

ANNUAL REPORT

2016-17



IN A GENTLE WAY, YOU CAN
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Mahatma Gandhi.

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

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BOARD OF DIRECTORS



Shri Dharendra Swarup
Chairman & Public Interest Director



Shri Ashishkumar Chauhan
Managing Director & CEO



Dr. K. Kasturirangan
Public Interest Director



Shri Sethurathnam Ravi
Public Interest Director



Shri Sumit Bose
Public Interest Director



Justice Vikramajit Sen
Public Interest Director



Smt. Usha Sangwan
Shareholder Director



Dr. Sriprakash Kothari
Shareholder Director



Shri Roland Schwinn
Shareholder Director



Smt. Rajeshree Sabnavis
Shareholder Director

BOARD OF DIRECTORS**Chairman**

Shri Dharendra Swarup (Public Interest Director)

Managing Director & CEO

Shri Ashishkumar Chauhan

Public Interest Directors

Dr. K. Kasturirangan

Shri Sethurathnam Ravi

Shri Sumit Bose

Justice Vikramajit Sen

Shareholder Directors

Smt. Usha Sangwan

Dr. Sriprakash Kothari

Shri Roland Schwinn

Smt. Rajeshree Sabnavis

Company Secretary & Compliance Officer

Smt. Prajakta Powle

EXECUTIVE MANAGEMENT COMMITTEE

Shri Ashishkumar Chauhan	MD & CEO
Shri Nehal Vora	Chief Regulatory Officer
Shri Nayan Mehta	Chief Financial Officer
Shri Kersi Tavadia	Chief Information Officer
Shri Neeraj Kulshrestha	Chief of Business Operations

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

Chartered Accountants

REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited.
Unit: BSE Limited
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Email: einward.ris@karvy.com
Telephone No.: +91-040- 6716 2222
Fax. No.: +91 40 2342 0814

REGISTERED OFFICE

25th Floor, P. J. Towers, Dalal Street,
Mumbai 400 001

TWELFTH ANNUAL GENERAL MEETING

Day : Monday
Date : September 4, 2017
Time : 11.30 a.m.
Venue : Sir Dinshaw Petit International Convention Hall,
1st Floor, P.J. Towers, Dalal Street,
Mumbai – 400 001.



Shri Ashish Kumar Chauhan, MD & CEO, BSE presenting a memento to Hon'ble Prime Minister of India, Shri Narendra Modi inaugurated the India International Exchange (INDIA INX) on 9th January, 2017 at International Financial Service Centre (IFSC) in Gujarat International Finance Tec-city (GIFT) in Gandhinagar.



Hon'ble Prime Minister of India, Shri Narendra Modi addressing the gathering at the launch of India International Exchange (INDIA INX) on 9th January, 2017 at International Financial Service Centre (IFSC) in Gujarat International Finance Tec-city (GIFT) in Gandhinagar.



Shri Ashishkumar Chauhan, MD & CEO, BSE, presenting a memento (portrait) to Hon'ble Prime Minister of India, Shri Narendra Modi at the inauguration of India International Exchange (India INX) on 9th January, 2017 at International Financial Service Centre (IFSC) in Gujarat International Finance Tec-city (GIFT) in Gandhinagar.



Shri Arun Jaitley, Hon'ble Minister of Finance, Defence and Corporate Affairs, Government of India lighting the lamp along with Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Sudhakar Rao, Former Chairman, BSE at the BSE Stamp Launch on 9th July, 2016.



(L-R) Smt. Rajeshree Sabnavis , Fellow Member of ICAI, Company Secretary, Shareholder Director, BSE; Smt. Usha Sangwan, MD, Life Insurance Corporation of India, Shareholder Director, BSE; Shri Sethurathnam Ravi, FCA, Practising Chartered Accountant, Public Interest Director, BSE; Shri Sudhakar Rao, Former Chairman, BSE; Shri Dharendra Swarup, Chairman & Public Interest Director, BSE; Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Arun Mehta, Public Interest Director, India ICC at the Listing Ceremony of BSE on 3rd February, 2017.

Notice

NOTICE is hereby given that the Twelfth Annual General Meeting of BSE Limited will be held on Monday, September 4, 2017 at 11.30 a.m. at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To declare final dividend of ₹ 23/- per equity share and to confirm the interim dividend of ₹ 5/- per equity share, already paid during the year, for the financial year ended March 31, 2017.
3. To appoint a Director in place of Dr. Sriprakash Kothari (DIN:06824003), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India.
4. To appoint Statutory Auditors and to fix their remuneration in place of retiring auditors and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the recommendation of the Audit Committee and as approved by the Board of Directors of the Company, S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), be and are hereby appointed as

statutory auditors of the Company, in place of retiring auditors Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), to hold office from the conclusion of Twelfth Annual General Meeting until the conclusion of the Seventeenth Annual General Meeting, subject to ratification by members at every Annual General Meeting on such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors.”

By order of the Board of Directors
For **BSE Limited**

Place: Mumbai
Date: August 3, 2017

Prajakta Powle
Company Secretary & Compliance Officer

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“MEETING”) SHALL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total paid up share capital of the Company. A member holding more than 10% of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.

2. Pursuant to the provisions of Section 152 of the Act and rules made thereunder and Articles of Association of the Company, Dr. Sriprakash Kothari, Shareholder Director retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Dr. Sriprakash Kothari along with nature of his expertise is given in the Corporate Governance Report. **Only the shareholders who are not trading members of the**

Company or their associates and agents as on cut-off date shall be eligible to vote on this matter as mentioned in Item No. 3 of the Notice.

3. Subject to approval of Securities and Exchange Board of India (SEBI), the Company had sought approval of members for appointment of Shri Kuldip Singh Dhingra as Shareholder Director on the Board of the Company vide its Postal Ballot Notice dated February 14, 2017 which was approved on April 3, 2017. The Company had thereafter approached SEBI vide letter dated April 6, 2017 seeking its approval for his appointment. However, the members may note that the Company was in receipt of letter dated May 15, 2017 from Shri Kuldip Singh Dhingra indicating his inability to join the Board of the Company due to absence of requisite resources in terms of time. Accordingly, members may note that Shri Kuldip Singh Dhingra has not joined the Board of the Company.
4. Corporate members intending to send their Authorised Representatives to attend and vote at the meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of the board resolution, power of attorney or such other valid authorization, authorizing him/her to attend and vote at the Meeting and any one of the photo identity proofs (viz. Driving License, PAN Card, Election Card, Passport or any other valid proof).

Specimen Resolution for this purpose is as under:

(To be printed/typed on the letterhead of Corporate Member)

“RESOLVED THAT pursuant to the provisions of Section 113 and all other applicable provisions, if any, of the Companies Act, 2013, Mr./Ms. _____ or failing him, Mr./Ms. _____ be and is hereby authorised to act as the representative of (name of the Corporate Member) to attend the 12th Annual General Meeting of BSE Limited to be held on Monday, September 4, 2017 at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001 or at any adjournment thereof, for and on behalf of the Company as its representative.

RESOLVED FURTHER THAT the aforesaid representative of the company, be and is hereby authorised to vote for and on behalf of the company on the resolutions as stated in the Notice of the 12th Annual General Meeting of BSE Limited or at any such adjournment thereof.”

The aforesaid resolution shall preferably be signed by Director/ Authorised Signatory of the Corporate Member.

In terms of the provisions of the Companies Act, 2013, the representatives of Corporate Members without proper authorization, such as board resolution or power of attorney or such other valid authorization, may not be permitted to attend and /or vote at the Meeting.

5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank account details, Electronic Clearing Services (ECS), nominations, power of attorney, change of name, change of address, PIN code etc., only to their Depository Participants (DPs) and not to the Registrar and Share Transfer Agent (RTA) or the Company.
6. Pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 the securities of a recognised Stock Exchange are required to be maintained in dematerialized mode. The Company being a recognised Stock Exchange request all its shareholders holding shares in physical mode to get their shares converted in Demat mode.
7. The Company has fixed Monday, August 28, 2017 as the ‘Record date’ for the purpose of determining the member’s eligibility for final dividend, if declared at the Meeting.
8. Members are informed that in case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of members of the Company will be entitled to vote.
9. All equity shares issued by the Company till now, rank pari-passu in all respects including final dividend for the financial year ended March 31, 2017, if declared at the Meeting.
10. **Attention of the members is drawn to the provisions of Section 124(6) of the Act, which require a Company to transfer in the name of Investor Education and Protection Fund (IEPF) Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.**

In accordance with the aforesaid provision read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the web-link <http://www.>

bseindia.com/static/about/dividend.aspx to ascertain details of shares liable for transfer in the name of IEPF Authority.

11. Non-resident Indian Members are requested to inform about the following to the Company or its RTA or the concerned DP as the case may be, immediately:
 - a. The change in the residential status on return to India for permanent settlement and
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if not furnished earlier.
12. The Annual Report 2016-17, the Notice of the Meeting and instruction for e-voting, along with the attendance slip and proxy form, are being sent to those shareholders whose names appeared in the register of members, by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless a member has requested for a physical copy of the documents. The Notice of the Meeting and the Annual Report 2016-17 are also available on the website of the Company i.e. www.bseindia.com.
13. To support the 'Green initiative', the members who have not registered their e-mail addresses, are requested to register the same with their depository participant(s) to enable the Company to send communication electronically.
14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs. Members holding shares in physical form are requested to submit their PAN to the Company.
15. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
16. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements maintained under Section 189 of the Act, will be available for inspection at the Meeting.
17. In accordance with the provisions of Section 72 of the Act, 2013, members are entitled to make nomination in respect of the equity shares held by them. Member holding shares in physical mode and desirous of making nomination may procure the prescribed form SH-13 from the Registrar & Share Transfer Agents (RTA) of the Company. Member holding shares in electronic mode may contact their respective DPs for availing the nomination facility.
18. Members are requested to make all other correspondence in connection with the equity shares held by them by addressing letters directly to the RTA viz., Karvy Computershare Private Limited, Unit: BSE Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 or to the Company at its Registered Office as mentioned in this Notice, quoting reference of their Client ID number and DP ID number or Folio No.
19. Members / proxies / authorised representatives are requested to bring duly filled in attendance slip along with their copy of Annual Report to the Meeting.
20. The term 'Members' has been used to denote Shareholders of BSE Limited.
21. Mr. N. L. Bhatia, (FCS 1176/CP No. 422) Partner, Messrs. NL Bhatia and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

Voting Options

VOTING THROUGH ELECTRONIC MEANS

22. In compliance with Section 108 of the Companies Act, 2013 and the rules framed thereunder, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting through ballot paper, will also be made available at the Annual General Meeting (AGM) and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. However, in case members cast their votes through both the modes, then voting done through e-voting shall prevail and voting done by Ballot paper at meeting will be treated as invalid.

23. The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period commences on September 1, 2017 (9.00 a.m. IST) and ends on September 3, 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on August 28, 2017 i.e. "Cut-off date", may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- ii. Log on to the e-voting website www.evotingindia.com
- iii. Click on "Shareholders" tab.
- iv. Enter your User ID.
 - a) For CDSL: 16 digits beneficiary ID.
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below
- vii. Fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

For Members holding shares in Demat Form and Physical Form

Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- viii. After entering these details appropriately, click on "SUBMIT" tab;
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of BSE Limited.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution;
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Note for Non - Individual shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or Contact:

Mr. Wenceslaus Furtado Telephone no.:18002005533
Email:helpdesk.evoting@cdslindia.com

Other Instructions

- The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on Cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting through ballot.
- The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bseindia.com and on the website of CDSL www.evotingindia.com immediately after the result is declared.

By order of the Board of Directors
For **BSE Limited**

Place: Mumbai

Date: August 3, 2017

Prajakta Powle

Company Secretary & Compliance Officer

Registered Office:

25th Floor, P. J. Towers, Dalal Street,

Mumbai 400001

CIN - L67120MH2005PLC155188

Details of Director seeking re-appointment at the forthcoming Annual General Meeting (In pursuance of 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)	
Name of Director	Dr. Sriprakash Kothari
Designation	Shareholder Director
DIN	06824003
Date of Appointment	September 4, 2015
Item No.	3
Date of Birth (Age)	June 7, 1957 (60 years)
Brief Resume	A brief resume Dr. Sriprakash Kothari along with nature of his expertise is given in the Corporate Governance Report
Expertise in specific functional area	Professor of Accounting and Finance, MIT Sloan School of Management
Qualifications	Bachelor's of Engineering Degree 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.
Remuneration last drawn	₹ 8,25,000 (Sitting fee paid during financial year 2016-17)
Number of meetings of the Board attended during the year	6 (Six)
Directorship held in other Company	<ul style="list-style-type: none"> • Activision Blizzard • Brightwood Capital LLC • Monsoon Kitchens • Aldrich Capital LLC • Velan Ventures • Lottery Rewards • Aveta Biomix
Committee position held in other Companies	Nil
Relationship with other directors	Nil
No. of equity shares held in the Company	Nil

Directors' Report

To the Members,

The Directors present the Twelfth Annual Report of BSE Limited ('the Company') along with the audited financial statements for the financial year (FY) ended March 31, 2017.

FINANCIAL SUMMARY/ HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

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

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Total Revenue	55,099	51,542	80,075	67,009
Total Expenses	35,137	31,389	47,530	41,155
Profit before exceptional items & tax	19,962	20,153	32,545	25,854
Exceptional items	(364)	7,327	2,079	4,660
Profit before tax	20,326	12,826	30,466	21,194
Provision for tax	462	(460)	4,064	3,705
Share of Profit/Loss of Associate and Joint ventures	-	-	107	224
Net Profit for the year	19,864	13,286	26,509	17,713
Net Profit attributable to the shareholders of the Company	19,864	13,286	22,057	13,293
Net Profit attributable to the non-controlling interest	-	-	4,452	4,420
Other comprehensive income (net of tax)	(12)	5	(642)	3
Total comprehensive income for the year	19,852	13,291	25,867	17,716
Net Profit attributable to the shareholders of the Company	19,852	13,291	21,431	13,298
Net Profit attributable to the non-controlling interest	-	-	4,436	4,418

(₹ in Lakhs)

Consolidated Results

The total income of the Exchange during the FY 2016-17 on a consolidated basis was ₹ 80,075 Lakh reflecting an increase of ₹ 13,066 Lakh (19.50%) over previous year. The total expenses for the year were higher by ₹ 6,375 Lakh (15.49%) at ₹ 47,530 Lakh. During the year, the expenses were higher mainly due to technology related costs, employee costs and impairment loss on financial assets (mainly representing higher provisions for bad and doubtful debts/investments). The increase was offset by decrease in overall administrative expenses. It may be noted that during the financial year, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations") have been amended whereby the requirement of transfer of 25% of profits to the Settlement Guarantee Fund ("SGF") has been done away with from August 29, 2016; resulting in decrease in contribution to the SGF by 59.58% compared to previous year. In view of the same, the profit before tax was higher by ₹ 9,272 Lakh (43.75%) to ₹ 30,466 Lakh as against ₹ 21,194 Lakh in the previous year and Net Profit attributable

to the shareholders of the Company for the year was higher by ₹ 8,764 Lakh (65.93%) to ₹ 22,057 Lakh as against ₹ 13,293 Lakh in the previous year.

Standalone Results

The total income of the Exchange during the FY 2016-17 on a standalone basis was ₹ 55,099 Lakh reflecting an increase of ₹ 3,557 Lakh (6.90%) over previous year. The total expenses for the year were higher by ₹ 3,748 Lakh (11.94%) at ₹ 35,137 Lakh. During the year, the expenses were higher mainly due to technology related costs, employee costs and impairment loss on financial assets (mainly representing higher provisions for bad and doubtful debts). The increase was offset by decrease in overall administrative expenses. It may be noted that during the financial year, SECC Regulations have been amended whereby the requirement of transfer of 25% of profits to the SGF has been done away with from August 29, 2016, resulting in decrease in contribution to SGF by 59.58% compared to previous year. In view of the same,

the profit before tax was higher by ₹ 7,500 Lakh (58.47%) to ₹ 20,326 Lakh as against ₹ 12,826 Lakh in the previous year and Net Profit attributable to the shareholders of the Company for the year was higher by ₹ 6,578 Lakh (49.51%) to ₹ 19,864 Lakh as against ₹ 13,286 Lakh in the previous year.

Dividend

The Board, in its meeting held on February 14, 2017 declared an interim dividend of ₹ 5/- per equity share of the face value of ₹ 2/- each fully paid up. Further, the Board in its meeting held on May 5, 2017 has recommended a final dividend of ₹ 23/- per equity share of the face value of ₹ 2/- each fully paid up for the FY 2016-17 subject to the approval of the shareholders at the Twelfth Annual General Meeting ("AGM") and if approved, would result in a cash outflow of approximately ₹ 15,111 Lakh, including corporate dividend tax. The total dividend on equity shares including dividend tax for the FY 2016-17 would aggregate ₹ 18,396 Lakh, resulting in a payout of 93% of the standalone profits of the Company.

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme), the allotment of equity shares to 12 Trading Members of the erstwhile BSE has been kept in abeyance for various reasons as on March 31, 2017, as compared to 14 Trading Members, whose shares were kept in abeyance as on March 31, 2016. Meanwhile, all corporate benefits including dividend as may be declared by the Exchange from time to time are being provided for and would be payable on the allotment of these shares. For further details on allotment of Shares to two erstwhile members, please read Share Capital section of this report.

Transfer to Reserves

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

LISTING OF BSE'S EQUITY SHARES

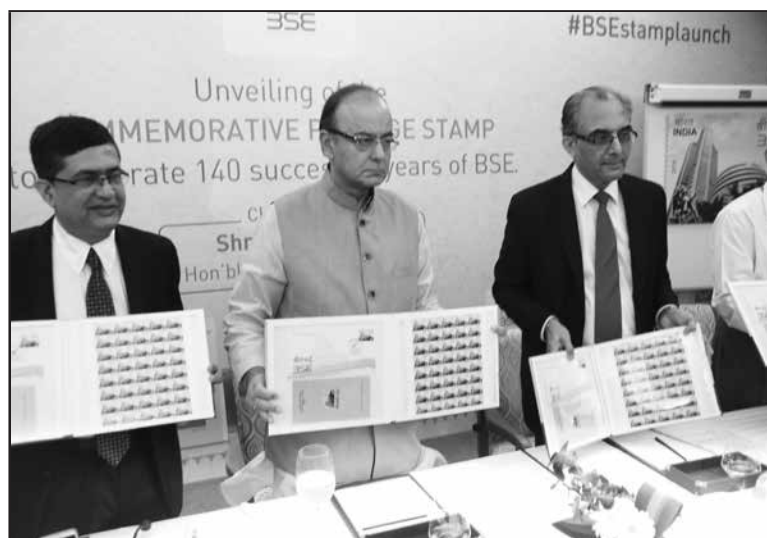
The Company successfully completed its ₹ 1,243 Crore Initial Public Offer through Offer For Sale route and listed its equity shares on the National Stock Exchange of India Limited ("NSE") on February 3, 2017.

BUSINESS PERFORMANCE OVERVIEW

Economic Environment – Global Outlook

Global Gross Domestic Product ("GDP") growth is projected to increase, rising from just under 3% in Calendar Year ("CY") 2016 to 3.30% in CY 2017 and around 3.50% in CY 2018¹. There have been positive signs of accelerating activity and rising consumer and business confidence in recent months in advanced economies and a number of emerging market economies, including improved momentum around the turn of the year. The rise in interest rates and oil prices will offset this somewhat, although higher commodity prices will benefit some emerging market economies. Confidence has improved, but consumption, investment, trade and productivity are far from strong, with deceleration in growth and higher inequality. This comes against the background of a five-year period where the global economy has been in a low-growth trap.

¹ Source: OECD Interim Economic Outlook, March 2017



Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Arun Jaitley, Hon'ble Minister of Finance, Defence and Corporate Affairs, Government of India and Shri Sudhakar Rao, Former Chairman, BSE Unveiling the postage stamp marking BSE's 140 years Journey on 9th July, 2016.

The modest pick-up in global growth in CY 2017 and CY 2018 reflects the effect of ongoing and projected fiscal initiatives, notably in China and the United States, together with an easier stance in the Euro area and initiatives in other economies such as Canada. These are expected to catalyze private economic activity and push up global demand. Exiting the low-growth trap depends on the joint impact of macroeconomic, structural and trade policy choices, as well as on concerted and effective implementation of existing initiatives.

While global trade growth was weak in CY 2016 at around 2%, recent data suggest some improvement, particularly in Asia. However, trade growth is likely to remain below pre-2008 crisis growth rates, in part reflecting a slowdown or reversal of the expansion of global value chains.

Headline inflation is rising in most countries as the result of higher energy prices, following the OPEC agreement in November 2016 to cut oil production. However, underlying inflation in advanced economies is still subdued and will pick up only slowly as the expansion gains traction, and supports a more robust wage growth across all income groups. Inflation is easing in a number of emerging market economies as the effect of past exchange rate depreciations fades and the effect of monetary policy actions works through, commodity importers are exposed to rising commodity prices.

Domestic demand in the United States is set to strengthen over the next two years and expand at a solid pace, helped by gains in household wealth and a gradual upturn in energy production. Employment is rising steadily, although the pace is expected to ease, and wages should continue to pick up as the labour market tightens. GDP growth is projected to pick up to 2.40% in CY 2017 and 2.80% in CY 2018,

supported by an anticipated fiscal expansion, especially in CY 2018, despite higher long-term interest rates and continued headwinds from the stronger US dollar. Policy choices, including on the composition of fiscal spending, taxation, regulation and trade, are likely to have a significant impact on growth outcomes.

In the United Kingdom, the pace of expansion in CY 2016 was lower than in previous years, despite support from resilient household spending, actions by the Bank of England and adjustment to the fiscal stance following the Brexit vote. The country's growth is expected to ease further as rising inflation weighs on real incomes and consumption, and business investment weakens amidst uncertainty about the country's future trading relations with its partners due to Brexit.

In the Euro area, GDP growth is projected to continue at the current moderate pace, supported by accommodative monetary policy and a modest fiscal easing over the coming years. There is fiscal space for more ambitious and effective fiscal initiatives in Europe. There are encouraging signs that business investment may be strengthening, but high non-performing loans and labour market slack in some Euro area countries continue to hold back growth prospects. Growth is set to remain solid in Germany, but will continue at a slower pace in France and Italy. Headline inflation has been pushed up a little, but the recovery is not yet sufficiently advanced to durably raise core inflation.

In most other major advanced economies, growth is projected to continue around the current modest path. In Japan, data revisions show a somewhat more positive picture of recent growth outcomes. Industrial production and exports have strengthened, helped by the depreciation of the Yen, but consumption spending remains subdued. The fiscal easing will help GDP growth pick up to 1.20% in CY 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri M. Venkaiah Naidu, Hon'ble Union Minister, Urban Development, Housing & Urban Poverty Alleviation, Information & Broadcasting on 22nd June, 2017 at BSE.

Growth in China is expected to edge down further to 6.30% by CY 2018 as the economy is undergoing a transition, including shifting towards consumption and services, adjustment in several heavy industries, working off excess housing supply and ensuring credit developments are sustainable. Demand is being supported by very expansionary fiscal policy, including via policy banks, which in turn is boosting private investment and trade. Producer price inflation has picked up strongly, but consumer price inflation remains low. Higher commodity prices and easing inflation are supporting a recovery from deep recessions in Brazil, Russia and some other commodity producers, although short-term supply restrictions will limit the positive impact of higher oil prices on production in some countries.

Economic Environment – Indian Outlook

Economic performance in financial year ("FY") 2016-17

According to Government of India estimates², economic growth slowed down marginally to 7.10% in FY 2016-17, below 7.90% growth in FY 2015-16. Much of growth in FY 2016-17 came from strong agriculture and Government services. Agriculture grew by a robust 4.40% as a healthy monsoon helped food grain production grow by 8.10% to new records. Excluding government services, growth in value added dropped from 6.70% to 6%. Overall, India remains the fastest growing large developing economy, as it benefits from strong private consumption and gradual introduction of significant domestic reforms.

After growing by 8.20% in FY 2015-16, industry decelerated to 5.80% in FY 2016-17. Mining slowed considerably as oil and natural gas production contracted. Manufacturing value added grew by a healthy 7.70%, though down from the 10.60% recorded a year earlier. Growth reflected robust performance by large private manufacturers, which benefitted from lower input costs. Construction was muted, growing by 3.10% as the cash crunch possibly affected real estate activity in the second half of the fiscal year.

Services growth also moderated, to 7.90%, with slowdowns in finance and real estate, as well as in trade, hotels, and transportation and communication services. Anemic credit growth continued to weigh on financial services, though deposit growth picked up substantially immediately after demonetization. Contraction in railway ridership and tonnage, and subdued growth in commercial vehicle sales restrained expansion in transportation services. By contrast, there was strong growth in government services, including public administration and defense, on account of salary hikes for central government employees. Government consumption is estimated to have grown at its fastest pace since FY 2010-11 to pay the higher wages and salaries. Despite a 10.60% increase in central government capital expenditure, overall investment remained flat, growing by only 0.60%, as private investment continued to be weighed down by low capacity utilization and slow progress toward deleveraging. GDP growth got a further impetus from a robust increase in net taxes, buoyed by strong indirect tax collection.

² Source: Asian Development Outlook 2017 by Asian Development Bank, Monetary Policy Report – April 2017

Inflation remained subdued for a second consecutive year, averaging 4.70%. While food inflation inched up in the first few months of FY 2016-17 with rises for vegetables, pulses, and sugar, subsequent months saw prices cooled by a better monsoon and summer crop. Retail inflation is down considerably since November 2016. Domestic fuel inflation has remained relatively subdued at 3%. Core inflation was also stable, ranging from 4.50% to 5%. Subdued inflation allowed the Reserve Bank of India, the central bank, to reduce policy rates by 50 basis points during FY 2016-17, for a cumulative decline of 175 basis points since January 2015. Moreover, with deposit accretion far outweighing credit growth, commercial banks lowered their lending rates by 40–90 basis points as their new deposit costs came down.

The central government budget for FY 2016-17 was presented a month earlier than usual at the beginning of February 2017 to speed appropriations. The central government succeeded in narrowing the fiscal deficit to 3.50% of GDP in FY 2016-17. This reduction was accompanied by improved quality of expenditure. While capital expenditure was originally targeted to contract by 2.40% in FY 2016-17 to compensate for higher government salaries, estimates show capital expenditure growing by 10.60%. Current expenditure grew by 12.80%. Subsidy spending continued to decline from the equivalent of 1.90% of GDP in FY 2015-16 to 1.70% as fertilizer and petroleum subsidies fell owing to low oil prices and the expansion of a program that pays the cooking gas subsidy directly into recipients' bank accounts to reduce leakage.

Government revenue grew by a healthy 16.70% in FY 2016-17, aided by strong growth in tax revenue and public enterprise dividends and profits. Personal income tax witnessed robust growth at 22.80% as the government introduced in FY 2016-17 two tax amnesties to encourage income disclosure. Excise tax collection also grew strongly for a second year, partly on higher revenues from several hikes to excise rates on petroleum products in FY 2015-16. Buoyant excise tax collections can also be attributed to growth from other products.

Fiscal Responsibility and Budget Management ("FRBM") committee set up to review avenues to fiscal consolidation, recommended sustainable debt as the principal macroeconomic anchor for fiscal policy and called for reining in the ratio of public debt to GDP from the current 67% to 60% by FY 2022-23. To achieve this target, the committee recommended capping the fiscal deficit at 3% of GDP in the 3 years following the FY 2016-17 budget, which had a deficit equal to 3.20% of GDP. This is in line with the FRBM recommendation.

Imports declined for a second consecutive year, contracting by an estimated 3.70% in FY 2016-17. Although oil imports fell by nearly 2% in FY 2016-17, much of the contraction was concentrated in the first half of the fiscal year. Oil prices firmed considerably in the second half, and oil imports picked up. Gold imports declined substantially because of softening global prices and demonetization. Imports other than oil and gold were relatively steady as commodity prices stabilized and domestic demand was muted.



Shri Neeraj Kulshrestha, Chief of Business Operations, BSE presenting a memento to Smt. Smriti Irani, Hon'ble Minister of Textiles, Government of India in presence of Shri Kersi Tavadia, Chief Information Officer, Information Technology, BSE on 15th November, 2016 at BSE.

Exports revived in the second half of FY 2016-17, growing by an estimated 2.50% for the year. The revival was driven largely by a pickup in refined petroleum exports and stronger demand from the advanced economies, especially the US and Germany. In particular, exports of gems and jewelry, iron and steel, and motor vehicles picked up in the second half of FY 2016-17. The net services trade surplus narrowed in FY 2016-17, tracking a slowdown in exports of software and financial services. Remittance inflows weakened a bit as low crude oil prices squeezed host economies in the Middle East.

Net Foreign Direct Investment ("FDI") inflows remained strong for a second consecutive year at USD 36.7 Billion after the government simplified guidelines and allowed more FDI in sectors like real estate, airport and air transport services and e-commerce. Net Foreign Portfolio Investment ("FPI") flows remained subdued by comparison. The Q3 FY 2016-17 brought a large outflow, possibly a result of a US interest rate hike in December 2016 and uncertainty following demonetization. Net portfolio debt outflows amounted USD 2 Billion in FY 2016-17. While varying month to month, equity inflows amounted to USD 7 Billion in FY 2016-17, which pushed stock prices on the S&P BSE Sensex up by 16% over the year. Net deposits by nonresident Indians turned negative in FY 2016-17 largely because of the repayment of maturing deposits that the central bank had attracted from them in FY 2012-13. However, because these outflows were buffered by a forward sale-and-swap arrangement established earlier by the central bank, they did not significantly drain holdings of foreign reserves, which stood at USD 367 Billion in March 2017.

Economic Prospects for FY 2017-18

With the central bank printing new currency to replace the demonetized notes and lifting limits on deposit withdrawals in March 2017, the cash crunch eased markedly toward the end of FY 2016-17. Consumption deferred from the second half of FY 2016-17 by the cash crunch will likely surface in FY 2017-18 and lift consumption growth. Consumption will receive a further boost as several state governments hike salaries and pensions for their employees in FY 2017-18 following a similar hike for central government employees in FY 2016-17. A good monsoon being experienced would allow rural consumption to grow at a healthy rate.

With the effects of demonetization turning out to be short-lived and modest relative to some early expectations, the outlook for FY 2017-18 has been brightened considerably by a number of factors. Firstly, with the accelerated pace of demonetization, discretionary consumer spending held back by demonetization is expected to have picked up from Q4 FY 2016-17 and will gather momentum over several quarters ahead. The recovery will also likely be aided by the reduction in banks' lending rates due to large inflows of current and savings accounts ("CASA") deposits, although the fuller transmission impact might be impeded by stressed balance sheets of banks and the tepid demand for bank credit.

Secondly, various proposals in the Union Budget FY 2017-18 are expected to be growth stimulating: stepping up of capital expenditure; boosting the rural economy and affordable housing; the flawless roll-out of the Goods and Services Tax ("GST"); and steps to attract higher FDI through initiatives like abolishing the Foreign Investment Promotion Board ("FIPB").

Thirdly, global trade and output are expected to expand at a stronger pace in CY 2017 and CY 2018 than in recent years, easing the external demand constraint on domestic growth prospects. However, the recent increase in the global commodity prices, if sustained, could have a negative impact on our net commodity importing domestic economy.

Sentiment in the corporate sector improved during Q4 FY 2016-17, according to the Reserve Bank of India's ("RBI") industrial outlook survey. The improvement was led by optimism on future production, order books, exports, employment, financial situation, selling prices and profit margin. Amounts mobilized through initial public offerings ("IPOs") in recent months and the number of companies filing red herring prospectus with the Securities and Exchange Board of India ("SEBI") have been higher, which suggest investment optimism in the period ahead. Both manufacturing and services firms expected output to be higher a year from now, according to the Purchasing Managers' Survey for March 2017. Professional forecasters surveyed by the RBI in March 2017, expected real Gross Value Added ("GVA") growth to accelerate from 6.50% in Q4 FY 2016-17 to 7.60% in Q4 FY 2017-18, led by growth in services and industry.

Considering the baseline assumptions, the fast pace of demonetization, survey indicators and updated model forecasts, RBI staff's baseline scenario projects that real GVA growth will improve from 6.60% in Q3 FY 2016-17 and 6.50% in Q4 to 7% in Q1 FY 2017-18 and 7.40-7.60% in the remaining three quarters of FY 2017-18, with risks evenly balanced around this baseline path. Looking beyond FY 2017-18 and assuming a normal monsoon, a congenial global environment, no policy induced structural change and no supply shocks, structural model estimates yield real GVA growth of 8.10% in FY 2018-19.

Higher oil prices will boost refined petroleum exports, which have contracted in the past two years. Global growth improvement would help exports, though an appreciating Rupee in real effective terms could dent India's competitiveness. Price recovery for commodities like metals, chemicals, and food would lift exports, as volumes for them have held up. Overall, exports are forecast to grow by 6% in FY 2017-18.

The national GST implemented from July 2017 is expected to lower prices for capital goods, providing impetus to investment. After easing for four consecutive years, consumer price inflation is expected to inch up in FY 2017-18. With global prices for oil forecast to increase by 20% in FY 2017-18, and with most domestic fuel prices becoming deregulated, domestic fuel inflation is forecast to rise by 10-20 basis points. Higher procurement prices for pulses and wheat along with an uptick in rural wages pose an upside risk to the forecast for food inflation. Inflation is likely to average 5.20% in FY 2017-18, accelerating to 5.40% in FY 2018-19 with further firming of global commodity prices and strengthening of domestic demand.

The quality of expenditure is expected to improve further with capital spending in FY 2017-18 projected to grow by 10.70%, against



Shri Sudhakar Rao, Former Chairman, BSE presenting a memento to Shri Suresh Prabhu, Hon'ble Minister of Railways during Seminar on 'Indian Railways – Transformation Underway' on 21st April, 2016.

growth in current expenditure by only 5.90%. The budget continues to prioritize infrastructure and rural development with higher outlay on roads and highways, railways, electric power, affordable housing, and irrigation. Subsidy payments are forecast to decline as petroleum and fertilizer subsidies are curtailed.

In FY 2016-17, India surpassed China to become the fastest growing economy and continues to be in FY 2017-18 despite the expected slowdown in growth. The agenda set for FY 2017-18 is 'transform, energize and clean India'. The GST Bill is likely to lead to spurring growth, competitiveness, indirect tax simplification and greater transparency.

FY 2016-17 has been marked by historic economic policy developments, highlighted by structural reforms notably, the passing of the Bankruptcy and Insolvency Act and the Constitutional amendment paving the way for implementing GST. Demonetization has also brought the digital agenda to the fore like never before. Given the low rate of tax compliance in the country, the Government recognizes that in order to make quantum leaps in the levels of compliance and overall tax revenues, the digital payment infrastructure and GST can pave the way. The effect of flawless GST implementation would improve the sovereign credit rating as well as reduce personal income tax in the long run.

Digital Economy is one of key focus themes for establishing speed, accountability and transparency in the system. The demonetization drive resulted in people adopting the electronic payment options. The Government looks resolute to leave a mark as it forges ahead with all regulatory and operational measures necessary to achieve a more transparent and a resilient digital economy.

This push towards a cashless digital economy has the potential to generate long-term benefits in terms of reduced corruption, greater digitalization of the economy, increased flows of financial savings, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliances and greater tax revenues.

India continues to enhance its reputation as an attractive FDI destination by improving the ease of doing business and liberalizing regulations and sector caps for FDI. India's economy has grown at a strong pace in recent years and growth prospects are favorable over the medium term due to the implementation of critical structural reforms, loosening of supply-side bottlenecks, appropriate fiscal and monetary policies, favorable terms of trade and lower external vulnerabilities.

Capital Market

BSE is the world's fastest Stock Exchange and the largest stock exchange in terms of number of companies listed. As of March 2017, BSE is ranked #2 in currency options traded, #3 in currency futures traded and #10 by market capitalization³ among global stock exchange.

3 This refers to aggregate market capitalization of all listed companies at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE welcoming Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance and Corporate Affairs, Govt of India at the listing ceremony of 'Pune Municipal Corporation Bonds' on 22nd June, 2017 at BSE.

Primary Market

The total number of companies listed (Equity as well as Debt) on BSE as on March 31, 2017 was 5,834 as compared to 5,911 as on March 31, 2016.

