issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund of the recognized clearing corporation which clears and settles trades executed on that stock exchange to guarantee the settlement of trades.
2. As per Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 issued by the Securities & Exchange Board of India ("SEBI") regarding a Core Settlement Guarantee Fund, every stock exchange shall contribute at least 25% of the Minimum Required Corpus (can be adjusted against transfer of profit by Stock Exchange as per Regulation 33 of SECC Regulations) to a Core Settlement Guarantee Fund established and maintained by its clearing corporation.
3. Further, a clarification was issued as per Circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 based on a recommendation given by the Expert Committee constituted by SEBI.

Accordingly, the above Regulations / Circulars were given effect to in the Financial Statements as under:

- a. The Holding Company had appropriated ₹ 5,144 lakh during FY 2014-15 being 25% of the profit for FY 2012-13, FY 2013-14 and FY 2014-15.
- b. The Holding Company deposited ₹ 2,579 lakh (including interest) towards the Minimum Required Corpus (MRC) to the Core Settlement Guarantee Fund established and maintained by its Clearing Corporation (a wholly owned subsidiary) during FY 2014-15.
- c. The deposit amount of ₹ 2,579 lakh has been charged during the year to the Consolidated Statement of Profit and Loss under the head "Prior period item".
- d. The Holding Company's current year's contribution of ₹ 1,741 lakh towards the MRC has also been charged to the Consolidated Statement of Profit and Loss under the head "Administration and Other Expenses". The contribution to the Core SGF has been adjusted against the transfer of profit by the Holding Company as per the Regulation mentioned above.
- e. In compliance with SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, Indian Clearing Corporation Limited (the clearing corporation of the Exchange and a wholly owned subsidiary) has contributed a sum of ₹ 5,108 lakh during the current year to the Core SGF from its own funds being its share of contribution towards the required MRC.
- f. Further, based on the clarification included in SEBI circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 (the "2016 circular") the provision of 25% of profits has to be made and transferred to the Settlement Guarantee Fund (SGF). Accordingly, the cumulative amount required to be provided and transferred to the said SGF till March 31, 2016 amounts to ₹ 9,742 lakh being 25% of the profits of the Holding Company after tax, before making such contribution for FY 2012-13 to FY 2015-16. The Exchange had already contributed and charged ₹ 4,320 lakh to the Statement of Profit and Loss towards 25% of the MRC to the Core Settlement Guarantee Fund as explained in 'c' and 'd' above. After adjusting the investment income accrued on the Holding Company's contribution to the Core SGF for the period upto March 31, 2016 of ₹ 279 lakh, the balance amount of ₹ 5,143 lakh (including ₹ 4,598 lakh for FY 2015-16) is now charged to the Consolidated Statement of Profit and Loss as an "Exceptional Item". The amount payable by the Exchange in respect of the SGF as at March 31, 2016 has been disclosed under the head "Current Liabilities" and is payable to the Core Settlement Guarantee Fund within such time as specified by SEBI.

## NOTE 27 TO 45

(CONTD.)..

32. In terms of the Scheme of Amalgamation ("the Scheme"), approved by the Court, with an appointed date of April 01, 2014 and an effective date of May 14, 2015 ('the Effective Date'), being the date on which all the requirements under the Companies Act, 1956 United Stock Exchange of India Limited (USE) has been amalgamated with the Company (Transferee Company). Upon the amalgamation undertaking and the entire business, including all assets and liabilities of USE stand transferred to and vested in the Company. The amalgamation has been accounted under "Purchase Method" as envisaged in the Accounting Standard – 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets and liabilities taken over on amalgamation of the Transferor Company are fair valued as on the date of the acquisition by a firm of Chartered Accountants as at the appointed date. Further, in consideration, the Company has issued equity shares in accordance with the swap ratio approved by the Hon'ble High Court of Judicature at Bombay (Court). These shares are fair valued for the purpose of recording in the books of account based on the equity valuation considered in arriving at the swap ratio by a firm of Chartered Accountants. Further the Company had obtained a fairness opinion on the ratio approved by the Court.
33. In 2010-11, United Stock Exchange of India Limited (USE) the entity amalgamated with the Company in Financial year 2014-15, had set up a Settlement Guarantee Fund to guarantee the settlement of bonafide transactions of members of the exchange, which form part of the exchange settlement system so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the exchange. The Constitution of the fund was approved by The Securities and Exchange Board of India (SEBI). USE had contributed a sum of ₹ 250 lakh as initial contribution during the year 2010-11. The fund is maintained by Indian Clearing Corporation Limited (ICCL) and the income earned on these deposits is credited to the Statement of Profit and Loss and then appropriated to the Fund (net of applicable taxes). This fund has been transferred to the Company as part of the Scheme of Amalgamation as described in note no 32.
34. As per the Accounting Standard-18 "Related Party Disclosures" the related parties of the Exchange are as follows:

a) **Subsidiaries (Not Consolidated):**

| NAME  |
|---|
| BSE CSR Integrated Foundation (w.e.f March 7, 2016) |
| BFSI Sector Skill Council of India                  |

**Transactions with the Subsidiaries:**

| NAME                               | PARTICULARS                                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|------------------------------------|--|---|---|
|                                    |  | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>                      |  |   |   |
| BFSI Sector Skill Council of India | Rent and Infrastructure Charges                | 6                                       | -                                       |
|                                    | Administrative and Other Expenses (Recoveries) | 1                                       | -                                       |

| NAME   | PARTICULARS             | As At<br>March 31, 2016 | As At<br>March 31, 2015 |
|--|-------------------------|-------------------------|-------------------------|
|  |                         | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS</b>                                    |                         |                         |                         |
| BFSI Sector Skill Council of India               | Investments             | 105                     | 105                     |
| BSECSRIntegratedFoundation (w.e.f March 7, 2016) | Share Application Money | 4                       | -                       |



## NOTE 27 TO 45

(CONTD.)..

## b) Entities under control:

| NAME  |
|---|
| The Stock Exchange Investors' Protection Fund       |
| The Stock Exchange Education & Research Services    |
| The Stock Exchange Foundation                       |
| The Stock Exchange Charities                        |
| Seth K. R. P. Shroff Stock Exchange Sarvajanik Fund |
| Shri Phiroze Jeejeebhoy Memorial Trust              |

## Transactions with the Entities under control:

| NAME  | PARTICULARS                                       | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|---|
|   |   | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>                                 |   |   |   |
| The Stock Exchange Investors' Protection Fund | Administrative and Other Expenses (Recoveries)    | 470                                     | 481                                     |
|   | Rent  | 26                                      | 59                                      |
| <b>EXPENDITURE</b>                            |   |   |   |
| The Stock Exchange Investors' Protection Fund | Contribution to IPF (a proportion of listing fee) | 100                                     | 62                                      |
|   | Reimbursement for IFRS Foundation                 | 460                                     | -                                       |
|   | Rent Expenses                                     | 48                                      | -                                       |

| NAME  | PARTICULARS | As At<br>March 31, 2016 | As At<br>March 31, 2015 |
|---|-------------|-------------------------|-------------------------|
|   |             | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS</b>                                 |             |                         |                         |
| The Stock Exchange Investors' Protection Fund | Receivable  | 58                      | 131                     |
| <b>LIABILITIES</b>                            |             |                         |                         |
| The Stock Exchange Investors' Protection Fund | Deposit     | 6                       | 6                       |

## NOTE 27 TO 45

(CONTD.)..

## c) Associate:

| NAME  |
|---|
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) |

## Transactions with the Associate:

| NAME  | PARTICULARS                                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|--|---|---|
|   |  | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>   |  |   |   |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Rent and Maintenance Charges                   | 29                                      | 29                                      |
|   | Administrative and Other Expenses (Recoveries) | 4                                       | 4                                       |
| <b>EXPENDITURE</b>  |  |   |   |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Professional Fee                               | 7                                       | -                                       |

| NAME  | PARTICULARS | As At<br>March 31, 2016 | As At<br>March 31, 2015 |
|---|-------------|-------------------------|-------------------------|
|   |             | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS (At Cost)</b>   |             |                         |                         |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Investments | -                       | 400                     |
| <b>LIABILITIES</b>  |             |                         |                         |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Deposit     | 15                      | 15                      |

## d) Key Management Personnel (KMP) and their Relatives :

| NAME                     | RELATION                                      |
|--------------------------|---|
| Shri Ashishkumar Chauhan | Managing Director and Chief Executive Officer |

## Transactions with Key Management Personnel and their Relatives:

| PARTICULARS                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------------------------|---|---|
|                                | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>EXPENDITURE</b>             |   |   |
| Salaries, Allowances and Bonus |   |   |
| Shri Ashishkumar Chauhan       | 327                                     | 292                                     |

## NOTE 27 TO 45

(CONTD.)..

## 35. Lease

## a) Finance Lease

- i) Assets acquired on finance lease mainly comprise computer equipments.
- ii) The Minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

| Sr. No. | PARTICULARS  | Minimum Lease Payments |                      | Present value of Minimum Lease Payments |                      |
|---------|--|------------------------|----------------------|---|----------------------|
|         |  | As on March 31, 2016   | As on March 31, 2015 | As on March 31, 2016                    | As on March 31, 2015 |
|         |  | ₹ In Lakh              | ₹ In Lakh            | ₹ In Lakh                               | ₹ In Lakh            |
| 1       | Payable not later than 1 Year                        | 75                     | 75                   | 60                                      | 54                   |
| 2       | Payable later than 1 Year and not later than 5 Years | 75                     | 149                  | 67                                      | 127                  |
|         | <b>Total</b>   | <b>150</b>             | <b>224</b>           | <b>127</b>                              | <b>181</b>           |
|         | Less : Future Finance Charges                        | 23                     | 43                   |   |                      |
|         | Present Value of Minimum Lease Payments              | 127                    | 181                  |   |                      |

- iii) Contingent rent recognised / (adjusted) in the statement of profit and loss in respect of finance lease: ₹ Nil  
(Previous year : ₹ Nil)

## b) Operating Lease : Future minimum rentals payable under operating leases are as follows

| Sr. No. | PARTICULARS  | Minimum Lease Payments |                      |
|---------|--|------------------------|----------------------|
|         |  | As on March 31, 2016   | As on March 31, 2015 |
|         |  | ₹ In Lakh              | ₹ In Lakh            |
| 1       | Payable not later than 1 Year                        | -                      | 24                   |
| 2       | Payable later than 1 Year and not later than 5 Years | -                      | -                    |
|         | <b>Total</b>   | <b>-</b>               | <b>24</b>            |

## 36. Segment Reporting:

The group operates in 2 reportable business segments viz: Stock Exchange Operations and Depository Services.

| PARTICULARS   | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
|   | ₹ In Lakh                         | ₹ In Lakh                         |
| <b>Segment Revenue</b>  |                                   |                                   |
| (a) Stock Exchange Activity   | 48,108                            | 46,438                            |
| (b) Depository Activity   | 13,818                            | 12,589                            |
| <b>Total</b>  | <b>61,926</b>                     | <b>59,027</b>                     |
| Less : Inter Segment Revenue  | -                                 | -                                 |
| <b>Total Segment Revenue</b>  | <b>61,926</b>                     | <b>59,027</b>                     |
| <b>Segment Results before Exceptional Items and Prior Period Item</b> |                                   |                                   |
| (a) Stock Exchange Activity   | 21,676                            | 25,341                            |
| (b) Depository Activity   | 8,769                             | 7,267                             |
| <b>Total</b>  | <b>30,445</b>                     | <b>32,608</b>                     |

## NOTE 27 TO 45

(CONTD.)..

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| Less : Exceptional Item and Prior Period Item                        | 7,239                                   | 5,075                                   |
| <b>Segment Results after Exceptional Items and Prior Period Item</b> |   |   |
| (a) Stock Exchange Activity  | 11,127                                  | 25,341                                  |
| (b) Depository Activity  | 12,079                                  | 7,267                                   |
| <b>Total Segment Results</b>   | <b>23,206</b>                           | <b>27,533</b>                           |
| Add : Unallocated Corporate Income                                   | 3,901                                   | 3,448                                   |
| Less : Unallocated Corporate Expenses                                | 10,530                                  | 8,889                                   |
| <b>Profit before taxation</b>  | <b>16,577</b>                           | <b>22,092</b>                           |
| Less : Provision for taxation  | 3,241                                   | 4,378                                   |
| <b>Profit after taxation</b>   | <b>13,336</b>                           | <b>17,714</b>                           |

| PARTICULARS                                 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Segment Assets</b>                       |                         |                         |
| (a) Stock Exchange Activity                 | 3,32,730                | 3,38,612                |
| (b) Depository Activity                     | 49,189                  | 47,331                  |
| <b>Total Segment Assets</b>                 | <b>3,81,919</b>         | <b>3,85,943</b>         |
| Unallocated Assets                          | 38,778                  | 33,420                  |
| <b>Total Assets</b>                         | <b>4,20,697</b>         | <b>4,19,363</b>         |
| <b>Segment Liabilities</b>                  |                         |                         |
| (a) Stock Exchange Activity                 | 1,37,746                | 1,32,169                |
| (b) Depository Activity                     | 5,263                   | 7,899                   |
| <b>Total Segment Liabilities</b>            | <b>1,43,009</b>         | <b>1,40,068</b>         |
| Unallocated Liabilities                     | 32,759                  | 33,205                  |
| <b>Total Liabilities</b>                    | <b>1,75,768</b>         | <b>1,73,273</b>         |
| <b>Fixed Asset acquired during the year</b> |                         |                         |
| (a) Stock Exchange Activity                 | 2,825                   | 6,758                   |
| (b) Depository Activity                     | 65                      | 193                     |
| <b>Total Fixed Asset Addition</b>           | <b>2,890</b>            | <b>6,951</b>            |
| Unallocated Fixed Asset Addition            | 2,949                   | 5,487                   |
| <b>Total Fixed Asset Addition</b>           | <b>5,839</b>            | <b>12,438</b>           |
| <b>Depreciation and amortisation</b>        |                         |                         |
| (a) Stock Exchange Activity                 | 4,018                   | 3,844                   |
| (b) Depository Activity                     | 207                     | 207                     |
| <b>Total Depreciation and amortisation</b>  | <b>4,225</b>            | <b>4,051</b>            |
| Unallocated Depreciation and amortisation   | 1,943                   | 1,826                   |
| <b>Total Depreciation and amortisation</b>  | <b>6,168</b>            | <b>5,877</b>            |

## NOTE 27 TO 45

(CONTD.)..

## 37. Earnings Per Share:

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
| Profit After Tax (₹ in Lakh)  | 9,674                                   | 15,553                                  |
| Less : Transfer to Settlement Guarantee Fund (₹ in Lakh)  | -                                       | (269)                                   |
| Profit After Tax available for Equity Shareholders (₹ in Lakh)  | 9,674                                   | 15,284                                  |
| Weighted Average Number of Equity Shares for Basic and Diluted Earnings Per Share (in Nos.) (refer note 32) | 109,176,344                             | 109,176,343                             |
| <b>Basic and Diluted EPS (₹)</b>  | <b>8.86</b>                             | <b>14.00</b>                            |

38. The Exchange offers Deposit Based Membership. Trading Members are required to deposit a specified amount with the Exchange which is included in Deposits from Members. As at March 31, 2016 the deposit amount of ₹ 1,900 lakh (₹ 1,900 lakh as at March 31, 2015) have a lock in period of more than a year and have been disclosed as Non-Current Liabilities. Current portion of deposits from Trading Members amounting to ₹ 7,162 lakh (₹ 7,157 lakh as at March 31, 2015) have been disclosed as Other Current Liabilities.

39. An amount of ₹ 300 lakh plus interest is pending to be received by a subsidiary on account of an expired fixed deposit with a bank. The same is alleged by the subsidiary as a fraud by the bank on the subsidiary. In view of the law suit filed by the Company in the Hon'ble High Court of Bombay, CBI Investigation being underway and a legal opinion on the matter which confirms that the said amount is recoverable from the bank, the amount is considered recoverable by the subsidiary.