During FY 2016-17, 25 companies came to the market through the IPO process on the Mainboard of BSE. The amount raised through Mainboard IPOs in FY 2016-17 was ₹ 27,156.56 Crore as against ₹ 15,374.99 Crore in FY 2015-16.

Further, there were no Mainboard Follow on Public Offer ("FPOs") in FY 2016-17. In addition to 25 IPOs on the Mainboard, another 48 companies raised ₹ 431.69 Crore through the Small and Medium-sized Enterprises ("SME") IPO process in FY 2016-17. Further, one SME listed company raised ₹ 9.99 Crore through FPO.

The total amount mobilized through Privately Placed Debt Instruments ("PPDI") at BSE in FY 2016-17 was ₹ 4,20,995 Crore as against ₹ 2,35,402 Crore in FY 2015-16. During FY 2016-17, there were 16 public issues of bonds which mobilized ₹ 29,547.15 Crore as against ₹ 33,811.92 Crore in the FY 2015-16. Out of these 16 public issues, 8 issues (50%) were exclusively listed on BSE. BSE's platform was used to collect ₹ 37,621 Crore and the average bids garnered through BSE's Internet based Book Building software ("iBBS") platform for these debt public issuances was 90%.

BSE BOND - Electronic Book Platform for bidding of debt securities issued on private placement was made live effective from July 1,

2016 as per the guidelines of SEBI circular CIR/IMD/DF1/48/2016 dated April 21, 2016. The BSE BOND platform has been a preferred choice for companies to raise Debt Capital in India. In the FY 2016-17, 74 Issuers with 434 issues of bonds have successfully raised ₹ 2,16,726 Crore using BSE BOND platform.

➤ **Mutual Fund Segment [Innovations and unique Features for on BSE StAR MF Platform]**

Innovations and unique features for on BSE StAR MF Platform.

Technology Infrastructure: BSE has invested and created world class robust technology and operational capabilities for accepting mutual funds orders and providing seamless settlement through Indian Clearing Corporation Limited ("ICCL").

The technology Infrastructure has created a super highway, which has eliminated the barrier to expand mutual funds distribution for traditional distributors as well as new age e-commerce.

- Only platform in India that supports both Demat and Non demat mode for both Pool based settlement, Mutual Fund Investor ("MFI") mode as well as direct settlement, Mutual Fund Distributor ("MFD") / Registered Investment Advisor ("RIA") mode with end Investors.
- 24X7 order acceptance is available on BSE StAR MF Platform.



Shri Ashishkumar Chauhan, MD & CEO, BSE in discussion with Shri Devendra Fadnavis, Chief Minister of Maharashtra at Dr. Ambedkar Ratna Awards 2016 on 2nd July, 2016.

- Overnight Investment framework facilitates BSE StAR MF Registered Investors:
 - To route idle monies as overnight investments, monies can be invested even for a single day i.e. overnight.
 - As an alternative investment avenue for idle monies with Investors by investing in MF Liquid Schemes for better returns and relatively lowers risk.
 - Subscription and redemption can happen simultaneously on the same day.
- Only Platform in India that support 3 modes via Systematic Investment Plan ("SIPs"), which can be initiated as under:-
- Paperless SIP: Wherein the link for payment is created for 1st Installment as well as subsequent Installment, only available with BSE.
- X-SIP / National Automated Clearing House ("NACH") based SIP Facility: Under this product, a single mandate can be used for investing in SIPs across all schemes and all Asset Management Company ("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.
- Paperless Internet based SIP ("ISIP"), wherein BSE is Biller in leading banks of India, Single ISIP Mandates can be used across all schemes of different AMCs, with First order today flexibility. This facility is available only on BSE.
- Any day Systematic Transfer Plan ("STP") and Systematic Switch Plan ("SWP"), with First order today facility.
- 6 day order holding facility.
- Multiple mode of payments viz. payment gateway, one time mandate, cheque, RTGS/NEFT.
- Completely digital and real time investor's registration.

- Direct pay-out of units to client ("DPC") Facility: DPC accounts option to member broker, available only on BSE.
- Connectivity: Multi mode of platform access;
 - a) Web – browser with CO-BRANDING facility,
 - b) APIs over leased lines,
 - c) WEB Services - APIs over internet.
- SMS/email based redemption order authentication in MFD mode
- Provision for Minimum redemption quantity facility, useful when the holdings fall below permitted minimum lot, only available with BSE
- Multi-ARN facility, useful when settlement of trades can be done for other AMFI registration no. ("ARNs") of same group company or otherwise, only available on BSE.
- Android based mobile application.

Secondary Market

➤ Equity Segment

The S&P BSE SENSEX ended FY 2016-17 at 29,621 compared to 25,342 at year end of FY 2015-16, an increase of 16.89% over the year which has been one of the factors for increased trading volumes this year. The average daily value of equity turnover on BSE in FY 2016-17 was ₹ 4,025 Crore, an annual increase of about 34.35% from ₹ 2,996 Crore in FY 2015-16.

➤ Equity Derivatives Segment

Equity derivatives daily average volume was 498 contracts per day in FY 2016-17 as compared to 4.32 Lakh contracts from FY 2015-16. BSE has decided to discontinue its Liquidity Enhancement Incentive Programme Scheme ("LEIPS") that has been running for the past few years.

➤ Currency Derivatives Segment

In the currency derivatives, BSE's market share increased to 38.09% in FY 2016-17 from 36.41% in FY 2015-16. Members' participation in this segment increased to 332 (16 Banks and 316 Members) during FY 2016-17, compared to 285 (14 Banks & 271 Members) in FY 2015-16. Open Interest ("OI") for FY 2016-17 was 17.42 Lakh contracts, an increase of over 35.35% as compared to 12.87 Lakh contracts during FY 2015-16.

➤ Interest Rate Derivatives

During FY 2016-17, BSE's market share in interest rate derivatives increased to 29.20% from 17.19% in FY 2015-16.



Shri Vijay Rupani, Hon'ble Chief Minister of Gujarat along with Shri Ashishkumar Chauhan, MD & CEO, BSE at the Opening Bell Ceremony on 22nd November, 2016 at BSE.

Members' participation increased to 104 (8 Banks, 4 Primary Dealers & 92 Members) in 2016-17 from 94 in FY 2015-16.

➤ BSE SME Platform

The framework for SME Platforms to serve small and medium-sized enterprises on stock exchanges were established by SEBI vide its circular dated 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, 2017 the value of this index reached 1,288.88. Additionally, the total market capitalization of all the 175 companies listed on BSE SME Platform reached ₹ 16,925.72 Crore. During FY 2016-17 the SME platform continued to be a front-runner with a market share of over 80%.

During FY 2016-17, 48 companies raised ₹ 436.46 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 2016-17, 9 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 the same period, the World Federation of Exchanges put forth a report on SME funding through exchanges and has used the BSE SME platform as a key case study.

➤ **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 Over the Counter ("OTC") trades in Corporate Bonds on ICDM worth ₹ 2,88,372 Crore in FY 2016-17 as against ₹ 2,07,652 Crore in the previous year, marking an increase of 39%. In case of Statutory Liquidity Ratio ("SLR") securities i.e. Government Securities and Treasury Bills, trades worth ₹ 2,00,469 Crore were reported on ICDM in the current year as against ₹ 2,27,124 Crore in FY 2015-16.

Trading in Non-Convertible Debentures ("NCDs") and Bonds on 'F' group on BOLT saw increased activity of ₹ 4,770 Crore in FY 2016-17 as against ₹ 4,608 Crore in the previous year. BSE has retained a market share of over 57.60% in the retail trading of Corporate Bonds in FY 2016-17. During the year, BSE introduced clean price mechanism for retail debt trading platform.

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 ICCL.

The settlement volume for corporate bonds witnessed business of ₹ 1,16,030 Crore in FY 2016-17 as against ₹ 57,874 Crore in the previous year which is an increase of over 100% over previous FY 2015-16.

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 the risk management framework therein, issued in September, 2013. 135 Trading Members and Institutional Members are registered on BSE NDS.

➤ **Sovereign Gold Bonds**

BSE's got permission from RBI and SEBI for acting as a Receiving Office for the Sovereign Gold Bond ("SGB") Scheme. Three tranches of SGB aggregation to RBI were carried by banks and post offices. From fourth tranche onwards, Stock Exchanges are allowed to act as a receiving office. In this receiving office role, BSE role would be limited to aggregation of applications and transfer of funds.

Please find below table on SGB bids received on BSE in the respective Tranches.

Tranche	Total No. of Members	Total No. of Bids	Volume in Kgs.	Value in ₹ Crores
4 th	161	3,931	158.84	49.54
5 th	214	4,770	149.99	44.00
6 th	206	6,772	202.70	59.94
7 th	173	3,545	103.00	29.80

➤ **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.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Praveen Garg, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Govt. of India at the Launch of FPI Handbook on 2nd September, 2016.

The ebidXchange platform pioneered the auction of multiple products - Infrastructure Bonds, Corporate Bonds and Government Securities. During FY 2016-17, BSE conducted 5 auction sessions, all of which were conducted seamlessly and received positive response from market participants. The total cumulative amount bid for these 5 auctions was ₹ 41,355 Crore.

➤ **Exchange Traded Funds (“ETF”)**

As at March 2017, BSE had 50 ETFs listed compared with 45 as on March 2016. During FY 2016-17, the average daily turnover in ETFs increased by 35% i.e. ₹ 39.05 Crore from ₹ 28.99 Crore in FY 2015-16.

➤ **Offer for Sale (“OFS”) & Offer to Buy (“OTB”)**

During FY 2016-17 there were 22 OFS issues, of which BSE was appointed as the Designated Stock Exchange in 19 issues (86%). Out of the 19 OFS issues, 15 issues were conducted exclusively on the BSE platform. In FY 2016-17, the total amount raised through OFS issues was ₹ 5,672.86 Crore.

During FY 2016-17, there were 88 OTB issues, of which BSE was appointed as the Designated Stock Exchange in 86 issues (98%). Out of the 86 OTB issues, 81 issues were conducted exclusively on BSE platform, the total amount raised through OTB issues was ₹ 29,206 Crore.

➤ **Securities Lending & Borrowing (“SLB”)**

ICCL acts as an Approved Intermediary under the SEBI Securities Lending and Borrowing Scheme, 1997. The registration of ICCL as an Approved Intermediary was renewed for a further period of three years from June 28, 2016 to June 27, 2019. The SLB turnover increased by 297% from ₹ 313.23 Crore in F.Y. 2015-16 to ₹ 1,244.38 Crore in F.Y. 2016-17, while the lending fees collected increased by 331% from ₹ 1.46 Crore to ₹ 6.29 Crore during this period.

Segment	FY 2015-16 (₹ Crore)	FY 2016-17 (₹ Crore)
Turnover for the period - 1 st Leg of SLB transactions (quantity x underlying price of the stocks as on previous day)	313.23	1,244.38
Lending fees.	1.46	6.29

➤ **BSE Hi-tech for Start Ups**

The Company had launched a new segment BSE Hi-Tech, following the announcement of the new Institutional Trading Platform Regulations by SEBI in August 2015. This platform has been launched to facilitate young, fast growing companies to access capital and provide liquidity to early stage investors. The Company has formed an Advisory Panel comprising



Shri Sudhakar Rao, Former Chairman, BSE in presence of Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Jayant Sinha, MoS Finance on the occasion of the launch of the book 'The Money Book' written by Mr. Vivek Law on 18th April, 2016 at BSE.

eminent persons from the ecosystem and organized several knowledge sessions. There has been no listing on this platform yet. Feedback has been gathered from the companies, investors and other stakeholders and the Advisory Panel which is shared with the policy makers to get benefit of this important initiative of the Government to help Start Up industry.

➤ **Dissemination Board**

SEBI issued a circular in October 2016, requiring all exclusively listed companies of Regional Stock Exchanges which are derecognized and which are on Dissemination Boards of Nationwide Stock Exchanges to either list on a nationwide stock exchange or to provide exit to its investors. Following this, BSE has reached out to over 1,500 such companies admitted to BSE's Dissemination Board. BSE is working closely with SEBI to ensure smooth and proper exit to investors' in such companies.

➤ **Disinvestment Drive of GOI and BSE's support**

In the FY 2016-17, BSE's iBBS platform has facilitated Government of India Disinvestment Programme through OFS, OTB and Central Public Sector Enterprises Exchange Traded Fund (“CPSE ETF”) to garner more than ₹ 25,000 Crore, forming more than 50% of the Total Disinvestment by the Government of India in FY 2016-2017.

The Company also has extended the facility for acceptance of subscriptions for further Fund Offer of CPSE ETFs by introducing an online mechanism called BSE iBBS Platform for Mutual Fund (“BiMF”).

Business Operations Review

Membership

During FY 2016-17, 52 Deposit Based Membership ("DBM") applications were received at BSE. Since launch of new DBM scheme in April, 2010, BSE has received a total of 841 DBM applications.

Corporate Services (listing)

The Corporate Services segment of the Company registered healthy revenue growth in FY 2016-17. Annual Listing Fees (equity, debt and MF) increased by 2.82% to ₹ 104.19 Crore compared to ₹ 101.33 Crore in FY 2015-16. This increase in Annual Listing Fees is mainly attributed to an increase in number of companies listed under IPO.

The Company 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 ₹ 14.31 Crore in FY 2016-17 as compared to ₹ 11.23 Crore in FY 2015-16, a rise of 27.43% from the previous year on account of new primary market issuances and the newly introduced OTB facility.

Data Information Products

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

creation of new market data solutions to support the Company's product offerings.

The business for sales and marketing of the Company's 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 ₹ 24.67 Crore in FY 2016-17 as compared to ₹ 22.42 Crore in the previous year. The increase in revenue was on account of increase in subscription for the Company's information products and services by new customers.

Index

Asia Index Private Limited ("AIPL") is a joint venture between S&P Dow Jones Indices LLC and BSE. AIPL launched 3 new indices in FY 2016-17:

- The S&P BSE Liquid Rate Index was launched on July 26, 2016; the index is designed to measure the returns from a daily rolling deposit at the Collateralized Borrowing and Lending Obligation ("CBLO") rate.
- The S&P BSE SENSEX 50 Index was launched on December 6, 2016; the index is designed to measure the performance of the top 50 largest and most liquid stocks in the S&P BSE Large Mid Cap.
- The S&P BSE SENSEX Next 50 Index was launched on February 27, 2017; the index is designed to measure the performance of the next 50 largest and most liquid stocks after the constituents of the S&P BSE SENSEX 50 in the S&P BSE Large Mid Cap.

Secondary Market Policy Developments

Data analytics based systemic solution for tracking company news

The Company undertakes various regulatory policy and systemic measures for enhanced due-diligence, surveillance, corporate governance in the Indian capital markets to comply with SEBI regulations. In this regard, the Company has implemented artificial intelligence based framework for rumour detection since November, 2016.

The primary objective is to detect and mitigate potential risks of market manipulation, rumour and reduce information asymmetry arising from it on digital media platforms, including social media.

In recent past, news media has undergone a sea of changes with digital media and social media becoming the frontline in news reporting or sharing information digitally for easier, faster and wider reach. On this background, any material news or rumour floating in the social media can have potential impact on the sentiments of the investing population which can further impact price/volumes of securities traded on exchange platforms.



Shri Ashishkumar Chauhan, MD & CEO, BSE welcoming Shri Ajay Tyagi, Chairman, SEBI on 22nd June 2017 at BSE.

The data analytics based systemic solution relies on artificial intelligence based framework to track news related to listed companies on digital media using social media like twitter, etc.

Alerts generated by this social media solution is monitored by the Company from the standpoint of material information and also vis-à-vis possible rumours appearing in various media including print and on-line channels as per SEBI regulations.

Graded Surveillance Measure ("GSM")

The Exchange has pro-actively taken series of surveillance actions on its stocks in recent past as a pre-emptive measure to ensure safety and integrity of the market.

In continuation to various surveillance measures already implemented, SEBI and Exchanges, pursuant to discussions in joint surveillance meetings, have decided that along with the aforesaid measures, there shall be additional GSM on securities which witness an abnormal price rise not commensurate with financial health and fundamentals like Earnings, Book Value, Fixed Assets, Net Worth, P/E Multiple, etc.

The main objective of these measures is to alert and advice investors to be extra cautious and advice market participants to carry out necessary due diligence while dealing in the securities.

Under the GSM framework which became effective from March 14, 2017, based on satisfaction of certain pre-defined objective criteria, the securities shall attract following additional graded surveillance actions:

- I. Shifting of scrips on Trade to Trade ("T2T") basis with price band of 5% or lower T2T
- II. T2T with 100% Additional Surveillance Deposit ("ASD") equivalent to buy value of transaction
- III. T2T + 100% ASD + Once a week trading
- IV. T2T + 200% ASD + Once a week trading
- V. T2T + 200% ASD + Once a month trading
- VI. T2T + 200% ASD + Once a month trading + Freezing of price on upper side

As on April 25, 2017, a total of 778 companies have been identified to be a part of GSM framework. Out of these 141 companies are in Stage I, 54 companies are in Stage II while 5 companies are in Stage III.

REGULATION

Surveillance & Investigation

Statistics for FY 2016-17:

As part of market monitoring activities during FY 2016-17; 69,062 surveillance alerts were generated, of which 1,339 alerts were taken up for snap investigations. Subsequently, 173 cases were taken up



Shri Ashishkumar Chauhan, MD & CEO, BSE, Shri Ramdas Athawale, Minister of State for Social Justice and Empowerment, MP of Rajya Sabha from Maharashtra, President of the Republican Party of India (A); Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra; Shri C Vidyasagar Rao, Governor of Maharashtra, Smt. Kalpana Saroj, Shri Hansraj Ahir, Hon'ble Minister of State Ministry of Chemicals and Fertilizers at the lamp lighting ceremony during the India's Symbol of Knowledge event at BSE.

for preliminary/detailed investigations, of which 111 preliminary/investigation reports have been forwarded to SEBI. Based on the findings, 431 observations letters were issued to various members/clients. Further, on account of surveillance measures, there were 1,833 price band reductions. The Company 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

607 inspections of members were conducted during FY 2016-17, which include 518 routine inspections and 89 special inspections. This also included 25 inspections on the basis of risk based supervision.

Investor Services

The Company 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 System ("SCORES") of SEBI, a web based system where investors can lodge their complaints online. The Company in turn communicates the complaints to the members electronically through the BSE Electronic Filing System ("BEFS"), thereby reducing the communication time resulting in expeditious resolution of investor complaints. All actions taken in the process of redressal are then updated on this system. The investors can also lodge complaints directly with the Exchange. The complaints against trading members are redressed through mediation and counselling by Investor Grievances Redressal Committees ("IGRC") wherein the IGRC is also empowered to decide the claim value.

The Company 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, Lucknow. During the year, the Company commenced new investor services centres at ten cities namely, Bhubaneshwar, Chandigarh, Dehradun, Guwahati, Jammu, Kochi, Panaji Raipur, Ranchi and Shimla. Thus the Company currently provides IGRC and arbitration services from 24 investor services centres located at different parts of the country. BSE is the only Exchange in the country, where 13 Registrars and Transfer Agents ("RTAs") regularly visit its Investor Service Centre at Mumbai, for redressal of investor complaints against companies listed on BSE.

Listing Compliance

Update on eXtensible Business Reporting Language ("XBRL")

BSE is the first and only Exchange in India to introduce the globally accepted reporting format XBRL as it is more popularly known, for certain critical disclosures required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). These are Shareholding Pattern, Corporate Governance Report, Voting Results and Financial Results.

Since introduction of XBRL reporting in 2015, we have seen an increasing number of companies making their filings in XBRL voluntarily. Encouraged by this response and the improved efficiency of data dissemination, the Exchange has made the filing of Shareholding Pattern, Corporate Governance and Voting Results mandatory.

In continuation with these initiatives, the Exchange has recently made it mandatory for companies to file Financial Results in the XBRL format (initially in pdf and in XBRL within 24 hours) for all results

filed from the quarter ended March 31, 2017 onwards. This important development has also been noted and reported in the Newsletter of XBRL International.

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 under the guidance of SEBI, had advised companies that have been under suspension for a period of three years or more, to expedite the completion of all formalities for revocation or else be compulsorily delisted from the Exchange, as per the provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009.

During the FY 2016-17, the Exchange has delisted 294 companies. This is an ongoing activity and is expected to be completed by September, 2017.

Corporate Announcement Filing System ("CAFS")

The Company has been making continual efforts to improve on the turnaround time for disseminating critical information received from listed companies to the shareholders and the public at large, on its website, without compromising on the quality of the information.

Towards this objective, the Exchange introduced the Corporate Announcement Filing System ("CAFS") with effect from March 1, 2017, in beta mode. The system provides for seamless dissemination of filings/disclosures by listed companies directly on the Exchange website without any pre-verification by the Exchange. This is done using security measures such as Two Factor Authentication ("TFA") and has ensured almost instantaneous dissemination of price sensitive information to the investors. The system makes companies wholly accountable for their filings, leading to much faster, efficient and informed decisions by investors and the public at large.

Over 90% of listed companies at BSE have registered for this facility. In case of any inadequacies or discrepancies, clarifications are sought from the companies and the responses again disseminated on the website. Post dissemination of these critical announcements in the public domain, the Company carries out further checks with respect to adequacy and accuracy.

SIGNIFICANT DEVELOPMENTS

Social Media Analytics

The Company has implemented Social Media analytics using Artificial Intelligence to predict rumors and verification of news floating in the market on its listed companies and its impact on the stock market. Such real time approach has resulted in prompt dissemination of information pertaining to the companies. The Company has deployed this technological innovation to mitigate the potential risks of market manipulation and information asymmetry arising from it. This would enhance market integrity, orderly functioning and investor protection in the Indian Capital Markets.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Arun Jaitley, Hon'ble Finance Minister, Government of India at the event Taleem-o-Tarbiyat on 2nd September, 2016.

As the first phase of the project, the Company implemented a live framework to monitor the news websites using data management and machine learning. In the subsequent phases, the framework for collecting data from Facebook and Twitter was implemented.

Social Media analytics has helped faster processing and dissemination of information. This was one of the primary criteria for success of this project. As the quantum of processing information increased, the Company was able to monitor impact of certain news on the prices. Employee involvement and productivity reached new highs, as the team involved were equipped with better and more information. Overall savings in cost in terms of resources deployed for manual tracking, and other indirect costs were drastically reduced.

Major milestones achieved by IPF

- BSE Investor Protection Fund ("IPF") has done 4,499 investor awareness programs across 30 states during the year. Highest in a single year.
- Participated at the India International Trade Fair (held for 14 days) along with SEBI in New Delhi in November, 2016 to showcase the Company's products and services to Investors.
- Participated at the Vibrant Gujarat Trade Fair (held for 4 days) in January, 2017 to showcase the Company's products and services to Investors.
- Managing 25 Investors Service Centres covering major state capitals.

Enhanced Supervision of Stock Brokers

The Company has announced enhanced supervision of stock brokers to facilitate reporting of their Bank and Demat accounts.

This new initiative is in line with SEBI's directive (vide SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016. Reporting on most of the clauses has been made applicable w.e.f. July 1, 2017, and for the remaining clauses on various dates notified from time to time subsequently.

SEBI has issued guidelines which cover following broad areas:-

- Uniform nomenclature to be followed by stock brokers for Naming/Tagging of Bank and Demat Accounts and the reporting of such accounts to the Stock Exchanges/Depositories.
- Monitoring of Clients' Funds lying with the Stock Broker by the Stock Exchanges, through a sophisticated alerting and reconciliation mechanism, to detect any misutilisation of client's fund.
- Changes in the existing system of internal audit for stock brokers/depository participants, viz., appointment, rotation of Internal Auditors, formulation of objective sample criteria,



Shri Sudhir Mungantiwar, Hon'ble Minister for Finance and Planning, Forest, Government of Maharashtra along with Shri Ashishkumar Chauhan, MD & CEO, BSE posing with BSE Bull during his visit to BSE on 14th September, 2016.

monitoring of quality of Internal Audit Reports, timeline for submissions of Internal Audit Reports, etc.

- Monitoring of Financial Strength of Stock Brokers by Stock Exchanges so as to detect any signs of deteriorating financial health of stock brokers and serve as an early warning system to take preemptive and remedial measures.
- Imposition of uniform penal action on stock brokers/depository participants by the Stock Exchanges/Depositories in the event of non-compliance with specified requirements.
- Other Requirements:
 - a. Uploading client's funds and securities balances by Stock Brokers to Stock Exchange System and onward transmission of the same to the clients for better transparency.
 - b. Clarification on Running Account Settlement.
 - c. Providing Permanent Account Number ("PAN") details of Directors, Key Management Personnel and Dealers, to Stock Exchanges and any change thereof.

MARKETING AND COMMUNICATIONS

During the year, the Company continued with the task of educating investors and; supporting and launching new products.

The launch of the International Exchange and the listing of BSE were 2 significant events for the Company during the year. The International

Exchange, India International Exchange (IFSC) Limited (India INX), was inaugurated by the Hon'ble Prime Minister of India, Shri Narendra Modi. The event had over 5000 people attending in person and millions witnessing it live on their television sets.

BSE emerged as India's first listed stock exchange, a significant milestone supported by an integrated communication campaign covering television, print and social media.

The Company did get significant coverage in all leading national/international newspapers and channels while its presence on social media grew manifold. The Company hosted more than 240 events ranging from international delegations to educational programs to roundtables on important national and international topics.

During the course of the year the Company witnessed many high profile visits and delegations from the government, industry and other sectors from India and abroad.

The dignitaries include:

1. Shri Narendra Modi, Hon'ble Prime Minister of India
2. Shri CH Vidyasagar Rao, Hon'ble Governor of Maharashtra
3. Shri Arun Jaitley, Hon'ble Union Minister of Finance, Corporate Affairs and Defence, Government of India
4. Shri Suresh Prabhu, Hon'ble Minister of Railways, Government of India.
5. Shri Venkaiah Naidu, Hon'ble Former Minister of Information and Broadcasting, Urban Development, Housing and Urban Poverty Alleviation, Government of India
6. Smt. Smriti Irani, Union Cabinet Minister of Textiles, Information and Broadcasting Government of India



Shri Sudhakar Rao, Former Chairman, BSE welcoming Shri U K Sinha, Ex-Chairman, SEBI to the 101st Board Meeting of BSE on 5th May, 2016.

7. Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra
8. Shri Vijay Rupani, Hon'ble Chief Minister of Gujarat
9. Shri Laxmikant Parsekar, Former Hon'ble Chief Minister of Goa
10. Shri Piyush Goyal, Minister of State with Independent Charge for Power, Coal, New & Renewable Energy and Mines in Government of India
11. Shri Ramdas Athawale, Minister of State for Social Justice & Empowerment, Government of India
12. Shri Hansraj Gangaram Ahir, Union Minister of State for Home Affairs.
13. Shri Jayant Sinha, Hon'ble Minister of State for Civil Aviation, Government of India
14. Shri Arjun Ram Meghwal, Minister of State Finance & Corporate Affairs, Government of India
15. Shri Arvind Sawant, Member of Parliament, Lok Sabha
16. Shri Sudhir Mungantiwar, Hon'ble Minister for Finance and Planning, Forest, Government of Maharashtra
17. Shri Rajkumar Badole, Hon'ble Minister for Social Justice and Special Assistance, Government of Maharashtra
18. Shri Ram Kadam, Member of Legislative Assembly of Maharashtra State
19. Prime Minister of Serbia, H.E. Mr. Aleksandar Vučić
20. Mr. John Tory, Hon'ble Mayor of Toronto
21. Mr. John Halligan T.D., Hon'ble Minister for Training, Skills and Innovation, Ireland
22. Mr. Navdeep Singh Bains, Hon'ble Minister of Innovation, Science, and Economic Development, Canada
23. Mr. Pat Breen TD, Hon'ble Minister of State for Employment and Small Business, Irish Government
24. Mr. Meng Jianzhu, Special Envoy of President Xi Jinping, Member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), Secretary of the Political and Legislative Affairs Committee of the CPC Central Committee.
25. Mr. Panos Kologerpoulos, Hon'ble Ambassador of Greece to India
26. Mr. Steven Armour, Director Huston Polo Club and National Governor of United States Polo Association
27. Mr. Taro Kono, Member of Japanese Parliament
28. Mr. Rajcoomar Rampertab, Hon'ble MP, Mauritius & Parliamentary Private Secretary and in charge Development Desk, Office of Prime Minister of Mauritius.
29. Shri Shaktikanta Das, Secretary (Economic Affairs), Ministry of Finance

30. Shri D. K. Jain, Addl. Chief Secretary, Govt. Of Maharashtra
31. Shri Praveen Garg, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Govt. of India
32. Shri Ajay Tyagi, Chairman, SEBI
33. Shri. U. K. Sinha, Former Chairman, SEBI
34. Dr. Harshdeep Kamble, Commissioner, FDA, Maharashtra
35. Hon. Adv. Shri Prakash Yashwant Ambedkar, Head, Bharipa Bahujan Mahasangh
36. Smt. Nita Mukesh Ambani, Chairperson & Founder, Reliance Foundation and Non-Executive Director, Reliance Industries
37. Shri Azim Premji, Chairman, WIPRO
38. Shri Mukesh Kumar Suhana, CMD, HPCL
39. Shri Sanjeev Goenka, Chairman, CESC Ltd.

AWARDS AND RECOGNITION

- Business World Digital Leadership and CIO Award
- The IDC Digital Transformation Awards 2017
- The Best Exchange of the year award for equity and currency derivatives in Tefla's Commodity Economic Outlook Award 2017
- Best Brand award 2017 by Economic Times
- CIO POWER LIST 2017
- Best Corporate film encompassing Vision, History, Value and Spirit of Excellence award, Best Corporate film on Employer Branding award and Most Influential HR Leaders in India award at World HRD Congress 2017
- 'Best Exchange of the year' award at 4th India Bullion & Jewellery awards 2017.
- Red Hat Innovation Awards 2016 by Red Hat Solutions.
- Skoch Achiever Award 2016 for SME Enablement.
- Best IT Implementation Award 2016 in the "Most Complex Project Category" by PCQuest.
- InfoSec Maestros Awards 2016.
- Lions CSR Precious Awards 2016.

SHARE CAPITAL

During the year under review, the face value of the equity shares of the Company was consolidated from ₹ 1/- (Rupee One only) to ₹ 2/- (Rupees Two only) per share, vide resolution passed by the members of the Company on November 25, 2016.



Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Rajeev Agarwal, Whole Time Member, SEBI; Shri Sudhakar Rao, Former Chairman, BSE; Shri K. P. Bakshi, Additional Chief Secretary, Home, Govt. of Maharashtra; Shri Tajinder Singh, Deputy Secretary General, IOSCO at the 2nd International Cyber Security & Resilience Conference on 4th August, 2016 at BSE.

Pursuant to clause 5 of BSE (Corporatisation and Demutualisation) Scheme, 2005 (BSE Scheme, 2005) approved by SEBI vide its notification dated May 20, 2005, every trading member having membership right of the Exchange or his nominee, as the case may be, as on record date was entitled to 10,000 equity shares of the face value of ₹ 1/- per share, against membership right of erstwhile BSE. It may be noted that the entitlement against membership right post consolidation of share capital stands changed to 5000 equity shares of face value ₹ 2/- per share. The said shares as on March 31, 2017, have been kept in abeyance for various reasons.

The Company on March 27, 2017 allotted 1,30,000 equity shares of the face value of ₹ 2/- per share, along with corporate benefits accrued thereon as on the said date to two erstwhile trading members having membership rights whose entitlements to shares were kept in abeyance, pursuant to BSE Scheme, 2005. The said allotment of 65,000 equity shares to each of the above trading member comprised of 5,000 equity shares towards initial entitlement of equity shares pursuant to BSE Scheme, 2005 and 60,000 bonus equity shares issued by the Company in the year 2009.

The above share allotment resulted in an increase in equity share capital of the Company from ₹ 10,73,56,344 to ₹ 10,76,16,344, as on March 31, 2017. The authorised capital of the Company as on March 31, 2017, stood at ₹ 3,00,00,00,000. As per BSE Scheme, 2005, remaining 12 erstwhile trading members, having an aggregate 12 membership rights, continue to remain in abeyance till date.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

A detailed disclosure of the particulars relating to Loans and investments by the Company as per Section 186 of the Companies Act, 2013 ('the Act'), is provided in notes to the financial statements.

SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANY

The Company has the following sixteen subsidiary companies (direct and indirect) and one joint venture as on March 31, 2017 names of which are given below:-

Subsidiaries:

BSE Investments Limited
 BSE Sammaan CSR Limited
 BSE CSR Integrated Foundation (Section 8 Company)
 BSE Institute Limited
 BFSI Sector Skill Council of India (Section 8 Company)
 BSE Skills Limited
 BIL – Ryerson Technology Startup Incubator Foundation (Section 8 Company)
 Central Depository Services (India) Limited
 CDSL Ventures Limited
 CDSL Insurance Repository Limited
 CDSL Commodity Repository Limited (w.e.f. March 16, 2017)
 India International Exchange (IFSC) Limited (w.e.f. September 12, 2016)

India International Clearing Corporation (IFSC) Limited (w.e.f. September 12, 2016)

Indian Clearing Corporation Limited

Marketplace Technologies Private Limited

Marketplace Tech Infra Services Private Limited

Joint Venture:

Asia Index Private Limited

The statement containing the salient features of the financial statements along with the names of the subsidiaries/ joint ventures of the Company are given in Form AOC – 1, which forms a part of this Annual Report.

Further, the financial statements of the Subsidiary companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide a copy of the financial statements of its subsidiary companies to the shareholders upon their request in writing. The statements are also available on the website of the Company www.bseindia.com

BSE Skills Limited have filled application to Registrar of Companies (ROC) for removing its name from register of companies. There has been no material change in the nature of the business of the other subsidiaries and joint venture.

Changes in subsidiaries/ joint ventures/ associate company

The Company incorporated the following subsidiaries during the year ended March 31, 2017: -

1. India International Exchange (IFSC) Ltd. (India INX) was incorporated under the Act, on September 12, 2016.
2. India International Clearing Corporation (IFSC) Ltd. (India ICC) was incorporated under the Act, on September 12, 2016.
3. CDSL Commodity Repository Limited was incorporated under the Act, on March 16, 2017.

Central Depository Services (India) Limited (CDSL)

During the FY 2016-17, the Company sold 4.15% equity stake in its subsidiary, CDSL. The shareholders of the Company have also approved divestment of 26.05% equity stake in CDSL through a postal ballot during FY 2016-17. The Company has successfully tendered 27,217,850 equity shares, i.e. 26.05% of its equity stake in CDSL, through offer for sale, post which the aggregate shareholding of the Company stands reduced to 25,080,000 equity shares, i.e. 24%. Accordingly, CDSL along with its subsidiaries namely CDSL Venture Limited, CDSL Insurance Repository Limited and CDSL Commodity Repository Limited ceased to be subsidiaries of the Company and have become an associate companies with effect from June 29, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Smt. Madhabi Puri Buch, Whole Time Member, SEBI at South Asian Federation Exchanges (SAFE) Conference on 12th May, 2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

Appointment and Re – appointment of Directors

During the year under review, Shri Sumit Bose and Justice Vikramajit Sen were appointed as Public Interest Directors w.e.f. May 19, 2016.

In accordance with the provisions of the Act, read with the applicable rules, as amended, Dr. Sriprakash Kothari, Shareholder Director retires by rotation and being eligible, offered himself for re-appointment at the ensuing Annual General Meeting.

Cessation of Directors

Dr. Sanjiv Misra ceased to be Public Interest Director w.e.f. April 22, 2016. Shri Roland Schwinn was appointed as Shareholder Director in place of Shri Thomas Bendixen w.e.f. June 13, 2017.

Shri Sudhakar Rao ceased to be Public Interest Director and Chairman w.e.f. June 28, 2017, due to successful completion of his tenure.

The Company places on record its appreciation and gratitude for the valuable contributions made by them during their tenure as member of the Board.

Changes in KMP

During the year, Smt. Prajakta Powle was appointed as a Company Secretary & Compliance Officer of the Company w.e.f. September 7, 2016, in place of Smt. Neena Jindal, erstwhile Company Secretary of the Company.

Declarations by Public Interest Directors (‘PID’)

All PIDs have given declarations under section 149(7) of the Act that they met the criteria of Independence as laid down under Section 149(6) of the Act, and Regulation 16 of Listing Regulations. Further all PIDs have also given the declarations that they satisfy “fit and proper” criteria as stipulated under Regulation 20 of SECC Regulations.

MEETINGS OF THE BOARD

As on March 31, 2017, eight (8) meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, forming part of this report.

Separate meetings of the Independent Directors was held on May 4, 2016 and February 13, 2017.

BOARD EVALUATION

The Board of Directors of the Company carried out annual evaluation of its own performance, committees of Board and individual Directors pursuant to various provisions under the Act, Regulation 17, 19 and Schedule II of the Listing Regulations and based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation (“SEBI Guidance Note”).



The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The procedure followed for the performance evaluation of the Board, Committees and individual Directors is enumerated in the Corporate Governance Report.

Board Committees

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Independent Directors' Committee and Corporate Social Responsibility (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year has been enumerated in Corporate Governance report.

Additionally, Company being an Exchange, has also constituted other Regulatory Committees as stipulated under SECC Regulations.

AUDIT AND AUDITORS REPORT

Statutory Audit

The auditors, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), Mumbai, had been appointed, in the Ninth AGM held on August 1, 2014, for a period of three years to hold the office from the conclusion of the Ninth AGM until the conclusion of the Twelfth AGM to be held in the year 2017, accordingly they retire at the AGM.

The Board in its meeting held on May 5, 2017 approved and recommended the appointment of S R Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as statutory auditors of the Company for a period of five years with effect from ensuing AGM of the Company, subject to ratification by shareholders at every AGM. The auditors have confirmed that, their appointment would be in accordance with the Section 139 of the Act, and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act.

The statutory auditors' report dated May 5, 2017 on the financial statements of the Company for FY 2016-17 is unmodified and does not have reservations, qualifications or adverse remarks.

Secretarial Audit

The Board appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2016-17.

Secretarial audit report for the year ended on March 31, 2017 as provided by M/s. Ragini Chokshi & Co., Practicing Company Secretaries is enclosed as **Annexure A**.

The secretarial auditor's report does not contain any qualifications, reservations or adverse remarks.

POLICY MATTERS

Policy on Directors' Appointment and Remuneration

The Company's policy on Director's appointment and remuneration provided in Section 178(8) of the Act, has been disclosed in the **Annexure B** enclosed with this report.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri P. K. Nagpal, Executive Director, Corporate Finance Department, SEBI during the 'Corporate Governance Scorecard' event on 2nd December, 2016.

Corporate Social Responsibility ("CSR")

The Company has constituted a CSR Committee in accordance with Section 135 of the Act. The details of the 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 enclosed as **Annexure C** to this report.

Whistle Blower Policy

The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

The details of establishment of such mechanism has been disclosed on the website http://www.bseindia.com/downloads1/Whistle_Blower_policy.pdf

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

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

The Company 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 by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2017, no complaints pertaining to sexual harassment have been received

RISK MANAGEMENT AND COMPLIANCE

The risk management report discusses various dimensions of the Company's enterprise risk management. The risk related information outlined in this section may not be exhaustive. The discussion may contain statements that are forward looking in nature. The business is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements. Members are advised to refer the detailed discussion of the risk factors and related disclosures in the regulatory filings, and exercise their own judgment in accessing risks associated with the Company.

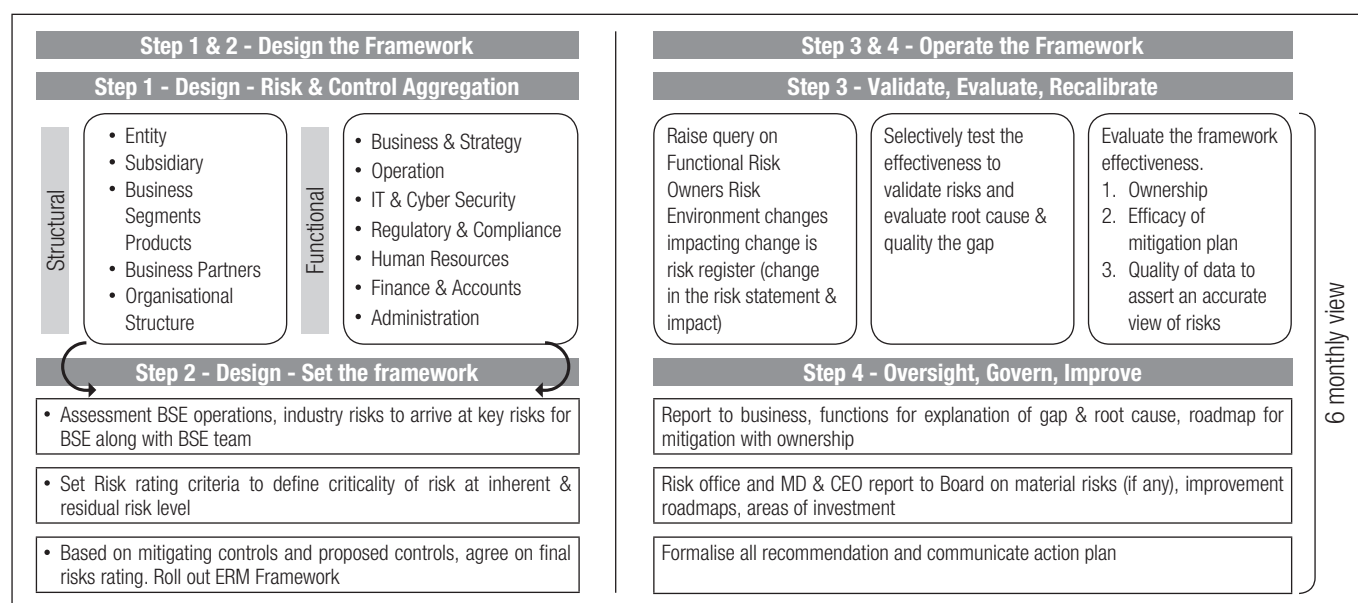
Overview

Risk Management is an enterprise wide function at the Company

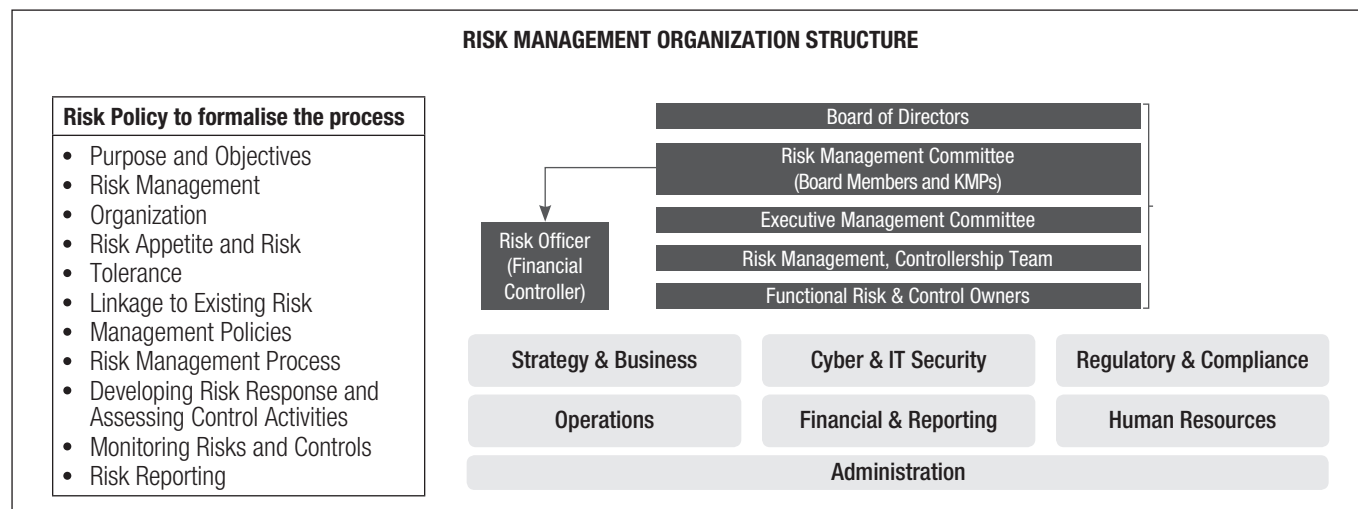
which covers major business and functional areas including strategy, operations, technology and compliance. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Several risks can impact the achievement of a particular business objective. Similarly, a single risk can impact the achievement of several business objectives. The focus of risk management is to assess risks, deploy mitigation measures and review them, including the risk management policy on a periodic basis. This is done through periodic review meetings of the Risk Management Committee comprising of the Board members.

The risk in relation to internal control over financial recording and reporting is reviewed by the Audit Committee. The Company'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 Auditors. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's financial risk management policies and systems.

Key component of the Company's Risk Management Framework



Risk Management Organization Structure



The key roles and responsibilities regarding risk management in the Company are summarized as follows:

LEVEL	Key Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> ✓ Approving key business objectives to be achieved by the Company. Ensuring that the executive management focuses on managing risks to key business objectives ✓ Reviewing the performance of the Risk Management Committee
Risk Management Committee	<ul style="list-style-type: none"> ✓ Composition of Committee: <ul style="list-style-type: none"> ▪ Smt. Usha Sangwan ▪ Shri Sumit Bose ▪ Shri Sethurathnam Ravi ▪ Shri Thomas Bendixen (Ceased to be Shareholder Director w.e.f. June 13, 2017) ▪ Shri Nehal Vora ▪ Shri V. Balasubramaniam (Ceased to be Member w.e.f. July 11, 2017) ▪ Shri Nayan Mehta ✓ Review and oversight with regards to identification, evaluation and mitigation of the strategic, operational, technology and compliance risks ✓ Reviewing and approving risk related disclosures ✓ Monitoring and approving the risk management framework and associated practices of the Company
Role of Risk Team	<ul style="list-style-type: none"> ✓ Adhering to the risk management policies and procedures ✓ Implementing prescribed risk mitigations actions ✓ Reporting risk events and incidents in a timely manner

Risk Categories

The Company's Risk Management Framework considers the following broad categories of risk:

(a) Strategy

Risks arising out of the choices we have made in defining our strategy and the risks to the successful execution of

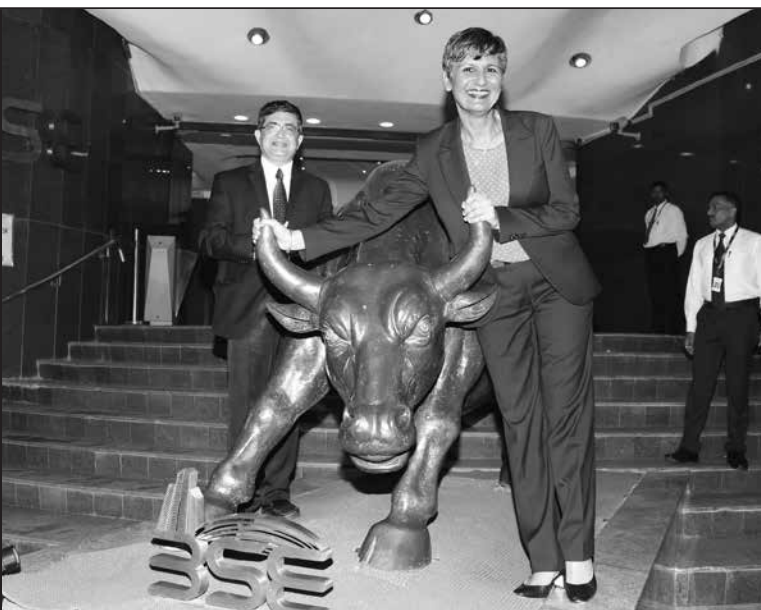
these strategies are covered in this category – for e.g., risks inherent in our industry and competitiveness are analyzed and mitigated through strategic choices of target markets, the Company's market offerings, business models and talent base. Potential risk to the long term scalability and sustainability of the organization are also analyzed and mitigation plans are formulated. We periodically assess risks to the successful execution of devised strategy, such as the effectiveness of tactical programs that are being executed, the momentum in new initiatives, the impact of strategy on financial performance, leveraging of inorganic plans, effectiveness of organisation structure and processes, retention and development of high performing talent and leadership.

(b) Operational and Technology

Risks arising out of internal and external factors affecting the policies, procedures, people and systems in our support functions, thereby impacting delivery of services; compromises our core values. Risks not in accordance with generally accepted business practices or impacting the client's operations are covered in this category. For e.g. risks of business activity disruption due to natural calamities, terrorist attacks, war or regional conflicts; or disruption in telecommunications, systems failures, virus attacks or breach of cyber security.

(c) Compliances

Risks arising out of threats posed to the financial, organisational, or reputational standing resulting from violations or non-conformance with laws, regulations, codes of



H. E. Ms. Harinder Sidhu, High Commissioner of Australia along with Shri Ashishkumar Chauhan, MD & CEO, BSE, posing with the BSE Bull on 11th July, 2016.

conduct, prescribed practices or contractual compliances are covered in this category. For e.g. risks of potential litigations, breach of contractual agreements, non-compliances to regulations, potential risks arising out of major regulatory/geo-political changes and potential risks arising out of strategic or operational business decisions.

Risk Management Procedure

(a) Risk Identification

Risk Management is a continuous interplay of actions that permeate the Company. It is brought into effect by the Company's risk committee, management and other personnel. The risk management process of the Company aims at providing reasonable assurance regarding achievement of its objectives.

In order to provide reasonable assurance, the Company's risk management process endeavors to help:

- Identify, assess and escalate new risks impacting the objectives of the Company,
- Define mitigation actions to respond to the new risks effectively,
- Monitor effectiveness of existing risk management mitigation actions and
- Report risks and risk management mitigation actions to the Risk Management Committee on a periodic basis.

The risk analysis and evaluation are carried out using scenario based assessments to decide the potential impact, likelihood of occurrence and in some cases, the ability to detect risk.

(b) Risk Mitigation

Mitigation actions are prepared and finalised, owners are identified and the progress of these actions are monitored and reviewed. The Risk Management Committee periodically evaluates the effectiveness of mitigating risks and provides its advice to the relevant teams.

(c) Risk Reporting

The top risk from the risk registers, its mitigation plans, periodic review of processes and new risks emanating from such reviews are assessed by the Risk Management Committee.

Risk Management Framework for the year

During the year, the Company's risk management practices were primarily focused on the effectiveness of strategic programs in improving the competitive position and differentiation in market segments, the momentum of new initiatives to achieve long-term business aspirations, readiness to address any incidents that may cause business disruptions to the physical and technological infrastructure, strengthening internal controls to detect fraudulent



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri D. K. Jain, Addl. Chief Secretary, Government of Maharashtra at the South Asian Federation Exchanges (SAFE) Conference on 12th May, 2017.

activity, leadership development, leadership succession planning and monitoring possible impact of changes in the regulatory environment.

The following risk management activities were carried out during the last fiscal year:

- Assessed and strengthened the enterprise risk management framework for further standardization of risk identification, assessment and governance of risks across the organization.
- Identified top ten risks at the Company level and the same is broadly categorized under strategic and business risks, operational and technology risks, regulatory and compliance risks.
- Identified and established various risk mitigation controls to mitigate the risk.
- Assessment of our business momentum relative to competition and competitive position in key market segments comprising currency derivatives, interest rate derivatives and mutual fund segment were conducted.
- Regularly assessed progress on the execution of strategic programs, specifically, progress on the growth of new derivative products and performance of subsidiary businesses.
- Monitored key developments in the regulatory environment, especially amendments and notifications issued by SEBI and other authorities which are applicable to the business.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has maintained adequate internal financial controls over financial reporting.

These includes policies and procedures –

- a. Pertaining to the maintenance of records that is reasonably detailed, accurately and fairly reflects the transactions and dispositions of the assets of the Company,
- b. To provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards ("IAS") notified under the Companies (IAS) Rules 2015 as amended from time to time, and that receipts and expenditures of the Exchange are being made only in accordance with authorization of management and directors of the Company, and
- c. To provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the criteria established in COSO Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (COSO Framework).



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Ambarish Datta, MD & CEO, BSE Institute and Shri Nehal Vora presenting a memento to Hon'ble Prime Minister of Mauritius, Sir Anerood Jugnauth at The India-Mauritius global Partnership Conference on 24th July, 2016.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The Company has formulated a policy on Related Party Transactions. The same is available on the Company's website at 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 the Company 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 for 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 Act and Listing Regulations.

A detailed disclosure of these transactions with the related parties is enclosed with this report in Form AOC-2 as **Annexure D**.

INVESTOR PROTECTION FUND (IPF)

The Company, through its IPF, regularly conducts Investor Awareness Programmes ("IAPs") throughout the country. IPF has conducted a total of 4,499 IAPs during FY 2016-17. During the year, IPF conducted 103 Regional Investor Seminars exclusively with SEBI across different parts of the country. BSE IPF also periodically brings out advertisements on Do's and Don't's for investors to educate investors and enable them to safeguard their interests.

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, 2017 there were 1,508 Company Research Reports available free of cost on the Company's website, for the investors. Search filters available on the 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 25 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 700 programs with Universities and Educational Institutions across India.

Major Initiatives include:

- 1) India International Trade Fair with SEBI, New Delhi from November 14, 2016 to November 27, 2016.

- 2) 44th National Convention of Institute of Company Secretaries, Ahmedabad, November 17, 2016.
- 3) Vibrant Gujarat Global Trade Show, Gandhinagar, from January 10, 2017 to January 13, 2017.
- 4) The Institute of Chartered Accountants of India ("ICAI") Convention 2016, Chennai, on January 20, 2017.
- 5) BSE IPF opened new Investor Service Centers across 9 cities during 2016-17 as per the mandate from SEBI.

These include: Chandigarh; Dehradun; Guwahati; Bhubaneswar; Ranchi; Panaji; Raipur; Shimla and Jammu.

Research Projects:

IPF supports research projects in the area of Capital Market. During FY 2016-17 IPF has completed following Research Projects:

1. "Analyzing investor behavior to increase the awareness of Investor awareness and Education Program" prepared by students of TA Pai Institute of Management Studies, Manipal under the BrandScan project.
2. "CFA Institute Research Challenge" hosted by the Indian Association of Investment Professionals Season 2016-17.

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:

- 1) CNBC TV18 and CNBC Awaaz
- 2) ZEE Business
- 3) Doordarshan ("DD") – Prasar Bharati
- 4) ET Now

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

Conservation of Energy

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

The Company 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,



(L-R) Shri Ashishkumar Chauhan, MD & CEO, BSE; Mr. Kyungsoo Choi, CEO and Chairman, Korea Stock Exchange and Mr. Bo Chung, Managing Director, Client Coverage, S&P Dow Jones Indices (S&P DJI) during the signing of the Memorandum of Understanding between BSE & Korea Exchange on 28th April, 2016.

we have coated the glass windows to reduce the heat entering the building which reduces the air-conditioning load. The Company continuously strives to optimize its energy usage and efficiency.

- (ii) The steps taken by the Company 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

Technology Absorption

Big Data Implementation and expanding its scope

Data at the Company is growing at an exponential rate and is expected to grow many-fold as we may start new lines of business. Data volume is doubling every two years. As per Statutory & Legal compliance mandates, most of the data had to be made available for a number of years to provide historical information to authorities. Our business demands complex on-demand analysis & reporting on terabytes of data. This is coupled with real time surveillance and fraud detection models, which was challenging with our legacy technologies.

Our previous investment in a proprietary system was almost fully utilized and required significant ongoing investments every year to keep pace with our complex analytics requirement and data growth. This would necessitate upgrade to newer releases of hardware and software every few years incurring significant investments.

To address this, the Company has migrated its enterprise Data Warehouse proprietary system to open source Big Data HADOOP platform and has built a real time analytics framework on the same. This move has brought in efficiency and lower cost of ownership which would provide for our requirements at a fraction of cost. In the new platform, we have consolidated multiple systems that processes and provide information into an Enterprise Data Lake. Data from systems like Trading, Risk Management, Clearing and Settlement and Back-office is available in real time from Big Data platform.

Further to Big Data analytics, the Company has also implemented Social Media analytics using Artificial Intelligence to predict rumors and verification of news floating in the market on BSE listed companies and its impact on the stock market. Such real time approach has resulted in prompt dissemination of information pertaining to the companies. The Company has deployed this technological innovation to mitigate the potential risks of market manipulation and information asymmetry arising from it. This would enhance market integrity, orderly functioning and investor protection in the Indian Capital Markets.

As the first phase of the project, the Company implemented a live framework to monitor the news websites using data management

and machine learning. In the subsequent phases, the framework for collecting data from Facebook and Twitter was implemented.

Social Media analytics has helped faster processing and dissemination of information. This was one of the primary criteria for success of this project. As the quantum of processing information increased, the Company was able to monitor impact of a certain news on the prices. Employee involvement and productivity reached new highs, as the team involved were equipped with better and more information. Overall savings in cost in terms of resources deployed for manual tracking, and other indirect costs were drastically reduced.

Adoption of Open source technologies for transaction processing work load

The Company is currently using proprietary relational databases for various transactional processing work loads of various systems. The proprietary relational databases are cost intensive and the Company incurs huge costs on licenses and annual maintenance contracts for the same. To have a control on this ever increasing license cost and in line with its overall outlook of moving towards the Open Source technologies, the Company has taken steps in the direction to migrate its existing database to PostgreSQL for majority of its systems which is also open source. This will result in substantial savings in overall licensing costs.

It is expected that by end of FY 2017-18, majority of the migration activity to be completed.

Augmentation of Trading infrastructure

In the past year, the Company has upgraded the trading system infrastructure to achieve an increased and improved performance. The latest hardware includes the Intel V4 series central processing units, the use of which has improved the performance of the system by around 15-20 microseconds. The hardware has been augmented by the creation of additional partitions for providing enhanced parallelism in the matching process. The product distribution on the various matching engines has been optimally arranged to offer the best performance.

The trading system's internal network has been further augmented by the additional switches to handle the Administrative messages flowing through the system. The additional switches enable segregation of the Order flows and Administrative message flows in the system.

Unified Trading Interface – BOLTPlus on Web

The Company provides BOLTPlus on Web ("BOW"), the powerful real time trading solution, free of cost to its members. As BOW is provided on a cloud model by the Company, trading members do not have to invest and manage hardware, software or incur any other license costs.

BOW comes with features like trade from anywhere, anytime using internet, daily charts, portfolio views and other user based customisation. Risk management is also an integral part of BOW, it provides flexibility to trading members to manage and control the risks, profiling of clients, monitoring and surveillance. Overall it's a



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Smt. Nita Ambani, Mr. Ricky Ponting, Shri. Rohit Sharma (Mumbai Indians Team) at the opening bell ceremony on April 7, 2016 at BSE.

complete package for all needs of trading members and their clients.

It has been a constant endeavor to innovate and provide high end trading solutions to the market participants. This as a vision, the following are the key deliverables done to enhance market participation.

1. Portfolio based margin implemented with the real time Mark to Market margins.
2. Keeping pace with the digital transactions, third party Payment Gateway solution has been integrated with the BOW Application which facilitates the user to do real time fund transfer.
3. BSE Mobile Based Trading Application now gives the user trading facility along with real time market data.
4. BOW now also supports new trading formats of NCDEX.

The BOW trading solution was also implemented for India's first International Exchange, India INX at GIFT City.

With continuous contribution from user experience and to enhance customer satisfaction, our focus is towards product enhancements with newer cost effective technologies and platforms. Performance, Scalability and Robustness are the key drivers of BOW platform. Trading users will be aided with enhanced GUI coupled with a new Flexible Risk Management system.

Unified Experience – Identity and Access Management

The Company has a series of application on variety of platforms. Each applications had its own work-flow management. In order to do away with inconvenience of manageability and simplify the process, the Company implemented its home grown solution of Identity and Access Management ("IAM") using open source technologies which helps to achieve Single-Sign On ("SSO") with Two Factor Authentication.

SSO solution was based on open source technology, integrated with its internal domain authentication mechanism. SSO facilitated unification of work-flow and access methodology. It reduces the overhead of maintaining multiple interfaces, reduces cost, simplifies process and vastly reduces non-compliance related issues.

To highlight a few of the benefits:

1. Control the implementation of password policy across all applications
2. Have single credentials for all applications
3. New user provisioning and de-provisioning encompassing all applications and services
4. Reduction in user management calls at IT help desk



Shri Raj K. Purohit, Member of Maharashtra Legislative Assembly; His Holiness Radhanath Swami; Shri Sudhakar Rao, Former Chairman, BSE; Actress Prachi Desai, Shri Ashishkumar Chauhan, MD & CEO along with the other BSE Members at the bell ringing ceremony of Muhurat Trading on 31st October, 2016.

5. One portal for all available applications

Launch of India INX

BSE, world's fastest exchange with the speed of 6 microseconds, is the first and only exchange to setup the country's first International Exchange at the International Financial Services Centre ("IFSC"), Gujarat International Finance-Tec City ("GIFT"), Gandhinagar.

The Company signed an agreement with GIFT Special Economic Zone ("SEZ") Ltd., in January 2015 to set up International Exchange and International Clearing Corporation at the GIFT IFSC. Built over an area of 880 acres, the GIFT City is envisaged as an International hub for capital market trade.

India INX and India ICC are wholly owned subsidiaries of the Company.

BSE IT team had been instrumental in setting up the India INX Data Centre. The Data Centre setup was completed in a record time of 2 months. This included the design, build, provisioning of power and cooling, infrastructure setup. It also provides for colocation services, facilitating high frequency trading. Variants of data dissemination streams are provided to choose from, such as Full order book, tick-by-tick and snapshot based. Correspondingly, solution team too was engaged in application development and deployments of about 20+ applications with multiple dry runs.

One of the notable and important IT contributions was application development to cater to 22 hours trading. The application architecture has been designed to be robust as well as flexible enough to meet international requirements, facilitating ease of configuring new products and its underline business rules.

The trading and the peripheral systems have been setup in a high availability mode and is designed to run 22 hours a day. The daily beginning and end of day operations activities have been automated.

India INX was inaugurated by the Hon'ble Prime Minister, Shri Narendra Modi, on January 9, 2017 and further the trading activities commenced on January 16, 2017.

India INX provides the BOW terminals to enable its Members to trade. In addition Exchange also provides API's in the form of Intermediate Message Layer ("IML") or Enhanced Trading Interface ("ETI") to Trading Members or Independent Software Vendors ("ISV") for development of their OmniLink Merchant Services ("OMS").

Upgradation of the Security Operations Center (SOC)

The Company lays special emphasis on improvement in its cyber-security framework and information security management systems. It was identified as a National Critical Information Infrastructure by National Critical Information Infrastructure Protection Centre ("NCIIPC").

There is an ongoing process to strengthen 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. With the increase in cyber threats and attacks, cyber security is becoming more and more established in the corporate structure. Constant enhancement in the Cyber Security Framework and Information Security Management System has been our top priority. Moreover, the Company's performance is dependent upon the volume

and value of trades executed on its trading platform. This implies high availability and no compromise on security around trading and peripheral systems or its underlying processes.

To address this challenge, the Company envisaged transforming its current information security posture to next generation security analytics and operations. The Company has embarked on a monumental task of creating the Next Generation security operations center ("SOC") to provide increased resilience and rapid response to events throughout its IT landscape.

The year 2016-17, witnessed hectic groundwork to build the foundation for SOC. After due diligence and assessment of current posture, technologies and solutions were identified for fortifying existing security infrastructure and adapting new strategies to combat advanced threats. SOC Team configurations and required skill sets were analysed. IT Team was revamped with resources with a focus area in cyber security.

Prime responsibility of SOC is to perform 24x7 monitoring, detecting, and isolating incidents which indicate compromise in confidentiality, integrity and availability of these critical systems. Management of the organization's security products, devices and systems are evident activities of SOC maintenance and operations scheme. The Next-Generation SOC will not only enable the Company to strategize against advanced cyber threats but also enhance its efforts as an organization to safeguard against informational, reputational and financial losses arising from cyber security breaches.

To build, maintain and operate Next-Generation SOC in integration with the existing security infrastructure, the Company has evaluated and appointed team of consultants and awarded contract to implement various security solutions. The fully operational SOC will be ready by end of 2017.

FOREIGN EXCHANGE EARNING AND OUTGO

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

Foreign Exchange Earning: ₹ 2,168 Lakh (Previous Year ₹ 1,999 Lakh)

Foreign Exchange Outgo: ₹ 585 Lakh (Previous Year ₹ 663 Lakh)

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 the Company and all its employees to the next level of competence and expertise. The Company 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 Human Resource ("HR") initiatives.



Shri Sudhakar Rao, Former Chairman, BSE presenting a memento to Actress Prachi Desai in presence of Shri Ashishkumar Chauhan, MD & CEO, BSE; His Holiness Radhanath Swami and Mr. Zheng Xiyuan, Consulate General of China in Mumbai on 31st October 2016.

The Company 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 the Company has undergone significant restructuring to enhance accountability and efficiency with a view to aligning performance management and reward strategies.

As of March 31, 2017 the Company had 369 officers and 121 staff level employees.

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

The Company has been hiring talent both experienced as well as fresh post 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.

Particulars of Employees

Pursuant to Section 197 (12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company shall disclose in the Board's report, the ratio of the remuneration of each director to the median employee's remuneration and other particulars of the employees drawing remuneration in excess of the limits prescribed in the above rules. Accordingly, such information pertaining to the Company is provided as an **Annexure E**.

DEPOSITS

The Company has not accepted any public deposits during FY 2016-17 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 the Company has not accepted any deposits during FY 2016-17, there has been no non-compliance with the requirements of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;



Shri Ashishkumar Chauhan, MD & CEO, BSE with the Representatives from IIT Kanpur during the MoU signing for "Collaboration in Cyber Security" ceremony on 3rd August, 2016 at BSE.

- 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 the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- 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.

OTHER DISCLOSURES

Extract of Annual Return

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

Management Discussion & Analysis

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

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the

end of the financial year to which the financial statements relate and the date of the report.

Change in the Nature of Business

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

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

Frauds

No Fraud has been reported by the Auditors to the Audit Committee or the Board.

Corporate Governance

Pursuant to the SECC Regulations, Listing Regulations and the Act, report on Corporate Governance as at March 31, 2017, forms part of this Annual Report. A Certificate from Practicing Company Secretary, Mumbai confirming status of compliances of the conditions of Corporate Governance is annexed to this report.

ACKNOWLEDGEMENTS

The Board thanks the Government of India, SEBI, RBI, 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 Company.

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

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

For and on behalf of the Board of Directors

Place: Mumbai

Date: August 3, 2017

Dhirendra Swarup

Chairman



(L-R) Shri Kersi Tavadia, Chief Information Officer-IT, BSE; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Ramesh Damani, Member, BSE and Shri Neeraj Kulshrestha, Chief of Business Operations, BSE cutting the cake at the closing bell ceremony of BSE's listing on 3rd February, 2017.



(L-R) Shri Nehal Vora, Chief Regulatory Officer, BSE; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Ramabhadran Thirumalai, Professor - Finance, Indian School of Business; Shri Saion Mukherjee, Head - Equity Research and Pharmaceutical Sector, Nomura Securities at the 2nd National Surveillance Forum on 20th June, 2016.

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

[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 01-04-2016 TO 31-03-2017

To,
The Members
BSE Limited
Floor, 25, P. J. Towers
Dalal Street, Mumbai – 400 001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BSE Limited (CIN: L67120MH2005PLC155188)** (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 **1st April, 2016 to 31st March 2017** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms 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 **1st April, 2016 to 31st March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (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 Regulations made there under to the extent of Foreign Direct Investment. During the period the Company has not made any Overseas Direct Investment nor it has availed loans through External Commercial Borrowings;
- (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.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d. The Securities and Exchange Board of India (Share based employees Benefits) Regulation 2014. **(Not applicable to the Company during the audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period)**
 - 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.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable to the Company during the audit period)**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998. **(Not applicable to the Company during the audit period)**

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 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
3. Securities Contracts (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.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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. The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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.
- Decisions at the meetings of the Board of the Company were carried through on the basis of majority and there were no dissenting views by any Member of the Board during the period under review.
- There are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following specific events /action reported having major bearing on Company's operations:

- (i) Appointment of Justice Vikramajit Sen as Public Interest Director on the Board of the Company.
- (ii) Appointment of Shri. Sumit Bose as Public Interest Director on the Board of the Company.
- (iii) Appointment of Smt. Prajakta Powle as a Company Secretary & Compliance officer and designated as Key Managerial Personnel.
- (iv) The Company has obtained its members' approval for sale of 26.05 % stake in Central Depository Services (India) Ltd. ("CDSL).
- (v) The Company consolidated face value of its equity share capital from ₹ 1/- to ₹ 2/- per equity share and consequently amended the Memorandum of Association of the Company after seeking member's approval.
- (vi) Incorporation of new Companies viz. "India International Exchange (IFSC) Limited" and "India International Clearing Corporation (IFSC) Limited" as wholly owned Subsidiaries of BSE Limited.
- (vii) Public Issue of 15,427,197 equity shares of the face value of ₹ 2/-each at premium of ₹ 804/- per equity share through offer for sale mechanism as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (viii) The Company sought members approval for appointment of Shri Roland Schwinn and Shri Kuldip Singh Dhingra as Shareholder Directors, subject to approval of SEBI.

For **Ragini Chokshi & Co.**
(Company Secretaries)

Ragini Chokshi
(Partner)

C.P. No. 1436/FCS No. 2390

Place: Mumbai

Date: August 3, 2017

NOMINATION AND REMUNERATION POLICY

1. BACKGROUND

The board of directors ("**Board**") of BSE Limited ("**Company**") constituted the Compensation Committee ("**Committee**"). The nomenclature was changed to Nomination and Remuneration Committee in Committee's meeting held on 14th May, 2014.

In compliance with the requirements set out under Section 178 of the Companies Act, 2013 ("**Companies Act**") and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Committee has formulated this Nomination and Remuneration Policy ("**Policy**") in order to pay equitable remuneration to the Directors, key managerial personnel, senior management and employees of the Company and to harmonize the aspirations of human resources with the goals of the Company.

While formulating this Policy, the Committee has considered the factors laid down under Section 178(4) of the Companies Act, which are as under:

- (i) 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;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) 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.

2. DEFINITIONS

2.1. "Independent Director" means a Director referred to in Section 149(6) of the Companies Act.

2.2. "Key Managerial Personnel" means the following:

- (i) the Managing Director or the Chief Executive Officer or the manager and in the absence, a whole time Director;
- (ii) the Company Secretary; and
- (iii) the Chief Financial Officer.

2.3. "Senior Management" means personnel of the Company who are members of its core management team excluding the Board but including the functional heads of the various departments of the Company.

Unless the context otherwise requires, words and expressions used in this Policy and not defined, shall have the meanings ascribed to them under the Companies Act and the Listing Agreement as may be amended from time to time.

3. ROLE / TERMS OF REFERENCE

The Committee constituted by the Board leads the process for appointment and remuneration of Directors and Key Managerial Personnel in accordance with the requirements of the Companies Act, Listing Regulations and other applicable regulations / guidelines. All the Board appointments are based on merits. The role / terms of reference of the Committee identified by the Board are as follows:

- (i) Identification and nomination of suitable candidates for the Board's approval in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;

- (ii) Identification of the key job incumbents in Senior Management and recommend to the Board whether the concerned individual be: (a) granted an extension in term/service; or (b) replaced with an identified internal or external candidate or recruit other suitable candidates;
- (iii) Making recommendations to the Board in relation to the remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- (iv) Formulating criteria for evaluation of performance of the Board and Independent Directors;
- (v) Devising a policy on Board diversity;
- (vi) Laying out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals; and
- (vii) Developing a succession plan to ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence and to regularly review the plan; and
- (viii) Carrying out such other functions as may be specified by the Board from time to time.

4. CONSTITUTION OF THE COMMITTEE

- 4.1.** The Committee will consist of 3 (three) or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act and applicable statutory requirements, including the Listing Regulations.
- 4.2.** A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

5. APPOINTMENT & REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

5.1. Appointment Criteria and Qualifications

- (i) The Committee, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director, Key Managerial Personnel and Senior Management personnel on his educational qualification, experience and track record. Such person shall possess adequate qualification, expertise and experience for the position the person is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is satisfactory for the concerned position.
- (ii) Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, gender and other diversity of the Board. In determining whether to recommend a Director for re-election, the Committee also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.
- (iii) A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Committee and Board shall adhere to the categorical standards set forth under Section 149 of the Companies Act to assist in making such determinations of independence.
- (iv) Every Key Managerial Personnel and member of the Senior Management shall always endeavour to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.