## 40. Minority Interest Reconciliation

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| Opening Balance  | 19,864                                  | 18,754                                  |
| Add: Share of profit                                     | 3,635                                   | 2,133                                   |
| Less: Share in Dividend and dividend distribution tax    | (1,268)                                 | (1,120)                                 |
| Add: issue / transfer of Equity Share in CDSL Subsidiary | -                                       | 97                                      |
| <b>Closing Balance</b>                                   | <b>22,231</b>                           | <b>19,864</b>                           |

41. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

| NAME OF THE ENTITY IN THE                          | March 31, 2016   |           | March 31, 2015                  |           |
|--|--|-----------|---------------------------------|-----------|
|  | Net assets, i.e., total assets minus total liabilities |           |                                 |           |
|  | As % of consolidated net assets                        | Amount    | As % of consolidated net assets | Amount    |
|  |  | ₹ In Lakh |                                 | ₹ In Lakh |
| Indian Direct Subsidiaries                         |  |           |                                 |           |
| Indian Clearing Corporation Limited                | 100%   | 36,741    | 100%                            | 59,981    |
| Marketplace Technologies Private Limited           | 100%   | 2,223     | 100%                            | 1,839     |
| BSE Institute Limited                              | 100%   | 5,370     | 100%                            | 5,388     |
| Central Depository Services (India) Limited        | 100%   | 46,134    | 100%                            | 41,486    |
| BSE Investments Limited (w.e.f March 28, 2014)     | 100%   | 6         | 100%                            | 6         |
| BSE Sammaan CSR Limited (w.e.f September 10, 2015) | 100%   | 6         | -                               |           |



## NOTE 27 TO 45

(CONTD.)..

| NAME OF THE ENTITY IN THE   | March 31, 2016   |           | March 31, 2015                  |           |
|---|--|-----------|---------------------------------|-----------|
|   | Net assets, i.e., total assets minus total liabilities |           |                                 |           |
|   | As % of consolidated net assets                        | Amount    | As % of consolidated net assets | Amount    |
|   |  | ₹ In Lakh |                                 | ₹ In Lakh |
| Minority Interest in all Subsidiaries   | 100%   | 22,231    | 100%                            | 19,864    |
| Indian Joint Ventures   |  |           |                                 |           |
| BOI Shareholding Limited (Upto January 8, 2016)                               | -  | -         | 49%                             | 1,264     |
| Asia Index Private Limited  | 50%  | 101       | 50%                             | 10        |
| Indian Associate  |  |           |                                 |           |
| Institutional Investor Advisory Services India Limited (Upto January 5, 2016) | -  | -         | 30%                             | 256       |

| NAME OF THE ENTITY IN THE   | For the year ending on<br>March 31, 2016 | For the year ending on<br>March 31, 2015 |                                       |           |
|---|--|--|---------------------------------------|-----------|
|   | Share of profit or loss                  |  |                                       |           |
|   | As % of<br>consolidated<br>net assets    | Amount                                   | As % of<br>consolidated<br>net assets | Amount    |
|   |  | ₹ In Lakh                                |                                       | ₹ In Lakh |
| Indian Direct Subsidiaries  |  |  |                                       |           |
| Indian Clearing Corporation Limited   | 100%                                     | 5,538                                    | 100%                                  | 8,021     |
| Marketplace Technologies Private Limited                                      | 100%                                     | (1,560)                                  | 100%                                  | (1,179)   |
| BSE Institute Limited   | 100%                                     | 452                                      | 100%                                  | 535       |
| Central Depository Services (India) Limited                                   | 100%                                     | 7,962                                    | 100%                                  | 4,686     |
| BSE Investments Limited (w.e.f March 28, 2014)                                | 100%                                     | (1)                                      | 100%                                  | (1)       |
| BSE Sammaan CSR Limited (w.e.f September 10, 2015)                            | 100%                                     | (4)                                      | -                                     | -         |
| Minority Interest in all Subsidiaries   | 100%                                     | (3,635)                                  | 100%                                  | (2,133)   |
| Indian Joint Ventures   |  |  |                                       |           |
| BOI Shareholding Limited (Upto January 8, 2016)                               | 49%                                      | (492)                                    | 49%                                   | 85        |
| Asia Index Private Limited  | 50%                                      | 175                                      | 50%                                   | 125       |
| Indian Associate  |  |  |                                       |           |
| Institutional Investor Advisory Services India Limited (Upto January 5, 2016) | 30%                                      | (27)                                     | 30%                                   | (28)      |

**Note:** Above information has been prepared based on consolidated financials of Subsidiaries wherever applicable.

**42. Disclosure as required under Accounting Standard –15 on “Employee Benefits” is as under:**

**Defined Benefit Plan – Gratuity:**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Accounting Standard - 15 (AS 15) on “Employee Benefits”, actuarial valuation is done based on “Projected Unit Credit” method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

## NOTE 27 TO 45

(CONTD.)..

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements:

| I. | ASSUMPTIONS AS AT                      | March 31, 2016   | March 31, 2015 |
|----|--|--|----------------|
|    | Mortality                              | Published rates under the Indian Assured Lives Mortality (2006-08) Ult table and LIC (1994-96) |                |
|    | Discount Rate                          | 7.51 - 8.15%   | 7.77 - 8.00%   |
|    | Salary Escalation rate(p.a)            | 4.00 - 10.00%  | 4.00 - 10.00%  |
|    | Expected rate of return on plan assets | 8.00 - 8.50%   | 7.50 - 8.50%   |
|    | Withdrawal rate                        |  |                |
|    | -21 to 44 years                        | 2.50%  | 2.50%          |
|    | -45 to 60 years                        | 1.00%  | 1.00%          |

Amount to be recognised in the Balance Sheet and Movement in Net Liability / (Assets):

| II. | PARTICULARS   | March 31, 2016 | March 31, 2015 |
|-----|---|----------------|----------------|
|     |   | ₹ In Lakh      | ₹ In Lakh      |
|     | Present Value of Funded Obligations                                     | 1,956          | 1,889          |
|     | Fair Value of Plan Assets   | (2,018)        | (2,046)        |
|     | Amount not recognized as an asset (limit in para 59(b)) under AS 15 (R) | 6              | 24             |
|     | Net Liability / (Asset)   | (56)           | (133)          |

Expenses Recognised in Statement of Profit and Loss:

| III. | PARTICULARS   | March 31, 2016 | March 31, 2015 |
|------|---|----------------|----------------|
|      |   | ₹ In Lakh      | ₹ In Lakh      |
|      | Current Service Cost  | 135            | 133            |
|      | Interest on Defined Benefit Obligations                               | 149            | 181            |
|      | Expected Return on Plan Assets  | (158)          | (180)          |
|      | Net Actuarial Losses / (Gains) Recognised during the year             | 15             | 14             |
|      | Effect of Limit in para 59(b) under AS 15 (R)                         | (19)           | (16)           |
|      | <b>Total Gratuity expenses included in "Employee Benefit Expense"</b> | <b>122</b>     | <b>132</b>     |
|      | Actual Return on Plan Assets  | 4              | 330            |

Reconciliation of Benefit Obligation:

| IV. | PARTICULARS                               | March 31, 2016 | March 31, 2015 |
|-----|---|----------------|----------------|
|     |   | ₹ In Lakh      | ₹ In Lakh      |
|     | Opening Defined Benefit Obligation        | 1,889          | 1,953          |
|     | Current Service Cost                      | 135            | 133            |
|     | Interest Cost                             | 149            | 182            |
|     | Actuarial Loss / (Gain)                   | (138)          | 171            |
|     | Liability on acquisition                  | -              | 12             |
|     | Benefits Paid                             | (81)           | (562)          |
|     | <b>Closing Defined Benefit Obligation</b> | <b>1,954</b>   | <b>1,889</b>   |

**Reconciliation of Fair Value of Plan Assets of Funded Schemes:**

| V | PARTICULARS                              | March 31, 2016 | March 31, 2015 |
|---|--|----------------|----------------|
|   |  | ₹ In Lakh      | ₹ In Lakh      |
|   | Opening Fair Value of Plan Assets        | 2,045          | 2,217          |
|   | Expected Return on Plan Assets           | 158            | 180            |
|   | Actuarial Gain / (Loss)                  | (123)          | 164            |
|   | Contributions by Employer                | 19             | 16             |
|   | Asset on acquisition                     | -              | 12             |
|   | Benefits Paid                            | (81)           | (544)          |
|   | <b>Closing Fair Value of Plan Assets</b> | <b>2,018</b>   | <b>2,045</b>   |

**Description of Plan Assets:**

| VI. | PARTICULARS                    | March 31, 2016 | March 31, 2015 |
|-----|--------------------------------|----------------|----------------|
|     | Government of India Securities | 36%            | 35%            |
|     | Corporate Bonds                | 24%            | 30%            |
|     | Special Deposit Schemes        | 0%             | 5%             |
|     | Insurer Managed Funds          | 5%             | 4%             |
|     | Others                         | 35%            | 26%            |

**Experience Adjustments:**

| VII. | PARTICULARS                                | March 31, 2016 | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
|------|--|----------------|----------------|----------------|----------------|----------------|
|      |  | ₹ In Lakh      | ₹ In Lakh      | ₹ In Lakh      | ₹ In Lakh      | ₹ In Lakh      |
|      | Defined Benefit Obligations                | 1,968          | 1,889          | 1,922          | 2,029          | 1,964          |
|      | Plan Assets                                | 2,017          | 2,036          | 2,216          | 2,162          | 1,983          |
|      | Surplus / (Deficit)                        | 49             | 147            | 294            | 133            | 19             |
|      | Experience Adjustments on Plan Liabilities | (138)          | (41)           | (113)          | (133)          | (187)          |
|      | Experience Adjustments on Plan Assets      | 123            | 162            | (71)           | 21             | 50             |

**Other Details:**

The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increase considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal / external factors, a best estimate of the contribution is not determinable.

**Defined Contribution Plan:**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

## NOTE 27 TO 45

(CONTD.)..

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss is ₹ 376 lakh (₹ 355 lakh for March 31, 2015).

The Company recognised charge of ₹ 23 lakh (Nil for the year ended March 31, 2015) for New National Pension Scheme contribution in the Statement of Profit and Loss.

43. a) Pursuant to SEBI Circular CIR/DNPD/5/2011 dated June 2, 2011 (BSE Notice no-20110602-18, dated June 02, 2011), permitting stock exchanges to introduce Liquidity Enhancement Schemes (LES) for illiquid securities in their equity derivatives segment, the Exchange has launched a series of Liquidity Enhancement Incentive Programmes (LEIPS) to enhance liquidity in BSE's Futures & Options Segment. The programme was launched on 28th September, 2011 and an expense of ₹ 1,724 lakh has been incurred towards the same for the year ended March 31, 2016 (₹ 3,425 lakh for the year ended March 31, 2015). Considering the special nature of this expense and its impact on the profit of the Exchange, the same has been recognised as an exceptional item.
- b) During the previous year, the Company implemented a Voluntary Retirement Scheme 2014 (VRS) for all its eligible employees. Post the closure of the Scheme in the March 31, 2015, an expense of ₹ 1,277 lakh has been incurred and has been treated as an exceptional item.
- c) Consequent to the scheme of amalgamation with USE, the Company had terminated a software development contract and paid ₹ 218 lakh as full and final settlement which was recognized as expenses and the same was treated as an exceptional item during the financial year ended March 31, 2015.
- d) Based on a direction received from SEBI during the year, the Company has charged an amount of ₹ 460 Lakh to the Statement of Profit and Loss which is to be reimbursed to The Stock Exchange Investor's Protection Fund (BSE IPF) towards Contribution to the IFRS Foundation pertaining to earlier years. Considering the nature of the expense and its impact on the profit of the Company, the same has been disclosed as an exceptional item.
44. The Board of Directors at its meeting held on February 03, 2016 have recommended a payment of interim dividend of ₹ 3.50 per equity share of ₹ 1/- each and at its meeting held on May 05, 2016 have recommended a payment of final dividend of ₹ 4/- per equity share of ₹ 1/- each.
45. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman

**Ashishkumar Chauhan**  
Managing Director & CEO

**Nayan Mehta**  
Chief Financial Officer

**Neena Jindal**  
Company Secretary

Place : Mumbai

Date : May 5, 2016

# Independent Auditors' Report

## **TO THE MEMBERS OF**

## **BSE LIMITED**

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

We have audited the accompanying financial statements of **BSE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

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

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

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

### **Opinion**

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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.



**Emphasis of matter**

Attention is invited to Note 28 of the Financial Statements relating to the regulation / circulars mentioned therein issued by SEBI from time to time that requires recognition of a Settlement Guarantee Fund by an Exchange and the transfer of the same to its clearing corporation and the contribution of Minimum Required Corpus to a Core Settlement Guarantee Fund time to time and the consequent accounting and disclosures made in the Financial Statements thereon. The Company is in compliance with the aforesaid regulation / circulars.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts as at the year end. The Company does not have any outstanding derivative contracts as at the year end.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kalpesh J. Mehta**  
Partner  
(Membership No. 48791)

Place : Mumbai

Date : May 5, 2016

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 **BSE LIMITED** (the “Company”) as of March 31, 2016 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 Act.

**Auditor’s 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 issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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, to the best of our information and according to the explanations given to us, 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 March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Kalpesh J. Mehta**

Partner

(Membership No. 48791)

Place : Mumbai

Date : May 5, 2016

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

- (i)
  - (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / agreement for sale of land and indenture provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for the property at P.J. Towers and Rotunda Building situated at Dalal Street, Fort, Mumbai 400 001. The property at Machinery House situated at 11, Bharucha Marg, Mumbai 400 023 and property at Cama Building situated at 24/26 Dalal Street, Fort, Mumbai 400 001 are both held in the name of BSE Trustees, the erstwhile legal entity. The Company does not have any immovable properties taken on lease and disclosed as fixed assets in the financial statements.
- (ii) According to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
- (vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including provident fund, income tax, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, cess, Sales Tax, Customs Duty, Work Contract Tax, Value Added Tax and Excise Duty and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, which have not been deposited as on March 31, 2016 on account of disputes are given below.

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (₹ In lakh) |
|----------------------|----------------|--------------------------------|------------------------------------|-----------------------------|
| Income Tax Act, 1961 | Income Tax     | ITAT                           | A.Y. 2007-08                       | 216                         |
| Income Tax Act, 1961 | Income Tax     | ITAT                           | A.Y. 2008-09                       | 499                         |
| Income Tax Act, 1961 | Income Tax     | ITAT                           | A.Y. 2009-10                       | 400                         |

| Name of Statute      | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (₹ In lakh) |
|----------------------|----------------|--------------------------------|------------------------------------|-----------------------------|
| Income Tax Act, 1961 | Income Tax     | CIT - A                        | A.Y. 2010-11                       | 625                         |
| Income Tax Act, 1961 | Income Tax     | CIT - A                        | A.Y. 2011-12                       | 224                         |
| Income Tax Act, 1961 | Income Tax     | Deputy CIT                     | A.Y. 2009-10                       | 83                          |
| Income Tax Act, 1961 | Income Tax     | Deputy CIT                     | A.Y. 2010-11                       | 844                         |

There were no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess have not been deposited as on March 31, 2016 on account of disputes.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Kalpesh J. Mehta**

Partner

(Membership No. 48791)

Place : Mumbai  
Date : May 5, 2016



## BALANCE SHEET AS AT MARCH 31, 2016

| PARTICULARS  | Note No. | As at March 31, 2016 | As at March 31, 2015 |
|--|----------|----------------------|----------------------|
|  |          | ₹ in Lakh            | ₹ in Lakh            |
| <b>A. EQUITY AND LIABILITIES</b>   |          |                      |                      |
| <b>1 Shareholders' Funds</b>   |          |                      |                      |
| (a) Share Capital  | 2        | 1,074                | 1,073                |
| (b) Reserves and Surplus   | 3        | 224,287              | 221,838              |
|  |          | 225,361              | 222,911              |
| <b>2 Share Application Money Pending Allotment</b>                                     |          | 1                    | 1                    |
| <b>3 Non-current Liabilities</b>   |          |                      |                      |
| (a) Deferred Tax Liabilities (net)   | 4        | -                    | 251                  |
| (b) Other Long-term Liabilities  | 5        | 2,923                | 2,369                |
| (c) Deposits from Trading Members  | 36       | 1,900                | 1,900                |
|  |          | 4,823                | 4,520                |
| <b>4 Current Liabilities</b>   |          |                      |                      |
| (a) Trade Payables   |          |                      |                      |
| Total Outstanding dues to micro enterprises and small enterprises                      | 6        | -                    | -                    |
| Total Outstanding dues of creditors other than micro enterprises and small enterprises | 6        | 5,457                | 4,528                |
| (b) Other Current Liabilities  | 7        | 49,464               | 50,259               |
| (c) Short-term Provisions  | 8        | 6,661                | 7,940                |
|  |          | 61,582               | 62,727               |
| <b>TOTAL</b>   |          | 291,767              | 290,159              |
| <b>B. ASSETS</b>   |          |                      |                      |
| <b>1 Non-current Assets</b>  |          |                      |                      |
| (a) Fixed Assets   | 9        |                      |                      |
| (i) Tangible Assets  |          | 13,016               | 12,083               |
| (ii) Intangible Assets   |          | 1,904                | 2,919                |
| (iii) Capital Work-in-progress   |          | 60                   | 305                  |
| (iv) Intangible Assets Under Development   |          | 109                  | 61                   |
|  |          | 15,089               | 15,368               |
| (b) Deferred Tax Assets (net)  | 10       | 260                  | -                    |
| (c) Non-Current Investments  | 11       | 162,355              | 144,199              |
| (d) Long-term Loans and Advances   | 12       | 8,178                | 5,669                |
| (e) Other Non-current Assets   | 13       | 149                  | 2,789                |
|  |          | 170,942              | 152,657              |
| <b>2 Current Assets</b>  |          |                      |                      |
| (a) Investments  | 14       | 24,481               | 42,651               |
| (b) Trade Receivables  | 15       | 2,941                | 2,630                |
| (c) Cash and Bank Balances   | 16       | 72,946               | 70,048               |
| (d) Short-term Loans and Advances  | 17       | 723                  | 3,166                |
| (e) Other Current Assets   | 18       | 4,645                | 3,639                |
|  |          | 105,736              | 122,134              |
| <b>TOTAL</b>   |          | 291,767              | 290,159              |
| <b>See accompanying notes forming part of financial statements</b>                     | 1-40     |                      |                      |