- (i) Any appointment and re-appointment of a Director, Senior Management and Key Managerial Personnel of the Company shall be subject to the approval of the Committee.

5.2. Tenure

- (i) Managing Director/ Whole-time Director: The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman, Chief Executive Officer or an Executive Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.
- (ii) Independent Director:
 - (a) An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - (b) No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that the Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - (c) At the time of appointment of the Independent Director, it shall be ensured that number of Boards on which such Independent Director shall serve is restricted to 7 (seven) listed companies as an Independent Director and three 3 (listed) companies as an Independent Director in case such person is serving as a Whole-time director of a listed Company.

5.3. Removal

The Committee may recommend to the Board, with reasons recorded in writing, removal of Director, Senior Management personnel or Key Managerial Personnel due to reasons for disqualification in the Companies Act or any other applicable act, rules and regulations. Such removal shall be subject to the provisions and compliance of the said Act, rules and regulations.

5.4. Retirement

The Whole-time Directors, Key Managerial Personnel and Senior Management personnel shall retire as per the applicable provisions of the Companies Act and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, Key Managerial Personnel and Senior Management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

5.5. Succession

- (i) The Committee shall periodically review and consider the list of Whole-time Directors, Key Managerial Personnel and Senior Management personnel due for retirement / attrition within the year and formulate a list of individuals eligible to succeed such individuals due for retirement.
- (ii) The Committee shall also consider the new vacancies that may arise because of business needs / up-gradation of Regional Office(s). Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development.
- (iii) Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement / relieving of the concerned officer to ensure the smooth transition.
- (iv) The recommendation of the Committee shall be placed to the Board for approval. While making its recommendation, the Committee shall consult with the chairman, the managing director/ chief executive officer, as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.
- (v) The managing director/ chief executive officer and the head of the human resources department of the Company shall, from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

- (vi) In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart (as far as practicable) shall take interim charge of the position, pending a regular appointment.

6. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

- 6.1.** Overall remuneration should be reflective of the size of the Company, complexity of the sector / industry / company's operations and the company's capacity to pay the remuneration.

- 6.2.** The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders, if applicable.

- 6.3.** Remuneration for Independent Directors & Non-Independent & Non-Executive Directors:

- (i) Independent Directors and non-independent non-executive directors may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.
- (ii) In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in furtherance of his/her duties as a director.

6.4. Remuneration for Executive Directors, Key Managerial Personnel & Senior Management:

- (i) The remuneration and commission to be paid to the Whole-time Director shall be recommended by the Committee to the Board and governed by the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act.
- (ii) The remuneration / compensation etc. to the Whole-time Director, Key Managerial Personnel and Senior Management personnel will be determined by the Committee and recommended to the Board for approval, while keeping in mind the following guidelines:
- (iii) Some of the key guiding principles that may be followed by the Committee at the time of determining any remuneration for Executive Directors, Key Managerial Personnel and Senior Management personnel shall include:
 - (a) remuneration should be reasonable and sufficient to attract, retain and motivate the employees to be aligned with the requirements of the Company (taking in consideration the challenges faced by the Company and its future growth imperatives);
 - (b) overall remuneration practices should be consistent with the recognized best practices;
 - (c) market competitive;
 - (d) based on the role played by the individual in managing the Company, including responding to challenges faced by the Company;
 - (e) reflective of size of the Company, complexity of the sector / industry / Company's operations and the Company's capacity to pay;
 - (f) aligned to regulatory requirements.

- 6.5.** Remuneration payable for Services rendered by Directors: The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless: (i) the services rendered are of a professional nature; and (ii) the Committee is of the opinion that the Director possesses requisite qualification for the practice of the profession.

- 6.6.** Where any insurance is taken by the Company on behalf of its other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7. POLICY IMPLEMENTATION

The Committee is responsible for recommending the nomination and the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the nomination and the remuneration policy.

8. MODIFICATIONS & REVIEW OF THE POLICY

In case of any subsequent changes in the Companies Act or any other regulations which makes any of the provisions in the Policy inconsistent with the Companies Act or regulations, then the provision of the Companies Act or regulations would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with law.

The Policy shall be reviewed by the Committee as and when the changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be subject to the approval of the Board.

Annexure 'C' to Directors' Report

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.

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.	Shri Sudhakar Rao (Chairman) ¹	Public Interest Director
2.	Dr. K. Kasturirangan	Public Interest Director
3.	Justice Vikramajit Sen	Public Interest Director
4.	Dr. Sriprakash Kothari	Shareholder Director

¹ Retired w.e.f. June 28, 2017

3. Average net profit of the Company for last three financial years, ending March 31, 2017:

₹ 5,113.31 Lakh

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹ 102.27 Lakh

5. Details of CSR expenditure for the financial year ending March 31, 2017:

- a. Total amount to be spent for the financial year: ₹ 105.60 Lakh
- b. Amount unspent, if any: ₹ Nil
- 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) (₹ in Lakh)	Direct expenditure on the Projects (₹ in Lakh)	Cumulative expenditure (₹ in Lakh) ¹	Manner of spending
1.	Contribution to technology incubator	Technology	Mumbai, Maharashtra	94.46	94.46	196.46	Through BSE CSR Integrated Foundation
2.	Donation of income earned on investment in HDFC Debt Fund to Indian Cancer Society	Health	All India	11.14	11.14	28.45	Through investment in HDFC Debt Fund for Cancer Cure of HDFC Mutual Fund
	Total			105.60	105.60	224.91	

¹ Refers to the expenditure on cumulative basis only on Projects identified during the Financial Year, since the Base Year FY 2014-15.

6. 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: August 3, 2017

Shri Ashishkumar Chauhan

Managing Director & CEO

Justice Vikramajit Sen

CSR Committee Chairman

Annexure 'D' to Directors' Report**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	1. India International Exchange (IFSC) Limited 2. India International Clearing Corporation (IFSC) Limited
(b)	Nature of contracts / arrangements / transactions	Investment (Acquisition of equity instruments), recovery and reimbursement of expenses
(c)	Duration of the contracts / arrangements / transactions	September 12, 2016
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	1. India International Exchange (IFSC) Limited (₹ 5,711 Lakh) 2. India International Clearing Corporation (IFSC) Limited (₹ 6,079 Lakh)
(e)	Date(s) of approval by the Board, if any:	August 8, 2016
(f)	Amount paid as advances, if any:	N. A.

For and on behalf of the Board of Directors

Date: August 3, 2017
Place: Mumbai

Dhirendra Swarup
Chairman

INFORMATION REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF YOUR COMPANY FOR THE FINANCIAL YEAR 2016-17 IS AS FOLLOWS:

Name of Director	Ratio of Remuneration of Director to median remuneration
Shri Ashishkumar Chauhan ¹	72
Shri Sudhakar Rao ²	3
Shri Dharendra Swarup	4
Dr. K. Kasturirangan	3
Shri Sethurathnam Ravi	3
Justice Vikramajit Sen	@
Shri Sumit Bose	@
Shri Thomas Bendixen ³	2
Dr. Sriprakash Kothari	1
Smt. Usha Sangwan	1
Smt. Rajeshree Sabnavis	2
Dr. Sanjiv Misra ⁴	@

- Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2016-17 as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
 - Retired w.e.f. June 28, 2017
 - Ceased to be Shareholder Director w.e.f. June 13, 2017
 - Ceased to be Public Interest Director w.e.f. April 22, 2016
- @ Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable

B. DETAILS OF PERCENTAGE INCREASE IN THE REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2016-17 ARE AS FOLLOWS:

Remuneration paid to Managing Director and Chief Executive Officer:

Name	% increase in remuneration in the financial year ^{1 & 2}
Shri Ashishkumar Chauhan	28%

- Including payment of deferred variable pay representing 50% of the variable pay of prior year (along with interest thereon) on completion of 3 years as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. If the same is excluded, the percentage increase in remuneration is 10%.
- Excludes 50% of the Variable Pay to be paid on deferred basis after 3 years as per the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

Remuneration paid to Non-Executive Independent Directors:

Name	% increase in remuneration in the financial year
Shri Sudhakar Rao ¹	15%
Shri Dharendra Swarup	35%
Dr. K. Kasturirangan	25%
Shri Sethurathnam Ravi ²	@
Justice Vikramajit Sen ³	@
Shri Sumit Bose ³	@

1. Retired w.e.f. June 28, 2017

2. Appointed as Public Interest Director w.e.f. February 5, 2016

3. Appointed as Public Interest Directors w.e.f. May 19, 2016

@ Since the remuneration of these Directors is only for part of the year, the percentage increase in their remuneration not comparable

Remuneration paid to Non-Executive Non Independent Shareholder Directors:

Name	% increase in remuneration in the financial year
Shri Thomas Bendixen ¹	-8%
Dr. Sriprakash Kothari	@
Smt. Usha Sangwan	@
Smt. Rajeshree Sabnavis	@

1. Ceased to be Shareholder Director w.e.f. June 13, 2017

@ Since the remuneration of these Directors is only for part of the year, the percentage increase in their remuneration not comparable

Remuneration paid to Key Managerial Personnel (KMP):

Name	Designation	% increase in remuneration in the financial year
Shri Nayan Mehta	Chief Financial Officer ¹	32.41%
Smt. Prajakta Powle	Company Secretary and Compliance Officer ²	@
Smt. Neena Jindal	Company Secretary ²	@

1. Including payment of deferred variable pay representing 50% of the variable pay of prior year (along with interest thereon) on completion of 3 years as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. If the same is excluded, the percentage increase in remuneration is 17%. It excludes 50% of the Variable Pay to be paid on deferred basis after 3 years as per the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

2. Smt. Prajakta Powle was appointed as Company Secretary and Compliance Officer, in place of Smt. Neena Jindal, erstwhile Company Secretary of the Company w.e.f. September 7, 2016

@ Since the remuneration of above Key Managerial Personnel is only for part of the year, the percentage increase in their remuneration is not comparable

C. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2016-17: 2%

D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2017: 490

E. AVERAGE PERCENTILE INCREASE ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION:

The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year is 9% as compared to 10% increase in salary of managerial personnel (excluding 50% of variable pay pertaining to earlier years) paid in accordance with the Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012.

F. IT IS HEREBY AFFIRMED THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY.

INFORMATION REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Name	Age (Yrs.)	Date of Joining	Total Remuneration in ₹ ¹	Designation / Nature of Duties	Educational Qualifications	Experience in years	Previous Employment
1.	Shri Ashishkumar Chauhan ²	49	22-Sep-09	4,16,82,296	Managing Director & CEO	B Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)	26	President and Group Chief Information Officer (CIO) - Reliance Industries Limited, Deputy CEO - BSE Limited, Interim CEO - BSE Limited.
2.	Shri Nehal Vora ²	43	20-Jul-09	1,60,45,421	Chief Regulatory Officer	B.Com., MMS (Finance)	21	Director - DSP Merrill Lynch Ltd.
3.	Shri Balasubramaniam V ² & ³	45	24-Sep-09	1,27,74,559	Chief Business Officer	M.Com., ICWA, CFA, CISA, NWIF	26	Vice President - Reliance Industries Group

1. Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2016-17 as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

2. Employed on contractual basis in accordance with the employment terms and conditions and service rules

3. Employed for a part of the financial year

Notes:

- Remuneration as shown above includes Salary, Allowances, Ex-gratia, Leave encashment, Contribution to Provident Fund, Performance Linked Bonus and other perquisites.
- None of the employees named above is relative of any Director of the Company.
- None of the employees named above hold any equity shares in the Company.
- Shri. Ashishkumar Chauhan was appointed as Managing Director & CEO for a period of five years with effect from November 2, 2012.
- The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2012, FOR THE PERIOD FROM APRIL 1, 2016 TO MARCH 31, 2017

Sr. No.	Name	Age (Yrs.)	Date of Joining	Total Remuneration in ₹	Designation / Nature of Duties	Educational Qualifications	Experience in years	Previous Employment
1.	Shri Ashishkumar Chauhan ^{1&2}	49	22-Sep-09	4,16,82,296	Managing Director & CEO	B Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)	26	President and Group Chief Information Officer (CIO) - Reliance Industries Limited, Deputy CEO - BSE Limited, Interim CEO - BSE Limited.
2.	Shri Nehal Vora ^{1&2}	43	20-Jul-09	1,60,45,421	Chief Regulatory Officer	B.Com., MMS (Finance)	21	Director - DSP Merrill Lynch Ltd.
3.	Shri Nayan Mehta ^{1&2}	50	19-Jan-12	85,54,902	Chief Financial Officer	B. Com, AICWA, FCA	25	Joint General Manager (Accounts) - Credit Analysis & Research Ltd.
4.	Shri Kersi Tavadia ^{1&2}	54	25-Oct-10	82,17,899	Chief Information Officer	B.Sc, PGDCS, MFM, CISM	34	Chief Technology Office-HSBC Invest Direct Securities, Sr. Vice President & Head-IT - Motilal Oswal Securities
5.	Shri Neeraj Kulshrestha ²	51	05-May-15	75,00,579	Chief of Business Operations	Bachelors in Science (Computer) from Delhi University and a MBA (Finance) from Indore University.	29	Executive Director at Morgan Stanley India

1. Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2016-17 as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

2. 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, Leave encashment, 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.
4. Shri. Ashishkumar Chauhan was appointed as Managing Director & CEO for a period of five years with effect from November 2, 2012.
5. The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

For and on behalf of the Board of Directors

Date: August 3, 2017

Place: Mumbai

Dhirendra Swarup
Chairman

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2017

[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	L67120MH2005PLC155188
ii)	Registration Date	August 8, 2005
iii)	Name of the Company	BSE Limited
iv)	Category / Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v)	Address of the Registered office and contact details	25 th Floor, P J Towers, Dalal Street, Mumbai 400 001.
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar Transfer Agent, if any	Karvy Computershare Private Limited Unit : BSE Limited, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Contact Person Ms. Rajitha Cholleti Senior Manager – Corporate Registry Tel : 91-040-6716 2222 Email :- einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	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 Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U67120MH2007PLC170358	Wholly Owned Subsidiary	100.00%	2(87)
2	MARKETPLACE TECHNOLOGIES PRIVATE LIMITED Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U72200MH2005PTC152920	Wholly Owned Subsidiary	100.00%	2(87)
3	BSE INSTITUTE LIMITED Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U80903MH2010PLC208335	Wholly Owned Subsidiary	100.00%	2(87)
4	BSE INVESTMENTS LIMITED Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U65990MH2014PLC253680	Wholly Owned Subsidiary	100.00%	2(87)
5	BSE SAMMAAN CSR LIMITED Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U74999MH2015PLC268298	Wholly Owned Subsidiary	100.00%	2(87)

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
6	INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED Address: 1 st Floor, Unit No. 101, The Signature Building No.13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar – 382355, Gujarat, India.	U67190GJ2016PLC093684	Wholly Owned Subsidiary	100.00%	2(87)
7	INDIA INTERNATIONAL CLEARING CORPORATION (IFSC) LIMITED Address: 1 st Floor, Unit No. 102, The Signature Building, no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar – 382355, Gujarat, India.	U67190GJ2016PLC093683	Wholly Owned Subsidiary	100.00%	2(87)
8	BSE CSR INTEGRATED FOUNDATION Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U85191MH2016NPL273997	Subsidiary (additional 20% of shares held by subsidiaries)	80.00%	2(87)
9	CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED Address: Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street, Mumbai 400001	L67120MH1997PLC112443	Subsidiary	50.05%	2(87)
10	MARKETPLACE TECH INFRA SERVICES PRIVATE LIMITED Address: 3 rd Floor, B Wing, Aggarwal Trade Centre, Plot No. 62, Sector-11, C. B. D. Belapur, Navi Mumbai 400614	U72900MH2011PTC213218	Subsidiary (Wholly Owned Subsidiary of Marketplace Technologies Private Limited, referred to at Sr. no 2)	-	2(87)
11	CDSL VENTURES LIMITED Address: 17 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001	U93090MH2006PLC164885	Subsidiary (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no 9)	-	2(87)
12	CDSL INSURANCE REPOSITORY LIMITED Address: Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street, Mumbai – 400001.	U74120MH2011PLC219665	Subsidiary (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no 9)	-	2(87)
13	CDSL COMMODITY REPOSITORY LIMITED Address: Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street, Mumbai - 400001.	U74999MH2017PLC292113	Subsidiary (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no 9)	-	2(87)
14	BSE SKILLS LIMITED Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U80904MH2014PLC255068	Subsidiary (Wholly Owned Subsidiary of BSE Institute Limited, referred to at Sr. no 3)	-	2(87)
15	BFSI SECTOR SKILL COUNCIL OF INDIA Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U80904MH2011NPL222074	Subsidiary (additional 2.44% of shares held by BSE Institute Limited, referred to at Sr. no 3)	48.78%	2(87)
16	BIL – Ryerson Technology Startup Incubator Foundation Address: 18 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001.	U80904MH2015NPL269911	Subsidiary (51% of shares held by BSE Institute Limited, referred to at Sr. no. 3)	-	2(87)
17	Asia Index Private Limited Address: 14 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 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		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
Category of Share holders		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
A. Promoters									
(1) Indian		0	0	0	0.00	0	0	0	0.00
a) Individual/HUF		0	0	0	0.00	0	0	0	0.00
b) Central Government		0	0	0	0.00	0	0	0	0.00
c) State Government (s)		0	0	0	0.00	0	0	0	0.00
d) Bodies Corp.		0	0	0	0.00	0	0	0	0.00
e) Banks / FI		0	0	0	0.00	0	0	0	0.00
f) Any Other....		0	0	0	0.00	0	0	0	0.00
Sub-total (A) (1):-		0	0	0	0.00	0	0	0	0.00
(2) Foreign									
a) NRIs - Individuals		0	0	0	0.00	0	0	0	0.00
b) Other – Individuals		0	0	0	0.00	0	0	0	0.00
c) Bodies Corp.		0	0	0	0.00	0	0	0	0.00
d) Banks / FI		0	0	0	0.00	0	0	0	0.00
e) Any Other....		0	0	0	0.00	0	0	0	0.00
Sub-total (A) (2):-		0	0	0	0.00	0	0	0	0.00
Total shareholding of Promoter (A) = (A) (1)+(A)(2)		0	0	0	0.00	0	0	0	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		0	0	0	0	2023670	0	2023670	3.76
b) Banks / FI		38961	0	38961	0.04	158576	0	158576	0.29
c) Central Government		0	0	0	0	0	0	0	0
d) State Government (s)		0	0	0	0	0	0	0	0
e) Venture Capital Funds		0	0	0	0	0	0	0	0
f) Insurance Companies		5019443	0	5019443	4.68	2509721	0	2509721	4.66
g) FIIs (including FPI's)		9720407	0	9720407	9.05	7938506	0	7938506	14.75
h) Foreign Venture Capital Funds		0	0	0	0	0	0	0	0
i) Others (specify)									
a) FDI		22244404	0	22244404	20.72	4730534	0	4730534	8.79
b) Alternate Investment Funds		0	0	0	0	9114	0	9114	0.02
Sub-total (B)(1):-		37023215	0	37023215	34.49	17370121	0	17370121	32.28

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

i) Category-wise Share Holding	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	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8994425	0	8994425	8.38	4258469	0	4258469	7.91	(0.46)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6045189	254	6045443	5.63	8821182	126	8821308	16.39	10.76
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2377263	0	2377263	2.21	530835	0	530835	0.99	(1.23)
c) Other (Specify)									
i. HUF	552576	0	552576	0.51	554166	0	554166	1.03	0.52
ii. Trust	100	0	100	0	210735	0	210735	0.39	0.39
iii. Non Resident Indians	457593	0	457593	0.43	1419330		1419330	2.64	2.21
iv. Limited liability partnership (LLP)	13000	0	13000	0.01	-	-	-	-	(0.01)
v. NBFC	0	0	0	0	200	0	200	0	0
Sub-total (B)(2):-	18440146	254	18440400	17.18	15794917	126	15795043	29.35	12.18
Total Public Shareholding (B)=(B)(1)+(B)(2)	55463361	254	55463615	51.66	33165038	126	33165164	61.64	9.97
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	55463361	254	55463615	51.66	33165038	126	33165164	61.64	9.97
D. Trading Members & Associates of Trading Members									
I. Corporate Trading Member	22164274	445897	22610171	21.06	8690505	222948	8913453	16.57	(4.50)
II. Individual Trading Member	7585335	143000	7728335	7.20	3078365	71500	3149865	5.85	(1.34)
III. Trading Member BANK	8837589	0	8837589	8.23	4530833	0	4530833	8.42	0.19
IV. Associate Trading Member-CORPORATE	5179797	0	5179797	4.82	934272	0	934272	1.74	(3.09)
V. Associate Trading Member-INDIVIDUAL	6679467	0	6679467	6.22	2962362	0	2962362	5.51	(0.72)
VI. Associate Trading Member-HUF	170684	0	170684	0.16	73302	0	73302	0.14	(0.02)
VII. Associate Trading Member Banks/FII	39961	0	39961	0.04	20480	0	20480	0.04	0.00
VIII. Associate Trading Member FDI Banks	116883	0	116883	0.11	58441	0	58441	0.11	0.00
IX. Associate Trading Member - Venture Capital	530842	0	530842	0.49	-	-	-	--	(0.49)
Sub-total D:	51303832	588897	51892729	48.34	20348560	294448	20643008	38.36	(9.97)
Grand Total (A+B+C+D)	106767193	589151	107356344	100	53513598	294574	53808172	100	0

Note: The face value of the equity shares of the Company was consolidated from INR 1/- (Rupee One only) to INR 2/- (Rupees Two only) per share, vide resolution passed by the members of the Company on November 25, 2016

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	
-	-	-	-	-	-	-	-	-

iii) Change in promoters' Shareholding (please specify, if there is no change) – Not Applicable					
Sr. No.		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
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus Sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

iv) Shareholding Pattern of Top 10 Shareholders (other than directors, promoters and holders of GDRS and ADRS)^{\$}					
Sr. No.	Name of the Shareholder	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	SMALLCAP WORLD FUND, INC	0	0.00	0	0.00
	3/2/2017 Purchase	896830	1.67	896830	1.67
	10/2/2017 Purchase	1640421	3.05	2537251	4.72
	17/02/2017 Purchase	136179	0.25	2673430	4.97
	At the End of the Year			2673430	4.97
2	DEUTSCHE BOERSE AG	2549443	4.74	2549443	4.74
3	STATE BANK OF INDIA	2548682*	4.74	2548682*	4.74
4	LIFE INSURANCE CORPORATION OF INDIA	2509721*	4.66	2509721*	4.66
5	NOMURA INDIA INVESTMENT FUND MOTHER FUND	0	0.00	0	0.00
	10/02/2017 Purchase	1500000	2.79	1500000	2.79
	At the end of the year			1500000	2.79
6	GKFF VENTURES	2456931	4.57	2456931	4.57
	19/08/2016 Tendered in Offer for Sale#	1228465*	2.28	1228465*	2.28
	At the end of the year			1228465*	2.28
7	CALDWELL INDIA HOLDINGS INC	2007772	3.73	2007772	3.73
	19/08/2016 Tendered in Offer for Sale#	834453	1.55	1173319	2.18
	At the End of the Year			1173319	2.18

iv) Shareholding Pattern of Top 10 Shareholders (other than directors, promoters and holders of GDRS and ADRS)^{\$}					
Sr. No.	Name of the Shareholder	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
8	ACACIA BANYAN PARTNERS LIMITED	2007772	3.73	2007772	3.73
	19/08/2016 Tendered in Offer for Sale#	1000000	1.86	1007772	1.87
	At the end of the year			1007772	1.87
9	SIDDHARTH BALACHANDRAN	25000	0.05	25000	0.05
	29/07/2016 Purchase	1000	0.00	26000	0.05
	5/8/2016 Purchase	35500	0.07	61500	0.11
	12/8/2016 Purchase	74401	0.14	135901	0.25
	19/08/2016 Purchase	88350	0.16	224251	0.42
	19/08/2016 Sale	61500	0.11	162751	0.30
	26/08/2016 Purchase	574214	1.07	736965	1.37
	16/09/2016 Purchase	21000	0.04	757965	1.41
	7/10/2016 Purchase	4000	0.01	761965	1.42
	14/10/2016 Purchase	5000	0.01	766965	1.43
	21/10/2016 Purchase	19585	0.04	786550	1.46
	4/11/2016 Purchase	2644*	0.00	789194	1.47
	11/11/2016 Purchase	5000	0.01	794194	1.48
	25/11/2016 Purchase	7000	0.01	801194	1.49
	9/12/2016 Purchase	265421	0.49	1066615	1.98
	30/12/2016 Purchase	2500	0.00	1069115	1.99
	30/12/2016 Sale	2500	0.00	1066615	1.98
	13/01/2017 Purchase	21300	0.04	1087915	2.02
	At the end of the year			1087915	2.02
10	BAJAJ HOLDINGS AND INVESTMENT LTD	1503398	2.79	1503398	2.79
	19/08/2016 Tendered in Offer for Sale#	751699	1.40	751699	1.40
	At the end of the year			751699	1.40

^{\$} The face value of the equity shares of the Company was consolidated from INR 1/- (Rupee One only) to INR 2/- (Rupees Two only) per share, vide resolution passed by the members of the Company on November 25, 2016

Ceased to be shareholders of the Company pursuant to allotment of equity shares on February 1, 2017 under Initial Public Offer through Offer for Sale

* Fractional Non offered equity shares arising due to Consolidation of Face Value are held by the trustees appointed by the Company vide resolution passed by the members of the Company on November 25, 2016

v) Shareholding of Directors and Key Managerial Personnel :					
Sr. No	For each of the Directors and KMP	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
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus Sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

(₹ in Lakh)

V. INDEBTEDNESS				
Indebtedness of the Company Including interest outstanding / accrued but not due for payment				
	Secured Loans excluding deposits ¹	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	127	0	0	127
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	10	0	0	10
Total (i+ii+iii)	137	0	0	137
Change in Indebtedness during the financial year				
i) Addition	0	0	0	0
ii) Reduction	65	0	0	65
Net Change	65	0	0	65
Indebtedness at the end of the financial year				
i) Principal Amount	67	0	0	67
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	5	0	0	5
Total (i+ii+iii)	72	0	0	72
1. These liabilities represent obligations under finance lease including current portion of obligations.				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		(Shri. Ashishkumar Chauhan) ¹	
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,07,06,696	4,07,06,696
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	c) 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...	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
Sr No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		(Shri. Ashishkumar Chauhan) ¹	
5	Others, - Employer's contribution to Provident Fund	9,36,000	9,36,000
	Total	4,16,82,296	4,16,82,296
	Ceiling as per the Act (₹ in Lakh)	897	897
1. Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2016-17 as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.			

B Remuneration to other directors					
(Amount in Lakh)					
Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Shri Sudhakar Rao ¹	17.75	-	-	17.75
	Shri Dharendra Swarup	24.00	-	-	24.00
	Dr. K. Kasturirangan	16.50	-	-	16.50
	Shri Sethurathnam Ravi	17.00	-	-	17.00
	Justice Vikramajit Sen	12.50	-	-	12.50
	Shri Sumit Bose	12.50	-	-	12.50
	Dr. Sanjiv Misra ²	01.50	-	-	01.50
	Total (1)	101.75	-	-	101.75
2	Shareholder Director				
	Shri Thomas Bendixen ^{3 & 4}	9.25	-	-	9.25
	Dr. Sriprakash Kothari	8.25	-	-	8.25
	Smt. Rajeshree Sabnavis	9.75	-	-	9.75
	Smt. Usha Sangwan ⁵	8.00	-	-	8.00
	Total (2)	35.25	-	-	35.25
	Total Managerial Remuneration (1) + (2)	137.00	-	-	137.00

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 which the Company has to borne.

1. Retired w.e.f. June 28, 2017
2. Ceased to be Public Interest Director w.e.f. April 22, 2016
3. Ceased to be Shareholder Director w.e.f. June 13, 2017
4. Paid to Deutsche Boerse AG (DB) for the meetings attended by Shri Thomas Bendixen, as representative of Deutsche Boerse AG
5. Paid to Life Insurance Corporation (LIC) for the meetings attended by Smt. Usha Sangwan, as representative of Life Insurance Corporation

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD					
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary		Total
		Shri. Nayan Mehta ¹	Smt. Prajakta Powle ²	Smt. Neena Jindal ²	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79,88,114	10,76,538	27,35,287	1,17,99,939
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,22,788	-	-	4,22,788
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of Profit				
	- Other specify				
5.	Others				
	- Employer's contribution to Provident Fund	1,44,000	32,800	43,425	2,20,225
	Total	85,54,902	11,09,338	27,78,712	1,24,42,952
1.	<i>Total Remuneration of CFO stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2016-17 as per Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations,</i>				
2.	<i>Smt. Prajakta Powle was appointed as Company Secretary and Compliance Officer, in place of Smt. Neena Jindal, erstwhile Company Secretary of the Company w.e.f. September 7, 2016.</i>				

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)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 3, 2017

Dhirendra Swarup
Chairman

Management Discussion & Analysis

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Exchanges are organized markets designed to provide centralized facilities for the listing and trading of financial instruments, including securities issued by companies, sovereigns and other entities to raise capital. The exchanges are crucial market intermediaries and are supervised by the Securities and Exchange Board of India ("SEBI"). In certain cases, exchanges may also act as a self-regulatory organization responsible for supervising their members and affiliated markets. To give an overview of the dimension of the capital markets in India in FY 2016-17, there are 5 Stock Exchanges in the Cash Market, 3 in the Derivatives and 12 in the Commodities Market, almost 10,000 brokers across segments, over 31,000 sub brokers, over 5,000 listed companies, 2 depositories, almost 7,500 Foreign Portfolio Investors ("FPIs"), over 1,400 deemed FPIs and 19 custodians, all with a market capitalization of ~ USD 1.9 trillion ranking #10 globally¹.

A stock exchange is a catalyst for nation building and not just a trading platform. A vibrant capital market is a large job creator with the number of intermediaries required to support each trade. The Exchange ecosystem supports various intermediaries ie. brokers, sub brokers, broker branches, corporates, banks, depositories, depository participants, custodians and investors. The Stock Exchanges in India have 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.

Recently in April 2017, the capital markets regulator SEBI permitted a unified license for brokers to allow trading in equities and commodities. Following this, a broker or clearing member dealing in the securities markets will be allowed to buy, sell or deal in commodity derivatives without setting up a separate entity and vice-versa. The integration of stock brokers in equity and commodity derivative markets while having many synergies in terms of trading and settlement mechanism, risk management, redressal of investor grievances, etc. would benefit investors, brokers, stock exchanges and SEBI. This integration will help in widening market penetration and facilitate effective regulatory oversight by stock exchanges and SEBI.

In FY 2016-17, the Indian capital markets witnessed a major milestone with the listing of a major stock exchange - BSE Limited ("BSE") on the National Stock Exchange ("NSE"), after the capital markets regulator SEBI issued a framework for listing of exchanges and depositories. This milestone paves the way for listing of capital market intermediaries.

In November 2016, SEBI granted an in-principle approval to the Company for setting up an International Exchange and International Clearing Corporation in International Financial Services Centre ("IFSC") situated at Gujarat International Finance Tec-City ("GIFT City"), Gandhinagar, Gujarat. India International Exchange (IFSC) Limited (India INX) and India International Clearing Corporation (IFSC) Limited (India ICC) were set up as wholly owned subsidiary of the BSE Limited. The International exchange received final approval from Securities and Exchange Board of India (SEBI) on December 30, 2016.

India INX is now India's first International Exchange set up at GIFT City and was inaugurated by Honourable Prime Minister, Shri Narendra Modi, on 9th January, 2017. India INX offer a diversified portfolio of products and technology services at a cost which is far more competitive to Indian exchanges as well as other global exchanges. At present, India INX offers derivatives trading in equities, currency, interest rates and commodities on par with other global financial hubs. The international exchange will help India compete with other international financial centers and usher in new chapter in the financial services sector.

2. OUTLOOK

In FY 2016-17, India was among the top investment destination for investors. A number of Government initiatives focusing on enhancing attractiveness of India as an investment destination have been launched. It is expected that continued foreign institutional investment ("FII") flows into India will be a key driver of growth in the medium term. While cash equities will be the key driver of growth in coming years, other asset classes including currency, interest rate and commodity derivatives, bonds and ETFs are also expected to witness a strong growth. Recent Government focus on reviving bond markets and encouraging Corporates to tap capital markets for bonds will also help create a liquid bond market.

¹ Source: SEBI Bulletin – March 2017

On the domestic investors' front, it is widely known that among financial assets, majority of household savings in India are concentrated in the form of cash deposits, gold and real estate. This is in sharp contrast to developed economies where households rely on a mix of equities, pension products, insurance and other financial products. As financial literacy levels improve and per capita savings increase, the allocation of savings into more sophisticated products such as insurance, mutual funds and direct equities is expected to increase. It has been observed that towards the end of FY 2016-17, there was a significant increase in the Mutual Fund Asset Under Management ("AUM") driven by retail participation. The Indian Government has also offered tax breaks and financial schemes to encourage securities investment. Additionally, we can expect that the Government push towards a digital economy may lead to attractive growth opportunities for exchanges in India, as investors shun cash products and move towards financial products like mutual funds. Some potential drivers that may support capital markets growth include greater allocation of household savings towards financial assets and adoption of digital payment mechanisms for financial as well as non-financial transactions.

Key risks include near term growth uncertainty arising from policy changes, further rise in oil and other commodity prices, and sharp decline in treasury yield premiums for India which may induce volatility in the bond market, slippage in fiscal deficit, elevated mid-cap valuations and rising return correlations globally. Overall, major themes to impact Indian capital markets in FY 2017-18 include resurrection in consumption demand, growth led by policy reforms, move towards digitization, monetary stance of global central banks and economic policy decisions. Additionally, improving fiscal situation, inflation rate, exports growth, rising FDI flows point towards fundamental stability in the economy which augurs well for long term investing via the capital markets.

3. COMPETITIVE STRENGTHS AND OPPORTUNITIES

3.1 Strong brand recognition

BSE is Asia's oldest Stock Exchange, established in 1875, and one of the most identifiable 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.

3.2 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,



Shri Sudhakar Rao, Former Chairman, BSE and Shri Ashishkumar Chauhan, MD & CEO, BSE with delegates from SAFE (South Asian Federation of Exchanges) at BSE in 2016.

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.

3.3 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.

3.4 Big Data Implementation and expanding its scope

Data at the Company is growing at an exponential rate and is expected to grow many-fold as we start new lines of business. Data volume is doubling every two years. As per Statutory and Legal compliance mandates, most of the data had to be made available for a number of years, to provide historical information to authorities. Our business demands complex on-demand analyses and reporting on terabytes of data. This is coupled with real time surveillance and fraud detection models, which was challenging with our legacy technologies.

Our previous investment in a proprietary system was almost fully utilized and required significant ongoing investments every year to keep pace with our complex analytics requirement and data growth. This would necessitate upgrade to newer releases of the hardware and software every few years incurring significant investments.

To address this, the Company has migrated its enterprise Data Warehouse proprietary system to the open source Big Data HADOOP platform and has built a realtime analytics framework on the same. This move has brought in efficiency and lower cost of ownership which would provide for our requirements at a fraction of cost. In the new platform, we have consolidated multiple systems that process and provide information into an Enterprise Data Lake. Data from systems like Trading, Risk Management, Clearing and Settlement and Back-office are available, realtime from the Big Data platform.

Further to Big Data analytics, the Company has also implemented Social Media analytics using Artificial Intelligence to predict rumors and verification of news floating in the market on listed companies and its impact on the stock market. Such real time approach has resulted in prompt dissemination of information pertaining to the companies. The Company has deployed this technological innovation to mitigate the potential risks of market manipulation and information asymmetry arising from it. This would enhance market integrity, orderly functioning and investor protection in the Indian Capital Markets.

As the first phase of the project, the Company has implemented a live framework to monitor the news websites using data management and machine learning. In the subsequent phase,

the framework for collecting data from Facebook and Twitter was implemented.