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman**Ashishkumar Chauhan**  
Managing Director & CEO**Kalpesh J. Mehta**  
Partner**Nayan Mehta**  
Chief Financial Officer**Neena Jindal**  
Company SecretaryPlace : Mumbai  
Date : May 5, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| PARTICULARS   | Note No.     | For the year ended<br>March 31, 2016 | For the year ended<br>March 31, 2015 |
|---|--------------|--------------------------------------|--------------------------------------|
|   |              | ₹ in Lakh                            | ₹ in Lakh                            |
| CONTINUING OPERATIONS                                       |              |                                      |                                      |
| 1 Revenue from Operations: Income from                      |              |                                      |                                      |
| Trading Members   | 19           | 7,745                                | 7,428                                |
| Services to Corporates                                      | 20           | 16,111                               | 10,539                               |
| Other Operating Income                                      | 21           | -                                    | 2,600                                |
| Data Dissemination Fees                                     |              | 2,242                                | 2,193                                |
| Revenue from Operations                                     |              | 26,098                               | 22,760                               |
| 2 Income From Investments and Deposits                      | 22           | 23,404                               | 18,675                               |
| 3 Other Income  | 23           | 2,087                                | 2,483                                |
| 4 Total Revenue (1+2+3)                                     |              | 51,589                               | 43,918                               |
| 5 Expenses  |              |                                      |                                      |
| Employee Benefits Expense                                   | 24           | 5,857                                | 5,528                                |
| Finance Cost - Interest Expense                             |              | 16                                   | 22                                   |
| Depreciation and Amortisation Expense                       | 9            | 5,638                                | 5,216                                |
| Administration and Other Expenses                           | 25           | 20,071                               | 16,675                               |
| Prior Period Item   | 28           | 2,579                                | -                                    |
| Total Expenses  |              | 34,161                               | 27,441                               |
| 6 Profit Before Exceptional Items and Tax (4-5)             |              | 17,428                               | 16,477                               |
| 7 Exceptional Items   |              |                                      |                                      |
| Liquidity Enhancement Incentive Program Scheme              | 38 (a)       | 1,724                                | 3,425                                |
| Settlement Guarantee Fund (25% Transfer of Profit)          | 28           | 5,143                                | -                                    |
| Voluntary Retirement Scheme                                 | 38 (b)       | -                                    | 1,277                                |
| Others  | 38 (c) & (d) | 460                                  | 218                                  |
| 8 Profit Before Tax (6-7)                                   |              | 10,101                               | 11,557                               |
| 9 Tax Expense:  |              |                                      |                                      |
| Current Tax   |              | -                                    | 1,897                                |
| Deferred Tax  |              | (511)                                | (484)                                |
|   |              | (511)                                | 1,413                                |
| 10 Profit After Tax (8-9)                                   |              | 10,612                               | 10,144                               |
| 11 Earning Per Equity Share:                                | 34           |                                      |                                      |
| Basic and Diluted (₹)                                       |              | 9.72                                 | 9.29                                 |
| Par Value Of Share (₹)                                      |              | 1                                    | 1                                    |
| Weighted Average Number Of Shares (Nos.)                    |              | 109,176,344                          | 109,176,343                          |
| See accompanying notes forming part of financial statements | 1-40         |                                      |                                      |

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman**Ashishkumar Chauhan**  
Managing Director & CEO**Kalpesh J. Mehta**  
Partner**Nayan Mehta**  
Chief Financial Officer**Neena Jindal**  
Company SecretaryPlace : Mumbai  
Date : May 5, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ in Lakh                               | ₹ in Lakh                               |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |   |   |
| Net Profit before tax   | 10,101                                  | 11,557                                  |
| <b>Adjustments for:</b>   |   |   |
| Depreciation and Amortisation Expenses                              | 5,638                                   | 5,216                                   |
| Loss / (Profit) on sale of Fixed Assets                             | (7)                                     | 25                                      |
| Finance cost  | 16                                      | 22                                      |
| Profit on sale of investments                                       | (637)                                   | (18)                                    |
| Amortisation of Discount and Premium (net)                          | 268                                     | 9                                       |
| Interest Income   | (13,257)                                | (13,848)                                |
| Dividend Income   | (9,778)                                 | (4,818)                                 |
| Provision for Diminution in Value of Long term investments          | 59                                      | 772                                     |
| Provision for Compensated Absences                                  | 221                                     | 318                                     |
| Provision for Trade Receivables / Bad debts Written Off             | 265                                     | 18                                      |
| Operating profit before working capital changes                     | (7,111)                                 | (747)                                   |
| <b>Adjustments for (increase) / decrease in:</b>                    |   |   |
| Trade Receivables   | (576)                                   | (160)                                   |
| Loans and Advances  | 2,394                                   | (1,391)                                 |
| Others Assets   | 2,636                                   | (2,531)                                 |
| Trade Payable   | 931                                     | 695                                     |
| Other Liabilities   | (1,012)                                 | 9,661                                   |
| Operating Cash Flow after adjusting working capital changes         | (2,738)                                 | 5,527                                   |
| Net Income tax paid   | (2,791)                                 | (838)                                   |
| <b>Net cash generated / (used) in Operations</b>                    | <b>(5,529)</b>                          | <b>4,689</b>                            |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |   |   |
| <b>Fixed Assets</b>   |   |   |
| Acquisition of Fixed Assets<br>(Including Capital Work-in-progress) | (5,822)                                 | (6,590)                                 |
| Proceeds from disposal of Fixed Assets                              | 18                                      | 14                                      |
| <b>Investments</b>  |   |   |
| Purchase of Other Long Term Investments                             | (40,364)                                | (19,346)                                |
| Proceeds from Other Long Term Investments                           | 14,480                                  | 15,004                                  |
| Net Decrease / (Increase) in Current Investments                    | 24,395                                  | (20,153)                                |
| <b>Fixed Deposits with Banks</b>                                    |   |   |
| Net Decrease in Fixed Deposits with Banks                           | 2,649                                   | 13,974                                  |
| <b>Interest Income</b>  | <b>12,148</b>                           | <b>14,109</b>                           |
| <b>Dividend Income</b>  | <b>9,778</b>                            | <b>4,818</b>                            |
| <b>Net Cash generated from Investing Activities</b>                 | <b>17,282</b>                           | <b>1,830</b>                            |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ in Lakh                               | ₹ in Lakh                               |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |   |   |
| Finance Cost  | (20)                                    | (25)                                    |
| Share Issue Expenses  | (104)                                   | -                                       |
| Decrease in Trading members and Others Deposits   | (2,385)                                 | (2,548)                                 |
| Dividend and Tax paid thereon   | (9,373)                                 | (4,310)                                 |
| <b>Net cash used in Financing Activities</b>  | <b>(11,882)</b>                         | <b>(6,883)</b>                          |
| <b>Net Decrease in Cash and Cash Equivalents (A + B + C)</b>                                | <b>(129)</b>                            | <b>(364)</b>                            |
| <b>Cash and Cash Equivalents at the end of year:</b>  |   |   |
| In Current Accounts   | 213                                     | 342                                     |
|   | 213                                     | 342                                     |
| <b>Cash and Cash Equivalents at the beginning of year:</b>                                  | <b>342</b>                              | <b>439</b>                              |
| <b>Cash and Cash Equivalents acquired from Amalgamation:</b>                                | <b>-</b>                                | <b>267</b>                              |
| <b>Change in Cash and Cash Equivalents:</b>   | <b>(129)</b>                            | <b>(364)</b>                            |
| <b>Cash and Cash Equivalents at the end of year:</b>  | <b>213</b>                              | <b>342</b>                              |
| Add: Earmarked Balance in Current Accounts  | 5,503                                   | 3                                       |
| Add: Restricted Balance in Current Accounts   | 698                                     | 543                                     |
| Add: Fixed Deposits with Banks (maturity period over three months)<br>(including earmarked) | 66,532                                  | 69,160                                  |
| <b>Cash and Bank balances as per note no. "16"</b>  | <b>72,946</b>                           | <b>70,048</b>                           |
| <b>See accompanying notes forming part of financial statements 1 - 40</b>                   |   |   |

**Notes to Cash Flow Statement:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on cash flow statements notified under the Companies (Accounting Standards) Rules, 2006 (as amended).
- Cash flow does not include cash and cash equivalent held by the Company for various Earmarked Liabilities. These cash and cash equivalent of earmarked liabilities are held in segregated accounts.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman**Ashishkumar Chauhan**  
Managing Director & CEO**Kalpesh J. Mehta**  
Partner**Nayan Mehta**  
Chief Financial Officer**Neena Jindal**  
Company SecretaryPlace : Mumbai  
Date : May 5, 2016

## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

**Notes annexed to and forming part of the Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the Year ended March 31, 2016.****General Information**

BSE Limited (Formerly known as Bombay Stock Exchange Limited) herein after referred to as the “The Exchange” or “The Company” was established in 1875 and is Asia’s first Stock Exchange and one of India’s leading exchange groups. Over the past 140 years, BSE has provided a capital-raising platform and provided a platform for trading in equity, debt instruments, derivatives and mutual funds. It also has a platform for trading in equities of small-and-medium enterprises (SME). Pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005 (the Scheme) notified by Securities and Exchange Board of India (“SEBI”) on May 20, 2005, the Exchange completed Demutualization and Corporatization in May 2007 bringing about the separation of the ownership and management.

**1. Significant Accounting Policies****1.1 Basis of preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the Act”) as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**1.2 Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Any change in such estimates is recognised prospectively.

**1.3 Revenue Recognition:**

Revenue in respect of services rendered is recognised when the service is rendered and there is a reasonable certainty of ultimate realisation. Dividend income on investments is recognised when the unconditional right to receive dividend is established. Discount or premium on debt securities / discounted Money Market Instruments is accrued over the period of remaining maturity. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**1.4 Fixed Assets:****1.4.1 Tangible Assets:**

Fixed Assets are stated at cost, less accumulated depreciation. Cost includes cost of acquisition and other incidental expenses incurred until the asset is ready to put to use for its intended purpose. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for its intended use.

**1.4.2 Intangible Assets:**

- (i) Cost of development and production of internally developed or purchased software, used for the purpose of operations, is capitalised.
- (ii) Any expense on software for support, maintenance, upgrades etc., and payable periodically is charged to the Statement of Profit and Loss.

**1.4.3 Intangible Assets under development:**

Intangible Assets under development comprises outstanding advances paid to acquire intangible assets and the cost of intangible assets that are not yet ready for its intended use.

**1.5 Depreciation/Amortisation:****1.5.1 Tangible Assets:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.



## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD.)..

Depreciation on tangible fixed assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013, the Company has reassessed depreciation rate on tangible fixed assets as per the useful life specified in the Companies Act, 2013.

**1.5.2 Intangible Assets:**

Computer software is amortised over 6 years on the 'Written Down Value' basis for the number of days the assets have been ready to put to use for their intended purposes. Goodwill on amalgamation is amortised over a period of two years on a 'Straight Line Basis'.

**1.6 Impairment of Assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when its carrying cost exceeds the recoverable amount. An impairment loss, if any, is charged to the Statement of Profit and Loss in the period in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the assets no longer exist or have decreased.

**1.7 Investments:**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value.

Premium paid / discount received at the time of acquisition of government / Debt securities is amortised over the residual period of its maturity.

**1.8 Employee Benefits:**

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) "Employee Benefits"

**1.8.1 Provident Fund – Defined Contribution Plan**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid on cessation of services. Both the employee and the Exchange make monthly contributions to the Bombay Stock Exchange Employees' Provident Fund, a trust set up and administered by the Exchange. The Exchange is liable for any shortfall in the fund assets based on the minimum rate of return specified by the Government, which is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

**1.8.2 Compensated Absences**

The leave balance is classified as long-term and short-term, based on the best estimates after considering the past trends. The short-term leave encashment liability has been measured on actual components eligible for leave encashment and expected short-term leave to be availed is valued at total cost to the Exchange. Long-term leave has been valued on actuarial basis as at the year end.

**1.8.3 Gratuity – Defined Benefit Plan**

The Exchange provides for gratuity, a defined benefit plan, in respect of employees. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**1.9 Leases:**

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at

## NOTE 1

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD.)..

the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**1.10 Provision for Current and Deferred Tax:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Deferred Tax, resulting from "timing differences" between the book and the taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty, except for carried forward losses and unabsorbed depreciation which are recognised based on virtual certainty that the difference will reverse in future.

**1.11 Provisions and contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**1.12 Foreign Currency Transactions:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**1.13 Earnings per Share:**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

**1.14 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**1.15 Cash and cash equivalents (for purposes of Cash Flow Statement):**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.16 Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## NOTE 2

## SHARE CAPITAL

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Authorised</b><br>3,000,000,000 (500,000,000 as at March 31, 2015) equity shares of ₹ 1/- each  | <b>30,000</b>           | 5,000                   |
| <b>Issued</b><br>109,176,344 (105,747,772 as at March 31, 2015) equity shares of ₹ 1/- each  | <b>1,092</b>            | 1,057                   |
| <b>Subscribed and Paid -up</b><br>107,356,344 (103,927,772 equity shares as at March 31, 2015) equity shares of ₹ 1/- each fully paid-up.<br><br>Of the above, 95,933,328 (95,933,328 equity shares as at March 31, 2015) equity shares are allotted as bonus shares by capitalisation of free reserves. | <b>1,074</b>            | 1,039                   |
| <b>Equity Share Capital Suspense Account</b><br>(Equity shares of ₹ 1 each to be issued as fully paid-up pursuant to merger of United Stock Exchange of India Limited with the Company under the scheme of amalgamation without the payment being received in cash)                                      | -                       | 34                      |
| <b>TOTAL</b>   | <b>1,074</b>            | 1,073                   |

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

| PARTICULARS                                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| No. of shares at the beginning of the year | <b>103,927,772</b>      | 103,797,772             |
| Additions during the year (*)              | <b>3,428,572</b>        | 130,000                 |
| No. of shares at the end of the year       | <b>107,356,344</b>      | 103,927,772             |

Aggregate number and class of shares allotted as fully paid up by way of bonus shares.

| PARTICULARS | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------|-------------------------|-------------------------|
| 2008-09     | <b>94,493,328</b>       | 94,493,328              |
| 2009-10 (*) | <b>840,000</b>          | 840,000                 |
| 2010-11 (*) | <b>120,000</b>          | 120,000                 |
| 2011-12 (*) | <b>120,000</b>          | 120,000                 |
| 2012-13 (*) | <b>120,000</b>          | 120,000                 |
| 2013-14 (*) | <b>120,000</b>          | 120,000                 |
| 2014-15 (*) | <b>120,000</b>          | 120,000                 |
|             | <b>95,933,328</b>       | 95,933,328              |

(\*) Represent allotment of shares held in abeyance including bonus entitlements on such shares and share issued to shareholders of United Stock Exchange of India Limited.

**Notes:**

- The Exchange has only one class of shares referred to as equity shares having a par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share.
- Pursuant to the BSE (Corporatisation & Demutualisation) Scheme, 2005, (the Scheme) the Exchange had allotted 10,000 equity shares of ₹ 1/- each to each of those card based Members of the erstwhile Bombay Stock Exchange Limited whose names appeared on the Register of Members under Rule 64 in accordance with Rules, Bye-laws and Regulations, on the Record Date fixed for the purpose.

## NOTE 2

## SHARE CAPITAL (CONTD.)..

- (c) Out of the total 95,550,000 equity shares of ₹ 1/- (including 88,200,000 bonus shares of ₹ 1/- each) issuable to the card based Members, the Exchange has allotted 93,730,000 equity shares (93,730,000 equity shares as on March 31, 2015) upon implementation of the BSE (Corporatisation and Demutualisation) Scheme, 2005 ("The Scheme"). The allotment of 1,820,000 equity shares (1,820,000 equity shares as on March 31, 2015) of ₹ 1/- each have been kept in abeyance for specific reasons pursuant to the provisions of the Scheme. However, all corporate benefits as declared from time to time, including dividend and bonus are accrued to all the 95,550,000 equity shares, as per the provisions of the Scheme.
- (d) As a part of the demutualisation process, the Exchange in order to fulfill its obligations under the Scheme and the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (the SEBI Regulations) dated 13<sup>th</sup> November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX). The Exchange has further agreed to issue additional shares to DBAG and SGX so as to maintain their holding percentage.
- (e) i) The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTE 3

## RESERVES AND SURPLUS

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Capital Reserve</b>  | <b>66,179</b>           | 66,179                  |
| <b>Capital Reserve on Amalgamation</b>  | <b>10,530</b>           | 10,530                  |
| <b>Securities Premium Account</b>   |                         |                         |
| Opening Balance   | 39,389                  | 39,390                  |
| Less: Share issue expense   | (104)                   | -                       |
| Less: Issue of Bonus shares*  | -                       | (1)                     |
|   | <b>39,285</b>           | 39,389                  |
| <b>Settlement Guarantee Fund (refer note 28)</b>  |                         |                         |
| Opening Balance   | 5,144                   | -                       |
| Add: Appropriations from Statement of Profit and Loss   | -                       | 5,144                   |
| Less: Investment Income Accrued to Core Settlement Guarantee Fund (refer note 28)                           | 279                     | -                       |
| Less: Contribution to Core Settlement Guarantee Fund (refer note 28)  | 4,320                   | -                       |
| Less: Contribution to Settlement Guarantee Fund   | 545                     | -                       |
|   | -                       | 5,144                   |
| <b>Other Reserves</b>   |                         |                         |
| <b>General Reserve</b>  | <b>69,415</b>           | 69,415                  |
| <b>Surplus in Statement of Profit and Loss</b>  |                         |                         |
| Balance brought forward from previous year  | 31,181                  | 32,494                  |
| Contribution to Settlement Guarantee Fund   | -                       | (2,620)                 |
| Add: Rebate of Dividend Distribution Tax  | 1,796                   | 628                     |
| Add: Contribution to Core Settlement Guarantee Fund utilized from Settlement Guarantee Fund (refer note 28) | 4,320                   | -                       |
| Add: Contribution to Settlement Guarantee Fund  | 545                     | -                       |

## NOTE 3

## RESERVES AND SURPLUS (CONTD.)..

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Add: Investment Income Accrued to Core Settlement Guarantee Fund (refer note 28)  | 279                     | -                       |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (refer footnote of note 9) | -                       | (327)                   |
| Less: Contribution to Settlement Guarantee Fund (refer note 28)   | -                       | (2,536)                 |
| Less: Contribution to Settlement Guarantee Fund (United Stock Exchange of India Limited) (refer note 30)  | -                       | (32)                    |
| Add: Profit for the year  | 10,612                  | 10,144                  |
| Amount available for appropriation  | 48,733                  | 37,751                  |
| <b>Appropriations</b>   |                         |                         |
| Less: Interim Dividend (refer note 39)  | (3,821)                 | -                       |
| Less: Dividend  | (4,367)                 | (5,459)                 |
| Less: Tax on Dividend   | (1,667)                 | (1,111)                 |
|   | 38,878                  | 31,181                  |
| <b>TOTAL</b>  | <b>224,287</b>          | <b>221,838</b>          |

\* Represents allotment of shares held in abeyance.

**Note:****Capital Reserve**

Pursuant to the BSE (Corporatisation & Demutualisation) Scheme, 2005, (the Scheme) the balance in Contribution by Members, Forfeiture of Members Application Money, Technology Reserve, Stock Exchange building, Seth Chunnilal Motilal Library, Charity, Income and Expenditure Account as at 19<sup>th</sup> August, 2005 as appearing in the Exchange are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operations of the Exchange.

## NOTE 4

## DEFERRED TAX LIABILITIES (NET)

| PARTICULARS                             | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Deferred Tax Liabilities:</b>        |                         |                         |
| Depreciation                            | -                       | 943                     |
| <b>TOTAL (A)</b>                        | -                       | 943                     |
| <b>Deferred Tax Assets:</b>             |                         |                         |
| Expenses allowed on payment basis       | -                       | 183                     |
| Provision for Trade Receivables         | -                       | 122                     |
| Voluntary Retirement Scheme             | -                       | 354                     |
| Others                                  | -                       | 33                      |
| <b>TOTAL (B)</b>                        | -                       | 692                     |
| <b>Net Deferred Tax Liability (A-B)</b> | -                       | 251                     |



**NOTE 5**
**OTHER LONG-TERM LIABILITIES**

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Trade Payable   |                         |                         |
| - Accrued Employee benefit expenses                   | 333                     | 309                     |
| Income Received in Advance                            | 95                      | 113                     |
| Other Liabilities                                     |                         |                         |
| - Non Current maturities of finance lease obligations | 67                      | 127                     |
| Others Deposits Received from Members                 | 2,274                   | 1,820                   |
| Deposit Others  | 154                     | -                       |
| <b>TOTAL</b>  | <b>2,923</b>            | <b>2,369</b>            |

**NOTE 6**
**TRADE PAYABLES**

| PARTICULARS                       | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-----------------------------------|-------------------------|-------------------------|
|                                   | ₹ In Lakh               | ₹ In Lakh               |
| Payable to service providers      | 4,085                   | 3,410                   |
| Accrued Employee benefit expenses | 1,372                   | 1,118                   |
| <b>TOTAL</b>                      | <b>5,457</b>            | <b>4,528</b>            |

**Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Based on the information available with the Company, the balance due to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is Nil. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006 (previous year is Nil).

**NOTE 7**
**OTHER CURRENT LIABILITIES**

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Owned:</b>  |                         |                         |
| Deposits Received from Trading Members                             | 7,162                   | 7,157                   |
| Other Deposits Received from Members                               | 638                     | 881                     |
| Deposits - Others  | 841                     | 2,988                   |
| Income Received in Advance   | 1,640                   | 1,649                   |
| Advance from Customers   | 171                     | 107                     |
| Statutory Remittances  | 2,096                   | 9,804                   |
| Due to Subsidiaries  | 147                     | 4                       |
| Other Liabilities (refer note below)                               | 2,870                   | 1,791                   |
| Contribution Payable to Settlement Guarantee Fund                  | 5,143                   | -                       |
| Payables on purchase of fixed assets                               | 613                     | 1,011                   |
| Current maturities of finance lease obligations                    | 60                      | 54                      |
| Accrued Interest on finance lease obligations                      | 10                      | 14                      |
| Investor Education and Protection Fund - Unpaid Dividend (Not Due) | 32                      | 29                      |
| <b>TOTAL (A)</b>   | <b>21,423</b>           | <b>25,489</b>           |

**NOTE 7****OTHER CURRENT LIABILITIES (CONTD.)..**

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Earmarked:</b>   |                         |                         |
| From Companies - 1% of their Public Issue (*)                               | 14,329                  | 13,325                  |
| Defaulters' Liabilities (*)   | 6,702                   | 6,496                   |
| Withheld Liabilities (*)  | 5,676                   | 3,860                   |
| Others  | 1,334                   | 1,089                   |
| <b>TOTAL (B)</b>  | <b>28,041</b>           | <b>24,770</b>           |
| <b>TOTAL (A+B)</b>  | <b>49,464</b>           | <b>50,259</b>           |
| (*) Investments and Deposits have been earmarked against these liabilities. |                         |                         |

**Notes: Other Liabilities includes :**

**a) Investors' Services Fund (ISF):**

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Annual Listing Fees Received for the Year                     | 9,995                   | 6,180                   |
| 20% of the above (Amount to be Contributed)                   | 1,999                   | 1,236                   |
| Expenses incurred on behalf of ISF                            | 1,127                   | 561                     |
| Expenses Recoverable (Subject to maximum of the contribution) | 1,127                   | 561                     |

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Account. The Exchange has charged all direct expenses incurred towards Investors Services to this Account. The balance in the Account as on March 31, 2016 is ₹ 2,057 Lakh (As at March 31, 2015 is ₹ 1,185 Lakh) which is shown as under and the same is forming part of Other Liabilities.

**b) Other Liabilities includes dividend for earlier years in respect of shares held in abeyance as referred to in Note 2(c), amounting to ₹ 698 lakh (As at March 31, 2015 ₹ 543 lakh).**

**NOTE 8****SHORT TERM PROVISIONS**

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| Compensated Absences  | 553                     | 518                     |
| Income Taxes Provisions (Net of Advance Tax ₹ 14,047 Lakh (As at March 31, 2015 ₹ 14,047 Lakh)) | 852                     | 852                     |
| Proposed Dividend   | 4,367                   | 5,459                   |
| Tax on Dividend   | 889                     | 1,111                   |
| <b>TOTAL</b>  | <b>6,661</b>            | <b>7,940</b>            |

## NOTE 9 STATEMENT OF FIXED ASSETS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016

| Sr. No. | Particulars of Assets  | Cost As at April 01, 2015 | Additions During the year | Deductions / Adjustments | Addition on Account of Merger | Cost As at March 31, 2016 | Depreciation upto March 31, 2015 | Depreciation / Amortisation for the year | Transfer from Statement of Profit and loss account | Deductions / Adjustments | Depreciation upto March 31, 2016 | Net Assets As At March 31, 2016 | Net Assets As At March 31, 2015 |
|---------|--|---------------------------|---------------------------|--------------------------|-------------------------------|---------------------------|----------------------------------|--|--|--------------------------|----------------------------------|---------------------------------|---------------------------------|
|         |  | A                         | B                         | C                        | D                             | E=A+B-C+D                 | F                                | G  | H  | I                        | J=F+G+H-I                        | K= E-J                          | L=A-F                           |
|         | <b>Tangible Assets :</b>   |                           |                           |                          |                               |                           |                                  |  |  |                          |                                  |                                 |                                 |
| 1       | Freehold Land (Previous year)  | 1,010 (1,010)             | -                         | -                        | -                             | 1,010 (1,010)             | -                                | -  | -  | -                        | -                                | 1,010 (1,010)                   | 1,010 (1,010)                   |
| 2       | Buildings (Previous year)  | 5,634 (3,859)             | 657 (1,797)               | - (22)                   | -                             | 6,291 (5,634)             | 2,566 (2,447)                    | 189 (123)                                | -  | -                        | 2,755 (2,566)                    | 3,536 (3,068)                   | 3,068 (1,412)                   |
| 3       | Plant and Equipments (Previous year)                                       | 3,100 (2,688)             | 698 (423)                 | 425 (11)                 | -                             | 3,733 (3,100)             | 2,114 (1,847)                    | 245 (233)                                | -  | 422 (5)                  | 1,937 (2,114)                    | 1,436 (986)                     | 986 (841)                       |
| 4       | Electrical Installations (Previous year)                                   | 3,817 (2,140)             | 794 (1,679)               | 442 (2)                  | -                             | 4,169 (3,817)             | 1,683 (1,287)                    | 652 (375)                                | -  | 440 (1)                  | 1,895 (1,683)                    | 2,274 (2,134)                   | 2,134 (853)                     |
| 5       | Computers - (a) Hardware and Networking Equipments - Owned (Previous year) | 31,209 (26,817)           | 1,557 (4,553)             | 19,554 (169)             | - (8)                         | 13,212 (31,209)           | 27,087 (24,868)                  | 2,144 (2,105)                            | - (277)  | 19,554 (163)             | 9,677 (27,087)                   | 3,535 (4,122)                   | 4,122 (1,949)                   |
|         | b) Hardware and Networking Equipments - On Lease (Previous year)           | 304 (304)                 | -                         | 200                      | -                             | 104 (304)                 | 168 (68)                         | 58 (100)                                 | -  | 198                      | 28 (168)                         | 76 (136)                        | 136 (236)                       |
| 6       | Furniture, fixtures and Office Equipments (Previous year)                  | 3,519 (3,130)             | 1,022 (410)               | 663 (21)                 | -                             | 3,878 (3,519)             | 2,912 (2,409)                    | 490 (359)                                | - (157)  | 659 (13)                 | 2,743 (2,912)                    | 1,135 (607)                     | 607 (721)                       |
| 7       | Motor Vehicles (Previous year)   | 23 -                      | - (23)                    | -                        | -                             | 23 (23)                   | 3 -                              | 6 (3)                                    | -  | -                        | 9 (3)                            | 14 (20)                         | 20 -                            |
|         | <b>Sub Total (A)</b>   | <b>48,616</b>             | <b>4,728</b>              | <b>21,284</b>            | <b>-</b>                      | <b>32,060</b>             | <b>36,533</b>                    | <b>3,784</b>                             | <b>-</b>   | <b>21,273</b>            | <b>19,044</b>                    | <b>13,016</b>                   | <b>12,083</b>                   |
|         | <b>Intangible Assets (other than internally generated) :</b>               |                           |                           |                          |                               |                           |                                  |  |  |                          |                                  |                                 |                                 |
| 8       | Software (Previous year)   | 7,678 (6,371)             | 839 (1,302)               | 1,847 -                  | - (5)                         | 6,670 (7,678)             | 5,544 (4,406)                    | 1,069 (1,138)                            | -  | 1,847 -                  | 4,766 (5,544)                    | 1,904 (2,134)                   | 2,134 (1,965)                   |
| 9       | Goodwill (Previous year)   | 1,565 -                   | - (1,565)                 | -                        | -                             | 1,565 (1,565)             | 780 -                            | 785 (780)                                | -  | -                        | 1,565 (780)                      | - (785)                         | 785 -                           |
|         | <b>Sub Total (B)</b>   | <b>9,243</b>              | <b>839</b>                | <b>1,847</b>             | <b>-</b>                      | <b>8,235</b>              | <b>6,324</b>                     | <b>1,854</b>                             | <b>-</b>   | <b>1,847</b>             | <b>6,331</b>                     | <b>1,904</b>                    | <b>2,919</b>                    |
|         | <b>Total (A+B)</b>   | <b>57,859</b>             | <b>5,567</b>              | <b>23,131</b>            | <b>-</b>                      | <b>40,295</b>             | <b>42,857</b>                    | <b>5,638</b>                             | <b>-</b>   | <b>23,120</b>            | <b>25,375</b>                    | <b>14,920</b>                   | <b>15,002</b>                   |
| 10      | Capital work in Progress   |                           |                           |                          |                               |                           |                                  |  |  |                          |                                  | <b>60</b>                       | <b>305</b>                      |
| 11      | Intangible Assets Under Development  |                           |                           |                          |                               |                           |                                  |  |  |                          |                                  | <b>109</b>                      | <b>61</b>                       |
|         | Previous Year  | 46,319                    | 11,752                    | 225                      | 13                            | 57,859                    | 37,332                           | 5,216                                    | 495  | 186                      | 42,857                           | 15,002                          |                                 |

**Footnote :**

During the year ended March 31, 2015, the Company had reassessed the depreciation rate on tangible fixed assets as per the useful life specified in the Companies Act, 2013. Based on the current estimates at that time, depreciation of ₹ 495 lakh on account of assets whose useful life was already exhausted as on April 01, 2014 and deferred tax of ₹ 168 thereon was adjusted against the opening surplus in the Statement of Profit and Loss (refer note 3) as at April 1, 2014.

## NOTE 10

## DEFERRED TAX ASSETS (NET)

| PARTICULARS                          | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------------------------|-------------------------|-------------------------|
|                                      | ₹ In Lakh               | ₹ In Lakh               |
| <b>Deferred Tax Assets:</b>          |                         |                         |
| Expenses allowed on payment basis    | 197                     | -                       |
| Provision for Trade Receivables      | 90                      | -                       |
| Voluntary Retirement Scheme          | 265                     | -                       |
| Others                               | 211                     | -                       |
| <b>TOTAL (A)</b>                     | <b>763</b>              | <b>-</b>                |
| <b>Deferred Tax Liabilities:</b>     |                         |                         |
| Depreciation                         | 503                     | -                       |
| <b>TOTAL (B)</b>                     | <b>503</b>              | <b>-</b>                |
| <b>Net Deferred Tax Assets (A-B)</b> | <b>260</b>              | <b>-</b>                |

## NOTE 11

## NON CURRENT INVESTMENTS

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Non current Investments (At cost, unless otherwise specified):</b><br>(Fully Paid-up, unless otherwise stated)         |                         |                         |
| <b>Trade Investment</b>   |                         |                         |
| <b>Investments in Equity Instruments (Unquoted)</b>   |                         |                         |
| <b>Own Funds</b>  |                         |                         |
| - 30,875 Shares of Calcutta Stock Exchange Limited of ₹ 1/- each  | 618                     | 618                     |
| - 2,187,015 Shares of National Power Exchange Limited of ₹ 10/- each  | 219                     | 219                     |
| - 10,000,000 Shares of BFSI Sector Skill Council of India of ₹ 1/- each   | 100                     | 100                     |
|   | <b>937</b>              | <b>937</b>              |
| <b>Joint Ventures</b>   |                         |                         |
| - Nil (As at March 31, 2015 :- 98,000 Shares of BOI Shareholding Limited of ₹ 100/- each)                                 | -                       | 98                      |
| - 5,000 Shares of Asia Index Private Limited of ₹ 10/- each   | 1                       | 1                       |
| <b>Associate</b>  |                         |                         |
| - Nil (As at March 31, 2015 :- 3,000,750 Shares of Institutional Investor Advisory Services India Limited of ₹ 10/- each) | -                       | 400                     |
| <b>Subsidiaries</b>   |                         |                         |
| - 3,540,000,000 Shares of Indian Clearing Corporation Limited of ₹ 1/- each   | 35,400                  | 35,400                  |
| - 20,000,000 Shares of Marketplace Technologies Private Limited of ₹ 1/- each   | 4,250                   | 4,250                   |
| - 500,000,000 Shares of BSE Institute Limited of ₹ 1/- each   | 5,000                   | 5,000                   |
| - 56,634,600 Shares of Central Depository Services (India) Limited of ₹ 10/- each   | 12,795                  | 12,795                  |
| - 100,000 Shares of BSE CSR Sammaan Limited of ₹ 10/- each  | 10                      | -                       |