Social Media analytics have helped faster processing and dissemination of information. This was one of the primary criteria for success of this project. As the quantum of processing information increased, the Company was able to monitor impact of a certain news on the prices. Employee involvement and productivity reached new highs and the team involved were equipped with better and more information. Overall savings in cost in terms of resources deployed for manual tracking, and other indirect costs were drastically reduced.

3.5 Unified Trading Interface – BOLTPLUS on Web

The Company provides BOLTPLUS on Web ("BOW"), the powerful real time trading solution, free of cost to its members. As BOW is provided on a cloud model, trading members do not have to invest and manage hardware, software or incur any other license costs.

BOW comes with features like trade from anywhere, anytime using internet, daily charts, portfolio views and other user based customisation. Risk management is also an integral part of BOW, it provides flexibility to trading members to manage and control the risks, profiling of clients, monitoring and surveillance. Overall it is a complete package for all the needs of trading members and their clients.

It has been a constant endeavor to innovate and provide high end trading solutions to the market participants. This as a vision, the following are the key deliverables to enhance market participation.

1. Portfolio based margin implemented with the real time Mark to Market margins.
2. Keeping pace with the Digital transactions, third party Payment Gateway solutions integrated with the BOW Application, facilitate real time fund transfer.
3. BSE Mobile Based Trading Application now facilitates user trading along with real time market data.
4. BOW also supports new trading formats of NCDEX.

Furthermore, the BOW trading solution was implemented for India's first International Exchange, India INX (IFSC) Ltd., at GIFT City.

With continuous contribution from user experience and to enhance customer satisfaction, the focus is towards product enhancements with newer, cost effective technologies and platforms. Performance, Scalability and Robustness are the key drivers of BOW platform. Trading users will be aided with enhanced GUI coupled with Flexible Risk Management.



Hon'ble Raj Rampertab, MP, Mauritius & Parliamentary Private Secretary, Office of Prime Minister of Mauritius and Mrs. B. Napaul, Consul General of Mauritius ringing the BSE bell along with Shri Ashishkumar Chauhan, MD & CEO, BSE and the delegation from Mauritius on Monday, 9th May, 2016.

3.6 Augmentation of Trading Infrastructure

In the past year, the Company has upgraded the trading system infrastructure to achieve an increased throughput and improved performance. The latest hardware includes the Intel V4 series CPU's that contributed to improve the performance by around 15-20 microseconds. The hardware has been augmented by the creation of additional partitions for providing enhanced parallelism in the matching process. The product distribution on the various matching engines has been optimally arranged to offer the best performance.

The trading system's internal network has been further augmented by the additional switches to handle the administrative messages flowing through the system. The additional switches enable segregation of the order flows and administrative message flows in the system.

4. THREATS

4.1 Industry activity levels decline

The Company'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 issues, the number of active traders in the market, etc. While the Company's efforts can influence these activity levels, many factors that can have an impact on these are beyond the control of the Company. In particular, adverse macro-economic developments and political uncertainty may dampen the sentiments of the capital markets and negatively affect the business.

4.2 Regulatory changes impacts our ability to compete

The competitive landscape for the securities transactions business in India continues to be challenging. The Company's 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 BSE ownership structure, the ownership structure of Indian Clearing Corporation Limited ("ICCL") and Central Depository Services Limited ("CDSL"), compensation policies and restrictions on how Exchanges distribute their profit 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 the Company in the future.

4.3 Cybersecurity threats

With the increase in cyber threats and attacks, cyber security is becoming more critical and established in the corporate structure. Constant enhancement in the Cyber Security Framework and Information Security Management System has been the Company's top priority.

Cyber Security risks essentially refer to the potential negative outcomes associated with cyber-attacks which can be



Shri Nehal Vora, Chief Regulatory Officer, BSE; Smt. Hetal Dalal, Chief Operating Officer, IiAS; Ms. Anne Molyneux, IFC; Mr. Salleh Hassan, Director - Professional Development and Corporate Governance, Securities Commission Malaysia; Shri Pratip Kar, Consultant, IFC; Shri Ramesh Ramanathan, Manager, IFC; Shri Ashikhumar Chauhan, MD & CEO, BSE; Shri Neeraj Kulshrestha, Chief of Business Operations, BSE at the lamp lighting ceremony of BSE-IFC CG Scorecard for Indian Corporates launch event on 6th June, 2016.

performed by individuals or groups with different motivations and levels of capabilities. A cyber-attack could produce devastating ripple effects affecting entire financial systems and the broader economy. As a result, this could affect the trust on which financial markets are built. Cyber-attacks could also cause market disruption by potentially leading to the disclosure of restricted and non-public confidential data.

Some of the commonly known types of cyber-attacks are :

- Distributed denial of service ("DDoS") - A wave of sustained DDoS attacks can flood websites, other applications and systems with unwanted traffic causing accessibility issues, which might even result into trading systems getting affected.
- Ransomware - This type of malicious software that carries out a crypto-viral extortion attack blocking access to data until a ransom is paid, can paralyse the system.
- Phishing - Phishing is a form of fraud in which the attacker tries to learn information such as login credentials or account information by masquerading as a reputable entity or person in an email, Instant Messaging or other communication channels.
- Trojan - Trojan is one of the most complicated threats among all. It has the ability to hide itself from detection and steal important data to compromise systems.

SQL Injection - SQL injection does not infect the end users directly. It is more towards infecting a website which is vulnerable to this attack. It will gain unauthorized access to the database and the attacker can retrieve valuable information.

5. KEY STRATEGIES

5.1 India International Exchange (IFSC)

The Company has established an international exchange, India International Exchange (IFSC) Limited (India INX) at GIFT City. IFSC is a multi-services Special Economic Zone ("SEZ"), India's first international financial services centre.

India INX provides an electronic platform for:

- (i) Derivatives trading in equity, currency, interest rates & commodities
- (ii) Fund raising for both Indian & foreign companies by issuing foreign currency denominated bonds,

The growth strategy for FY 2016 – 17 for India INX and India ICC was to –

1. Set up a technology infrastructure that is state of the art when compared to leading international exchanges
2. Lay foundation to set up a comprehensive ecosystem comprising of members, clients, vendors and other intermediaries who will, over time, create sustainable liquidity and enable further development

3. Offer comprehensive basket of products that will provide a comprehensive product portfolio for investors and traders alike
4. Set up a margining system at par with international exchanges that allows to optimize collateral

Subject to the receipt of further approvals, the portfolio of products for the international exchange will span across equity and index derivatives (including stock and index futures), cross currency derivatives, commodity derivatives of precious metals and base metals, and more such products that will provide a balance of equity, debt and commodity underlying, from time to time.

For the period ended March 31, 2017 India INX had already been growing 2x, month on month, on total turnover.

5.2 Collaboration with International Exchanges at GIFT City

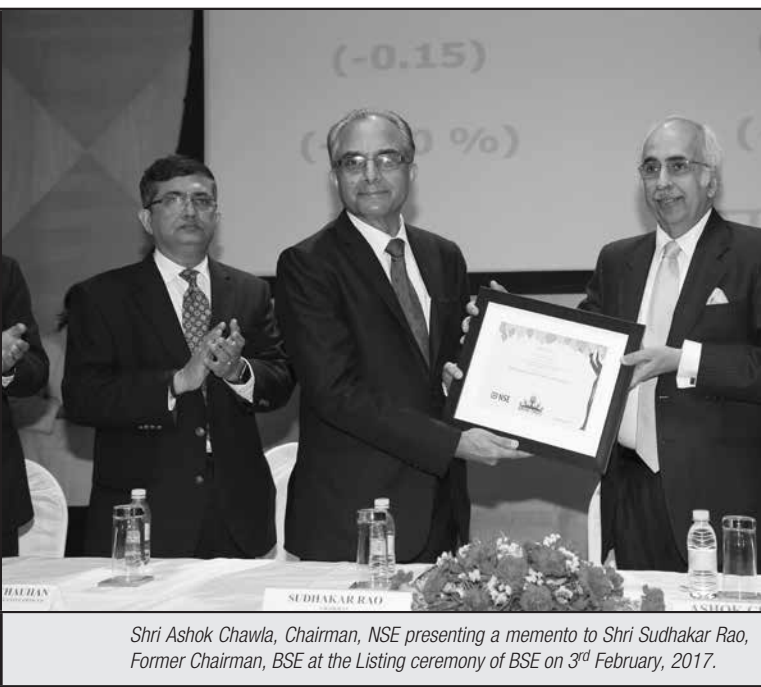
India International Exchange has entered into agreement with Dubai Gold and Commodities Exchange ("DGCX") on November 26, 2016 for the purpose of co-operation in dissemination of price and trade related data on each other's platform, on reciprocal basis and to provide final settlement price for their respective products, on reciprocal basis.

India INX trading platform provides trading in commodities like Gold, Silver and Copper. For these products final settlement price in India INX is final settlement price of DGCX. In order to avoid any legal dispute on using other exchange price for the final settlement, India INX had entered in to the said agreement.

SEBI Guidelines for functioning of Stock Exchanges and Clearing Corporations ("SECC") in IFSC dated November 28, 2016 allow all categories of ETFs to trade on stock exchanges that are Financial Action Task Force ("FATF")/International Organization of Securities Commissions ("IOSCO") compliant. For products like Gold, Silver and Copper, India INX considers DGCX as a reference market. Products like single stock futures and options, and sensex futures and options, DGCX uses BSE as reference market and the BSE price as settlement price.

5.3 Collaboration of BSE with other Exchanges:

BSE is an active member of various international forums like World Federation of Exchanges (WFE), International Organization of Securities Commissions (IOSCO), Futures Industry Association (FIA), South Asian Federation of Exchanges (SAFE) etc. During the year, Shri Ashishkumar Chauhan, MD & CEO of BSE was elected as Chairman of SAFE. SAFE is a forum of stock exchanges in South Asia to promote the development of securities markets in the region and work towards common standards including international accounting standards and best business practices in capital markets. The major collaborative interactions with different stock exchanges in the past year are listed below:



Shri Ashok Chawla, Chairman, NSE presenting a memento to Shri Sudhakar Rao, Former Chairman, BSE at the Listing ceremony of BSE on 3rd February, 2017.

BSE signed an agreement with The Stock Exchange of Mauritius Ltd to leverage its expertise to grow the number of listings on Mauritius Stock market Main Board and SME platform. It envisages Indian companies raising funds in USD, Euro, GBP or South African Rands for investments outside of India. It also envisages leveraging BSE's expertise in establishing a cyber-security framework for making capital markets in Mauritius safer.

BSE and Dhaka Stock Exchange Ltd (DSE) have signed an MOU to extend knowledge, technical and capacity building support in developing capital markets eco system of DSE.

BSE and Shenzhen Stock Exchange have signed an MOU to foster a continuing relationship amongst themselves for the respective benefit of the financial services industry in the Peoples Republic of China and Republic of India and to assist in the maintenance of orderly securities market in each country.

BSE and Egyptian Exchange (EGX) have signed an MOU for cooperation in exchange of information across business areas. This is expected to open a range of opportunities to be studied and explored for the development of businesses, products and markets and to share knowledge and strengthen international connectivity.

5.4 Diversify our product and service offerings and 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") on trading platform, price reasonability check ("PRC") for currency futures segment etc. are some of the new products and initiatives undertaken during the year.

Our recent and upcoming product innovation includes BSE Hi-Tech, a platform for young, fast-growing companies to list and raise equity capital for their growth. In addition, we have enhanced our current product offerings, such as BSE StAR MF-our mutual fund investment platform, by adding new purchase and settlement options for investors. The number of mutual fund schemes available on BSE StAR MF grew from 5,724 in FY 2014-15 to 5,989 in FY 2015-16, and further to nearly 8,017 in FY 2016-17. Correspondingly, the funds received on BSE StAR MF have also increased from ₹ 10,461 Crore in FY 2014-15 to ₹ 44,234 Crore in 2015-16, and further to over ₹ 68,688 Crore in FY 2016-17.

The Company was appointed as the receiving office for primary issuances of sovereign gold bonds in June 2016.



(L to R) Shri Kundan Vyas, President, Janmabhoomi Group; Shri Ashishkumar Chauhan, MD & CEO, BSE ; Shri Gaurav Mashruwala, Financial Advisor and Shri Shirish Mehta, Editor Vyapar at the Janmbhoomi talk on Yogic Wealth at BSE on 13th July, 2016.

These government bonds are denominated in grams of gold and are issued by the Reserve Bank of India ("RBI") on behalf of the Government of India. The Company participated in gold bond offerings in four tranches and garnered about 614.53 kilograms of gold with a total value of ₹ 183.28 Crore.

BSE also commenced "clean price" trading in August 2016 in Bonds. In this pricing method for corporate bonds and government bonds, the interest accrued on the bond is automatically excluded from the price quoted on the exchange. The move to "clean price" trading on our exchange aligns our debt markets with Indian over-the-counter markets and Negotiated Dealing System-Order Matching ("NDS-OM"), which is a matching system for dealing in Indian government securities.

5.5 Strengthen our position as the Exchange of choice in India and expand our cross-border reach by entering into strategic alliance

We intend to strengthen our position as a preferred exchange in India and expand our cross-border reach by entering into strategic alliances e.g. we have entered into a strategic partnership with S&P Dow Jones Indices LLC, USA ("SPDJ") to grow our index business by calculating, disseminating and licensing various index products,. This is done by India based joint venture, Asia Index Pvt. Ltd.

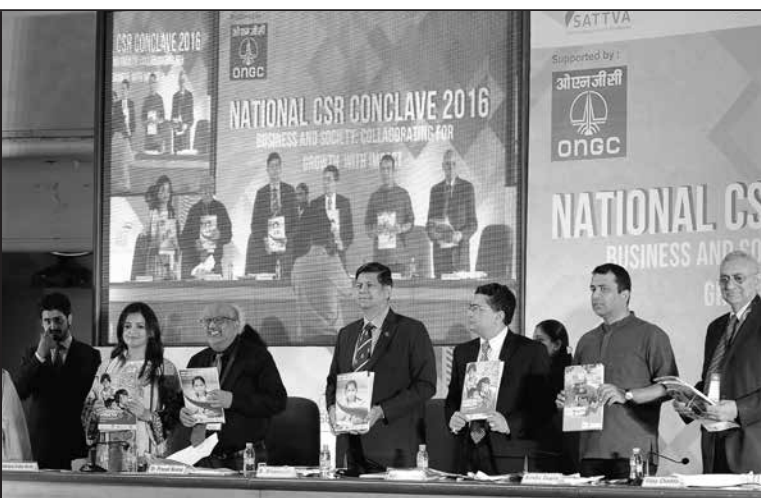
The Company has signed an agreement with Deutsche Börse whereby they sell and market BSE market data and information to international clients. Deutsche Börse also collaborates with us for product development and innovation, which includes extending its existing infrastructure and creating new market data solutions to support our product offerings.

Further, we are a member of the Brazil, Russia, India, China and South African Exchange Alliance ("BRICS"), whereby leading exchange in these countries cross-list futures products based on the flagship indices of each other's exchange.

Similarly, options and futures based on the S&P BSE SENSEX are listed and traded on Eurex and the Dubai Gold and Commodities Exchange ("DGCE"). BSE has also entered into a memorandum of understanding ("MOU") with the Korea Exchange to cooperate in other areas such as research, product development and information technology.

The wholly owned subsidiary of BSE-ICCL and Clearstream have agreed to collaborate on collateral management so that clearing members in ICCL can better manage their margin requirements resulting from trades executed on BSE Platform. Collateral can be pooled at Clearstream's integrated collateral management engine, the Global Liquidity Hub, from assets held at Clearstream and partner agent banks. This tripartite collateral management solution 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.

The Company has also partnered with International Finance Corporation ("IFC"), a member of the World Bank Group, to develop a corporate governance scorecard, which allows companies to assess their corporate governance performance against national and international benchmarked practices. 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.



(L to R) Shri Srikrishna Sridhar Murthy, Founder and CEO, Sattva; Dr. Prasad Modak, CSO, IL&FS; Shri S Gopinath, Executive Director & Head Regional Mumbai, ONGC., Shri Ashishkumar Chauhan, MD & CEO, BSE, Shri Anshu Gupta, Founder of Goonj, Ramon Magsay Award winner and Shri Vijay Chadda, CEO, Bharti Foundation at the National CSR Conclave on 22nd June, 2016.

5.6 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, evident in our increasing market share in the currency and interest rate derivatives segments.

5.7 Adoption of Open source technologies for transaction processing work load

The Company is currently using proprietary relational databases for various transactional processing work loads of various systems. The proprietary relational databases are cost intensive and the Company incurs huge costs on licenses and annual maintenance contracts for the same. To have a control on this ever increasing cost and in line with its overall outlook of moving towards the Open Source Technology, the Company has taken steps in the direction to migrate to PostGreSQL database for majority of its systems which is also open source. This is expected to result in some savings in overall licensing costs.

It is expected that by end of FY 2017-18, majority of the migration activity to be completed.

5.8 Unified Experience – Identity and Access Management

The Company has a series of application on variety of platforms. Each applications has its own work-flow management. In order to do away with inconvenience of manageability and simplify the process, the Company has implemented its home grown solution of Identity and Access Management ("IAM") which helps to achieve Single-Sign On ("SSO") with Two Factor Authentication.

SSO solution was based on open source technology, integrated with its internal domain authentication mechanism. SSO facilitated unification of work-flow and access methodology. It reduced the overhead of maintaining multiple interfaces and cost, simplified the process and vastly reduced non-compliance related issues.

To highlight a few of the benefits:

1. Control the implementation of password policy across all applications
2. Have single credentials for all applications
3. New user provisioning and de-provisioning encompassing all applications and services
4. Reduction in user management calls at IT help desk
5. One portal for all available applications

5.9 Upgradation of the Security Operations Center (“SOC”)

The Company lays special emphasis on improvement in its cyber-security framework and information security management systems. It was identified as a National Critical Information Infrastructure by National Critical Information Infrastructure Protection Centre (“NCIIPC”).

There is an ongoing process to strengthen 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.

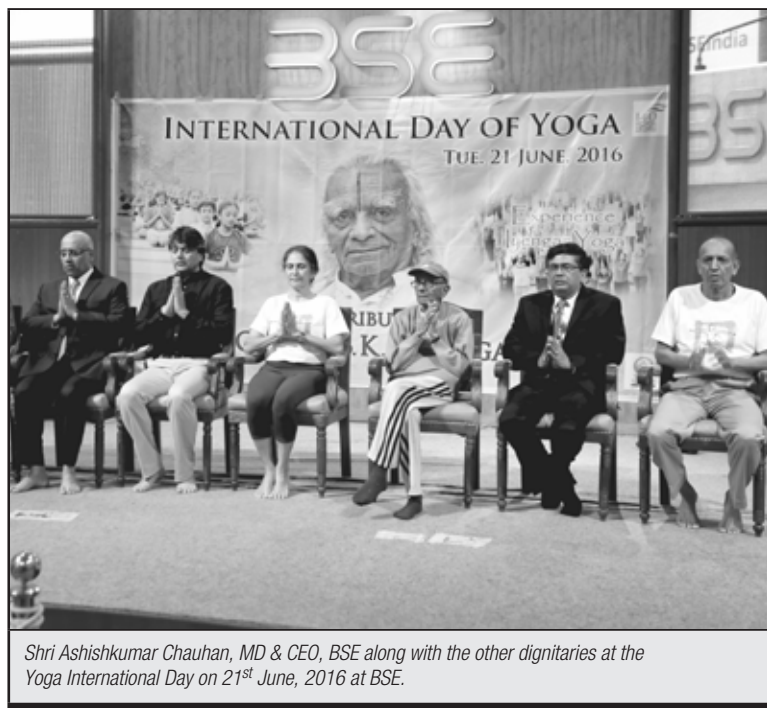
With the increase in cyber threats and attacks, cyber security is becoming more and more established in the corporate structure. Constant enhancement in the Cyber Security Framework and Information Security Management System has been our top priority. Moreover, the Company’s performance is dependent upon the volume and value of trades executed on its trading platform. This implies high availability and no compromise on security around trading and peripheral systems or its underlying processes.

To address this challenge, the Company envisaged transforming its current information security posture to next generation security analytics and operations. The Company has embarked on a monumental task of creating the Next Generation SOC to provide increased resilience and rapid response to events throughout its IT landscape.

The year 2016-17, witnessed hectic groundwork to build the foundation for SOC. After due diligence and assessment of current posture; technologies and solutions were identified for fortifying existing security infrastructure and adapting new strategies to combat advanced threats. The SOC Team configurations and required skill sets were analysed. The IT Team was revamped with resources with a focus in the area of cyber security.

Prime responsibility of SOC is to perform 24x7 monitoring, detecting, and isolating incidents which indicate compromise in confidentiality, integrity and availability of these critical systems. Management of the organization’s security products, devices, and systems are evident activities of SOC maintenance and operations scheme. The Next Generation SOC will not only enable the Company to strategize against advanced cyber threats but also enhance efforts as an organization to safeguard against informational, reputational and financial losses arising from cyber security breaches.

To build, maintain and operate the same in integration with the existing security infrastructure, the Company has evaluated and appointed a team of consultants and awarded contract to IBM to implement various security solutions. The fully operational SOC will be ready by end of FY 2017-18.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with the other dignitaries at the Yoga International Day on 21st June, 2016 at BSE.

5.10 Maintain and Improve best-in class platform infrastructure

• Monitoring of Infrastructure

The Company 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 assets in the organization and has a configurable service helpdesk.

• Automation

The Company has entirely automated operations of 50+ applications. In addition, the switch-over and switch-back processes between Primary site and Disaster Recovery site are also fully automated.

• Information Security

Maintaining and improving our infrastructure is critical to our business, as it lays the foundation for future growth and expansion, provides our customers with a more efficient and accessible marketplace and enhances our competitiveness as an exchange operator on a global scale. The Company has regularly allocated substantial resources towards upgrading information technology systems, with the over-arching goal of achieving higher capacity and lower latency, improving market efficiency and transparency, enhancing user access and providing flexibility for future business growth and market needs.

6. RISKS AND CONCERNS

6.1 Business Risks

- Our performance relies upon the volume and value of trades executed on the trading platform, the number of active traders in the market, 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 result 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.
- Our business, financial condition and result of operations are highly dependent upon the levels of activity on

the exchange; and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances. Moreover they are dependent on, liquidity and similar factors that affect, either directly or indirectly, the trading, listing, clearing and settlement transaction-based fees.

- Integral to our growth is the relative attractiveness of the financial assets traded on the exchange; and the relative attractiveness of the exchange as a market on which to trade these financial assets. All of these variables are primarily influenced by economic, political and market conditions in India as well as, to a lesser degree, the rest of Asia, the United States, Europe and elsewhere in the world.
- According to the World Bank, global market and economic conditions have been weak and volatile in recent years and while volatile markets may generate increased transaction volumes; the prolonged weak economic conditions may materially adversely affect listing, trading, clearing and settlement volumes as well as the demand for market data. If the return on investments in Indian companies are generally lower than the return on investments in companies based in other countries, we may be unsuccessful in attracting foreign and local investors to our markets.
- Other factors beyond our control, that may materially adversely affect our business, financial condition and result of operations include:
 - o broad trends in business and finance, including industry-specific circumstances, capital market trends and, the mergers and acquisitions environment;
 - o social and civil unrest, terrorism and war;
 - o concerns over inflation and the level of institutional or retail confidence;
 - o changes in government monetary policy and foreign currency exchange rates;
 - o the availability of short-term and long-term funding and capital;
 - o the availability of alternative investment opportunities;
 - o changes and volatility in the prices of securities;
 - o changes in tax policy (including transaction tax) and tax treaties between India and other countries;



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Navdeep Singh Bains, Hon'ble Minister of Innovation, Science, and Economic Development, Canada on 10th November, 2016.

- o the level and volatility of interest rates;
- o legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets;
- o the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and
- o unforeseen market closures or other disruptions in trading.

We operate in a business environment that has undergone, and continues to experience, significant and rapid technological change. To remain competitive, we must continue to enhance and improve the responsiveness, functionality, capacity, accessibility and features of our trading and clearing platforms, software, systems and technologies. Our success will depend, in part, on our ability to:

- o develop and license leading technologies;
- o enhance existing trading and clearing platforms and services;
- o anticipate the demand for new services and respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis;
- o continue to attract and retain a workforce highly skilled in technology and to develop and maintain existing technology; and
- o respond and adapt to competition from and opportunities of emerging technologies such as Fintech innovation.

6.2 Cyber Security

BSE has setup an effective governance framework to manage cyber security. A suitable organizational structure has been put in place to ensure that BSE monitors various cyber security threats and minimizes them. BSE conducts the cyber security threat assessment and mitigation requirements on a continuous basis and is committed to implement necessary improvements in an on-going manner.

BSE has implemented various security initiatives to counter these:

- Regular Vulnerability Assessments and Penetration Tests are carried out to assess and remedy the vulnerabilities in applications and IT Infrastructures



Shri Sudhakar Rao, Former Chairman, BSE; Shri Mahesh Vyas, Managing Director and CEO, Centre for Monitoring Indian Economy Pvt Ltd.; Shri Santosh Desai, MD & CEO, Future brands; Shri Laveesh Bhandari, Director of Indicus Foundation and Smt. Rama Bijapurkar, Market Research Consultant at the event BSE - CMIE Seminar on New Insights on Indian Consumers 24th November, 2016.

- Anti-Phishing Services have been subscribed to ensure that the phishing sites are shutdown in a timely manner. This ensures that customers are not lured to fraudulent sites
- To monitor Cyber Attacks Targeted at Critical Information assets, BSE has setup 24*7 Cyber Security Command Centre.
- Humans being the weakest link in Cyber Security, BSE has been carrying out continuous awareness among employees.
- The critical WEBSITES of BSE are Scanned and Monitored continuously for detection of any malware.

BSE has secured once again ISO 27001 certification till March 2019 for its critical information assets.

BSE is also transforming its current information security posture to next generation security analytics and operations. BSE has selected the global technology major IBM for building its Next Generation Cyber Security Operation Centre. In this engagement IBM will use its global expertise to secure BSE trading engine, data and hardware. The Project includes identified 21 state-of-the-art next Generation Cyber Security technologies and related process. IBM will monitor security events at BSE round the clock.

6.3 Regulatory & Compliance

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.

7. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company identifies risk based internal audit scope; and assesses the inherent risk in the processes and activities of all departments to ensure 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 and control directives like periodic reconciliation, proper authorizations/approvals, processing controls, segregations of duties, maker – checker approach, etc. so as to mitigate the shortages 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.

The Company has implemented the Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Accordingly, the COSO based procedures and process manual were prepared to establish interlinkages between departments, to define responsibility, accountability and reporting matrix, to control framework of each process and activity and to identify the risks. Internal Auditors refer to COSO based process and procedures while performing the internal audit functions.

The Company 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 requirements, etc.

The Company 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 the Company are ISO 9001:2015 certified by S & A Certifications having European accreditation of Euro Cert. The Company conducts the audits of the processes as required under ISO 9001:2015 and has successfully completed 1st Surveillance Audit for the year FY 2016-17.

The Company 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.

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.

8.1 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 369 professionals in the officers category with an ideal mix of experience and youth. In addition to the 369 professionals, we also have 121 staff level employees.

8.2 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 for behavioural/soft skills is imparted through our 100% subsidiary company, BSE Institute Limited and by the Human Resource Department. Eminent professionals from capital markets and industry also help our employees upgrade their skills in various sessions that happen periodically.



BSE's Board Members and the Management team cutting the cake at the Closing Bell ceremony of BSE's listing on 3rd February, 2017.

9. FINANCIAL PERFORMANCE

9.1 Consolidated Performance

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Variance (%)
A. Income			
- Securities Services	33,570	24,126	39%
- Services to Corporate	15,686	16,111	-3%
- Data Dissemination Fees	2,467	2,242	10%
Revenue from Operations	51,723	42,479	22%
- Investment Income	23,802	21,018	13%
- Other Income	4,550	3,512	30%
Total Income	80,075	67,009	19%
B. Expenses			
- Employee Benefit Expense	14,149	10,738	32%
- Computer Technology Related Expenses	10,552	8,064	31%
- Administration & Other Expenses	16,292	16,916	-4%
- Impairment Loss on Financial Assets	1,043	37	2719%
Total Expenses	42,036	35,755	18%
C. EBITDA	38,039	31,254	22%
EBITDA Margin	48%	47%	
Depreciation & Amortization	5,398	5,367	1%
Finance Cost	96	33	191%
D. Profit before Exceptional Items and Tax	32,545	25,854	26%
Exceptional Items	2,079	4,660	-55%
E. Profit before tax	30,466	21,194	44%
Tax Expense	4,064	3,705	10%
F. Profit after tax before share of Profit/ (Loss) from Joint Ventures / Associate for the year	26,402	17,489	51%
Share of Profit of Joint Ventures	107	251	-57%
Share of Loss of Associate	-	-27	-100%
G. Net Profit for the year	26,509	17,713	50%
Net Profit attributable to the shareholders of the Company	22,057	13,293	66%
Net Profit attributable to the non-controlling interest	4,452	4,420	1%
Net Margin	28%	20%	
Effective Tax Rate	13%	17%	



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Meng Jianzhu, Secretary of the Central Political and Legal Affairs Commission of the Communist Party of China during his visit to BSE on 10th November, 2016.

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Variance (%)
H. Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurements of the defined employee benefit plans	-92	5	-1940%
- Income tax relating to items that will not be reclassified to profit or loss	-25	2	-1350%
Items that will be reclassified to profit or loss:			
- Foreign Currency Translation reserve	-575	-	NA
Total other comprehensive income for the year	-642	3	-21500%
I. Total Comprehensive Income for the year	25,867	17,716	46%
Total comprehensive income attributable to the shareholders of the Company	21,431	13,298	61%
Total comprehensive income attributable to the non-controlling interest	4,436	4,418	0%

9.1.1 Consolidated Income

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	% of Total Income	% Growth	Year Ending March 31, 2016	% of Total Income
Securities Services	33,570	42%	39%	24,126	36%
Services to Corporates	15,686	20%	-3%	16,111	24%
Data Dissemination Fees	2,467	3%	10%	2,242	3%
Investment Income	23,802	30%	13%	21,018	32%
Other Income	4,550	5%	30%	3,512	5%
Total Income	80,075	100%	19%	67,009	100%

The Company's consolidated total income has increased by 19% to ₹ 80,075 Lakh (FY 2015-16: ₹ 67,009 Lakh). This increase in total income is attributed to a 123% increase in transaction charges income to ₹ 12,242 Lakh in FY 2016-17 (FY 2015-16: ₹ 5,496 Lakh) due to higher average daily turnover in equity cash segment by 34% to ₹ 4,025 Crore in FY 2016-17 (FY 2015-16: ₹ 2,996 Crore), the full year impact of increase in transaction charges during last financial year in companies listed in XC, XD, XT, Z and ZP group and, increase in turnover and transaction charges in currency derivative segment.

Income from depository services increased by ₹ 2,313 Lakh to ₹ 14,581 Lakh in FY 2016-17 (FY 2015-16: ₹ 12,268

Lakh). Annual subscription and admission fees increased by ₹ 264 Lakh to ₹ 440 Lakh in FY 2016-17 (FY 2015-16: ₹ 176 Lakh). Investment income increased by ₹ 2,784 Lakh to ₹ 23,802 Lakh in FY 2016-17 (FY 2015-16: ₹ 21,018 Lakh) due to an increase in profit on sale of financial assets measured at amortised cost by ₹ 2,261 Lakh to ₹ 2,302 Lakh in FY 2016-17 (FY 2015-16: ₹ 41 Lakh) due to revised investment policy for clearing corporation mandated by SEBI. Other income increased by ₹ 1,038 Lakh to ₹ 4,550 Lakh in FY 2016-17 (FY 2015-16: ₹ 3,512 Lakh) due to the receipt of interest on income tax refund of ₹ 958 Lakh during FY 2016-17. Income from data dissemination fees increased by ₹ 225 Lakh to ₹ 2,467 Lakh in FY 2016-17 (FY 2015-16: ₹ 2,242 Lakh) due to an increase in subscription for the Company's information products and services by new customers. The increase in total income was offset by a decrease in income from service to corporates by ₹ 425 Lakh to ₹ 15,686 Lakh in FY 2016-17 (FY 2015-16: ₹ 16,111 Lakh) mainly due to a decrease in direct listing income.

9.1.2 Consolidated Expenses

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	% of Total Income	% Growth	Year Ending March 31, 2016	% of Total Income
Employee Benefit Expenses	14,149	18%	32%	10,738	16%
Computer Technology Related Expenses	10,552	13%	31%	8,064	12%
Regulatory Fees	4,150	5%	-24%	5,440	8%
Legal Fees	413	1%	-10%	458	1%
Professional Fees	2,026	3%	12%	1,813	3%
Electricity Charges	1,837	2%	-12%	2,091	3%
Repairs & Maintenance	1,194	1%	32%	906	1%
Travelling Expenses	799	1%	32%	607	1%
Rent	308	0%	7%	288	0%
Others	5,565	7%	5%	5,313	8%
Impairment loss on financial assets	1,043	1%	2719%	37	0%
Depreciation	5,398	7%	1%	5,367	8%
Finance cost	96	0%	191%	33	0%
Exceptional Items	2,079	3%	-55%	4,660	7%
Total Expenses	49,609	62%	8%	45,815	68%



Shri Neeraj Kulshrestha, Chief of Business Operations, BSE presenting memento to Shri Vishwavi Ahuja, MD & CEO, RBL at the BSE ET Now Day on 7th March, 2017 at BSE.

The consolidated total expenses (including exceptional items) has increased by 8% to ₹ 49,609 Lakh (FY 2015-16: ₹ 45,815 Lakh). The increase is mainly on account of 32% increase in employee benefits expense to ₹ 14,149 Lakh (FY 2015-16: ₹ 10,738 Lakh). Impairment loss on financial assets increased by ₹ 1,006 Lakh to ₹ 1,043 Lakh (FY 2015-16: ₹ 37 Lakh) attributed to allowance for trade receivables and receivable from Punjab and Sindh Bank. Finance cost increased by ₹ 63 Lakh to ₹ 96 Lakh (FY 2015-16: ₹ 33 Lakh). Repairs and maintenance expenses increased by 32% to ₹ 1,194 Lakh (FY 2015-16: ₹ 906 Lakh). Computer technology related expenses increased by 31% to ₹ 10,552 Lakh (FY 2015-16: ₹ 8,064 Lakh). Travelling expenses increased by 32% to ₹ 799 Lakh (FY 2015-16: ₹ 607 Lakh). Other expenses increased by 5% to ₹ 5,565 Lakh (FY 2015-16: ₹ 5,313 Lakh), offset by a decrease in exceptional items by 55% to ₹ 2,079 Lakh (FY 2015-16: ₹ 4,660 Lakh). Regulatory costs has decreased by 24% to ₹ 4,150 Lakh (FY 2015-16: ₹ 5,440 Lakh). Electricity expenses has decreased by 12% to ₹ 1,837 Lakh (FY 2015-16: ₹ 2,091 Lakh).

Depreciation and amortisation cost has increased marginally by 1% from ₹ 5,367 Lakh in FY 2015-16 to ₹ 5,398 Lakh in FY 2016-17.



Smt. Vladislava Ryabota Regional Corporate Governance Lead, South Asia IFC; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Srinath Komarina President – Responsible Banking YES BANK; Shri Deepak Premnarayan, President, IMC Chamber of Commerce and Industry; Smt. Nishtha Satyam Head, Strategic Partnerships, Policy Impact and Public Relations UN Women; Shri Kamal Singh Executive Director UN GCNI; Smt. Harlina Sodhi Vice President, HR IDFC Bank, and Shri Anirban Ghosh, Chief Sustainability Officer Mahindra Group during the lamp lighting ceremony of 'Ring the bell for Gender equality' on 8th March, 2017 at BSE.