## NOTE 11

## NON CURRENT INVESTMENTS (CONTD.)..

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| - 1,000,000 Shares of BSE Investments Limited of ₹ 1/- each         | 10                      | 10                      |
|   | 57,465                  | 57,455                  |
| Less : Provision for Diminution in value of Non-Current Investments | (937)                   | (878)                   |
|   | 57,466                  | 58,013                  |
| <b>Non - Trade Investment</b>                                       |                         |                         |
| <b>Investments in Debentures &amp; Bonds</b>                        |                         |                         |
| <b>(a) Own Funds</b>  |                         |                         |
| - Bonds and Non-Convertible Debentures (Quoted)                     | 103,889                 | 83,527                  |
| <b>(b) Earmarked Funds</b>  |                         |                         |
| - Bonds and Non-Convertible Debentures (Quoted)                     | -                       | 1,509                   |
|   | 103,889                 | 85,036                  |
| <b>Investments in Mutual Funds</b>                                  |                         |                         |
| <b>Own Funds</b>  |                         |                         |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)  | -                       | 150                     |
| - Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)    | 1,000                   | 1,000                   |
| <b>TOTAL</b>  | <b>162,355</b>          | <b>144,199</b>          |
| Aggregate Amount of Quoted Investments                              | 104,889                 | 86,186                  |
| Market Value of Quoted Investments                                  | 107,418                 | 88,625                  |
| Book Value of Unquoted Investments                                  | 57,466                  | 58,013                  |

| Sr.<br>No. | SCHEME NAME   | Balance as on<br>March 31, 2016 |           | Balance as on<br>March 31, 2015 |           |
|------------|---|---------------------------------|-----------|---------------------------------|-----------|
|            |   | Units                           | Amount    | Units                           | Amount    |
|            |   |                                 | ₹ In Lakh |                                 | ₹ In Lakh |
| <b>(a)</b> | <b>Own Funds</b>  |                                 |           |                                 |           |
|            | <b>Bonds &amp; Non Convertible Debentures (Quoted)</b>                                  |                                 |           |                                 |           |
| 1          | 9.49%-HDB Financial Services Limited-18Jun2019-INE756I07399                             | 50                              | 499       | 50                              | 499       |
| 2          | 9.18%-HDFC Limited-12Feb2018-INE001A07KB4   | 250                             | 2,469     | 250                             | 2,453     |
| 3          | 9.70%-HDFC Limited-18Mar2017-INE001A07MK1   | -                               | -         | 200                             | 2,005     |
| 4          | 9.75%-HDFC Limited-07Dec2016-INE001A07HN5   | -                               | -         | 297                             | 2,962     |
| 5          | 8.10%-Housing and Urban Development Corporation Limited-05Mar2022-INE031A07832-Tax Free | 1,769,400                       | 18,321    | 1,069,400                       | 11,141    |
| 6          | 8.51%-Housing and Urban Development Corporation Limited-13Jan2024-INE031A07964-Tax Free | 300,000                         | 3,031     | 250,000                         | 2,500     |
| 7          | 8.29%-Housing and Urban Development Corporation Limited-24Mar2024-INE031A07AC0-Tax Free | 100,000                         | 1,000     | 100,000                         | 1,000     |
| 8          | 10.00%-ICICI Bank Limited-10Nov2017-INE090A08MT3  | 7,551                           | 755       | 7,551                           | 755       |
| 9          | 9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016-INE871D07ML9        | -                               | -         | 100,000                         | 1,000     |



## NOTE 11

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No. | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|---------|---|------------------------------|-----------|------------------------------|-----------|
|         |   | Units                        | Amount    | Units                        | Amount    |
|         |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| 10      | 11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016-INE871D07MY2 | -                            | -         | 100,000                      | 1,015     |
| 11      | 9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019-INE871D07ND4  | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 12      | 6.72%-Indian Railway Finance Corporation Limited-20Dec2020-INE053F09HL5-Tax Free  | 7,500                        | 7,481     | 7,500                        | 7,478     |
| 13      | 7.55%-Indian Railway Finance Corporation Limited-08Nov2021-INE053F09HT8-Tax Free  | 500                          | 500       | 500                          | 500       |
| 14      | 8.00%-Indian Railway Finance Corporation Limited-23Feb2022-INE053F07520-Tax Free  | 652,773                      | 6,657     | 631,898                      | 6,462     |
| 15      | 7.19%-Indian Railway Finance Corporation Limited-14Dec2022-INE053F09IC2-Tax Free  | 100                          | 1,000     | 200                          | 2,000     |
| 16      | 8.23%-Indian Railway Finance Corporation Limited-18Feb2024-INE053F07652-Tax Free  | 300,000                      | 3,088     | 200,000                      | 2,035     |
| 17      | 8.35%-Indian Railway Finance Corporation Limited-21Nov2023-INE053F07611-Tax Free  | 700                          | 7,304     | 200                          | 2,000     |
| 18      | 8.64%-LIC Housing Finance Limited-03May2016-INE115A07DU7                          | -                            | -         | 200                          | 1,976     |
| 19      | 9.30%-LIC Housing Finance Limited-14Oct2016-INE115A07EN0                          | -                            | -         | 250                          | 2,492     |
| 20      | 10.18%-LIC Housing Finance Limited-19Sep2016-INE115A07EJ8                         | -                            | -         | 100                          | 1,001     |
| 21      | 10.60%-LIC Housing Finance Limited-06Sep2016-INE115A07EH2                         | -                            | -         | 250                          | 2,526     |
| 22      | 8.20%-NHAI-25Jan2022-INE906B07CA1-Tax Free  | -                            | -         | 61,810                       | 618       |
| 23      | 8.27%-National Highways Authority of India-05Feb2024-INE906B07DC5-Tax Free        | 290,000                      | 2,922     | 250,000                      | 2,500     |
| 24      | 8.26%-National Housing Bank-13Jan2024-INE557F07082-Tax Free                       | 18,050                       | 903       | 18,050                       | 903       |
| 25      | 8.41%-National Thermal Power Corporation Limited-16Dec2023-INE733E07JE0-Tax Free  | 79,162                       | 792       | 79,162                       | 792       |
| 26      | 7.19%-Power Finance Corporation Limited-04Jan2023-INE134E07331-Tax Free           | 100,000                      | 1,000     | 100,000                      | 1,000     |
| 27      | 8.20%-Power Finance Corporation Limited-01Feb2022-INE134E07190-Tax Free           | 1,225,828                    | 12,625    | 1,205,982                    | 12,480    |
| 28      | 8.01%-Rural Electrification Corporation Limited-29Aug2023-INE020B07HM5-Tax Free   | 250                          | 2,501     | 250                          | 2,501     |
| 29      | 8.01%-Rural Electrification Corporation Limited-24Sep2023-INE020B07HO1-Tax Free   | 500,000                      | 5,000     | 500,000                      | 5,000     |
| 30      | 9.30%-SBI-16Mar2021-INE062A08041  | -                            | -         | 3,791                        | 379       |
| 31      | 9.25%-Tata Sons Limited-19Jun2019-INE895D07479                                    | 100                          | 994       | 100                          | 992       |
| 32      | 8.09%-Power Finance Corporation Limited-25Nov2021-INE134E07133-Tax Free           | 1,000                        | 1,045     | 1,000                        | 1,053     |
| 33      | 7.93%-Rural Electrification Corporation Limited-27Mar2022-INE020B07GG9-Tax Free   | 164,702                      | 1,702     | 48,991                       | 509       |

## NOTE 11

## NON CURRENT INVESTMENTS (CONTD.)..

| Sr. No.   | SCHEME NAME   | Balance as on March 31, 2016 |                | Balance as on March 31, 2015 |               |
|---|---|------------------------------|----------------|------------------------------|---------------|
|   |   | Units                        | Amount         | Units                        | Amount        |
|   |   |                              | ₹ In Lakh      |                              | ₹ In Lakh     |
| 34  | 8.19%-Rural Electrification Corporation Limited-24Mar2024-INE020B071C4-Tax Free         | 250,000                      | 2,633          | -                            | -             |
| 35  | 7.34%-Housing and Urban Development Corporation Limited-16Feb2023-INE031A07857-Tax Free | 100,000                      | 1,003          | -                            | -             |
| 36  | 8.14%-Housing and Urban Development Corporation Limited-25Oct2023-INE031A07907-Tax Free | 50,000                       | 520            | -                            | -             |
| 37  | 7.62%-Housing And Urban Development Corporation Limited-11Nov2021-INE031A09FC5-Tax Free | 1,000                        | 1,015          | -                            | -             |
| 38  | 7.18%-Indian Railway Finance Corporation Limited-19Feb2023-INE053F07561-Tax Free        | 150,000                      | 1,493          | -                            | -             |
| 39  | 9.51%-LIC Housing Finance Limited-24Jul2019-INE115A07FK3                                | 100                          | 1,019          | -                            | -             |
| 40  | 11.08%-LIC Housing Finance Limited-13Aug2018-INE115A07569                               | 49                           | 512            | -                            | -             |
| 41  | 8.80%-Canfin Homes Limited-02Jul2018-INE477A07084                                       | 100                          | 1,000          | -                            | -             |
| 42  | 8.77%-HDB Financial Services Limited-02Jun2018-INE756I07597                             | 50                           | 500            | -                            | -             |
| 43  | 8.81%-HDB Financial Services Limited-28Jul2018-INE756I07621                             | 50                           | 500            | -                            | -             |
| 44  | 8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020-INE871D07OC4        | 50,000                       | 500            | -                            | -             |
| 45  | 8.74%-Infrastructure Leasing & Financial Services Limited 10Aug2018-INE871D07OF7        | 100,000                      | 1,000          | -                            | -             |
| 46  | 8.80%-Kotak Mahindra Prime Limited-26Jun2018-INE916DA7IJ8                               | 50                           | 500            | -                            | -             |
| 47  | 8.65%-HDB Financial Services Limited-25Sep2018-INE756I07670                             | 50                           | 500            | -                            | -             |
| 48  | 8.71%-HDB Financial Services Limited-20Oct2018-INE756I07654                             | 100                          | 998            | -                            | -             |
| 49  | 8.8394%-HDB Financial Services Limited-12Mar19-INE756I07878                             | 100                          | 1,002          | -                            | -             |
| 50  | 8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019-INE121H07AL5       | 20,000                       | 200            | -                            | -             |
| 51  | 8.34%-LIC Housing Finance Limited-22Mar2018-INE115A07DZ6                                | 250                          | 2,484          | -                            | -             |
| 52  | 9.50%-HDFC Ltd-14Aug2017-INE001A07JC4   | 100                          | 1,010          | -                            | -             |
| 53  | 9.30%-HDFC Ltd.-04Oct2017-INE001A07JN1  | 140                          | 1,411          | -                            | -             |
| 54  | 8.60%-LIC Housing Finance Limited-28Dec2020-INE115A07JF5                                | 150                          | 1,500          | -                            | -             |
|   | <b>TOTAL</b>  |                              | <b>103,889</b> |                              | <b>83,527</b> |
| <b>Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)</b> |   |                              |                |                              |               |
| 1   | HDFC Debt Fund For Cancer Cure-100% Dividend Donation-17MAR2017                         | -                            | -              | 1,500,000                    | 150           |
|   | <b>TOTAL</b>  |                              | -              |                              | 150           |
| <b>(b) Earmarked Funds</b>  |   |                              |                |                              |               |
| <b>Bonds &amp; Non Convertible Debentures (Quoted)</b>                  |   |                              |                |                              |               |
| 1   | 9.25%-Vijaya Bank-01Aug2016-INE705A09068  | -                            | -              | 150                          | 1,509         |
|   | <b>TOTAL</b>  |                              | -              |                              | 1,509         |

## NOTE 12

## LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| Deposit with Public Bodies and Others  | 254                     | 269                     |
| Share Application Money Paid for Investment in subsidiary                                      | 4                       | -                       |
| Income Taxes Paid in Advance (Net of Provisions ₹ 14,500 Lakh (As at March 31, 2015 ₹ 19,459)) | 7,756                   | 5,238                   |
| Advance To Staff   | 89                      | 78                      |
| Prepaid Expenses   | 75                      | 84                      |
| <b>TOTAL</b>   | <b>8,178</b>            | <b>5,669</b>            |

## NOTE 13

## OTHER NON CURRENT ASSETS

| PARTICULARS                                    | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Others</b>                                  |                         |                         |
| Gratuity asset (net)                           | 149                     | 210                     |
| Contribution to Core Settlement Guarantee Fund | -                       | 2,579                   |
| <b>TOTAL</b>                                   | <b>149</b>              | <b>2,789</b>            |

## NOTE 14

## INVESTMENTS

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>Non Trade Investments</b>  |                         |                         |
| <b>A) Current Investments (At lower of cost and fair value)</b>           |                         |                         |
| <b>Investments in Debentures and Bonds / CDS</b>                          |                         |                         |
| <b>Own Funds</b>  |                         |                         |
| - Investment in Certificate of Deposits (Quoted)                          | 4,496                   | 32,456                  |
| <b>Investments in Mutual Funds</b>  |                         |                         |
| <b>(a) Own Funds</b>  |                         |                         |
| - Investment in Mutual Fund - Maintained by ICCL on behalf of the company | -                       | 54                      |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)        | 4,858                   | 1,337                   |
|   | <b>4,858</b>            | <b>1,391</b>            |
| <b>(b) Earmarked Funds</b>  |                         |                         |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)        | -                       | 229                     |
| - Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)          | -                       | 75                      |
|   | <b>-</b>                | <b>304</b>              |

## NOTE 14

## INVESTMENTS (CONTD.)..

| PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | ₹ In Lakh               | ₹ In Lakh               |
| <b>B) Current portion of Long Term Investments<br/>(At Cost, unless otherwise Specified)</b> |                         |                         |
| <b>Investments in Debentures and Bonds</b>   |                         |                         |
| <b>Own Funds</b>   |                         |                         |
| - Bonds and Non-Convertible Debentures (Quoted)  | 14,977                  | 8,500                   |
| <b>Investments in Mutual Funds</b>   |                         |                         |
| <b>Own Funds</b>   |                         |                         |
| - Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)                           | 150                     | -                       |
|  | 15,127                  | 8,500                   |
| <b>TOTAL</b>   | 24,481                  | 42,651                  |
| Aggregate Amount of Quoted Investments   | 24,481                  | 42,651                  |
| Market Value of Quoted Investments   | 24,567                  | 42,338                  |

| Sr.<br>No. | SCHEME NAME   | Balance as on<br>March 31, 2016 |           | Balance as on<br>March 31, 2015 |           |
|------------|---|---------------------------------|-----------|---------------------------------|-----------|
|            |   | Units                           | Amount    | Units                           | Amount    |
|            |   |                                 | ₹ In Lakh |                                 | ₹ In Lakh |
| <b>A</b>   | <b>CURRENT INVESTMENTS</b>  |                                 |           |                                 |           |
| <b>(a)</b> | <b>Own Funds</b>  |                                 |           |                                 |           |
|            | <b>Certificate of Deposit (Quoted)</b>                                  |                                 |           |                                 |           |
| 1          | HDFC Bank Limited   | 2,000                           | 1,998     | -                               | -         |
| 2          | Axis Bank Limited   | 2,500                           | 2,498     | -                               | -         |
| 3          | Bank Of India 06Apr2015   | -                               | -         | 8,500                           | 8,489     |
| 4          | Indusind Bank 06Apr2015   | -                               | -         | 15,000                          | 14,979    |
| 5          | South Indian Bank 06Apr2015   | -                               | -         | 9,000                           | 8,988     |
|            | <b>TOTAL</b>  |                                 | 4,496     |                                 | 32,456    |
|            | <b>Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)</b> |                                 |           |                                 |           |
| 1          | ICICI PRUDENTIAL LIQUID - DIRECT - DDR - ISF                            | 2,220,872                       | 2,222     | 1,109,593                       | 1,111     |
| 2          | KOTAK INCOME OPPORTUNITIES FUND - DIR- WEEKLY DR                        | 25,943,686                      | 2,636     | -                               | -         |
| 3          | HDFC Liquid Fund Direct Plan  | -                               | -         | 1,550,759                       | 53        |
| 4          | ICICI Prudential Liquid-Dir-DDR-SGF                                     | -                               | -         | 825                             | 1         |
| 5          | Baroda Pioneer Liquid Fund Collection A/c                               | -                               | -         | 2,644                           | 40        |
| 6          | ICICI Prudential Liquid Fund Growth Plan                                | -                               | -         | 86,155                          | 177       |
| 7          | Reliance Liquidity Direct (Growth Plan)                                 | -                               | -         | 441                             | 9         |
|            | <b>TOTAL</b>  |                                 | 4,858     |                                 | 1,391     |
| <b>(b)</b> | <b>Earmarked Funds</b>  |                                 |           |                                 |           |
|            | <b>Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)</b> |                                 |           |                                 |           |
| 1          | Birla Sunlife Floating Rate Fund - STP                                  | -                               | -         | 228,535                         | 229       |
|            | <b>TOTAL</b>  |                                 | -         |                                 | 229       |