9.2 Standalone Performance

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Variance (%)
A. Income			
- Trading Member	14,951	7,745	93%
- Services to Corporate	15,686	16,111	-3%
- Data Dissemination Fees	2,467	2,242	10%
- Investment income	18,969	23,354	-19%
- Other Income	3,026	2,090	45%
Total Income	55,099	51,542	7%
B. Expenses			
- Employee Benefit Expenses	7,611	5,870	30%
- Computer Technology Related Expenses	11,234	8,161	38%
- Other Administration Expenses	10,781	12,728	-15%
- Impairment loss on financial assets	735	-239	-408%
Total Expenses	30,361	26,520	14%
C. EBITDA	24,738	25,022	-1%
EBITDA Margin	45%	49%	
Depreciation & Amortization	4,766	4,853	-2%
Finance Cost	10	16	-38%

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Variance (%)
D. Profit before Exceptional Items and Tax	19,962	20,153	-1%
Exceptional Items	-364	7,327	-105%
E. Profit Before Tax	20,326	12,826	58%
Tax Expense	462	-460	-200%
F. Net Profit After Tax	19,864	13,286	50%
Net Margin	36%	26%	
Effective Tax Rate	2%	-4%	
G. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined employee benefit plans	-19	8	-338%
Income tax relating to items that will not be reclassified to profit or loss	-7	3	-333%
H. Total Comprehensive Income for the year	19,852	13,291	49%

9.2.1 Standalone Income

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	% of Total Income	% Growth	Year Ending March 31, 2016	% of Total Income
Trading Member	14,951	27%	93%	7,745	15%
Services to Corporates	15,686	28%	-3%	16,111	32%
Data Dissemination Fees	2,467	5%	10%	2,242	4%
Investment Income	18,969	34%	-19%	23,354	45%
Other Income	3,026	6%	45%	2,090	4%
Total Income	55,099	100%	7%	51,542	100%

The standalone total income has increased by 7% to ₹ 55,099 Lakh in FY 2016-17 (FY 2015-16: ₹ 51,542 Lakh). This increase in total income is primarily due to a 123% increase in transaction charges income to ₹ 12,242 Lakh in FY 2016-17 (FY 2015-16: ₹ 5,496 Lakh) attributed to higher average daily turnover in equity cash segment by 34% to ₹ 4,025 Crore in FY 2016-17 (FY 2015-16: ₹ 2,996 Crore). This is further credited to a full years impact of increase in transaction charges during last financial year in companies listed in XC, XD, XT, Z and ZP group, increase in turnover and transaction charges in currency derivative segment. Annual subscription and admission fees increased by ₹ 264 Lakh to ₹ 440 Lakh in FY 2016-17 (FY 2015-16: ₹ 176 Lakh). Other income increased

by ₹ 936 Lakh to ₹ 3,026 Lakh in FY 2016-17 (FY 2015-16: ₹ 2,090 Lakh) due to the receipt of interest on income tax refund of ₹ 932 Lakh in FY 2016-17. Income from data dissemination fees increased by ₹ 225 Lakh to ₹ 2,467 Lakh in FY 2016-17 (FY 2015-16: ₹ 2,242 Lakh) due to an increase in subscription for the company's information products and services by new customers. The increase in total income was offset by decrease in investment income by ₹ 4,385 Lakh to ₹ 18,969 Lakh in FY 2016-17 (FY 2015-16: ₹ 23,354 Lakh). The decrease was due to a decrease in dividend from strategic investments by ₹ 4,453 Lakh. Income from service to corporates decreased by ₹ 425 Lakh to ₹ 15,686 Lakh in FY 2016-17 (FY 2015-16: ₹ 16,111 Lakh) mainly due to a decrease in direct listing income.

9.2.2 Standalone Expenses

(₹ in Lakh)

Particulars	Year Ending March 31, 2017	% of Total Income	% Growth	Year Ending March 31, 2016	% of Total Income
Employee Benefit Expenses	7,611	14%	30%	5,870	11%
Computer Technology Related Expenses	11,234	20%	38%	8,161	16%
Regulatory Fees	3,523	6%	-31%	5,076	10%
Legal Fees	410	1%	-4%	428	1%
Professional Fees	1,327	2%	12%	1,188	2%
Electricity Charges	1,706	3%	-13%	1,961	4%
Repairs & Maintenance	1,014	2%	35%	750	1%
Travelling Expenses	377	1%	16%	325	1%
Rent	133	0%	1%	132	0%
Others	2,291	5%	-20%	2,868	6%
Depreciation	4,766	9%	-2%	4,853	9%
Impairment loss on financial assets	735	1%	-899%	-92	0%
Reversal of impairment loss on financial assets	-	0%	-100%	-147	0%
Finance cost	10	0%	-38%	16	0%
Exceptional Items	-364	-1%	-105%	7,327	14%
Total	34,773	63%	-10%	38,716	75%



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Mukesh Kumar Surana, CMD, HPCL at the BSE ET Now Day on 27th October, 2016 at BSE.

The standalone total expenses (including exceptional items) decreased by ₹ 3,943 Lakh to ₹ 34,773 Lakh in FY 2016-17 (FY 2015-16: ₹ 38,716 Lakh). This decrease in total expenses is attributable to decrease in exceptional items by ₹ 7,691 Lakh to a negative ₹ 364 Lakh in FY 2016-17 (FY 2015-16: ₹ 7,327 Lakh). Exceptional items decreased on account of profit on sale of stake in CDSL amounting to ₹ 2,443 Lakh in FY 2016-17, lower expense in settlement guarantee fund ("SGF") (25% transfer of profit) to ₹ 2,079 Lakh in FY 2016-17 (FY 2015-16: ₹ 5,143 Lakh), discontinuation of liquidity enhancement incentive program scheme ("LEIPS") in current year which was ₹ 1,724 Lakh in FY 2015-16 and ₹ 460 Lakh pertaining to reimbursement to investor protection fund ("IPF") on SEBI directives was incurred during FY 2015-16.

Regulatory fees decreased by 31% to ₹ 3,523 Lakh in FY 2016-17 (FY 2015-16: ₹ 5,076 Lakh) due to lower expenses in contribution to Core SGF by ₹ 1,735 Lakh. Electricity expenses decreased by ₹ 255 Lakh to ₹ 1,706 Lakh in FY 2016-17 (FY 2015-16: ₹ 1,961 Lakh). Other expenses decreased by 20% to ₹ 2,291 Lakh in FY 2016-17 (FY 2015-16: ₹ 2,868 Lakh) primarily due to expenses of ₹ 785 Lakh pertaining to impairment of goodwill on amalgamation with United Stock Exchange of India Limited during FY 2015-16 and reduction in bad debts written off by ₹ 188 Lakh as compared to FY 2015-16. The decrease in total cost of the Company was offset by increase in employee cost by ₹ 1,741 Lakh to ₹ 7,611 Lakh in FY 2016-17 (FY 2015-16: ₹ 5,870 Lakh) and Computer technology related expenses increased by ₹ 3,073 Lakh to ₹ 11,234 Lakh in FY 2016-17 (FY 2015-16: ₹ 8,161 Lakh).

9.3 Balance Sheet

9.3.1 Consolidated

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
ASSETS		
Non-Current Assets	2,11,251	2,23,629
Current Assets	3,07,050	2,00,710
Total Assets	5,18,301	4,24,339
EQUITIES & LIABILITIES		
Equity	2,95,328	2,76,020
Core Settlement Guarantee Fund	20,452	17,605
Non-current liabilities	878	1,139
Current liabilities	2,01,643	1,29,575
Total Equity and Liabilities	5,18,301	4,24,339



9.3.2 Standalone

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
ASSETS		
Non-Current Assets	2,16,241	2,02,874
Current Assets	1,01,511	89,011
Total Assets	3,17,752	2,91,885
EQUITIES & LIABILITIES		
Equity	2,42,937	2,30,736
Non-current liabilities	571	649
Current liabilities	74,244	60,500
Total Equity and Liabilities	3,17,752	2,91,885

9.3.3 Equity

Equity Share Capital

The paid up equity share capital of the Company rose from ₹ 1,074 Lakh (representing 53,678,172 shares of the face value of ₹ 2/- each), as on March 31, 2016 to ₹ 1,076 Lakh (representing 53,808,172 shares of the face value of ₹ 2/- each) as on March 31, 2017. The increase is on account of allotment of 130,000 Equity shares of ₹ 2/- each issued as fully paid-up which was kept in abeyance for specific reasons.

Other Equity

Capital Reserve: On a standalone basis and a consolidated basis, the balance as at March 31, 2017 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, 2017 amounted to ₹ 39,283 Lakh.

General Reserve: The balance of general reserve as on March 31, 2017 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.

Retained Earnings: On a standalone basis, the balance in the retained earnings as on March 31, 2017 was ₹ 56,453 Lakh, as compared to ₹ 44,252 Lakh in the previous year.

On a consolidated basis, the balance in retained earnings as on March 31, 2017 was ₹ 77,644 Lakh, as compared to ₹ 64,754 Lakh in the previous year.

Non-Controlling Interest

On a consolidated basis, the balance in Non-controlling interest as on March 31, 2017 was ₹ 29,088 Lakh, as compared to ₹ 23,727 Lakh in the previous year.

Total Equity

The total Equity on consolidated basis increased to ₹ 2,95,328 Lakh as on March 31, 2017 from ₹ 2,76,020 Lakh as at March 31, 2016.

The book value per equity share on consolidated basis increased to ₹ 488 as on March 31, 2017 compared to ₹ 462 as at March 31, 2016.

The total equity on standalone basis increased to ₹ 2,42,937 Lakh as on March 31, 2017 from ₹ 2,30,736 Lakh as at March 31, 2016.

The book value per equity share on standalone basis increased to ₹ 445 as on March 31, 2017 compared to ₹ 423 as at March 31, 2016.

Core Settlement Guarantee Fund

On a consolidated basis, the balance as on March 31, 2017 increased by ₹ 2,847 Lakh to ₹ 20,452 Lakh, as compared to previous year.

9.3.4 Liabilities

Non-Current Liabilities and Current Liabilities

On consolidated basis, total non-current and current liabilities increased by ₹ 71,807 Lakh to ₹ 2,02,521 Lakh (FY 2015-16: ₹ 1,30,714 Lakh) as follows –

(₹ in Lakh)

Particulars	FY 2016-17		FY 2015-16	
	Non-Current	Current	Non-Current	Current
Trade payables	-	5,633	-	4,587
Accrued employee benefit expenses	463	4,453	416	2,340
Finance lease obligations	39	353	68	76
Deposits	104	15,597	154	15,012
Other financial liabilities	-	617	-	653
Earmarked financial liabilities	-	28,085	-	28,041
Clearing & settlement financial liabilities	-	1,17,997	-	62,465
Deferred tax liabilities	-	-	326	-
Provisions	165	1,671	80	1,205
Income tax liabilities (Net)	-	1,471	-	1,194
Other liabilities	107	25,766	95	14,002
TOTAL	878	2,01,643	1,139	1,29,575

The increase in total non-current liabilities and current liabilities was on account of an increase in clearing and settlement obligation payable by ₹ 55,532 Lakh, an increase in other liabilities by ₹ 11,776 Lakh mainly due to an increase in securities transaction tax payable, increase in accrued employee benefit payable by ₹ 2,160 Lakh, increase in trade



(L to R) Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Praveen Pardeshi, Principal Secretary to Chief Minister of Maharashtra, Shri Devendra Fadanavis; His Holiness Radhanath Swami and Shri Ajay Piramal, Chairman Piramal Group at Artha Forum on 17th November 2016.

payable by ₹ 1,046 Lakh, increase in provisions by ₹ 551 Lakh, increase in deposits by ₹ 535 Lakh, increase in income tax liabilities by ₹ 277 Lakh, increase in finance lease obligation by ₹ 248 Lakh and increase in earmarked obligation by ₹ 44 Lakh. It was offset by a decrease in deferred tax liabilities by ₹ 326 Lakh and a decrease in other financial liabilities by ₹ 36 Lakh.

On standalone basis, total non-current and current liabilities increased by ₹ 13,666 Lakh to ₹ 74,815 Lakh (FY 2015-16: ₹ 61,149 Lakh) as follows –

(₹ in Lakh)

Particulars	FY 2016-17		FY 2015-16	
	Non-Current	Current	Non-Current	Current
Trade payables	-	4,932	-	4,085
Accrued employee benefit expenses	360	2,742	333	1,372
Finance lease obligations	-	72	67	70
Deposits	104	12,853	154	12,815
Other financial liabilities	-	504	-	792
Earmarked financial liabilities	-	28,085	-	28,041
Provisions	-	629	-	553
Income tax liabilities (Net)	-	952	-	852
Other Liabilities	107	23,475	95	11,920
TOTAL	571	74,244	649	60,500

The increase in total non-current liabilities and current liabilities was on account of an increase in other liabilities by ₹ 11,567 Lakh, attributed to an increase in securities transaction tax payable, increase in accrued employee benefit payable by ₹ 1,397 Lakh, increase in trade payable by ₹ 847 Lakh, increase in income tax liabilities by ₹ 100 Lakh, increase in provisions by ₹ 76 Lakh and increase in earmarked obligation by ₹ 44 Lakh. This was offset by a decrease in other financial liabilities by ₹ 288 Lakh, decrease in finance lease obligation by ₹ 65 Lakh and decrease in deposits by ₹ 12 Lakh.

9.3.5 Assets

Non-Current Assets and Current Assets

Non-current assets and current assets on a consolidated basis have increased by ₹ 93,962 Lakh to ₹ 5,18,301 Lakh (FY 2015-16: ₹ 4,24,339 Lakh) as follows:



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Shekhar Ramamurthy, MD, United Breweries at the BSE ET Now Day on 17th November 2016.

(₹ in Lakh)

Particulars	FY 2016-17		FY 2015-16	
	Non-Current	Current	Non-Current	Current
Property, plant and equipment; Investment property; Goodwill incl Capital Work in Progress & Intangible assets under development	25,540	-	24,355	-
Investments and cash & bank balances	1,49,419	2,92,776	1,54,437	1,86,978
Other financial assets	25,362	5,627	33,154	7,475
Income tax assets	8,920	-	10,833	-
Deferred tax assets	1,889	-	584	-
Trade receivable	-	6,872	-	4,719
Other assets	121	1,775	266	1,538
TOTAL	2,11,251	3,07,050	2,23,629	2,00,710

The increase in total non-current assets and current assets were on account of an increase in investments and cash and bank balance by ₹ 1,00,780 Lakh, increase in trade receivable by ₹ 2,153 Lakh, increase in deferred tax assets by ₹ 1,305 Lakh, increase in property, plant and equipment, investment property, capital work in progress and intangible assets under development by ₹ 1,185 Lakh, increase in other assets by ₹ 92 Lakh; offset by decrease in other financial assets by ₹ 9,640 Lakh and a decrease in income tax asset by ₹ 1,913 Lakh.

Non-current assets and current assets on a standalone basis have increased by ₹ 25,867 Lakh to ₹ 3,17,752 Lakh (FY 2015-16: ₹ 2,91,885 Lakh) as follows:

(₹ in Lakh)

Particulars	FY 2016-17		FY 2015-16	
	Non-Current	Current	Non-Current	Current
Property, plant and equipment; Investment property; Capital Work in Progress & Intangible assets under development	13,278	-	15,089	-
Investments and Cash & Bank balances	1,87,485	90,639	1,62,460	80,562
Other Financial Assets	8,740	4,772	17,139	5,010
Income tax assets	5,609	-	7,756	-
Deferred tax Assets	1,017	-	197	-
Trade Receivable	-	5,246	-	2,910
Other Assets	112	854	233	529
TOTAL	2,16,241	1,01,511	2,02,874	89,011

The increase in total non-current assets and current assets were on account of an increase in investments and cash and bank balance by ₹ 35,102 Lakh, increase in trade receivable by ₹ 2,336 Lakh, increase in deferred tax assets by ₹ 820 Lakh, increase in other assets by ₹ 204 Lakh; offset by a decrease in other financial assets by ₹ 8,637 Lakh, decrease in income tax assets by ₹ 2,147 Lakh and decrease in property,

plant and equipment, investment property, including capital work in progress and intangible assets under development by ₹ 1,811 Lakh.

9.4 Cash Flow

9.4.1 Cashflow - Consolidated

The Company'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, 2017	For the Year ended March 31, 2016
Operating activities	81,711	-4,422
Investing activities	9,467	16,385
Financing activities	-8,436	-11,968
Net increase / (decrease) in cash & cash equivalents	82,742	-5
Cash & cash equivalents at the end of the year	1,16,367	33,625
Cash and cash equivalents at the beginning of the year	33,625	33,630

In FY 2016-17, the cash flow generated from operating activities increased to ₹ 81,711 Lakh as compared to cash outflow of ₹ 4,422 Lakh in FY 2015-16. The cash flow generated from operating activities includes operating profit of ₹ 16,546 Lakh before working capital changes, ₹ 68,629 Lakh from decrease in working capital requirement (on account of increase in clearing and settlement obligations by ₹ 55,532 Lakh and increase in liabilities towards statutory payments by ₹ 10,772 Lakh); offset by direct taxes paid (net of refunds) by ₹ 3,464 Lakh in FY 2016-17.

The cash generated from investing activities on a consolidated basis was ₹ 9,467 Lakh in FY 2016-17. It was mainly due to income from investments in equity and debt instruments amounting to ₹ 16,966 Lakh and receipt of interest and dividend income of ₹ 21,082 Lakh. Of the same, ₹ 22,215 Lakh was invested in fixed deposits with banks and ₹ 6,407 Lakh was invested in purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances.

Cash used in financing activities on a consolidated basis in the FY 2016-17 was ₹ 8,436 Lakh. It is primarily on account of payment of dividend and tax on dividend amounting to ₹ 9,982 Lakh. Member deposits were repaid to the tune of



Shri Ashishkumar Chauhan, MD & CEO, BSE along with the BSE officials on the 141st Foundation Day in BSE on 11th July, 2016.

₹ 1,776 Lakh during the FY 2016-17. The same was partly offset by inflow of ₹ 3,423 Lakh due to the disposal of partial interest in subsidiary without loss of control.

9.4.2 Cashflow - Standalone

(₹ in Lakh)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Operating activities	15,887	-7,989
Investing activities	-6,131	17,135
Financing activities	-7,734	-9,279
Net increase / (decrease) in cash & cash equivalents	2,022	-133
Cash & cash equivalents at the end of the year	2,203	181
Cash and cash equivalents at the beginning of the year	181	314

In FY 2016-17, the cash flow generated from operating activities was ₹ 15,887 Lakh as compared to an outflow of ₹ 7,989 Lakh in FY 2015-16. The cash flow generated from operating activities includes operating profit before working capital changes of ₹ 4,928 Lakh, decrease in working capital requirement by ₹ 9,971 (primarily on account of increase in liabilities towards statutory payments by ₹ 10,739 Lakh) and refund of direct taxes (net of payment) of ₹ 988 Lakh in FY 2016-17.

The cash flow used from investing activities on standalone basis was ₹ 6,131 Lakh in FY 2016-17. It is attributed to investment in subsidiaries of ₹ 11,754 Lakh, comprising of India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited, BSE CSR Sammaan Limited and BSE CSR Integrated Foundation. Moreover cash flow used in investing activities is attributed to net increase in investment in equity and debt instruments, fixed deposits of ₹ 13,639 Lakh, purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances of ₹ 3,518 Lakh. The above outflows were offset by receipt of ₹ 3,423 Lakh towards proceeds on partial sale of investment in subsidiary and receipt of interest and dividend income of ₹ 19,343 Lakh.

Cash used in financing activities on a standalone basis in the FY 2016-17 was ₹ 7,734 Lakh. It is primarily on account of payment of dividend and tax on dividend of ₹ 7,651 Lakh.

9.5 Segment-Wise Reporting

9.5.1 Segment-Wise Reporting – Consolidated

The “Group” operates in two Operating Segments i.e. “Facilitating Trading in Securities and other related ancillary



services” and “Depository and other related ancillary services”. These are the reportable business segments as per Indian Accounting Standard 108 “Operating Segments”. Segment-wise revenue and results are provided in this section.

(₹ in Lakh)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Segment Revenue		
(a) Stock Exchange Activity	56,365	46,919
(b) Depository Activity	18,577	16,009
Total Segment Revenue	74,942	62,928
Segment Results		
(a) Stock Exchange Activity	24,457	13,037
(b) Depository Activity	12,798	14,094
Total Segment Results	37,255	27,131

9.5.2 Segment-Wise Reporting – Standalone

The Company operates in one Operating Segment i.e. “Facilitating Trading in Securities and other related ancillary services”, hence has only one reportable segment as per Indian Accounting Standard 108 “Operating Segments”.

9.6 Material Developments after Balance Sheet Date

The Company has divested its 26.05% equity stake in CDSL, in its Initial Public Offering through Offer for Sale during the month of June 2017. Post this divestment, the Company continues to hold 24% equity stake in CDSL.

Corporate Governance Report

The Corporate Governance report for financial year (FY) 2016-17, which forms part of Board's Report, is prepared pursuant to Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This report is in compliance with the Listing Regulations.

1) CORPORATE GOVERNANCE PHILOSOPHY

The Company has been following the highest Corporate Governance principles since inception and is striving to improve them continually by setting its standard in line with the best Corporate Governance practices in the world. Good governance practices stem from the mindset and culture of management, and expressed through factors like reliability, predictability and accountability. 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. Being the first listed Stock Exchange of the country and the oldest Exchange in Asia as well as the largest Exchange in the world in terms of equity stocks listed, the Corporate Governance philosophy of the Company extends beyond the matters reported herein.

This philosophy of the Company has been further strengthened with the adoption of the Code of Conduct for Board of Directors and Senior Management of the Company, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company is in compliance with all the requirements stipulated under Regulations of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations").

2) BOARD OF DIRECTORS

The Company has a talent-centric Board of Directors with a diversity level that adds strategic value and is constituted in compliance with SECC Regulations, Companies Act, 2013 ("the Act"), Listing Regulations and in accordance with good Corporate Governance practices. All statutory and other significant, material information including information mentioned in Regulation 17(7) read with Part A of Schedule II of

the Listing Regulations, is placed before the Board of Directors to enable the Board to discharge its fiduciary responsibilities of supervision of the Company's mission and goals, with due compliance of laws.

i. Composition

In compliance with the SECC Regulations, the Company is required to have Shareholder Directors, Public Interest Directors and a Managing Director such that the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors of the Company. Further the SECC Regulations defines Public Interest Director as an Independent Director representing the interests of investors in securities market and who is not having any association directly or indirectly, which in the opinion of SEBI, is in conflict with the role.

Further, Regulation 26 of SECC Regulations, requires every Director of a recognised Stock Exchange to be a "fit and proper person" as described in Regulation 20 of SECC Regulations.

As on date, the Board of Directors consisted of ten (10) Directors, out of which five (5) were Public Interest Directors namely Shri Dharendra Swarup, Dr. K. Kasturirangan, Shri Sethurathnam Ravi, Justice Vikramajit Sen and Shri Sumit Bose. Four (4) were Shareholder Directors [including two (2) Women Directors] namely Shri Roland Schwinn, Dr. Sriprakash Kothari, Smt. Usha Sangwan and Smt. Rajeshree Sabnavis. Shri Ashishkumar Chauhan is the Managing Director and Chief Executive Officer ("MD & CEO"). Being a Stock Exchange, appointments of all the Directors including Shareholder Directors, Public Interest Directors and MD & CEO of the Company have been approved by SEBI.

Change in composition during the year:

Shri Sumit Bose and Justice Vikramajit Sen were appointed as Public Interest Directors w.e.f. May 19, 2016. Dr. Sanjiv Misra ceased to be Public Interest Director w.e.f. April 22, 2016. Shri Roland Schwinn was appointed as Shareholder Director in place of Shri Thomas Lars Bendixen w.e.f. June 13, 2017.

Shri Sudhakar Rao ceased to be Chairman and Public Interest Director w.e.f. June 28, 2017 due to completion of his tenure. Shri Dharendra Swarup was appointed as Chairman of the Board of Directors of the Company w.e.f. July 31, 2017.

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non-Executive Directors. There is no relation between the Directors and no Director holds any shares in the Company.

The details of composition and category of Directors was in conformity with SECC Regulations and Regulation 17 of the Listing Regulations as on date, as given below:

Category	Name of Directors	DIN
Chairman (Public Interest Director)	Shri Dharendra Swarup	02878434
MD & CEO	Shri Ashishkumar Chauhan	00898469
Public Interest Directors	Dr. K. Kasturirangan	01749241
	Shri Sethurathnam Ravi	00009790
	Justice Vikramajit Sen	00866743
	Shri Sumit Bose	03340616
Shareholder Directors	Dr. Sriprakash Kothari	06824003
	Smt. Usha Sangwan	02609263
	Smt. Rajeshree Sabnavis	06731853
	Shri Roland Schwinn	07728316

ii. Details of Directors

A. Chairman

➤ **Shri 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 career civil servant retiring as Secretary to the Govt, Ministry of Finance.

Shri Dharendra 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 is one of the main authors of the Fiscal Responsibility and Budget Management ("FRBM") Act.

Shri Dharendra Swarup was the 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 the Chairman of the Public Debt Management Agency task force set up by the Ministry of Finance. He is also an International Monetary Fund 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, PTC Energy Limited, Towers Watson Insurance Brokers India Private Limited and Eros International Films Private Limited.



Shri Neeraj Kulshrestha, Chief of Business Operations, BSE presenting a memento to Shri Arun Tiwari, Chairman and Managing Director, Union Bank of India at BSE ET NOW Day on 27th July, 2016.

B. Managing Director and Chief Executive Officer:

➤ **Shri Ashishkumar Chauhan**, (DIN 00898469) currently is the MD & CEO of Bombay Stock Exchange ("BSE"), 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. He is best known as the father of modern financial derivatives in India due to his work at NSE. He was instrumental in setting up India's first fully automated screen based trading system and first commercial satellite communications network. 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 was also the CEO of the cricket team Mumbai Indians in its formative years. He also handled additional responsibilities as the Head, Corporate Communications for Reliance Group from 2005 – 2006.

He joined BSE as Deputy CEO in 2009 and was appointed as CEO in 2012. He is credited with reviving BSE including making it the fastest Exchange in the World with less than 6 microseconds response time, introduction of Mobile Trading first time in India, state of the art online Real Time Surveillance Systems, introduction of several market leading products like SME, Currencies, Mutual Funds, Corporate Bonds distribution, Offer for Sale, Offer to Buy etc. He was also instrumental in setting up India's First International Exchange "India International Exchange", which was inaugurated by the Hon'ble Prime Minister of India Shri Narendra Modi in January 2017 at Gandhinagar, GIFT City. He has successfully completed the IPO

of BSE which was pending for over 10 years. BSE IPO was oversubscribed 51 times with close to 12 lakh applications in January 2017.

Ashish has won several International and Indian awards including:

- 1) Distinguished Alumnus Award 2016 - IIM Calcutta
- 2) CEO of the Year, Diamond Sabre Awards 2015, Hong Kong
- 3) Indian Business Leader of the Year, Horasis Interlaken/ Switzerland 2015
- 4) RH Patil Award for Excellence in Financial Services, June 2015
- 5) Distinguished Alumnus Award, Indian Institute of Technology, Bombay, 2014
- 6) Best CEO in the Financial Markets in the Asia Pacific by the Asian Banker, 2014
- 7) Zee Business Awards- Special contribution in Commodities and Capital Market, 2013
- 8) 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 non-executive Chairperson on the Board of Governors (BoGs) of the National Institute of Technology (NIT) Manipur and an Independent Director of the ICSI Insolvency Professionals Agency, a 100% subsidiary of The Institute of Company Secretaries of India. He is the Chairman of South Asian Federation of Exchanges ("SAFE"), a forum of 28 member entities from the SAARC region and neighbouring countries that aims to provide a platform to share, exchange and promote the technologies and experiences, for the rapid growth and development of capital markets, and regional as well as global integration. He is a member of the Advisory Committee of Ministry of Micro Small and Medium Enterprises ("MSME"). 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"), 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 a Member of the Advisory Committee of the proposed Mumbai University School of Economics and Public Policy. 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.

C. Public Interest Directors

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

He is presently an Honorary Distinguished Advisor, Indian Space Research Organization and an Emeritus Professor at National Institute of Advanced Studies, Bangalore. He is an Honorary Professor of Physics at the Physical Research Laboratory, Ahmedabad and also at the Jawaharlal Nehru Centre for Advanced Research, Bangalore. He was the Chancellor, Jawaharlal Nehru University, Delhi (2012-2017), Director of the National Institute of Advanced Studies, Bangalore (2004-2009) and also a Member of Upper House (Rajya Sabha) of the Indian Parliament (2003-2009).

For over 9 years till 2003, Dr. Kasturirangan steered the Indian Space programme as the Chairman of the Indian Space Research Organisation. Under his leadership, the programme witnessed several major milestones including the successful



Shri Ramesh Iyer, MD, Mahindra & Mahindra Financial Services, President - Financial Services Sector ringing the bell along with Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Nikunj Dalmia, Executive Editor, Financial Markets ET NOW at the BSE ET Now Day on 14th February, 2017.

launch and operation of the India's prestigious satellite launch vehicles, viz., the Polar Satellite Launch Vehicle and the Geosynchronous Satellite Launch Vehicle; the development and launch of some of the world's best civilian remote sensing satellites, IRS-1C and 1D; and 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 2002-03. Moreover, he is the 'Honorary Professor for Life' of the University of Delhi, Fellow of the Indian National Science Academy and Fellow and President of the National Academy of Sciences, India.

He is an Academician of the Pontifical Academy of Sciences, Vatican City and Honorary Fellow of the Cardiff University, UK. 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" from 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



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Azim Premji, Chairman, WIPRO on 28th June, 2016 during his visit to BSE.

honoured with the highest Indian civilian awards, viz., "Padma Shri", "Padma Bhushan" and "Padma Vibhushan" by the President of India.

➤ **Shri Sethurathnam Ravi**, (DIN 00009790), is a science graduate and holds a Master's Degree in Commerce. He is a Fellow Member of the Institute of Chartered Accountants of India ("ICAI"), holds a Diploma in Information Systems Audit ("DISA") from ICAI. He is registered with Insolvency and Bankruptcy Board of India as an Insolvency Resolution Professional.

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, 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 a member in the Audit Committee, Asset-liability and Risk Management Committee and Board's Committee for monitoring Non-performing assets. 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 and 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 public sector undertakings, 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, Shri Sethurathnam Ravi serves as a Director on boards of various companies such as 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 Limited., Tourism Finance Corporation of India Limited, BOI Merchant Bankers Limited, Aditya Birla Health Insurance Company Limited and JIO Payments Bank Limited.

He is member of the working group, constituted by Ministry of Heavy Industries and 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.

A number of articles written by Shri Sethurathnam 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.

➤ **Justice Vikramajit Sen**, (DIN 00866743) is a Public Interest Director. He holds a Bachelor's degree in Arts (History) and Law from University of Delhi. He has been part of our Board since 2016. Prior to joining the Exchange, he practiced in all the Courts in Delhi, although primarily in the High Court of Delhi. He was appointed as an Additional Judge and Permanent Judge of Delhi High Court. He was appointed as acting Chief Justice and Chief Justice of the High Court of Karnataka and later appointed as a Judge of Supreme Court of India.

➤ **Shri Sumit Bose**, (DIN 03340616) is a Public Interest Director. He holds a degree of Master of Science in Social Policy and Planning in developing countries from the London School of Economics and Political Science, University of London. He also holds a Masters Degree in Arts (History) from University of Delhi. He has been part of our Board since 2016. Prior to joining the Exchange, he was a member of the Expenditure Management Commission set up to review the allocative and operational efficiencies of Government expenditure. He was also the Union Finance Secretary and Revenue Secretary, Expenditure Secretary and disinvestment Secretary in the Ministry of Finance, Gol.

He also serves on the Boards of Coromandel International Limited, Oil & Natural Gas Corporation Limited, UTI Asset Management Company Limited, TATA AIG General Insurance Company Limited and HDFC Standard Life Insurance Company Limited. He also chairs the Boards of two not-for-profit organisations: Vidhi Centre for Legal Policy and Jal Seva Charitable Foundation (WaterAid India).

D. Shareholder Directors

➤ **Dr. Sriprakash Kothari**, (DIN 06824003) is Gordon Y Billard Professor of Accounting and Finance at Massachusetts Institute of Technology. From 2010 to 2015, he served as the Deputy Dean at MIT's Sloan School of Management. He is also an editor of the world-renowned academic publication, Journal of Accounting and Economics. Recently, Dr. Kothari was a recipient of the American Accounting Association's Notable Contributions to the Accounting Literature award. His other awards include honorary doctorates, Doctor Honoris Causa, from the University of Technology, Sydney in May 2013, and University of Cyprus in 2016, 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



Shri Sanjay Bhatia, Chairman, Mumbai Port Trust along with Shri Ashishkumar Chauhan, MD & CEO, BSE posing with BSE Bull during his visit to BSE on 23rd May, 2016.

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. Dr. Kothari served on the Board of Visions from 1998-2004 and is currently on the Board of Aveta Biomix and Velan Ventures. He is an expert on economic policy issues and has written numerous opinion-page editorials in The Economic Times and elsewhere.

Dr. Kothari holds a Bachelor's of Engineering Degree 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.

➤ **Smt. Usha Sangwan**, (DIN 02609263) is the first ever woman Managing Director of Life Insurance Corporation of India ("LIC"). She is Post Graduate in Economics and Post Graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India. She joined LIC as Direct Recruit Officer in 1981.

Smt. Sangwan is the whole time Director of LIC of India, Board Member of General Insurance Corporation of India, LIC Housing Finance Limited, Axis Bank, Ambuja Cements Limited, LIC (International) B.S.C © Bahrain, Kenindia Assurance Co. Ltd, LIC Cards Services Limited, Member of Governing Council of National Insurance Academy, Member on the Board of Education of Insurance Institute of India, a Trustee of LIC Golden Jubilee Foundation, Chairperson of LIC of India (Regular Part Time Employees) Pension Fund, Executive Committee, Investment Committee and Policyholders Protection Committee of LIC of India.

She has worked in all core areas of life insurance. She has vast operational and Board level experience of Financial Sector including Banking, Housing Finance, Stock Exchange, Cards, Mutual Funds, General Insurance and Reinsurance. Within Life Insurance, experience in Marketing, Investments (Operations, Monitoring & Accounting, Risk Management & Research), Personnel, Product Development, Information Technology, Customer Relationship Management, HRD/OD, Training, Direct Marketing, Corporate Communication, Corporate Planning, Board Sectt, Estate Management, Engineering, Finance & Accounts, Marketing-all Channels, Group Business, New Business & Reinsurance, Actuarial, Social Media Management, International Operations, Legal, RTI, Audit, Inspection and Mission office for digital India.

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



Shri Ashishkumar Chauhan, MD & CEO, BSE with the Contestants of BSE International Financial Olympiad 2016 ringing the bell at BSE on 8th April, 2016.

She has been featured in Forbes List of 50 most powerful Business Women in Asia in 2015, "Most Powerful Women in Indian Business" by Business Today in 2016, She is also featured in Femina – Most powerful women in India, Featured on cover page on Bureaucracy Today, Featured in Business World as "Most influential Women", Management Women Achiever of the year 2015-16 by Bombay Management Association, "Women Leadership Award" in BFSI sector by Institute of Public Enterprise, "Brand Slam Leadership Award" by CMO Asia, "Women Leadership Role Model" by Top Rankers Management Consultants, "CEO with HR Orientation Award" by Global HR Excellence arranged by Chartered Institute of Management Accountants, Also felicitated by Free Press Journal, Colours TV and Doordarshan for Women in a Leadership Role.

➤ **Smt. Rajeshree Sabnavis**, (DIN 06731853) specializes in tax, regulatory advisory and transaction support and has over two decades of experience in advising clients on international tax, cross border acquisitions and implementing the India business strategy for multinationals. She has worked with Indian Multinationals in the ITES sector in implementing their transfer pricing across jurisdictions including working on cross border restructuring and acquisitions.

Smt Sabnavis has worked with large portfolio investors investing in India including Institutional investors in managing their tax compliance and litigation in India. She has also worked on the tax advocacy for some institutions in representing the general issues faced by investors with their investments in India.

Smt 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 Indian

Business Houses and Multinationals on various tax issues before the Central Board of Direct taxes. She is a qualified Chartered Accountant and a Company Secretary. She is also a Certified Mediator having undergone training conducted by the Indian Institute of Corporate Affairs.

- **Shri Roland Schwinn**, (DIN 07728316) is the Head of Eurex Asia, the derivatives market of the Deutsche Boerse Group for Asia, Pacific and the Middle East. He joined Eurex in 2007 as Head of Business Research until he took over the business development role for the Asia Pacific region in July 2007.