## NOTE 14

## INVESTMENTS (CONTD.)..

| Sr. No.  | SCHEME NAME   | Balance as on March 31, 2016 |           | Balance as on March 31, 2015 |           |
|--|---|------------------------------|-----------|------------------------------|-----------|
|  |   | Units                        | Amount    | Units                        | Amount    |
|  |   |                              | ₹ In Lakh |                              | ₹ In Lakh |
| Units Of Growth Oriented Debt Schemes Of Mutual Funds (Quoted)   |   |                              |           |                              |           |
| 1  | ICICI Prudential FRF - Plan C - Growth  | -                            | -         | 71,460                       | 75        |
|  | TOTAL   |                              | -         |                              | 75        |
| B  | CURRENT PORTION OF LONG TERM INVESTMENTS<br>(At cost, unless otherwise specified) |                              |           |                              |           |
| Own Funds  |   |                              |           |                              |           |
| Investments in Debentures and Bonds                              |   |                              |           |                              |           |
| Bonds and Non Convertible Debentures (Quoted)                    |   |                              |           |                              |           |
| 1  | 11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016-INE871D07MY2 | 100,000                      | 1,004     | -                            | -         |
| 2  | 10.60%-LIC Housing Finance Limited-06Sep2016-INE115A07EH2                         | 250                          | 2,508     | -                            | -         |
| 3  | 10.18%-LIC Housing Finance Limited-19Sep2016-INE115A07EJ8                         | 100                          | 1,000     | -                            | -         |
| 4  | 9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016-INE871D07ML9  | 100,000                      | 1,000     | -                            | -         |
| 5  | 9.75%-HDFC Limited-07Dec2016-INE001A07HN5   | 297                          | 2,967     | -                            | -         |
| 6  | 9.30%-LIC Housing Finance Limited-14Oct2016-INE115A07EN0                          | 250                          | 2,497     | -                            | -         |
| 7  | 9.70%-HDFC Limited-18Mar2017-INE001A07MK1   | 200                          | 2,003     |                              |           |
| 8  | 8.64%-LIC Housing Finance Limited-03May2016-INE115A07DU7                          | 200                          | 1,998     |                              |           |
| 9  | 9.85%-HDFC Limited-05Jun2015-INE001A07IL7   | -                            | -         | 250                          | 2,500     |
| 10   | 7.60%-Power Finance Corporation Limited-30Dec2015-INE134E08883                    | -                            | -         | 100                          | 996       |
| 11   | 8.90%-Power Grid Corporation Limited-25Feb2016-INE752E07GG1                       | -                            | -         | 40                           | 501       |
| 12   | 9.40%-LIC Housing Finance Limited-26Feb2016-INE115A07DP7                          | -                            | -         | 250                          | 2,494     |
| 13   | 9.20%-Power Grid Corporation Limited-12Mar2016-INE752E07FJ7                       | -                            | -         | 160                          | 2,009     |
|  | TOTAL   |                              | 14,977    |                              | 8,500     |
| Investment in Mutual Funds                                       |   |                              |           |                              |           |
| Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted) |   |                              |           |                              |           |
| 1  | HDFC Debt Fund For Cancer Cure-100% Dividend Donation-17MAR2017                   | 1,500,000                    | 150       | -                            | -         |
|  | TOTAL   |                              | 150       |                              | -         |



## NOTE 15

## TRADE RECEIVABLES

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>1. Secured and Considered Good</b>                               |                         |                         |
| - Outstanding for a period exceeding six months (from Invoice date) | 87                      | 57                      |
| - Other Debts   | 1,027                   | 1,089                   |
|   | 1,114                   | 1,146                   |
| <b>2. Unsecured and Considered Good</b>                             |                         |                         |
| - Outstanding for a period exceeding six months (from Invoice date) | 522                     | 541                     |
| - Other Debts   | 1,305                   | 943                     |
|   | 1,827                   | 1,484                   |
| <b>3. Unsecured and Considered Doubtful</b>                         |                         |                         |
| - Outstanding for a period exceeding six months (from Invoice date) | 588                     | 681                     |
| - Other Debts   | 1                       | -                       |
| Less: Provision for Doubtful Debts                                  | (589)                   | (681)                   |
|   | -                       | -                       |
| <b>TOTAL</b>  | <b>2,941</b>            | <b>2,630</b>            |

## NOTE 16

## CASH AND BANK BALANCES

| PARTICULARS                      | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|----------------------------------|-------------------------|-------------------------|
|                                  | ₹ In Lakh               | ₹ In Lakh               |
| <b>Cash and Cash Equivalents</b> |                         |                         |
| <b>1. Cash on Hand</b>           | -                       | -                       |
| <b>2. Balances with Banks</b>    |                         |                         |
| <b>Owned</b>                     |                         |                         |
| - In Current Accounts            | 911                     | 885                     |
| - In Deposit Accounts            | 44,459                  | 46,727                  |
|                                  | 45,370                  | 47,612                  |
| <b>Earmarked</b>                 |                         |                         |
| - In Current Accounts            | 5,503                   | 3                       |
| - In Deposit Accounts            | 22,073                  | 22,433                  |
|                                  | 27,576                  | 22,436                  |
| <b>TOTAL</b>                     | <b>72,946</b>           | <b>70,048</b>           |

**Note:**

Balances in Deposit Account with Banks (Owned) includes ₹ 13,252 Lakh (As at March 31, 2015 ₹ 4,044 Lakh), which have a remaining maturity of more than 12 months.

## NOTE 17

## SHORT TERM LOANS AND ADVANCES

| PARTICULARS   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
|   | ₹ In Lakh               | ₹ In Lakh               |
| <b>1. Unsecured and Considered Good</b>                             |                         |                         |
| - Advances to Staff   | 29                      | 26                      |
| - Due from Subsidiaries   | -                       | 2,060                   |
| - Prepaid Expenses  | 178                     | 117                     |
| - Balances with Government Authorities                              |                         |                         |
| CENVAT Credit Receivable  | 124                     | 566                     |
| - Others  |                         |                         |
| Advances Recoverable in Cash or in Kind or for value to be received | 222                     | 227                     |
| - Receivable from Selling Shareholders                              | 170                     | 170                     |
|   | <b>723</b>              | <b>3,166</b>            |
| <b>2. Unsecured and Considered Doubtful</b>                         | <b>771</b>              | <b>771</b>              |
| Less: Provision for Doubtful Advances                               | <b>(771)</b>            | <b>(771)</b>            |
|   | -                       | -                       |
| <b>TOTAL</b>  | <b>723</b>              | <b>3,166</b>            |

## NOTE 18

## OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

| PARTICULARS             | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------------------|-------------------------|-------------------------|
|                         | ₹ In Lakh               | ₹ In Lakh               |
| <b>Accrued Interest</b> |                         |                         |
| <b>Owned</b>            |                         |                         |
| - On Deposits           | 96                      | 20                      |
| - On Investments        | 4,130                   | 3,094                   |
|                         | <b>4,226</b>            | <b>3,114</b>            |
| <b>Earmarked</b>        |                         |                         |
| - On Deposits           | 419                     | 525                     |
| <b>TOTAL</b>            | <b>4,645</b>            | <b>3,639</b>            |

## NOTE 19

## INCOME FROM TRADING MEMBERS

| PARTICULARS                            | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| Transaction Charges                    | 5,496                                   | 5,049                                   |
| Charges Recovered                      | 2,001                                   | 1,985                                   |
| Annual Subscription and Admission Fees | 176                                     | 173                                     |
| Processing Fees                        | 72                                      | 221                                     |
| <b>TOTAL</b>                           | <b>7,745</b>                            | <b>7,428</b>                            |

## NOTE 20

## INCOME FROM SERVICES TO CORPORATES

| PARTICULARS                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------------------------|---|---|
|                                | ₹ In Lakh                               | ₹ In Lakh                               |
| Listing Fees                   | 14,460                                  | 9,579                                   |
| Book Building Software Charges | 1,123                                   | 553                                     |
| Company Reinstatement Fees     | 351                                     | 302                                     |
| Other Fees                     | 177                                     | 105                                     |
| <b>TOTAL</b>                   | <b>16,111</b>                           | <b>10,539</b>                           |

## NOTE 21

## OTHER OPERATING INCOME

| PARTICULARS                                     | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| Income from Indian Clearing Corporation Limited | -                                       | 2,539                                   |
| Income from Core Settlement Guarantee Fund      | -                                       | 61                                      |
| <b>TOTAL</b>                                    | <b>-</b>                                | <b>2,600</b>                            |

## NOTE 22

## INCOME FROM INVESTMENTS AND DEPOSITS

| PARTICULARS                                  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>Income From Long Term Investments:</b>    |   |   |
| Interest Income                              | 9,167                                   | 7,071                                   |
| Dividend Income From Subsidiaries            | 8,824                                   | 3,697                                   |
| Dividend Income From Others                  | 6                                       | 202                                     |
| Loss on Sale / Redemption (net)              | (1)                                     | -                                       |
| Profit on Sale of Strategic Investment (net) | 586                                     | -                                       |

## NOTE 22

## INCOME FROM INVESTMENTS AND DEPOSITS (CONTD.)..

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>Income From Current Investments:</b>               |   |   |
| Interest Income                                       | 47                                      | 493                                     |
| Dividend Income                                       | 948                                     | 919                                     |
| Profit on Sale / Redemption                           | 52                                      | 18                                      |
| <b>Interest From Fixed Deposits and Term Deposits</b> | <b>3,775</b>                            | <b>6,275</b>                            |
| <b>TOTAL</b>  | <b>23,404</b>                           | <b>18,675</b>                           |

## NOTE 23

## OTHER INCOME

| PARTICULARS                     | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---------------------------------|---|---|
|                                 | ₹ In Lakh                               | ₹ In Lakh                               |
| Rent and Infrastructure Charges | 1,516                                   | 1,579                                   |
| Website Income                  | 289                                     | 303                                     |
| Miscellaneous Income            | 282                                     | 601                                     |
| <b>TOTAL</b>                    | <b>2,087</b>                            | <b>2,483</b>                            |

## NOTE 24

## EMPLOYEE BENEFITS EXPENSE

| PARTICULARS                               | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| Salaries, Allowances and Bonus            | 5,100                                   | 4,729                                   |
| Contribution to Provident and Other Funds | 254                                     | 253                                     |
| Staff Welfare Expenses                    | 282                                     | 228                                     |
| Compensated Absences                      | 221                                     | 318                                     |
| <b>TOTAL</b>                              | <b>5,857</b>                            | <b>5,528</b>                            |

## NOTE 25

## ADMINISTRATION AND OTHER EXPENSES

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| Advertising & Marketing Expenses                          | 388                                     | 332                                     |
| Bad Debts Written Off                                     | 357                                     | -                                       |
| Building Repairs & Maintenance Expenses                   | 565                                     | 483                                     |
| Clearing House Expenses                                   | -                                       | 1,613                                   |
| Computer Technology Related Expenses (Refer note 1 below) | 5,572                                   | 5,454                                   |
| Technology Programme                                      | 2,589                                   | 1,292                                   |

## NOTE 25

## ADMINISTRATION AND OTHER EXPENSES (CONTD.)..

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| Contribution to Investors Service Fund   | 1,999                                   | 1,236                                   |
| Contribution to Investors' Protection Fund   | 100                                     | 62                                      |
| Contribution to Core Settlement Guarantee Fund (Refer note 28)                       | 1,741                                   | -                                       |
| Contribution to SEBI   | 1,000                                   | 623                                     |
| Contribution to Corporate Social Responsibility (CSR Expenditure refer note 2 below) | 112                                     | 56                                      |
| Directors' Fees  | 41                                      | 32                                      |
| Electricity Charges (Net of Recoveries)  | 1,961                                   | 1,286                                   |
| Insurance  | 85                                      | 84                                      |
| Legal Fees   | 428                                     | 504                                     |
| Professional Fees  | 1,188                                   | 532                                     |
| Loss on sale of Fixed Assets   | 9                                       | 39                                      |
| Postage and Telephone Expenses   | 115                                     | 117                                     |
| Printing and Stationery  | 62                                      | 55                                      |
| Property Taxes (Net of Recoveries)   | 202                                     | 437                                     |
| Provision for Diminution in Value of Long term Investment                            | 59                                      | 772                                     |
| Provision for Trade Receivables  | (92)                                    | 18                                      |
| Rebate on Transaction Charges  | 8                                       | 11                                      |
| Rent   | 123                                     | 312                                     |
| Repairs to Other Assets  | 185                                     | 154                                     |
| SEBI Regulatory Fees   | 236                                     | 219                                     |
| Travelling Expenses  | 325                                     | 275                                     |
| Miscellaneous Expenses (Refer note 1 below)  | 713                                     | 677                                     |
| <b>TOTAL</b>   | <b>20,071</b>                           | <b>16,675</b>                           |

## Notes:1.

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--|---|---|
|  | ₹ In Lakh                               | ₹ In Lakh                               |
| a) Computer Technology Related Expenses include Repairs and Maintenance on Computers | 4,120                                   | 3,518                                   |
| b) Auditors' Remuneration included in Miscellaneous Expenses:                        |   |   |
| Statutory Audit Fees   | 67                                      | 74                                      |
| Tax Audit Fees   | 8                                       | 8                                       |
| Other Services   | 10                                      | 1                                       |
| <b>TOTAL</b>   | <b>85</b>                               | <b>83</b>                               |
| Net of Service Tax Credit availed ₹ 11 Lakh (₹ 9 Lakh as at March 31, 2015)          |   |   |

## 2. CSR Expenditure

- a) The gross amount required to be spent by company during the year is ₹ 114 Lakh (₹ 147 Lakh for the year ended March 31, 2015).
- b) Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / acquisition of any asset.



## NOTE 26 TO 40

## 26. Contingent Liabilities not provided for in respect of:

| Sr. No. | PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---------|--|-------------------------|-------------------------|
|         |  | ₹ In Lakh               | ₹ In Lakh               |
| a)      | Claims against the Exchange not acknowledged as debts in respect of :  |                         |                         |
|         | i) Income tax matters  | 2,759                   | 2,713                   |
|         | ii) Service tax matters  | -                       | 36                      |
|         | iii) Department of telecommunication license matters<br>(Refer Note below)   | 401                     | 401                     |
|         | iv) Other matters<br>(Including ₹ 10,370 Lakh (₹ 10,394 Lakh for the year ended March 31, 2015) which in the opinion of the Management are remote)   | 10,403                  | 10,510                  |
| b)      | Guarantees given by the Exchange to the loan provider:<br>Aggregate loans outstanding from employees of the Exchange as on date. The employees have mortgaged their flats / properties with the loan provider. | 48                      | 60                      |

**Note:** During the year 2012-13, the Exchange has received notices from Department of Telecommunication (DoT), Government of India to pay a revised VSAT Network License Fees, Royalty etc. aggregating ₹ 636 Lakh against which amount of ₹ 235 Lakh has been paid and expensed during the earlier years. In respect of the balance of ₹ 401 lakh the Management has filed a reply, after legal consultations, with DoT challenging the claim stating that the demand notices are based on an incorrect interpretation of the existing guidelines / orders. Hence no provision for the same is made in the accounts and the amount has been considered as a Contingent Liability.

27. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,128 lakh as on March 31, 2016 (₹ 3,153 lakh as on March 31, 2015).

28. The following regulation / circulars issued by SEBI from time to time requires the recognition by the Company of a Settlement Guarantee Fund and the transfer of the same to its clearing corporation and the contribution of a Minimum Required Corpus to a Core Settlement Guarantee Fund from time to time:

- As per Regulation 33 of The Securities Contracts (Regulations) (SECC) Regulations, 2012 (the "Regulation") issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund of the recognized clearing corporation which clears and settles trades executed on that stock exchange to guarantee the settlement of trades.
- As per Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 issued by the Securities & Exchange Board of India ("SEBI") regarding a Core Settlement Guarantee Fund, every stock exchange shall contribute at least 25% of the Minimum Required Corpus (can be adjusted against transfer of profit by Stock Exchange as per Regulation 33 of SECC Regulations) to a Core Settlement Guarantee Fund established and maintained by its clearing corporation.
- Further, a clarification was issued as per Circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 based on a recommendation given by the Expert Committee constituted by SEBI.

Accordingly, the above Regulations / Circulars were given effect to in the Financial Statements as under:

- The Company had appropriated ₹ 5,144 lakh during FY 2014-15 being 25% of the profit for FY 2012-13, FY 2013-14 and FY 2014-15.
- The Company deposited ₹ 2,579 lakh (including interest) towards the Minimum Required Corpus (MRC) to the Core Settlement Guarantee Fund established and maintained by its clearing corporation (a wholly owned subsidiary) during FY 2014-15.
- The deposit amount of ₹ 2,579 lakh has been charged during the year to the Statement of Profit and Loss under the head "Prior period item".
- The Company's current year's contribution of ₹ 1,741 lakh towards the MRC has also been charged to the Statement of Profit and Loss under the head "Administration and Other Expenses". The contribution to the Core SGF has been adjusted against the transfer of profit by the Company as per the Regulation mentioned above.