He is also the founding director of Deutsche Boerse Asia Holding and Eurex Clearing Asia and since July 2015 he acts as the Chief Executive Officer of Eurex Clearing Asia in Singapore. From 1994 to 2006 he worked as an Independent Business Consultant for Eurex and the Deutsche Boerse Group in several international projects and in the areas of Marketing and Sales, and Institutional Investor Business Development, specializing in Hedge Funds.

He started his career at the DTB - Deutsche Terminboerse - (the predecessor of Eurex) in 1990 as a Product Development Manager and worked in several positions at DTB, including Strategic Marketing Manager and Client Services Manager until 1994.

Roland Schwinn studied at the University of Applied Sciences, Trier Germany and the University of Leicester, UK. He is holding a Master Degree in Business Administration and a Postgraduate Diploma in European Business Studies. Since November 2016, Roland is also a Fellow of Singapore University of Social Sciences

(SUSS, formerly known as UniSIM). Prior to that, he was a Research Fellow of Singapore Management University (SMU).

iii. Board Meetings held during the year and attendance thereat

During the FY ended March 31, 2017, eight (8) Board Meetings were held on April 11, 2016; May 5, 2016; June 24, 2016; August 9, 2016; September 7, 2016; October 28, 2016; January 10, 2017 and February 14, 2017. The gap between any two meetings did not exceed one hundred and twenty days.

The necessary quorum was present for all the meetings with the presence of atleast one Public Interest Director as required under SECC Regulations. Video / tele-conferencing facilities are also provided to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting ("AGM") and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2017, are given herein below.

Other Directorships do not include all other Companies i.e. Directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1) (b) of the Listing Regulations.

Name of the Director	Number of Meetings attended during the year	Whether attended last AGM held on 24.06.2016	Other Directorship	Number of Committee positions held in other public companies	
				Chairman	Member
Shri Ashishkumar Chauhan	8	Yes	5	-	-
Shri Sudhakar Rao ¹	8	Yes	5	3	2
Shri Dharendra Swarup	8	Yes	4	4	2
Dr. K. Kasturirangan	8	Yes	-	-	-
Shri Sethurathnam Ravi	8	No	7	5	3
Justice Vikramajit Sen	6	Yes	1	-	-
Shri Sumit Bose	6	Yes	5	1	2
Dr. Sanjiv Misra	1	NA	NA	NA	NA
Shri Thomas Bendixen ²	7	Yes	-	-	-
Dr. Sriprakash Kothari	6	No	-	-	-
Smt. Usha Sangwan	6	No	5	0	3
Smt. Rajeshree Sabnavis	8	Yes	-	-	-

1. Retired w.e.f. June 28, 2017

2. Ceased to be director w.e.f. June 13, 2017

iv. **CODE OF CONDUCT AND CODE OF ETHICS**

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company's website www.bseindia.com. The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for the FY 2016- 17 and forms part of this Annual Report.

The Company being a recognized Stock Exchange, as per SECC Regulations, requires every Director and Key Management Personnel to affirm compliance with the Code of Ethics as prescribed by SEBI under Regulation 26 (2) of SECC Regulations. The Code of Ethics is aimed at maintaining the professional and ethical standards in the functioning of the Company.

3) **COMMITTEES OF THE BOARD**

The Board functions either as a full Board or through various Committees constituted under the Act, Listing Regulations and SECC Regulations to oversee specific operational areas.

There are nineteen (19) Board Committees which comprise of five (5) statutory Committees under the Act and Listing Regulations and fourteen (14) other Committees as per SECC Regulations namely: Membership Selection Committee, Disciplinary Action Committee, Defaulters' Committee, Standing Committee on Technology, Investor Services Committee, Arbitration Committee (committee has been removed by SEBI vide circular dated February 2017), Ethics Committee, Oversight Committee (Member Regulation), Oversight Committee (Listing Function), Oversight Committee (Trading and Surveillance Function), Advisory Committee, Sub-Committee for Monitoring Compliance for suggestions given in SEBI Inspection Report, Risk Management Committee and Investor Grievance Redressal Committee ("IGRC").

Updated list of Committees of the Company are also available on the website of the Company www.bseindia.com

a) **Audit Committee**

The Company has complied with the requirements of Section 177 of the Act, Regulation 18 of the Listing Regulations and Regulation 35 of SECC Regulations 2012, applicable to the composition of the Audit Committee.

i. **Terms of Reference**

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 them.
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 Act
 - 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 judgment 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 and 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 Committee.

ii. Powers

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.

iii. Review of Information

The 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 Committee

The 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 minutes of the meetings of the Committee are placed before the Board.

iv. Composition

As on March 31, 2017, the Audit Committee comprised of four (4) Public Interest Directors, namely Shri Dhirendra Swarup (Chairman), Shri Sudhakar Rao, Shri Sethurathnam Ravi and Shri Sumit Bose and one (1) Shareholder Director namely Dr. Sriprakash Kothari.

The Company Secretary functions as the Secretary of the Committee.

Changes in the Committee during the year

Shri Sudhakar Rao and Shri Sethurathnam Ravi were appointed as the members of the Committee w.e.f. April 21, 2016. Shri Sumit Bose was appointed as the member of the Committee w.e.f. July 20, 2016. Shri Thomas Bendixen and Dr. Sanjiv Misra ceased to be the member of the Committee w.e.f. April 21, 2016.

v. Meetings held during the year and attendance thereat

During the FY ended March 31, 2017, five (5) Audit Committee meetings were held on May 4, 2016; August 08, 2016; September 07, 2016, October 28, 2016 and February 14, 2017.

The gap between any two (2) meetings did not exceed one hundred and twenty days.

The necessary quorum was present for all the meetings with the presence of atleast two (2) Public Interest Directors as required under Regulation 18 (2) (b) of the Listing Regulations.

The previous Annual General Meeting of the Company was held on June 24, 2016 with presence of the Chairman of the Audit Committee as required under Regulation 18 (1) (d) of the Listing Regulations.

Name of the Member	No. of meetings attended during the year
Shri Dhirendra Swarup (Chairman)	5
Shri Sudhakar Rao ¹	5
Dr. Sriprakash Kothari	3
Shri Sethurathnam Ravi	5
Shri Sumit Bose	4

1. Retired w.e.f. June 28, 2017



b) Nomination and Remuneration / Compensation Committee

The Company has complied with the requirements of Section 178 of the Act, Regulation 19 of the Listing Regulations and Regulation 27 of SECC Regulations, applicable to the composition of the Nomination and Remuneration / Compensation Committee.

i. Key Management Personnel / Key Managerial Personnel

As per SECC Regulations, Key Management Personnel shall mean "a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of department(s) in the recognised stock exchange or in any other position as declared so by such stock exchange"

Regulation 26 of SECC Regulations, requires every Key Management Personnel of a recognised Stock Exchange to be a "fit and proper person" as described in Regulation 20 of SECC Regulations.

The Company has identified the following individuals / officers as Key Management Personnel as per requirements of SECC Regulations.

Key Management Personnel under SECC Regulations

1. Shri Ashishkumar Chauhan, MD & CEO
2. Shri Nayan Mehta, Chief Financial Officer
3. Shri Nehal Vora, Chief Regulatory Officer

4. Shri Neeraj Kulshrestha, Chief of Business Operations
5. Shri Kersi Tavadia, Chief Information Officer

Moreover, as per Section 2(51) of the Act, following individuals / officers are identified as Key Managerial Personnel.

Key Managerial Personnel as per the Act:

1. Shri Ashishkumar Chauhan, MD & CEO
2. Shri Nayan Mehta, Chief Financial Officer
3. Smt. Prajakta Powle, Company Secretary¹

¹ Smt. Prajakta Powle was appointed as Company Secretary and Compliance Officer, in place of Smt. Neena Jindal, erstwhile Company Secretary of the Company w.e.f. September 7, 2016.

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.

ii. 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") and 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.

As per Section 178(4) of the Act, the Nomination and Remuneration Committee shall, while formulating the policy under sub section (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:

iii. Composition

As on March 31, 2017, the Nomination and Remuneration Committee comprised of three (3) Public Interest Directors, namely Shri Dharendra Swarup (Chairman), Shri Sudhakar Rao and Dr. K. Kasturirangan and two (2) Shareholder Directors, namely Shri Thomas Bendixen and Smt. Usha Sangwan.

The Company Secretary functions as the Secretary of the Committee.

Changes in the Committee during the year

Dr. K. Kasturirangan was appointed as member of the Committee w.e.f. April 21, 2016.



(L to R) Shri Neeraj Kulshrestha, CBO, BSE; Shri Amit Tandon, Founder & MD, IAS; Ms. Anne Molyneux, IFC; Pratip Kar, Consultant, IFC; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri M. Ramodaran, Founder, EEPL; Shri Sandeep Lakotia, Group Head & CS, SREI Infrastructure Finance Limited; Ms. Ariane Di Iorio, Regional Industry Manager South Asia, IFC; Ms. Vladislava Ryabota, Reg Corp Governance lead for South Asia, IFC; Ms. Hetal Dalal, COO, IAS at the Corporate Governance Scorecard Event on 5th October 2016 at BSE.

iv. Meetings held during the year and attendance thereat

During the FY 2016-17, three (3) Nomination and Remuneration Committee meetings were held on April 11, 2016; May 4, 2016 and February 14, 2017.

The necessary quorum was present for all the meetings with the presence of majority of Public Interest Directors.

Name of the Member	No. of meetings attended during the year
Shri Dharendra Swarup (Chairman) ¹	3
Shri Sudhakar Rao ²	3
Dr. K. Kasturirangan	2
Shri Thomas Bendixen ³	3
Smt. Usha Sangwan	3

1. *Appointed as Chairman of the Committee w.e.f April 11, 2016*

2. *Retired w.e.f. June 28, 2017*

3. *Ceased to be director w.e.f. June 13, 2017*

v. Performance Evaluation criteria of the Board

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, adopted board evaluation policy to comply with the various provisions under the Act, Regulation 17, 19, Schedule II of the Listing Regulations and the SEBI circular dated January 5, 2017; which provides further clarity on the process of board evaluation ("SEBI Guidance Note").

The policy has been framed with an objective to ensure individual Directors of the Company and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Accordingly, the policy provides guidance on evaluation of the performance, on an annual basis, of: (i) individual Directors (including the Chairperson and Public Interest Directors); (ii) the Board as a whole; and (iii) various committees of the Board.

The criteria for evaluation for each of the above are as follows:

- Evaluation of Individual Directors**

The individual Director's performance has largely been evaluated based on his / her level of

participation and contribution to the performance of Board / Committee(s). Furthermore, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he / she is a member and timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

- Chairman's Performance Evaluation**

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, establishing effective communication with all stakeholders, etc.,

- Performance evaluation of the Board as a whole**

The performance of the Board of Directors is evaluated on the basis of various criteria which include, inter alia, providing entrepreneurial leadership to the Company, understanding of the business, strategy and growth, responsibility towards stakeholders, risk management and financial controls, quality of decision making, monitoring performance of management, maintaining high standards of integrity and probity, etc.

- Evaluation of the Board Committees**

The performance of the Committees is evaluated on the basis of following parameters:

- Mandate and Composition
- Effectiveness of the Committee
- Structure of the Committee and meetings
- Independence of the Committee from the Board
- Contribution to decisions of the Board

vi. Details of remuneration paid to Non-executive Directors

In terms of Regulation 24 (6) of SECC Regulations, only sitting fees can be paid to the Public Interest Directors. The following table sets out the details of sitting fees paid to the Directors for FY 2016-17:

Name of the Non-Executive Director	Sitting Fees (₹ in Lakh)
Shri Sudhakar Rao ¹	17.75
Shri Dharendra Swarup	24.00
Dr. K. Kasturirangan	16.50
Shri Sethurathnam Ravi	17.00
Justice Vikramajit Sen	12.50
Shri Sumit Bose	12.50
Dr. Sanjiv Misra	1.50
Shri Thomas Bendixen ^{2 & 3}	9.25
Dr. Sriprakash Kothari	8.25
Smt. Rajeshree Sabnavis	9.75
Smt. Usha Sangwan ⁴	8.00

1. Retired w.e.f. June 28, 2017
2. Ceased to be director w.e.f. June 13, 2017
3. Paid to Deutsche Boerse AG ("DB"), being represented by Shri Thomas Bendixen.
4. Paid to Life Insurance Corporation ("LIC"), being represented by Smt. Usha Sangwan.



(L to R) Shri Hiteshkumar Dholhagara, Managing Director, Sprayking Agro Equipment Limited; Shri Sunil Choudhary, MD, Narayani Steels Limited; Shri Rajesh Kumar Mittal, MD, Riddhi Steels and Tubes Limited; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri. Sudhir Mungantiwar, Hon'ble Minister for Finance and Planning, Forest, Government of Maharashtra; Shri Mahavir Lunawat, Group Managing Director, Pantomath Capital Advisors Private Limited; Shri Kamal Kothri, Managing Director, Guinness Corporate Advisors Limited and Shri V. Balasubramaniam, MD & CEO, India International Exchange at the launch of the SME White paper on 14th September, 2016.

All the above Non- Executive Directors did not have any other pecuniary relationship or transactions with the Company during FY 2016-17.

vii. Details of remuneration paid to Managing Director and Chief Executive Officer

The details of remuneration paid to MD & CEO during the FY 2016-17 are given in the following table:

Particulars	(₹ in Lakh)
Basic Salary	78.00
Allowances and Perquisites	256.59
Variable Pay based on performance	61.95
PF Contribution	9.36
Ex – gratia	10.92
Total¹	416.82

¹Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2016-17 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

- As per SECC Regulations, Managing Director of the exchange is not entitled to any stock options.
- Appointment of MD & CEO is governed by a service contract for a period of 5 years and a notice period of 3 months.

viii. Policy for selection, appointment and remuneration of Directors and KMPs

The Nomination and Remuneration Committee ("NRC") has adopted policies which, inter alia, deals with the manner of selection, appointment and remuneration of Directors and KMPs. For the NRC policy of the Company please refer Director's Report.

c) Stakeholders' Relationship / Share Allotment Committee

The Company has complied with the requirements of Section 178 (5) of the Act, Regulation 20 of the Listing Regulations, as applicable to the constitution of the Committee.

i. Terms of Reference:

1. To allot shares/securities from time to time.
2. 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.

ii. Composition

As on March 31, 2017, the Committee comprised of one (1) Public Interest Director namely Shri Sethurathnam Ravi and three (3) Shareholder Directors namely Smt. Rajeshree Sabnavis (Chairperson), and Dr. Sriprakash Kothari. Shri Ashishkumar Chauhan, MD & CEO, is also a member of the Committee.

The Company Secretary functions as the Secretary of the Committee.

Changes in the Committee during the year:

Shri Sethurathnam Ravi and Dr. Sriprakash Kothari were appointed as members of the Committee w.e.f. April 21, 2016 and July 20, 2016 respectively. Dr. Sanjiv Misra and Smt. Usha Sangwan ceased to be member of the Committee w.e.f. April 21, 2016 and July 20, 2016 respectively.

iii. Meetings held during the year and attendance thereat

During the FY 2016-17, two (2) Stakeholders' Relationship / Share Allotment Committee meetings were held on May 4, 2016 and March 27, 2017.

The necessary quorum was present for all the meetings.

Name of the members	No. of meetings attended during the year
Smt. Rajeshree Sabnavis (Chairperson)	2
Shri Ashishkumar Chauhan	2
Shri Sethurathnam Ravi	2
Smt. Usha Sangwan	1
Dr. Sriprakash Kothari	1

iv. Name, designation and address of Compliance officer:

Under SECC Regulations	Under Listing Regulations
Shri Nehal Vora Chief Regulatory Officer BSE Limited 25 th Floor, P.J.Towers, Dalal Street, Mumbai 400 001.	Smt. Prajakta Powle Company Secretary and Compliance Officer BSE Limited 25 th Floor, P.J.Towers, Dalal Street, Mumbai 400 001.

v. Details of shareholders' complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
3	213	211	5*

* Received at the end of March, 2017. However, were subsequently resolved within 7 working days.

d) Independent Directors / Public Interest Directors Committee

The Company has complied with Regulation 26 read with part A of schedule II of SECC Regulations. As per the aforesaid Regulation, Public Interest Directors shall meet separately, at least once in six (6) months to exchange views on critical issues.

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

Under SECC Regulations:

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.

ii. Composition:

As on March 31, 2017, the Committee comprised of six (6) Public Interest Directors namely Shri Sudhakar Rao (Chairman), Shri Sethurathnam Ravi, Shri Dharendra Swarup, Dr. K. Kasturirangan, Justice Vikramajit Sen and Shri Sumit Bose.

Changes in the Committee during the year:

Dr. Sanjiv Misra ceased to be a member of the Committee and Public Interest Director w.e.f. April 22, 2016. Justice Vikramajit Sen and Shri Sumit Bose were appointed as Public Interest Directors w.e.f. May 19, 2016.

iii. Meetings held during the year and attendance thereat

During the FY 2016-17, two (2) Independent Directors / Public Interest Directors Committee meetings were held on May 4, 2016 and February 13, 2017.

The necessary quorum was present for all the meetings.

Name of the members	No. of meetings attended during the year
Shri Sudhakar Rao (Chairman) ¹	2
Shri Sethurathnam Ravi	2
Shri Dharendra Swarup	2
Dr. K. Kasturirangan	2
Justice Vikramajit Sen	1
Shri Sumit Bose	1

1. Retired w.e.f. June 28, 2017

e) Corporate Social Responsibility Committee ("CSR")

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

i. 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.

ii. Composition:

As on March 31, 2017, the Committee comprised of three (3) Public Interest Directors namely Shri Sudhakar Rao (Chairman), Dr. K. Kasturirangan and Justice Vikramajit Sen and one (1) Shareholder Director, namely, Dr. Sriprakash Kothari.

Changes in the Committee during the year:

Smt. Usha Sangwan ceased to be a member the Committee w.e.f. April 21, 2016. Dr. Sriprakash

Kothari and Justice Vikramajit Sen were appointed as the members of the Committee w.e.f., April 21, 2016 and July 20, 2016 respectively.

iii. Meetings held during the year and attendance thereat

During the FY 2016-17, two (2) Corporate Social Responsibility Committee meetings were held on May 4, 2016 and February 13, 2017.

The necessary quorum was present for all the meetings.

Name of the members	No. of meetings attended during the year
Shri Sudhakar Rao (Chairman) ¹	2
Dr. K. Kasturirangan	2
Dr. Sriprakash Kothari	1
Justice Vikramajit Sen	1

1. Retired w.e.f. June 28, 2017

4) GENERAL BODY MEETINGS

i. The details of the last three (3) Annual General Meetings are as follows:

Details of General Meeting	Day / Date	Time	Venue
9 th Annual General Meeting (2013-14)	Friday, August 1, 2014	11.00 a.m.	Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai 400 001.
10 th Annual General Meeting (2014-15)	Friday, September 25, 2015		
11 th Annual General Meeting (2015-16)	Friday, June 24, 2016	11.30 am.	

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
26.05% Stake sale in Central Depository Services (India) Limited	59,14,081	59,10,843	99.95%	3,238	0.05%

At present, no Special Resolution is proposed to be passed through postal ballot.

Procedure for Postal Ballot

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch

ii. The details of the Special Resolutions passed in the Annual General Meetings held in the previous three (3) years are given below:

Details of Annual General Meeting	Day / Date	Description of Special Resolution
9 th Annual General Meeting (2013-14)	Friday, August 1, 2014	Increase in the remuneration payable to Shri Ashishkumar Chauhan, MD & CEO of the Company, upto 10% of the total remuneration payable per annum at the discretion of the Board for the period ending on 1 st November, 2015.
10 th Annual General Meeting (2014-15)	Friday, September 25, 2015	--
11 th Annual General Meeting (2015-16)	Friday, June 24, 2016	<ul style="list-style-type: none"> Approval of initial public offering of equity shares of the Company Approval of the Scheme of Participation for selling shareholders Constitution of the Advisory Committee of shareholders

iii. Postal Ballot:

During the year under review, the Company had passed the following resolution as Special Resolution through postal ballot in accordance with the procedure prescribed in Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, read with the related Rules, for 26.05% Stake sale in Central Depository Services (India) Limited, the results of which were announced on January 11, 2017. Mr. N.L Bhatia, Partner, Messrs N L Bhatia and Associates, Practicing Company Secretaries were appointed as the Scrutinizer for conducting the Postal Ballot / e-voting process in accordance with law and in a fair and transparent manner.

of the Postal Ballot Notice dated November 21, 2016 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on December 10, 2016 to the shareholders who had not registered their e-mail IDs with the Company/ Depositories and sent, by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/ Depositories.

The Company published a notice in the newspaper declaring the details of completion of dispatch of postal ballot notice and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically.

The Scrutinizer submitted his report to the Chairman after the completion of the scrutiny of the postal ballots (including e-voting). Considering the combined results of the Postal Ballot via postal ballot forms and e-voting facility, the resolution was approved on January 9, 2017. The results were declared on January 11, 2017 and displayed on the Company's website www.bseindia.com.

5) GENERAL SHAREHOLDER INFORMATION

a) Twelfth Annual General Meeting

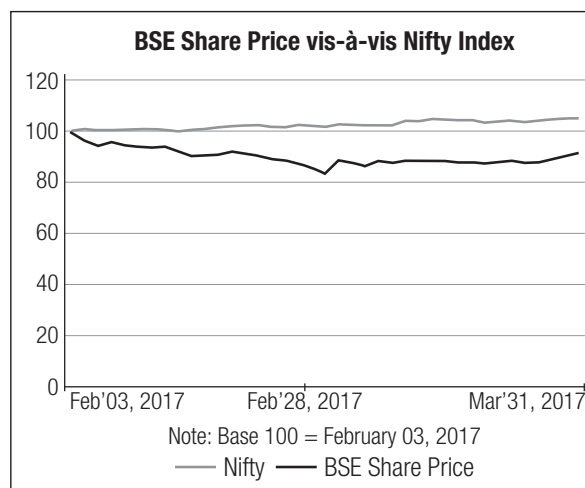
Day and Date	Monday, September 4, 2017
Time	11.30 a.m.
Venue	Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001.
Financial year	April 1, 2016 to March 31, 2017
Book Closure	Monday, August 28, 2017
Payment of Dividend	Dividend, if declared at Twelfth Annual General Meeting will be paid on or before October 3, 2017
Listed on Stock Exchange	Equity Shares National Stock Exchange of India Limited ("NSE") "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
Annual Listing Fees	Annual Listing Fees for FY 2016-17 is paid to NSE
Stock Code	BSE
ISIN	INE118H01025

b) Stock Market Price Data Month wise

Month	National Stock Exchange ("NSE")		
	High Price (₹)	Low Price (₹)	Volume (No. of equity shares)
February 2017	1069.20	946.95	14,50,194.82
March 2017	977.65	890.70	3,34,426.82

Note: The Company got listed w.e.f. February 3, 2017 on NSE

c) Performance of BSE share price vis-à-vis Nifty Index



Note: The Company got listed on NSE w.e.f. February 3, 2017.

d) Registrar and Transfer Agent

Karvy Computershare Private Limited
Unit: BSE Limited
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Email: einward.ris@karvy.com
Telephone Nos.: +91-040- 6716 2222

e) Share Transfer System

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 per Regulation 46 of SECC Regulations, securities of Recognised Stock Exchange shall be in dematerialised form only. Therefore, shareholders are instructed to get their physical shares dematerialised by making an application to their respective depository participant(s).

f) Distribution of shareholding as on March 31, 2017:

Category	No. of share-holders	Percentage (%)	No. of Shares	Percentage (%)
1-5000	188010	99.44	7015653	13.04
5001-10000	258	0.14	982466	1.83
10001-20000	210	0.11	1468925	2.73
20001-30000	91	0.05	1121243	2.08
30001-40000	68	0.04	1226049	2.28
40001-50000	75	0.04	1690756	3.14
50001-100000	175	0.09	6148787	11.43
100000-above	177	0.09	34154293	63.47
Total	189064	100.00	53808172	100.00

g) Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on NSE. Bifurcation of the category of shares in physical and electronic mode as on March 31, 2017 is given below:

Category	No of shareholders	No. of Shares	Percentage %
PHYSICAL	10	294574	0.55
NSDL	107540	37388752	69.49
CDSL	81514	16124846	29.96
Total:	189064	53808172	100

h) Outstanding Global depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable**i) Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable**j) Plant Locations:** Not Applicable**k) Categories of shareholders as on March 31, 2017**

Category	No. of share-holders	Percentage (%)	No. of Shares	Percentage (%)
Resident Individuals	177596	93.93	15464370	28.74
Bodies Corporate	1429	0.76	14106194	26.22
HUF	8821	4.67	627468	1.17
Trust	24	0.01	210735	0.39
Banks/ Financial Institutions	36	0.02	4709889	8.75
Non Resident Indians	1085	0.57	1419330	2.64
Foreign Bodies Corporate	4	0.00	4788975	8.90
Foreign Institutional Investor	27	0.01	7938506	14.75
Insurance Company	1	0.00	2509721	4.66
Venture Capital	0	0.00	0	0.00
Mutual Funds	35	0.02	2023670	3.76
NBFC	5	0.00	200	0.00
Alternative Investment Fund	1	0.00	9114	0.02
Total	189064	100	53808172	100

List of top 10 shareholders as on March 31, 2017

Sr. No.	Name of shareholder	No. of shares held at the end of the quarter	Percentage of shareholding
1	Smallcap World Fund, Inc.	2673430	4.97
2	Deutsche Boerse AG	2549443	4.74
3	State Bank of India	2548682	4.74
4	Life Insurance Corporation of India	2509721	4.66
5	Nomura India Investment Fund Mother Fund	1500000	2.79
6	GKFF Ventures	1228465	2.28
7	Caldwell India Holdings Inc	1173319	2.18
8	Acacia Banyan Partners Limited	1007772	1.87
9	Siddharth Balachandran	1087915	2.02
10	Bajaj Holdings and Investment Ltd	751699	1.40

6) OTHER DISCLOSURES**i. Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interests of Company at large.**

The Company complies with the disclosure requirements as prescribed in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 applicable to listed companies relating to Related Party Transactions ("RPT") and for this purpose follows Ind AS - 24 issued by Institute of Chartered Accountants of India (ICAI). Details of material RPT's are informed to the Board on a quarterly basis along with financial results.

ii. 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

SEBI Order dated September 11, 2014 issued by SEBI against BSE Ltd. in the matter of NMDC OFS issue:

SEBI vide its order dated September 11, 2014 censured the Company's conduct in matter of "NMDC OFS" and advised to take certain steps in relation to the process adopted for "Offer For Sale" ("OFS") 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 the Company. 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.

iii. Discretionary requirements as per Schedule II Part E of the SEBI Listing Regulations

- The Company has complied with the requirement of having separate persons to the post of Chairman and MD & CEO.
- The internal auditors of the Company make presentations to the Audit Committee on their reports.
- The auditors' reports on statutory financial statements of the Company are with unmodified opinion.

iv. Details of establishment of vigil mechanism and whistle blower policy

As required under Regulation 22 of the Listing Regulations, the Company has formulated a vigil mechanism for Directors and employees to report their genuine concerns. The Company confirms that no personnel has been denied access to the Audit Committee. The Company is committed to developing a culture where it is safe for all stakeholders including Directors and employees to raise concerns / alarm on issues involving malpractices, violation of law of the land, abuse of power, financial irregularities, etc.

The Company has also established whistle blower policy and the same is available on the website of the Company:
http://www.bseindia.com/downloads1/Whistle_Blower_policy.pdf

v. Familiarisation programmes

The details of programmes for familiarisation for Directors is put on the website of the Company at the link:
http://www.bseindia.com/downloads1/Familiarisation_Programme_for_Independent_Directors.pdf

vi. Means of communications with shareholders

The quarterly and annual results of the Company are published in leading newspapers in India which includes Financial Express and Business Standard, English newspapers circulating in substantially the whole of India and in Navshakti, a Marathi vernacular newspaper. The results are also available on the website of the Company www.bseindia.com. The website also contains link to official news releases, investor presentations along with all material information pertaining to the Company.

The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company. The basic information about the Company in terms of the Listing Regulations is provided on the Company's website and the same is updated regularly.

vii. CEO Certification

The Certificate from CEO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations for the FY 2016-17, is annexed at the end of this report.

viii. Compliance with the conditions of Corporate Governance

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent as applicable, with regards to Corporate Governance.

ix. Policy for determining 'material' subsidiaries

Pursuant to Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a policy for determining a "material" subsidiary, the details of which is available on the website of the Company as per Regulation 46 (2) (h) of the Listing Regulations. The link of the same is given below:
http://www.bseindia.com/downloads1/Policy_on_Material_Subsidiaries.pdf

x. 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

xi. Dividend

The Company provides the facility of direct credit of the dividend to the member's bank account. Listing Regulations also mandate Companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account.

Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account (IPO Escrow account) which were issued in dematerialised form pursuant to the Initial Public Offer (IPO) of the Company:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2016	2	36
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	2	36

xii. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund ("IEPF")

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, subsequently been amended vide notification dated February 28, 2017 ("the Amended Rules") [collectively referred to as "the Rules"], any amount transferred to the Unpaid Dividend Account of a company and which remains unpaid or unclaimed for a period of seven years from the date of such transfer; shall be transferred to the IEPF Fund established by Central Government for this purpose. Accordingly, the Company has transferred the unclaimed and unpaid dividends for the FY 2008-09 to IEPF.

Further, according to the said Rules, the shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more shall also be transferred to the DEMAT account created by the IEPF Authority. The Company follows procedure prescribed in the Rules, before making any such transfer of shares to the IEPF Authority. Individual reminder letters (including by way of e-mail) are sent to the concerned shareholders and advertisement of public notice is

also given in newspapers. Furthermore, as per the Rules, such details are also made available on website of the Company: <http://www.bseindia.com/static/about/dividend.aspx>

xiii. Address for Correspondence:

Smt. Prajakta Powle
Company Secretary and Compliance Officer
BSE Limited
25th Floor, P.J.Towers, Dalal Street, Mumbai - 400 001.
Tel. 022-22721233; Fax 022-22721003
E-mail: bse.shareholders@bseindia.com

**Registrar and Transfer Agents
Karvy Computershare Private Limited**

Unit: BSE Limited, Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
E-Mail: einward.ris@karvy.com
Tel. No.: 91-40-6716 2222

Shareholders are requested to inform 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 Company. Once such changes are taken on record by the DPs, they would then reflect in the records of the Company. 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.

xiv. 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.

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 AND SENIOR MANAGEMENT PERSONNEL
WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has obtained from all the members of the Board, and senior management personnel affirmation that they have complied with the Code of Conduct for Directors and senior management personnel as required under Regulation 26(3) of the Listing Regulations for the FY 2016-17.

Ashishkumar Chauhan
MD & CEO

Place: Mumbai

Date: August 3, 2017

CEO/ CFO COMPLIANCE CERTIFICATE

The Board of Directors
BSE Limited
25th Floor, P. J. Towers, Dalal Street,
Mumbai – 400 001

RE: CEO / CFO CERTIFICATION

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 financial statements and cash flow statement for the year ended 31st March, 2017 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 31st March, 2017, 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 company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date: May 5, 2017

Ashishkumar Chauhan
Managing Director & CEO

Nayan Mehta
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
BSE Limited

We have examined the compliance of conditions of Corporate Governance by BSE Limited ("the Company") for the year ended March 31, 2017, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and in terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. 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 Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 in the Listing Regulations.

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

Pramod S. Shah
Partner

Membership No. 334

Certificate of Practice No. 3804

Place: Mumbai

Date: August 3, 2017

Independent Auditors' Report

TO THE MEMBERS OF BSE LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of BSE Limited (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group") and its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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, and joint venture as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs. 2,00,204 lakh as at March 31, 2017, total revenues of Rs. 14,500 lakh and net cash inflows amounting to Rs. 77,476 lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 107 lakh for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.
- (b) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of five subsidiaries, one associate and two joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture company incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ Subsidiary Companies', Joint Venture Company's 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint venture.

Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2017. The Group and joint venture did not have any outstanding derivative contracts as at March 31, 2017.

- ii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture Company incorporated in India.
- iii. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the Management of the respective Group entities.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam

Partner

(Membership No. 109839)

Date : May 5, 2017

Place : Mumbai

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section 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 Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of BSE Limited (hereinafter referred to as the “Parent”) its subsidiary companies, and its joint venture, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, and joint venture, 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 respective Companies 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, 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 and joint venture, 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 internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint venture, 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, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

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 seven subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam

Partner

(Membership No. 109839)

Date : May 5, 2017

Place : Mumbai

Consolidated Balance Sheet as at March 31, 2017

		(₹ in Lakh)		
PARTICULARS	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
1 Non-current assets				
a. Property, plant and equipment	5	14,232	13,214	12,475
b. Capital work-in-progress		446	60	305
c. Investment property	6	347	364	382
d. Goodwill	7	8,504	8,504	9,289
e. Other intangible assets	8	1,860	2,010	2,308
f. Intangible assets under development		151	203	61
g. Financial assets				
i. Investments				
a. Investments in subsidiaries	9	5	6	5
b. Investments in joint ventures	10	252	146	1,319
c. Investments in associates	10	-	-	256
d. Other investments	11	1,49,162	1,54,285	1,42,393
ii. Other financial assets	13	25,362	33,154	14,829
h. Income tax assets (net)	23	8,920	10,833	7,781
i. Deferred tax assets (net)	20	1,889	584	14
j. Other assets	15	121	266	320
Total non-current assets		2,11,251	2,23,629	1,91,737
2 Current assets				
a. Financial assets				
i. Investments	11	50,200	57,045	87,730
ii. Trade receivables	12	6,872	4,719	3,481
iii. Cash and cash equivalents	14	1,16,367	33,625	33,630
iv. Bank balances other than (iii) above	14	1,26,209	96,308	95,938
v. Other financial assets	13	5,627	7,475	7,090
b. Other assets	15	1,775	1,538	1,427
Total current assets		3,07,050	2,00,710	2,29,296
Total assets (1+2)		5,18,301	4,24,339	4,21,033
EQUITY AND LIABILITIES				
3 Equity				
a. Equity share capital	16	1,076	1,074	1,073
b. Other equity	17	2,65,164	2,51,219	2,52,649
Equity attributable to shareholders of the Company		2,66,240	2,52,293	2,53,722
4 Non controlling interest	42	29,088	23,727	20,577
Total equity		2,95,328	2,76,020	2,74,299
5 Core settlement guarantee fund		20,452	17,605	11,126
Liabilities				
6 Non-current liabilities				
a. Financial liabilities				
Other financial liabilities	18	606	638	498
b. Deferred tax liabilities (Net)	20	-	326	286
c. Provisions	19	165	80	65
d. Other liabilities	21	107	95	113
Total non-current liabilities		878	1,139	962
7 Current liabilities				
a. Financial liabilities				
i. Trade payables				
a. Total outstanding dues of micro enterprises and small enterprises	22	8	2	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	22	5,625	4,585	3,881
ii. Other financial liabilities	18	1,67,102	1,08,587	1,10,611
b. Provisions	19	1,671	1,205	779
c. Income tax liabilities (Net)	23	1,471	1,194	907
d. Other liabilities	21	25,766	14,002	18,468
Total current liabilities		2,01,643	1,29,575	1,34,646
Total equity and liabilities (3+4+5+6+7)		5,18,301	4,24,339	4,21,033
See accompanying notes forming part of the financial statements				

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Date : May 05, 2017
Place : Mumbai

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

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

		(₹ in Lakh)	
PARTICULARS	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
1 Revenue from operations: Income from			
Securities services	24	33,570	24,126
Services to corporates	25	15,686	16,111
Data dissemination fees		2,467	2,242
Revenue from operations		51,723	42,479
2 Investment income	26	23,802	21,018
3 Other income	27	4,550	3,512
4 Total income (1+2+3)		80,075	67,009
5 Expenses			
Employee benefits expense	28	14,149	10,738
Finance costs		96	33
Depreciation and amortisation expense	5 & 6 & 8	5,398	5,367
Administration and other expenses	29	26,844	24,980
Impairment loss on financial assets	30	1,043	37
Total expenses		47,530	41,155
6 Profit before exceptional items and tax (4 -5)		32,545	25,854
7 Exceptional items :			
Liquidity enhancement incentive program scheme		-	1,724
Settlement guarantee fund (25% transfer of profit)		2,079	5,143
Loss on sale of BOI Shareholding Limited		-	643
Reversal of provision for contribution to depository investor protection fund		-	(3,310)
Others		-	460
Total exceptional items		2,079	4,660
8 Profit before tax (6 -7)		30,466	21,194
9 Tax expense:	31		
Current tax		6,466	4,284
Current tax of earlier years		(796)	(47)
Deferred tax		(1,606)	(532)
Total tax expenses		4,064	3,705
10 Profit after tax before share of Profit / (Loss) from Joint Ventures / Associate for the year (8-9)		26,402	17,489
Share of Profit of Joint Ventures		107	251
Share of Loss of Associate		-	(27)
11 Net Profit for the year		26,509	17,713
Net Profit attributable to the shareholders of the Company		22,057	13,293
Net Profit attributable to the non controlling interest		4,452	4,420
12 Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
i. Remeasurements of the defined employee benefit plans;		(92)	5
ii. Income tax relating to items that will not be reclassified to profit or loss		(25)	2
Items that will be subsequently reclassified to profit or loss			
iii. Foreign Currency Translation reserve		(575)	-
iv. Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year (i - ii + iii - iv)		(642)	3
13 Total comprehensive income for the year (11+12)		25,867	17,716
Total comprehensive income attributable to the shareholders of the Company		21,431	13,298
Total comprehensive income attributable to the non controlling interest		4,436	4,418
14 Earnings per equity share :	32		
Basic and diluted before exceptional items (₹)		42.90	31.75
Basic and diluted after exceptional item (₹)		40.41	24.35
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		5,45,88,172	5,45,88,172
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Date : May 05, 2017
Place : Mumbai

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Consolidated Cash Flow Statement for year ended March 31, 2017

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	26,509	17,713
Adjustments for		
Income tax expenses recognised in profit and loss	4,064	3,705
Share of profit of joint ventures	(107)	(251)
Loss on sale of BOI Shareholding Limited	-	643
Share of loss of associate	-	27
Foreign currency translation reserve	(575)	-
Depreciation and amortisation expense	5,398	5,367
Net gain on disposal of property, plant and equipment	(19)	(8)
Impairment loss on financial assets	1,605	604
Impairment loss on non financial assets	-	785
Finance cost	96	33
Exchange's contribution to core settlement guarantee fund	952	1,741
Investment income on core settlement guarantee fund	1,842	1,209
Penalties / contribution received towards settlement guarantee fund	53	73
Net gain on derecognition of financial assets measured at amortised cost	(2,302)	(41)
Net gain on disposal of investment in associate consolidated at equity method	-	(71)
Net (gain) / loss on disposal of equity instrument measured at FVTPL	(121)	206
Net gain arising on financial assets measured at FVTPL	(2,726)	(2,445)
Interest income	(16,927)	(17,126)
Dividend income	(1,720)	(1,535)
Provision for compensated absences	524	370
Operating profit before working capital changes	16,546	10,999
Movements in working capital		
Increase in trade receivables	(3,758)	(1,842)
Increase in trade payables	1,046	706
Increase in provision	466	426
Increase in other assets and other financial assets	(255)	(6)
Increase / (decrease) in other liabilities and other financial liabilities	71,130	(7,430)
Cash generated from operations	85,175	2,853
Direct taxes paid (net of refunds)	(3,464)	(7,275)
Net cash from / (used in) operating activities	81,711	(4,422)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	(6,407)	(6,205)
Proceeds from sale of property, plant and equipment	41	20
Net decrease in investment in equity and debt instruments	16,966	20,050
Net increase in fixed deposits with banks	(22,215)	(15,267)
Interest received	19,362	16,252
Dividend received	1,720	1,535
Net cash generated from investing activities	9,467	16,385

Consolidated Cash Flow Statement for year ended March 31, 2017 (Contd.)..