## NOTE 26 TO 40

(CONTD.)..

e) Further, based on the clarification included in SEBI circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 (the "2016 circular") the provision of 25% of profits has to be made and transferred to the Settlement Guarantee Fund (SGF). Accordingly, the cumulative amount required to be provided and transferred to the said SGF till March 31, 2016 amounts to ₹ 9,742 lakh being 25% of the profits of the Company after tax, before making such contribution for FY 2012-13 to FY 2015-16. The Exchange had already contributed and charged ₹ 4,320 lakh to the Statement of Profit and Loss towards 25% of the MRC to the Core Settlement Guarantee Fund as explained in 'c' and 'd' above. After adjusting the investment income accrued on the Company's contribution to the Core SGF for the period upto March 31, 2016 of ₹ 279 lakh, the balance amount of ₹ 5,143 lakh (including ₹ 4,598 lakh for FY 2015-16) is now charged to the Statement of Profit and Loss as an "Exceptional Item". The amount payable by the Exchange in respect of the SGF as at March 31, 2016 has been disclosed under the head "Current Liabilities" and is payable to the Core Settlement Guarantee Fund within such time as specified by SEBI.

29. In terms of the Scheme of Amalgamation ("the Scheme"), approved by the Court, with an appointed date of April 01, 2014 and an effective date of May 14, 2015 ('the Effective Date'), being the date on which all the requirements under the Companies Act, 1956 United Stock Exchange of India Limited (USE) has been amalgamated with the Company (Transferee Company). Upon the amalgamation undertaking and the entire business, including all assets and liabilities of USE stand transferred to and vested in the Company. The amalgamation has been accounted under "Purchase Method" as envisaged in the Accounting Standard - 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets and liabilities taken over on amalgamation of the Transferor Company are fair valued as on the date of the acquisition by a firm of Chartered Accountants as at the appointed date. Further, in consideration, the Company has issued equity shares in accordance with the swap ratio approved by the Hon'ble High Court of Judicature at Bombay (Court). These shares are fair valued for the purpose of recording in the books of account based on the equity valuation considered in arriving at the swap ratio by a firm of Chartered Accountants. Further the Company had obtained a fairness opinion on the ratio approved by the Court.
30. In 2010-11, United Stock Exchange of India Limited (USE) the entity amalgamated with the Company in Financial year 2014-15, had set up a Settlement Guarantee Fund to guarantee the settlement of bonafide transactions of members of the exchange, which forms part of the exchange settlement system so as to ensure timely completion of settlement of trades and thereby protect the interest of investors and the members of the exchange. The Constitution of the fund was approved by The Securities and Exchange Board of India (SEBI). USE had contributed a sum of ₹ 250 lakh as initial contribution during the year 2010-11. The fund is maintained by Indian Clearing Corporation Limited (ICCL) and the income earned on these deposits is credited to the Statement of Profit and Loss and then appropriated to the Fund (net of applicable taxes). This fund amounting to ₹ 328 lakh has been transferred to the Company as part of the Scheme of Amalgamation as described in note no 29.
31. The Company operates only in one Business Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", the operations have been carried out within India and hence does not have any reportable segments as per Accounting Standard 17 on "Segment Reporting".
32. As per the Accounting Standard-18 "Related Party Disclosures" the related parties of the Exchange are as follows:

a) **Subsidiaries:**

| NAME  |
|---|
| Indian Clearing Corporation Limited                 |
| Marketplace Technologies Private Limited            |
| BSE Institute Limited                               |
| Central Depository Services (India) Limited         |
| BSE Investments Limited (w.e.f March 28, 2014)      |
| BSE Sammaan CSR Limited (w.e.f September 10, 2015)  |
| BSE CSR Integrated Foundation (w.e.f March 7, 2016) |

## NOTE 26 TO 40

(CONTD.)..

## b) Indirect Subsidiaries:

| NAME  |
|---|
| Marketplace Tech Infra Services Private Limited |
| CDSL Ventures Limited                           |
| CDSL Insurance Repository Limited               |
| BSE Skills Limited                              |
| BFSI Sector Skill Council of India              |

## Transactions with the Subsidiaries:

| NAME  | PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|---|
|   |   | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>                               |   |   |   |
| Indian Clearing Corporation Limited         | Rent and Infrastructure Charges                           | 38                                      | 38                                      |
|   | Miscellaneous Income                                      | 72                                      | 215                                     |
|   | Dividend Income   | 7,528                                   | 2,564                                   |
|   | Other Employee cost Recovery                              | 3                                       | 2                                       |
|   | Administrative and Other Expenses (Recoveries)            | 207                                     | 105                                     |
|   | Income from Indian Clearing Corporation Ltd.              | -                                       | 2,539                                   |
| Marketplace Technologies Private Limited    | Charges Recovered   | -                                       | 3                                       |
|   | Other Employee cost Recovery                              | -                                       | 5                                       |
| BSE Institute Limited                       | Salaries, Allowances and Bonus (Recoveries)               | 50                                      | 48                                      |
|   | Rent and Infrastructure Charges                           | 265                                     | 269                                     |
|   | Dividend Income   | 50                                      | -                                       |
|   | Administrative and Other Expenses (Recoveries)            | 63                                      | 75                                      |
| Central Depository Services (India) Limited | Administrative and Other Expenses (Recoveries)            | 77                                      | 65                                      |
|   | Charges Recovered   | 144                                     | 141                                     |
|   | Dividend Income   | 1,246                                   | 1,133                                   |
|   | Rent and Infrastructure Charges                           | 264                                     | 273                                     |
| BFSI Sector Skill Council of India          | Miscellaneous Income                                      | 8                                       | 9                                       |
|   | Rent and Infrastructure Charges                           | 6                                       | -                                       |
|   | Administrative and Other Expenses (Recoveries)            | 1                                       | -                                       |
| <b>EXPENDITURE</b>                          |   |   |   |
| Indian Clearing Corporation Limited         | Clearing House Services Charges                           | -                                       | 1,613                                   |
|   | Contribution to Core Settlement Guarantee Fund            | 1,741                                   | 2,579                                   |
|   | Contribution to Settlement Guarantee Fund (25% of Profit) | 5,143                                   | -                                       |
| Marketplace Technologies Private Limited    | Computer Technology Related Expenses (net of recovery)    | 1,855                                   | 1,380                                   |
|   | Purchase of Capital Assets                                | 108                                     | 66                                      |
|   | Capital Work in Progress                                  | -                                       | 10                                      |
| Central Depository Services (India) Limited | Building Repair and Maintenance                           | -                                       | 5                                       |
|   | Administrative and Other Expenses                         | 3                                       | -                                       |
| BSE Institute Limited                       | Reimbursement of services                                 | 182                                     | 135                                     |

## NOTE 26 TO 40

(CONTD.)..

| NAME  | PARTICULARS  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|--|-------------------------|-------------------------|
|   |  | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS</b>                                       |  |                         |                         |
| Indian Clearing Corporation Limited                 | Investments  | 35,400                  | 35,400                  |
|   | Receivable   | 55                      | 2,108                   |
| Marketplace Technologies Private Limited            | Investments  | 4,250                   | 4,250                   |
| BSE Institute Limited                               | Investments  | 5,000                   | 5,000                   |
|   | Receivable   | 14                      | 47                      |
| BSE Investments Limited                             | Investments  | 10                      | 10                      |
|   | Receivable   | -                       | 3                       |
| BSE Sammaan CSR Limited                             | Investments  | 10                      | -                       |
| BFSI Sector Skill Council of India                  | Investments  | 100                     | 100                     |
| BSE CSR Integrated Foundation (w.e.f March 7, 2016) | Share Application Money  | 4                       | -                       |
| Central Depository Services (India) Limited         | Investments  | 12,795                  | 12,795                  |
|   | Receivable   | 7                       | 7                       |
| <b>LIABILITIES</b>                                  |  |                         |                         |
| Marketplace Technologies Private Limited            | Payable  | 146                     | 202                     |
| Indian Clearing Corporation Limited                 | Payable on account of Contribution to Settlement Guarantee Fund (25% Transfer of Profit) | 5,143                   | -                       |
| Central Depository Services (India) Limited         | Other Deposits Received  | 73                      | 73                      |

## c) Entities under control:

| NAME  |
|---|
| The Stock Exchange Investors' Protection Fund       |
| The Stock Exchange Education & Research Services    |
| The Stock Exchange Foundation                       |
| The Stock Exchange Charities                        |
| Seth K. R. P. Shroff Stock Exchange Sarvajanik Fund |
| Shri Phiroze Jeejeebhoy Memorial Trust              |

## NOTE 26 TO 40

(CONTD.)..

## Transactions with the entities under control:

| NAME  | PARTICULARS                                       | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|---|
|   |   | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>                                       |   |   |   |
| The Stock Exchange<br>Investors' Protection<br>Fund | Administrative and Other Expenses (Recoveries)    | 471                                     | 435                                     |
|   | Rent  | 26                                      | 59                                      |
| <b>EXPENDITURE</b>                                  |   |   |   |
| The Stock Exchange<br>Investors' Protection<br>Fund | Contribution to IPF (a proportion of listing fee) | 100                                     | 62                                      |
|   | Reimbursement for IFRS Foundation                 | 460                                     | -                                       |
|   | Rent Expenses                                     | 48                                      | -                                       |

| NAME  | PARTICULARS | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------|-------------------------|-------------------------|
|   |             | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS</b>                                       |             |                         |                         |
| The Stock Exchange<br>Investors' Protection<br>Fund | Receivable  | 58                      | 131                     |
| <b>LIABILITIES</b>                                  |             |                         |                         |
| The Stock Exchange<br>Investors' Protection<br>Fund | Deposit     | 6                       | 6                       |

## d) Joint Ventures:

|   |
|---|
| <b>NAME</b>                                     |
| BOI Shareholding Limited (upto January 8, 2016) |
| Asia Index Private Limited                      |

## Transactions with the Joint Ventures:

| NAME  | PARTICULARS                                       | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|---|
|   |   | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>   |   |   |   |
| BOI Shareholding<br>Limited (upto January<br>8, 2016) | Dividend Income                                   | -                                       | 196                                     |
|   | Rent and Infrastructure Charges                   | -                                       | 64                                      |
|   | Charges Recovered                                 | -                                       | 3                                       |
|   | Miscellaneous Income                              | 1                                       | 1                                       |
|   | Administrative and Other Expenses<br>(Recoveries) | -                                       | 12                                      |
| Asia Index Private<br>Limited                         | Rent and Infrastructure Charges                   | 138                                     | 102                                     |
|   | Administrative and Other Expenses<br>(Recoveries) | 32                                      | 14                                      |
| <b>EXPENDITURE</b>                                    |   |   |   |
| Asia Index Private<br>Limited                         | Data Dimension Fee                                | -                                       | 30                                      |



## NOTE 26 TO 40

(CONTD.)..

| NAME  | PARTICULARS | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------|-------------------------|-------------------------|
|   |             | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS AND LIABILITIES</b>                   |             |                         |                         |
| BOI Shareholding Limited (upto January 8, 2016) | Investments | -                       | 98                      |
| Asia Index Private Limited                      | Investments | 1                       | 1                       |
|   | Payable     | 1                       | 2                       |
|   | Deposit     | 92                      | 92                      |

## e) Associate:

| NAME  |
|---|
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) |

## Transactions with the Associate:

| NAME  | PARTICULARS                                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|--|---|---|
|   |  | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>INCOME</b>   |  |   |   |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Rent and Maintenance Charge                    | 29                                      | 29                                      |
|   | Administrative and Other Expenses (Recoveries) | 4                                       | 4                                       |
| <b>EXPENDITURE</b>  |  |   |   |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Professional Fee                               | 7                                       | -                                       |

| NAME  | PARTICULARS | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------|-------------------------|-------------------------|
|   |             | ₹ In Lakh               | ₹ In Lakh               |
| <b>ASSETS (At Cost)</b>   |             |                         |                         |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Investments | -                       | 400                     |
| <b>LIABILITIES</b>  |             |                         |                         |
| Institutional Investor Advisory Services India Limited (upto January 5, 2016) | Deposit     | 15                      | 15                      |

## f) Key Management Personnel (KMP) and their relatives:

| NAME                     | RELATION                                      |
|--------------------------|---|
| Shri Ashishkumar Chauhan | Managing Director and Chief Executive Officer |

## NOTE 26 TO 40

(CONTD.)..

## Transactions with Key Management Personnel and their relatives:

| PARTICULARS                    | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------------------------|---|---|
|                                | ₹ In Lakh                               | ₹ In Lakh                               |
| <b>EXPENDITURE</b>             |   |   |
| Salaries, Allowances and Bonus |   |   |
| Shri Ashishkumar Chauhan       | <b>327</b>                              | 292                                     |

- g) Details of the Exchange's interest in its Joint Venture, having Joint Control, as per the requirement of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures", are as under:

| Sr.<br>No. | PARTICULARS                          | BOI Shareholding Limited (BOISL) – 49.00% (upto January 8, 2016)<br>Asia Index Private Limited (AIPL) – 50.00%<br>(Incorporated and Registered in India) |                |                                   |                |
|------------|--------------------------------------|--|----------------|-----------------------------------|----------------|
|            |                                      | For the year ended March 31, 2016  |                | For the year ended March 31, 2015 |                |
|            | % Shares Held                        | 50.00% (AIPL)  | 49.00% (BOISL) | 50.00% (AIPL)                     | 49.00% (BOISL) |
| (a)        | Assets                               | 476  | -              | 597                               | 1,357          |
| (b)        | Liabilities                          | 329  | -              | 541                               | 92             |
| (c)        | Income                               | 769  | 377            | 555                               | 517            |
| (d)        | Expenses                             | 678  | 215            | 474                               | 448            |
| (e)        | Other Matters – Contingent Liability | Nil  | Nil            | Nil                               | Nil            |

## 33. Finance Lease

- a) Assets acquired on finance lease mainly comprise computer equipments.
- b) The Minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

| Sr.<br>No. | PARTICULARS  | Minimum Lease Payments  |                         | Present value of Minimum Lease Payments |                         |
|------------|--|-------------------------|-------------------------|---|-------------------------|
|            |  | As on<br>March 31, 2016 | As on<br>March 31, 2015 | As on<br>March 31, 2016                 | As on<br>March 31, 2015 |
|            |  | ₹ In Lakh               | ₹ In Lakh               | ₹ In Lakh                               | ₹ In Lakh               |
| 1          | Payable not later than 1 Year                        | 75                      | 75                      | 60                                      | 54                      |
| 2          | Payable later than 1 Year and not later than 5 Years | 75                      | 149                     | 67                                      | 127                     |
|            | <b>Total</b>   | <b>150</b>              | <b>224</b>              | <b>127</b>                              | <b>181</b>              |
|            | Less : Future Finance Charges                        | 23                      | 43                      |   |                         |
|            | Present Value of Minimum Lease Payments              | <b>127</b>              | <b>181</b>              |   |                         |

- c) Contingent rent recognised / (adjusted) in the Statement of Profit and Loss in respect of finance lease: ₹ Nil  
(Previous year: ₹ Nil)

## NOTE 26 TO 40

(CONTD.)..

## 34. Earnings Per Share:

| PARTICULARS   | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|---|---|---|
|   | ₹ In Lakh                               | ₹ In Lakh                               |
| Profit After Tax (₹ in Lakh)  | 10,612                                  | 10,144                                  |
| Weighted Average Number of Equity Shares for Basic Earnings Per Share (in Nos.) – refer note 29   | 109,176,344                             | 109,176,343                             |
| Weighted Average Number of Equity Shares for Diluted Earnings Per Share (in Nos.) – refer note 29 | 109,176,344                             | 109,176,343                             |
| <b>Basic and Diluted EPS (in ₹)</b>   | <b>9.72</b>                             | <b>9.29</b>                             |

## 35. Earnings / Expenditure in Foreign Currency:

## a) Earnings:

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------|---|---|
|              | ₹ In Lakh                               | ₹ In Lakh                               |
| Data feed    | 1,743                                   | 1,342                                   |
| Website      | 256                                     | 250                                     |
| <b>TOTAL</b> | <b>1,999</b>                            | <b>1,592</b>                            |

## b) CIF Value of Imports:

| PARTICULARS  | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------|---|---|
|              | ₹ In Lakh                               | ₹ In Lakh                               |
| Equipments   | 181                                     | 1,339                                   |
| <b>TOTAL</b> | <b>181</b>                              | <b>1,339</b>                            |

## c) Expenses:

| PARTICULARS                          | For the<br>year ended<br>March 31, 2016 | For the<br>year ended<br>March 31, 2015 |
|--------------------------------------|---|---|
|                                      | ₹ In Lakh                               | ₹ In Lakh                               |
| Computer technology related expenses | 111                                     | 82                                      |
| Annual Subscription Charges          | 114                                     | 122                                     |
| Traveling Expenses                   | 189                                     | 70                                      |
| Legal and Professional Fees          | 32                                      | 15                                      |
| Advertising and Marketing Expenses   | -                                       | 26                                      |
| Seminar and Sponsorship Expenses     | 22                                      | 9                                       |
| Sitting Fees                         | 14                                      | 4                                       |
| Purchase of software                 | -                                       | 91                                      |
| <b>TOTAL</b>                         | <b>482</b>                              | <b>419</b>                              |

36. The Exchange offers Deposit Based Membership. Trading Members are required to deposit a specified amount with the Exchange which is included in Deposits from Members. As at March 31, 2016 the deposit amount of ₹ 1,900 lakh (₹ 1,900 lakh as at March 31, 2015) have a lock in period of more than a year and have been disclosed as Non-Current Liabilities. Current portion of deposits from Trading Members amounting to ₹ 7,162 lakh (₹ 7,157 lakh as at March 31, 2015) have been disclosed as Other Current Liabilities.

## NOTE 26 TO 40

(CONTD.)..

**37. Disclosure as required under Accounting Standard –15 on “Employee Benefits” is as under:****Defined Benefit Plan – Gratuity:**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Accounting Standard - 15 (AS 15) on “Employee Benefits”, actuarial valuation is done based on “Projected Unit Credit” method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

**The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements:**

| YEAR OF ACCOUNTING                   | March 31, 2016 | March 31, 2015 |
|--------------------------------------|----------------|----------------|
| <b>I. Summary of Membership Data</b> |                |                |
| Number of Employees                  | 440            | 416            |
| Total Monthly Salary (₹ in Lakh)     | 135            | 121            |
| Average Age (in Years)               | 40.60          | 40.24          |
| Average Past Service (in Years)      | 11.84          | 11.88          |

| II. ASSUMPTIONS AS AT                  | March 31, 2016  | March 31, 2015 |
|--|---|----------------|
| Mortality                              | Published rates under the Indian Assured Lives Mortality (2006-08) Ult table. |                |
| Discount Rate                          | 8.15%   | 7.80% - 7.90%  |
| Salary Escalation rate(p.a)            | 7.00%   | 7.00%          |
| Expected rate of return on plan assets | 8.50%   | 8.50%          |
| Withdrawal rate                        |   |                |
| -21 to 44 years                        | 2.5%  | 2.5%           |
| -45 to 60 years                        | 1%  | 1%             |

**Amount to be recognised in the Balance Sheet and Movement in Net Liability / (Assets):**

| III. PARTICULARS  | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
|   | ₹ In Lakh      | ₹ In Lakh      |
| Present Value of Funded Obligations                                     | 1,612          | 1,560          |
| Fair Value of Plan Assets   | (1,766)        | (1,794)        |
| Amount not recognized as an asset (limit in para 59(b)) under AS 15 (R) | 5              | 24             |
| Net Liability / (Asset)   | (149)          | (210)          |

**Expenses recognised in Statement of Profit and Loss:**

| IV. PARTICULARS   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
|   | ₹ In Lakh      | ₹ In Lakh      |
| Current Service Cost  | 93             | 98             |
| Interest on Defined Benefit Obligations                               | 126            | 157            |
| Expected Return on Plan Assets  | (149)          | (162)          |
| Net Actuarial Losses / (Gains) Recognised during the year             | 10             | (8)            |
| Effect of Limit in para 59(b) under AS 15 (R)                         | (19)           | (17)           |
| <b>Total Gratuity expenses included in “Employee Benefit Expense”</b> | <b>61</b>      | <b>68</b>      |
| Actual Return on Plan Assets  | (2)            | 324            |

## NOTE 26 TO 40

(CONTD.)..

**Reconciliation of Benefit Obligation:**

| V. | PARTICULARS                               | March 31, 2016 | March 31, 2015 |
|----|---|----------------|----------------|
|    |   | ₹ In Lakh      | ₹ In Lakh      |
|    | Opening Defined Benefit Obligation        | 1,561          | 1,677          |
|    | Current Service Cost                      | 93             | 98             |
|    | Interest Cost                             | 126            | 157            |
|    | Actuarial Loss / (Gain)                   | (142)          | 154            |
|    | Liabilities assumed on acquisition        | -              | 11             |
|    | Benefits Paid                             | (26)           | (536)          |
|    | <b>Closing Defined Benefit Obligation</b> | <b>1,612</b>   | <b>1,561</b>   |

**Reconciliation of Fair Value of Plan Assets:**

| VI. | PARTICULARS                              | March 31, 2016 | March 31, 2015 |
|-----|--|----------------|----------------|
|     |  | ₹ In Lakh      | ₹ In Lakh      |
|     | Opening Fair Value of Plan Assets        | 1,794          | 1,977          |
|     | Expected Return on Plan Assets           | 149            | 162            |
|     | Actuarial Gain / (Loss)                  | (152)          | 162            |
|     | Assets assumed on acquisition            | -              | 11             |
|     | Benefits Paid                            | (25)           | (518)          |
|     | <b>Closing Fair Value of Plan Assets</b> | <b>1,766</b>   | <b>1,794</b>   |

**Composition of Plan Assets:**

| VII. | PARTICULARS                    | March 31, 2016 | March 31, 2015 |
|------|--------------------------------|----------------|----------------|
|      | Government of India Securities | 41%            | 40%            |
|      | Corporate Bonds                | 27%            | 34%            |
|      | Special Deposit Schemes        | 0%             | 5%             |
|      | Others                         | 32%            | 21%            |

**Experience Adjustments:**

| VIII | PARTICULARS                                | March 31, 2016 | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
|------|--|----------------|----------------|----------------|----------------|----------------|
|      |  | ₹ In Lakh      | ₹ In Lakh      | ₹ In Lakh      | ₹ In Lakh      | ₹ In Lakh      |
|      | Defined Benefit Obligations                | 1,612          | 1,560          | 1,646          | 1,776          | 1,722          |
|      | Plan Assets                                | 1,766          | 1,794          | 1,976          | 1,969          | 1,853          |
|      | Surplus / (Deficit)                        | 154            | 234            | 330            | 193            | 131            |
|      | Experience Adjustments on Plan Liabilities | (100)          | (33)           | (105)          | (140)          | (187)          |
|      | Experience Adjustments on Plan Assets      | (151)          | 162            | (70)           | 18             | 50             |

**Other Details:**

The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increase considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.



## NOTE 26 TO 40

(CONTD.)..

Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The plan assets in respect of gratuity represent funds managed by the BSE employee Gratuity Fund. The Employer's best estimate of the contributions expected to be paid to the plan during the next year is NIL (NIL for the year ended March 31, 2015).

**Defined Contribution Plan:**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund and New National Pension Scheme, contributions into the family pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

The Company recognised charge of ₹ 192 Lakh (₹ 198 Lakh for the year ended March 31, 2015) for provident fund and family pension fund contribution in the Statement of Profit and Loss.

The Company recognised charge of ₹ 23 Lakh (Nil for the year ended March 31, 2015) for New National Pension Scheme contribution in the Statement of Profit and Loss.

38. a) Pursuant to SEBI Circular CIR/DNPD/5/2011 dated June 2, 2011 (BSE Notice no-20110602-18, dated June 02, 2011), permitting stock exchanges to introduce Liquidity Enhancement Schemes (LES) for illiquid securities in their equity derivatives segment, the Exchange has launched a series of Liquidity Enhancement Incentive Programmes (LEIPS) to enhance liquidity in BSE's Futures & Options Segment. The programme was launched on 28th September, 2011 and an expense of ₹ 1,724 lakh has been incurred towards the same for the year ended March 31, 2016 (₹ 3,425 lakh for the year ended March 31, 2015). Considering the special nature of this expense and its impact on the profit of the Exchange, the same has been recognised as an exceptional item.
- b) During the previous year, the Company implemented a Voluntary Retirement Scheme 2014 (VRS) for all its eligible employees. Post the closure of the Scheme, an expense of ₹ 1,277 Lakh was incurred and the same was treated as an exceptional item during the financial year ended March 31, 2015.
- c) Consequent to the scheme of amalgamation with USE, the Company had terminated a software development contract and paid ₹ 218 Lakh as full and final settlement which was recognized as expenses and the same was treated as an exceptional item during the financial year ended March 31, 2015.
- d) Based on a direction received from SEBI during the year, the Company has charged an amount of ₹ 460 Lakh to the Statement of Profit and Loss which is to be reimbursed to The Stock Exchange Investor's Protection Fund (BSE IPF) towards Contribution to the IFRS Foundation pertaining to earlier years. Considering the nature of the expense and its impact on the profit of the Company, the same has been disclosed as an exceptional item.
39. The Board of Directors at its meeting held on February 03, 2016 have recommended a payment of interim dividend of ₹ 3.50 per equity share of ₹ 1/- each and at its meeting held on May 05, 2016 have recommended a payment of final dividend of ₹ 4/- per equity share of ₹ 1/- each.
40. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman

**Ashishkumar Chauhan**  
Managing Director & CEO

**Nayan Mehta**  
Chief Financial Officer

**Neena Jindal**  
Company Secretary

Place : Mumbai

Date : May 5, 2016

**Form AOC-I**

(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 statement of subsidiaries/associate companies/joint ventures**
**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh )

| Sr. No. | Name of the subsidiary | Central Depository Services (India) Limited | Indian Clearing Corporation Limited | BSE Institute Limited | BSE Investments Limited <sup>1</sup> | BSE Sammaan CSR Limited <sup>2</sup> | Marketplace Technologies Private Limited | BFSI Sector Skill Council of India <sup>3</sup> | Marketplace Tech Infra Services Private Limited <sup>4</sup> | CDSL Ventures Limited <sup>5</sup> | CDSL Insurance Repository Limited <sup>6</sup> | BSE Skills Ltd. <sup>7</sup> | BIL-Ryerson Technology Startup Incubator Foundation <sup>8</sup> |
|---------|------------------------|---|-------------------------------------|-----------------------|--------------------------------------|--------------------------------------|--|---|--|------------------------------------|--|------------------------------|--|
| 1       | Share capital          | 10,450                                      | 35,400                              | 5,000                 | 10                                   | 10                                   | 200                                      | 205   | 1  | 450                                | 3,000  | 5                            | 1  |
| 2       | Reserves & surplus     | 26,171                                      | 12,747                              | 365                   | (2)                                  | (4)                                  | 2,241                                    | 552   | 35   | 6,177                              | 98   | (10)                         | 106  |
| 3       | Total assets           | 45,109                                      | 117,180                             | 5,951                 | 8                                    | 6                                    | 2,902                                    | 936   | 115  | 6,726                              | 3,122  | 5                            | 180  |
| 4       | Total Liabilities      | 8,488                                       | 69,033                              | 585                   | -                                    | -                                    | 461                                      | 179   | 79   | 99                                 | 24   | 10                           | 73   |
| 5       | Investments            | 37,113                                      | 31,471                              | 2,975                 | 6                                    | -                                    | 1,676                                    | -   | -  | 6,196                              | 1,458  | -                            | -  |
| 6       | Turnover               | 11,608                                      | 6,960                               | 1,776                 | -                                    | -                                    | 2,875                                    | 233   | 441  | 2,238                              | 176  | -                            | 25   |
| 7       | Profit before taxation | 9,367                                       | 4,836                               | 78                    | (1)                                  | (4)                                  | 349                                      | 39  | 24   | 1,591                              | (55)   | (1)                          | (14)   |
| 8       | Provision for taxation | 3,028                                       | 7                                   | 3                     | -                                    | -                                    | 109                                      | -   | 10   | 491                                | (6)  | -                            | -  |
| 9       | Profit after taxation  | 6,340                                       | 4,829                               | 75                    | (1)                                  | (4)                                  | 240                                      | 39  | 14   | 1,101                              | (49)   | (1)                          | (14)   |
| 10      | Proposed Dividend      | 2,613                                       | 662                                 | -                     | -                                    | -                                    | -  | -   | -  | -                                  | -  | -                            | -  |
| 11      | % of shareholding      | 54.20%                                      | 100%                                | 100%                  | 100%                                 | 100%                                 | 100%                                     | 51%   | 100%   | 54.20%                             | 54.20%   | 100%                         | 51%  |
|         |                        | India                                       | India                               | India                 | India                                | India                                | India                                    | India   | India  | India                              | India  | India                        | India  |

<sup>1</sup> BSE Investments Limited was incorporated on February 27, 2014 which is yet to commence operations.

<sup>2</sup> BSE Sammaan CSR Limited was incorporated on September 10, 2015.

<sup>3</sup> BFSI Sector Skill Council of India is a Section 8 company under the Companies Act, 2013. Hence, the same has not been considered for consolidation. Additional 2.44% of share are held by BSE Institute Limited. Financial information provided above is unaudited.

<sup>4</sup> Wholly owned subsidiary of Marketplace Technologies Private Limited

<sup>5</sup> Wholly owned subsidiary of Central Depository Services (India) Limited

<sup>6</sup> Subsidiary of Central Depository Services (India) Limited

<sup>7</sup> BSE Skills Limited was incorporated on March 26, 2014 which is yet to commence operations and it is a wholly owned subsidiary of BSE Institute Limited.

<sup>8</sup> BIL-Ryerson Technology Startup Incubator Foundation (Subsidiary of BSE Institute Limited and was incorporated on November 5, 2015) is a Section 8 company under the Companies Act, 2013. Hence, the same has not been considered for consolidation. Financial information provided above is unaudited.

## Part “B”: Associates and Joint Ventures

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

(₹ In Lakh)

| Sr. No. | Name of Joint Ventures / Associate Companies                                  | Asia Index Private Limited |
|---------|---|----------------------------|
| 1       | Latest audited Balance Sheet Date (Financial year ended)                      | 31-Mar-16                  |
| 2       | Shares of Associate/Joint Ventures held by the company on the year end        |                            |
|         | a. No. of shares  | 50,000                     |
|         | b. Amount of Investment in Associates/Joint Venture (₹)                       | 1                          |
|         | c. Extend of Holding %  | 50%                        |
| 3       | Description of how there is significant influence                             | 50% Equity Shares Stake    |
| 4       | Reason why the associate/joint venture is not consolidated                    | Not Applicable             |
| 5       | Networth attributable to Shareholding as per latest audited Balance Sheet (₹) | 293                        |
| 6       | Profit / Loss for the year  |                            |
|         | i. Considered in Consolidation  | 182                        |
|         | ii. Not Considered in Consolidation   | Not Applicable             |

**Note:**

- 1 Institutional Investor Advisory Services India Limited (“IIAS”) Associate company of BSE ceased to be an Associate w.e.f January 5, 2016 on account of partial sale of investment made in IIAS, subsequently during the year remaining investment in IIAS also sold.
- 2 BOI Shareholding Limited (“BOISL”) Joint Venture of BSE ceased to be a Joint Venture w.e.f January 8, 2016 on account of sale of investment made in BOISL.

For and on behalf of the Board of Directors

**Sudhakar Rao**  
Chairman

**Ashishkumar Chauhan**  
Managing Director & CEO

**Nayan Mehta**  
Chief Financial Officer

**Neena Jindal**  
Company Secretary

## New Listings at BSE



*Listing ceremony of AGI Infra Limited March 27, 2015*



*Listing Ceremony of Inox Wind Limited on April 9, 2015*



*Listing ceremony of Filtra Consultants & Engineers Limited on April 15, 2015*



*Listing ceremony of UFO Moviez India Limited on May 15, 2015*



*Listing ceremony of VRL Logistics Ltd. on May 30, 2015*



*Listing ceremony of Ambition Mica Limited on July 14, 2015*



## New Listings at BSE



Listing ceremony of Mangalam Seeds Limited on August 12, 2015.



Listing ceremony of Navkar Corporation Limited on September 9, 2015



Listing Ceremony of Pennar Engineered Building Systems on September 10, 2015



Listing ceremony of Patdiam Jewellery Limited on October 16, 2015.



Listing ceremony of IDFC Bank Limited on November 6, 2015



Listing ceremony of Lux Industries Limited on January 5, 2016





*Listing ceremony of Narayana Hrudayalaya on January 6, 2016*



*Listing ceremony of Vidli Restaurants Limited on February 15, 2016*



*Listing ceremony of K P Energy Limited on February 25, 2016*



*Listing ceremony of Infibeam Incorporation Limited on April 4, 2016*



*Mr. Joe Preston, Chairperson, LIC Foundation presenting the award to Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Neeraj Kulshrestha, Chief of Business Operations, BSE; Shri Piyush Chourasia, Chief Risk Officer & Head - Strategy; Shri Ashok Mohanani, Chairman & Managing Director at EKTA World and Senator - CSR; Shri K.L Parmar, District Governor, The International Association of Lions Club and Shri Prashant Patil, 1<sup>st</sup> Vice District Governor, The International Association of Lions Club during the Lions Clubs CSR Precious Awards 2016 on January 28, 2016.*





Shri Sudhakar Rao, Chairman, BSE presenting a memento to Shri U.K Sinha, Chairman, SEBI in the presence of Shri Ashishkumar Chauhan, MD & CEO, BSE during the 101<sup>th</sup> Board Meeting on May 5, 2016.





Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Suresh Prabhu, Hon'ble Minister of Railways, Govt. of India, Shri Piyush Goyal, Hon'ble Minister of State for Power, Coal, New & Renewable Energy, Govt. of India & Member of Parliament, Rajya Sabha and Shri Sudhir Mungantiwar, Hon'ble State Cabinet Minister of Finance, Planning and Forest departments, Govt. of Maharashtra during the BSE Bull Run on January 10, 2016.





*Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Jayant Sinha, Hon'ble Minister of State for Finance during the book launch 'The Money Book' on April 18, 2016.*



## BSE Limited

(CIN: U67120MH2005PLC155188)

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