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(101)	(37)
Dividend and taxes paid thereon	(8,541)	(11,169)
Dividend and tax on dividend paid related to non controlling interest	(1,441)	(1,267)
(Decrease) / increase in trading members and other deposits	(1,776)	609
Disposal of partial interest in subsidiary without loss of control	3,423	-
Share issue expenses	-	(104)
Net cash used in financing activities	(8,436)	(11,968)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	82,742	(5)
Cash and cash equivalents at the beginning of the year	33,625	33,630
Cash and cash equivalents at the end of the year *		
i) Cash on hand	-	1
ii) Cheques in hand	-	31
iii) Balances with banks		
In current accounts	47,467	15,803
In deposit accounts with original maturity of 3 months	68,900	17,790
* Cash and cash equivalents at the end of the year comprises (Refer note 14)	1,16,367	33,625
See accompanying notes forming part of the financial statements		

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
2. The Parent Company has issued 34,28,572 equity shares of face value ₹ 1 per equity share to shareholder of United Stock Exchange of India Limited ("USE") pursuant to the scheme of Amalgamation of USE with the Company.
3. 1,20,000 equity shares of face value ₹ 2 per equity share are allotted as bonus shares by capitalisation of free reserves and hence not included in Cash Flow Statement.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam

Partner

Sudhakar Rao

Chairman

Ashishkumar Chauhan

Managing Director & CEO

Date : May 05, 2017

Place : Mumbai

Nayan Mehta

Chief Financial Officer

Prajakta Powle

Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

	(₹ in Lakh)
Balance as at April 1, 2015	1,039
Changes in equity share capital during the year	34
Balance as at March 31, 2016	1,074
Changes in equity share capital during the year	2
Balance as at March 31, 2017	1,076

B. Other Equity

	Share application money pending allotment	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	Reserves and Surplus	Other Reserve	Foreign Currency Translation Reserve	Settlement Guarantee Fund	Equity attributable to shareholders of the Parent Company	Non Controlling Interest	Total
PARTICULARS					General Reserve	Retained Earnings					
Balance as at April 1, 2015	1	66,179	10,530	39,389	70,470	63,515	-	2,565	2,52,649	20,577	2,73,226
Profit for the year pertaining to equity shareholders	-	-	-	-	-	13,293	-	-	13,293	4,420	17,713
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	5	-	-	5	(2)	3
Exchange's Contribution to Core Settlement Guarantee Fund utilized from Settlement Guarantee Fund	-	-	-	-	-	1,741	-	(1,741)	-	-	-
Clearing corporation's Contribution to Core Settlement Guarantee Fund utilized from Settlement Guarantee Fund	-	-	-	-	-	(3,456)	-	-	(3,456)	-	(3,456)
Contribution to Settlement Guarantee Fund	-	-	-	-	-	545	-	(545)	-	-	-
Investment Income Accrued to Core Settlement Guarantee Fund	-	-	-	-	-	279	-	(279)	-	-	-
Payments of Dividends	-	-	-	-	-	(5,459)	-	-	(5,459)	(1,054)	(6,513)
Payments of Interim Dividends	-	-	-	-	-	(3,821)	-	-	(3,821)	-	(3,821)
Payments of Dividend Distribution Tax	-	-	-	-	-	(1,888)	-	-	(1,888)	(214)	(2,102)
Share issue expenses	-	-	-	(104)	-	-	-	-	(104)	-	(104)
Balance as at March 31, 2016	1	66,179	10,530	39,285	70,470	64,754	-	-	2,51,219	23,727	2,74,946
Profit for the year pertaining to equity shareholders	-	-	-	-	-	22,057	-	-	22,057	4,452	26,509
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(51)	-	-	(51)	(16)	(67)
Foreign Currency Translation Reserve	-	-	-	-	-	-	(575)	-	(575)	-	(575)
Issue of Bonus shares	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Disposal of partial interest in subsidiary without loss of control	-	-	-	-	-	-	1,057	-	1,057	2,366	3,423
Payments of Dividends	-	-	-	-	-	(7,096)	-	-	(7,096)	(1,197)	(8,293)
Payments of Dividend Distribution Tax	-	-	-	-	-	(1,445)	-	-	(1,445)	(244)	(1,689)
Balance as at March 31, 2017	1	66,179	10,530	39,283	70,470	78,219	1,057	(575)	2,65,164	29,088	2,94,252

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Date : May 5, 2017
Place : Mumbai

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

1. COMPANY OVERVIEW

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. The registered office of the Parent Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. 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.

The equity shares of the Parent Company got listed on the National Stock Exchange of India Limited (NSE) on February 3, 2017.

The financial statements were authorized for issue by the Parent Company's Board of Directors on May 05, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

2.1.1 Statement of compliance

The Consolidated financial statements as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS for Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the total comprehensive income for the year ended March 31, 2016. Refer note 4 for the details for first-time adoption exemptions availed by the Group. The Group has adopted all Ind AS Standards.

For all the periods upto and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013 (Indian GAAP). These financial statement for the year ended March 31, 2017 are the Group's first Ind AS financial statements.

2.1.2 Basis of consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, joint ventures and associate ("the Group"). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Company, other vote holders or other parties;
- c) rights arising from other contractual arrangements; and
- d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Joint Ventures are joint arrangement whereby the Group have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities requires unanimous consent of the parties sharing the control. Investments in joint venture are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

Particulars of subsidiaries, joint ventures and associate:

NAME OF THE COMPANY	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2017	Percentage of Voting Power as at March 31, 2016	Percentage of Voting Power as at April 1, 2015
I. Subsidiary Companies					
- Direct					
a) Indian Clearing Corporation Limited (ICCL)	Clearing and Settlement	India	100	100	100
b) Marketplace Technologies Private Limited (MPTL)	IT Support Services	India	100	100	100
c) BSE Institute Limited (BIL)	Training	India	100	100	100
d) Central Depository Services (India) Limited (CDSL)	Depository Services	India	50.05	54.20	54.20
e) BSE Investments Limited	Investment	India	100	100	100
f) BSE CSR Sammaan Limited (w.e.f. September 10, 2015)	Platform for CSR Activities	India	100	100	-
g) BSE CSR Integrated Foundation (Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110)	CSR Activities	India	80	75	-
h) India International Exchange (IFSC) Limited (w.e.f September 12, 2016)*	Stock Exchange	India	100	-	-
i) India International Clearing Corporation (IFSC) Limited (w.e.f September 12, 2016)*	Clearing and Settlement	India	100	-	-
- Indirect					
a) Marketplace Tech Infra Services Private Limited	IT Support Services	India	100	100	100
b) CDSL Ventures Limited	Depository related Services	India	50.05	54.20	54.20
c) CDSL Insurance Repository Limited	Repository Services	India	50.05	54.20	54.20
d) CDSL Commodity Repository Limited	Repository Services	India	50.05	-	-
e) BFSI Sector Skill Council of India (Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110)	Training	India	48.78	48.78	48.78
f) BSE Skills Limited	Training	India	100	100	100
g) BIL-Ryerson technology start-up incubator foundation (Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110)	Training	India	51	51	51

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

NAME OF THE COMPANY	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2017	Percentage of Voting Power as at March 31, 2016	Percentage of Voting Power as at April 1, 2015
II. Joint Ventures					
a) BOI Shareholding Limited (BOISL) (up to January 8, 2016)	Clearing and Settlement	India	-	-	49
b) Asia Index Private Limited	Index Services	India	50	50	50
III. Associate					
a) Institutional Investor Advisory Services India Limited (IIASIL) (up to January 5, 2016)	Investor Advisory	India	-	-	30

* Based out of Gift City Gandhinagar Gujarat, India.

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- (i) Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- (ii) Defined benefit and other long-term employee benefits.

2.1.4 Functional and presentation currency

The financial statements of the Group are presented in Indian rupees, the national currency of India, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data in terms of Schedule III unless otherwise stated.

2.1.5 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) *Income taxes* : The Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- (ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. The management estimate the Group to pay normal tax and benefit associated with MAT will flow to the Group within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recongrised.
- (iii) *Impairment of goodwill* : Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is tested for impairment on annual basis.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- (iv) Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Group with advice from an independent qualified actuary.
- (v) Basis of classification of Asia Index private limited as Joint Venture: As per the shareholder's agreement between BSE, SPDJ Singapore PTE limited ("SPDJ") and Asia Index private limited ("AIPL") both BSE and SPDJ had entered into joint venture for conduct of business. Based on this arrangement BSE has classified AIPL as joint venture.
- (vi) *Property plant and equipment* : The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (vii) *Impairment of trade receivables* : The Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.1.6 Summary of significant accounting policies

(i) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

(ii) Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of assets for the current and comparative period of investment property are as follows:

Category	Useful life
Buildings	60 years

Freehold land is not depreciated.

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

(iii) Investment in subsidiaries (not consolidated)

Investment in subsidiaries not consolidated is measured at cost. Dividend income from subsidiaries not consolidated is recognised when its right to receive the dividend is established.

(iv) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

in the market place (regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets comprising amortised cost, financial assets (debt instruments) at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI and fair value through profit and loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

(a) Financial assets (debt instrument) at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

(b) Financial asset (debt instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Currently the Group has not classified any interest bearing debt instrument under this category.

(c) Equity instruments at FVTOCI and FVTPL

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Profit or Loss.

Currently the Group has not classified any equity instrument at FVTOCI.

If the Group decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

(d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Earmarked Funds: Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or Loss.

Financial liabilities

(a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value and subsequently carried at amortized cost using the effective interest method.

(b) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration that are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity Instruments (Share capital)

Ordinary shares:- Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognised as a deduction from equity, net of any tax effect (if any).

(v) Property, plant and equipment

(a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

(b) Depreciation: The Group depreciates property, plant and equipment over the estimated useful life on a written down method basis from the date the assets are ready for intended use including for assets acquired under finance lease. However, assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term if there is no reasonable certainty that the Group will obtain ownership by the end of lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Category	Useful life
Buildings	60 years
Leasehold Buildings	30 years
Plant and equipments	15 years
Electrical installations	10 years
Computers hardware and networking equipments - owned	3-6 years
Computers hardware and networking equipments - under finance lease	6 years
Furniture, fixtures and office equipment	5-10 years
Motor vehicles	8 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the Profit or Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

(vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a written down value basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful life of intangibles are as follows:

Category	Useful life
Computer softwares	6 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(vii) Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(a) Finance Lease

When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the financial statements as finance lease obligation.

(b) Operating Lease

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(viii) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(b) Non-financial assets

The Group assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(ix) Employee benefit

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Group has the following employee benefit plans:

(a) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

(x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

(xi) Revenue

The Group derives revenue primarily from Services to Corporate and Securities Services. The Group recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

(a) Time and service contracts

Revenues and costs relating to time and service contracts are recognised as the related services are rendered.

(b) Annual / monthly Fee contracts

Revenue from Annual / monthly fee contracts is recognised ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period or under some other method that better represents the stage of completion.

The Group accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognised at the time of sale / services rendered. Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

(xii) Investment income and interest expense

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognised as it accrues in the Profit or Loss, using the effective interest method.

Dividend income is recognised in the Profit or Loss on the date that the Group's right to receive payment is established.

Interest expenses consist of interest expense on loans, borrowings and finance lease. Borrowing costs are recognised in the Profit or Loss using the effective interest method.

(xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

(a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

(xiv) Earnings per share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc.. as appropriate.

(xv) Current / Non-current classification

The Group present assets and liabilities in the balance sheet based on current/non-current classification

Assets: An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date
- (e) All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- (b) it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
- (c) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
- (d) All other liabilities are classified as non-current.
- (e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(xvi) Core Settlement Guarantee Fund (Core SGF):

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation (CC) shall have a fund called Core SGF for each segment of each Recognised Stock Exchange (SE) to guarantee the settlement of trades executed in the respective segment of the SE. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (ICCL a wholly owned subsidiary of the Group) and Stock exchange (BSE Limited) as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor's funds. Penalties and fines levied by the Clearing Corporation (ICCL) are directly transferred to Core SGF as Other Contributions.

3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group does not have share based payments hence there will be no impact on the financial statements.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

4. EXPLANATION OF TRANSITION TO IND AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Group in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

4.1 First-time adoption – Mandatory exception, Optional exemptions

4.1.1 Deemed Cost

The Group has elected to continue with the carrying value of all the property, plant and equipment, investment properties and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

4.1.2 Past business combinations

The Group has elected not apply Ind AS 103 Business Combination retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- (i) The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements.
- (ii) The Group has not recognised assets and liabilities that was not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for the recognition in accordance with Ind AS in the separate balance sheet of the acquiree.
- (iii) The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- (iv) The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- (v) The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

4.1.3 Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existing as of transition date.

4.1.4 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4.1.5 Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date

4.1.6 Equity investments at FVTPL

The Group has designated investment in equity shares at FVTPL on the basis of facts and circumstances that existed at the transition date.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2 Reconciliations between Previous GAAP and Ind AS

4.2.1 Effect of Ind AS adoption on the consolidated Balance Sheet as at March 31, 2016 and April 1, 2015

PARTICULARS	Note No.	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet	Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet
ASSETS							
1 Non-current assets							
a. Property, plant and equipment	e, m & j	14,345	(1,131)	13,214	13,630	(1,155)	12,475
b. Capital work-in-progress		60	-	60	305	-	305
c. Investment property	e	-	364	364	-	382	382
d. Goodwill		8,504	-	8,504	8,504	785	9,289
e. Other intangible assets	m & j	1,850	160	2,010	2,923	(615)	2,308
f. Intangible assets under development		203	-	203	61	-	61
g. Financial assets							
i. Investments							
a. Investment in subsidiaries		6	-	6	5	-	5
b. Investment in joint ventures	m	-	146	146	-	1,319	1,319
c. Investment in associates		-	-	-	-	256	256
d. Other investments	f, g & m	1,52,502	1,783	1,54,285	1,41,018	1,375	1,42,393
iii. Others financial assets	m	33,233	(79)	33,154	14,898	(69)	14,829
h. Income tax assets (net)		11,188	(355)	10,833	7,787	(6)	7,781
i. Deferred tax asset	l	1,078	(494)	584	631	(617)	14
j. Other assets	k & m	257	9	266	307	13	320
Total non-current assets		2,23,226	403	2,23,629	1,90,069	1,668	1,91,737
2 Current assets							
a. Financial assets							
i. Investments	f, g & m	53,728	3,317	57,045	86,595	1,135	87,730
ii. Trade receivables	m	4,799	(80)	4,719	3,600	(119)	3,481
iii. Cash and cash equivalents	m & o	32,211	1,414	33,625	35,091	(1,461)	33,630
iv. Bank balances other than (iii) above		96,308	-	96,308	95,938	-	95,938
v. Other financial assets	m & p	8,856	(1,381)	7,475	6,981	109	7,090
b. Other assets	m & k	1,569	(31)	1,538	1,461	(34)	1,427
Total current assets		1,97,471	3,239	2,00,710	2,29,666	(370)	2,29,296
Total assets (1+2)		4,20,697	3,642	4,24,339	4,19,735	1,298	4,21,033
EQUITY AND LIABILITIES							
1 Equity							
a. Equity share capital		1,074	-	1,074	1,073	-	1,073
b. Other equity		2,43,855	7,364	2,51,219	2,45,017	7,632	2,52,649
Equity attributable to shareholders of the Company	4.2.2	2,44,929	7,364	2,52,293	2,46,090	7,632	2,53,722
Non controlling interest	n	22,231	1,496	23,727	19,864	713	20,577
Total Equity		2,67,160	8,860	2,76,020	2,65,954	8,345	2,74,299
Core settlement guarantee fund		17,605	-	17,605	11,126	-	11,126
Liabilities							

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

PARTICULARS	Note No.	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet	Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet
2 Non-current liabilities							
a. Financial liabilities							
i. Borrowings	m	188	(188)	-	356	(356)	-
ii. Other financial liabilities	p	7,061	(6,423)	638	6,286	(5,788)	498
b. Deferred tax liabilities (Net)	l	15	311	326	267	19	286
c. Provisions	m	80	-	80	77	(12)	65
d. Other liabilities		95	-	95	113	-	113
Total non-current liabilities		7,439	(6,300)	1,139	7,099	(6,137)	962
3 Current liabilities							
a. Financial liabilities							
i. Trade payables							
a. Total outstanding dues of micro enterprises and small enterprises		-	2	2	-	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	m	4,626	(41)	4,585	3,897	(16)	3,881
ii. Other financial liabilities	p	1,02,115	6,472	1,08,587	1,04,692	5,919	1,10,611
b. Provisions	c & k	6,471	(5,266)	1,205	7,404	(6,625)	779
c. Income tax liabilities (Net)		1,194	-	1,194	907	-	907
d. Other liabilities	m & k	14,087	(85)	14,002	18,656	(188)	18,468
Total current liabilities		1,28,493	1,082	1,29,575	1,35,556	(910)	1,34,646
Total equity and liabilities (1+2+3)		4,20,697	3,642	4,24,339	4,19,735	1,298	4,21,033

4.2.2 Equity reconciliations as at March 31, 2016 and April 1, 2015

PARTICULARS	Notes	As at March 31, 2016	As at April 1, 2015
Total equity under Previous GAAP		2,44,929	2,46,090
Reversal of proposed dividend (including dividend distribution tax) in the absence of obligating event	c	5,256	6,570
Reversal of contribution to core settlement guarantee fund prior period item adjusted to opening retained earnings	a	-	2,579
Reversal of contribution to core settlement guarantee fund prior period adjusted to settlement guarantee fund in reserves and surplus	b	-	(2,579)
Effect of measuring investments in bonds at amortised cost	f	70	11
Effect of measuring investments in mutual fund units at fair value through profit or loss	g	5,104	2,691
Effect of measuring deposits at fair valuation at initial recognition and amortised cost at subsequent measurement	k	(8)	(5)
Reversal of depreciation accounted for different method as accounting policy difference between the Parent Company and Subsidiary Company	j	(391)	(340)
Others	k	(22)	(18)
Deferred tax on Ind AS adjustments	l	(1,149)	(564)
Share of non controlling interest in effect of transition to Ind AS	n	(1,496)	(713)
Total equity under Ind AS		2,52,293	2,53,722

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.3 Effect of Ind AS adoption on the consolidated Statement of Profit and Loss for the year ended March 31, 2016

PARTICULARS	Note No.	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS
1 Revenue from operations: Income from				
Securities services	g & m	24,301	(175)	24,126
Services to corporates		16,111	-	16,111
Data dissemination fees		2,242	-	2,242
Revenue from operations		42,654	(175)	42,479
2 Investment income	g, f & m	18,965	2,053	21,018
3 Other income	m	4,216	(704)	3,512
4 Total income (1+2+3)		65,835	1,174	67,009
5 Expenses				
Employee benefits expense	k & m	11,155	(417)	10,738
Finance costs	m	67	(34)	33
Depreciation and amortisation expense	i, j & m	6,168	(801)	5,367
Impairment loss on financial assets		138	(101)	37
Administration and other expenses	k & m	24,491	489	24,980
Prior period items	a	2,579	(2,579)	-
Total expenses		44,598	(3,443)	41,155
6 Profit before exceptional items and tax (4 -5)		21,237	4,617	25,854
7 Exceptional items :				
Liquidity enhancement incentive program scheme		1,724	-	1,724
Settlement guarantee fund (25% transfer of profit)		5,143	-	5,143
Loss on sale of BOI shareholding Limited		643	-	643
Reversal of provision for contribution to depository investor protection fund		(3,310)	-	(3,310)
Others		460	-	460
Total exceptional items		4,660	-	4,660
8 Profit before tax (6 -7)		16,577	4,617	21,194
9 Tax expense:				
Current tax	m	4,391	(107)	4,284
MAT Credit entitlement		(349)	349	-
Current tax of earlier years		(47)	-	(47)
Deferred tax	l & m	(754)	222	(532)
Total tax expenses		3,241	464	3,705
10 Profit after tax before share of Profit / (Loss) from Joint Venture/ Associate for the year (8-9)		13,336	4,153	17,489
Share of Profit of Joint Ventures	m	-	251	251
Share of Loss of Associate		(27)	-	(27)
11 Net Profit after tax for the year		13,309	4,404	17,713
Net Profit attributable to the shareholders of the Company		9,674	3,619	13,293
Net Profit attributable to the non controlling interest	n	3,635	785	4,420

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2 Reconciliations between Previous GAAP and Ind AS (Contd.)...

PARTICULARS	Note No.	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS
12 Other comprehensive income				
Items that will not be subsequently reclassified to profit or loss				
i. Remeasurements of the defined benefit plans;	h	-	5	5
ii. Income tax relating to items that will not be reclassified to profit or loss		-	2	2
Total other comprehensive income for the year (i - ii)		-	3	3
13 Total Comprehensive Income for the year (11+12)		13,309	4,407	17,716
Net Profit attributable to the shareholders of the Company		9,674	3,624	13,298
Net Profit attributable to the non controlling interest		3,635	783	4,418

4.2.4 Total Comprehensive Income reconciliation for the year ended March 31, 2016

PARTICULARS	Notes	For the year ended March 31, 2016
Net Profit after tax as reported under previous GAAP		13,309
Reversal of Contribution to Core SGF Prior Period Item adjusted to Opening Retained Earnings	a	2,579
Remeasurement of defined benefit plans recognised in Other Comprehensive Income	d	(5)
Effect of measuring investments at effective interest rate	f	59
Effect of measuring investments at Fair Value through profit or loss	g	2,413
Reversal of depreciation accounted for different method as accounting policy difference between the Parent Company and Subsidiary Company	j	(51)
Effect of measuring deposits at fair valuation at initial recognition and amortised cost at subsequent measurement	k	(3)
Others	k	(5)
Deferred taxes adjustments	l	(583)
Net Profit for the year as per Ind AS		17,713
Other comprehensive income (net of taxes)	h	3
Total Comprehensive Income for the year as per Ind AS		17,716

4.2.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

4.2.6 Notes to reconciliations

- Under previous GAAP, all prior period items are included in determination of net profit or loss for the period in which error pertaining to a prior period is discovered and are separately disclosed in the Statement of Profit and Loss in a manner that impact on current profit or loss can be perceived. Under Ind AS, such errors are corrected retrospectively by restating comparative amounts for the prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening Balance Sheet. The effect of this change is an decrease in total equity as at March 31, 2016 of Nil (₹ 2,579 as at April 1, 2015) and a increase in profit before tax of ₹ 2,579 for the year ended March 31, 2016.
- Under previous GAAP, Settlement guarantee fund under reserves and surplus was adjusted for Exchange's contribution towards core settlement guarantee fund for FY 2014-15, since the same is adjusted against opening retained earning hence the contribution to core settlement guarantee fund also added to retained earning during FY 2014-15 instead of FY 2015-16.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.6 Notes to reconciliations (Contd.)...

- c Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ 5,256 (₹ 6,570 as at April 1, 2015), but does not affect profit before tax and total profit for the year ended March 31, 2016.
- d Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2016 were ₹ 5 and the tax effect thereon ₹ 2. This change does not affect total equity, but there is a decrease in profit before tax of ₹ 5, and in total profit of ₹ 3 for the year ended March 31, 2016.
- e Under previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipments and measured at cost less accumulated depreciation. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it as per Ind AS 16 "Property plant and equipment". Accordingly, the carrying value of investment property as at March 31, 2016 of ₹ 364 (₹ 382 as at April 1, 2015) under previous GAAP has been reclassified to a separate line item on the face of the balance sheet and depreciation provided based on the estimated useful life. This change does not affect total equity.
- f Under previous GAAP, Interest bearing long term investments including current maturity of interest bearing long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified at amortised cost and interest income is accounted as per effective interest rate method. On the date of transition to Ind AS, these financial assets have been measured at value which would have been the value if these investment would have accounted as per Ind AS. The net effect of these changes is an increase in total equity as at March 31, 2016 of ₹ 70 (₹ 11 as at April 1, 2015) and there is a increase in profit before tax of ₹ 59 for the year ended March 31, 2016.
- g Under previous GAAP, Non-interest bearing non-current investments and current investments in mutual funds and equity instrument were measured at cost less diminution in value under Ind AS, these financial assets have been classified at FVTPL on the date of transition to Ind AS. The fair value changes are recognised in profit or loss and credited to respective earmarked liabilities for investment earmarked against them. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 5,104 as at March 31, 2016 and by ₹ 2,691 as at April 1, 2015. The effect of these changes is an increase in total equity as at March 31, 2016 of ₹ 5,104 (₹ 2,691 as at April 1, 2015), increase in profit before tax of ₹ 2,413. The corresponding deferred taxes have also been recognised as at March 31, 2016 and as at April 1, 2015.
- h Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.
- i Under previous GAAP, Goodwill on amalgamation (business combination) in nature of purchase was required to be amortised over a period not exceeding five years, where the Group had decided to amortised goodwill on amalgamation with respect to amalgamation of United Stock Exchange of India Limited with BSE Limited. These goodwill are not amortised but tested for impairment as per Ind AS. The Group has applied the exemption available on not accounting business combination transaction retrospectively hence on transitioning to Ind AS, goodwill have been measured at carrying value and tested for impairment. Impairment loss is accounted in Profit or Loss account in the period in which impairment is identified. Carrying value as per previous GAAP and Ind AS was same as at March 31, 2016 and April 1, 2015. The net effect of these changes is an increase in total equity as at March 31, 2016 of Nil (Nil as at April 1, 2015) and there is a no impact in profit before tax for the year ended March 31, 2016. Further classification of amortisation and impairment loss in Profit or Loss is different hence cause for difference in depreciation and amortisation expense and administration and other expenses of ₹ 785 on face of Profit or Loss for the year ended March 31, 2016.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.6 Notes to reconciliations (Contd.)...

- j Under previous GAAP, depreciation method was treated as accounting policy, however on transition to Ind AS same was accounted as accounting estimate. The Company was accounting for difference between depreciation method of the Parent Company and Subsidiary Companies as difference in accounting policy in the Consolidated financial statements, same has been considered as accounting estimated and difference accounted is reversed on transition to Ind AS. The net effect of these changes is an decrease in total equity as at March 31, 2016 of ₹ 391 (₹ 340 as at April 1, 2015) and there is a decrease of ₹ 51 in profit before tax for the year ended March 31, 2016.
- k Under previous GAAP, all financial assets other than investments and cash and bank balances were initially measured at cost however on transitioning to Ind AS same were measured initially at fair value and subsequently at amortised. On the date of transition to Ind AS, these financial assets have been measured at value which would have been the value if these financial assets would have accounted as per Ind AS. Further the other impact of bringing it at amortised cost given to the respective expense and prepaid expenses based on the nature of individual transaction. The net effect of these changes is a decrease in total equity as at March 31, 2016 of ₹ 30 (₹ 23 as at April 1, 2015) and there is a decrease in profit before tax of ₹ 8 for the year ended March 31, 2016.
- l Under previous GAAP, deferred taxes are computed for the timing differences in respect of recognition of items of profit or loss for the purpose of financials reporting and for income taxes. Under Ind AS, deferred taxes are computed for the temporary differences between carrying amount of an asset or liability in the Balance Sheet and its tax base. On the date of transition, deferred taxes have been calculated as per the Balance Sheet approach under Ind AS and accordingly difference has been accounted and Balance Sheet, Profit or Loss and Other Comprehensive Income. The effect of this change is an decrease in total equity as at March 31, 2016 of ₹ 1,149 (₹ 564 as at April 1, 2015), and decrease in profit after tax ₹ 583 for the year ended March 31, 2016.
- m Under previous GAAP, joint ventures were consolidated on proportionately line by line basis, however on transition to Ind AS same is account as per equity method. Same has effected all the line items of Profit or Loss and Balance Sheet.
- n Non Controlling interest pertaining to Ind AS transition adjustments, adjusted pertaining to subsidiaries where non controlling interest exists.
- o Accrued interest pertaining to fixed deposits regrouped to fixed deposits to the extent balance confirmed from banks.
- p Refundable deposits to members reclassified from non-current to current liabilities as the Group does not have an unconditional right to differ settlement of liability for at least twelve months from the reporting period.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Freehold land	Buildings	Leasehold Buildings	Plant and equipments	Electrical installations	Computers		Furniture and fixtures	Office equipments	Motor vehicles	Total
						Hardware and networking equipments - owned	Hardware and networking equipments - on lease				
Cost or deemed cost											
Balance as at April 1, 2015	1,002	3,051	-	1,154	2,134	4,164	136	536	215	83	12,475
Additions during the year	-	657	-	726	794	1,627	-	216	817	-	4,837
Deductions / adjustments	-	-	-	3	3	-	6	5	-	-	17
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	1,002	3,708	-	1,877	2,925	5,791	130	747	1,032	83	17,295
Balance as at April 1, 2016	1,002	3,708	-	1,877	2,925	5,791	130	747	1,032	83	17,295
Additions during the year	-	287	1,092	873	301	2,099	-	156	424	151	5,383
Deductions / adjustments	-	-	-	2	6	-	-	2	-	6	16
Foreign currency translation adjustments	-	-	(38)	(18)	(9)	(9)	-	(2)	(10)	-	(86)
Balance as at March 31, 2017	1,002	3,995	1,054	2,730	3,211	7,881	130	899	1,446	228	22,576
Accumulated depreciation											
Balance as at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	225	-	379	652	2,189	58	173	372	39	4,087
Deductions / Adjustments	-	-	-	-	1	-	4	1	-	-	6
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	-	225	-	379	651	2,189	54	172	372	39	4,081
Balance as at April 1, 2016	-	225	-	379	651	2,189	54	172	372	39	4,081
Depreciation for the year	-	449	12	447	624	2,133	33	192	344	31	4,265
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	-	-	-	(1)	-	(1)	-	-	-	-	(2)
Balance as at March 31, 2017	-	674	12	825	1,275	4,321	87	364	716	70	8,344
Net book value											
As at March 31, 2017	1,002	3,321	1,042	1,905	1,936	3,560	43	535	730	158	14,232
As at March 31, 2016	1,002	3,483	-	1,498	2,274	3,602	76	575	660	44	13,214
As at April 1, 2015	1,002	3,051	-	1,154	2,134	4,164	136	536	215	83	12,475

Note: The Group's obligations under finance leases (see note 33.1) are secured by the lessors' title to the leased assets.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. INVESTMENT PROPERTY

PARTICULARS	Freehold Land	Buildings	Total
Cost or deemed cost			
Balance as at April 1, 2015	8	374	382
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2016	8	374	382
Balance as at April 1, 2016	8	374	382
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2017	8	374	382
PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance as at April 1, 2015	-	-	-
Depreciation for the year	-	18	18
Deductions / Adjustments	-	-	-
Balance as at March 31, 2016	-	18	18
Balance as at April 1, 2016	-	18	18
Depreciation for the year	-	17	17
Deductions / Adjustments	-	-	-
Balance as at March 31, 2017	-	35	35
PARTICULARS	Freehold Land	Buildings	Total
Net Book Value			
As at March 31, 2017	8	339	347
As at March 31, 2016	8	356	364
As at April 1, 2015	8	374	382

Notes:

- The fair value of the Group's investment properties as at March 31, 2017 and March 31, 2016 and April 1, 2015 has been arrived at on the basis of a valuation used by Municipal Corporation of Greater Mumbai for calculation of property tax.
- Details of the Group's investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of Building	26,034	26,034	25,678
Fair value hierarchy	Level 3	Level 3	Level 3

- Amount recognised in Statement of Profit and Loss in respect of Investment Property

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Rental income derived from investment properties	921	891
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	160	154

- All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. INVESTMENT PROPERTY (Contd.)..

5 Minimum lease payments receivable under non-cancellable operating lease of investments properties are as follows:

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than 1 year	117	155	143
Later than 1 year and not longer than 5 years	295	414	-
Later than 5 years	-	-	-

6 No contingent rent recognised / (adjusted) in the Profit or Loss in respect of operating lease.

7. GOODWILL

PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Cost or deemed cost			
Balance as at April 1, 2015	8,504	785	9,289
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2016	8,504	785	9,289
Balance as at April 1, 2016	8,504	785	9,289
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2017	8,504	785	9,289
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Accumulated impairment			
Balance as at April 1, 2015	-	-	-
Impairment for the year	-	785	785
Deductions / Adjustments	-	-	-
Balance as at March 31, 2016	-	785	785
Balance as at April 1, 2016	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2017	-	785	785
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Net book value			
As at March 31, 2017	8,504	-	8,504
As at March 31, 2016	8,504	-	8,504
As at April 1, 2015	8,504	785	9,289

Note:

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes pertaining to the Group's operating segment i.e. Facilitating Trading in Securities and other related ancillary services. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. The Group carried out the annual goodwill impairment assessment as at March 31, 2016, based on which an impairment of ₹ 785 was recognised for the year ended March 31, 2016 as the carrying amount of the cash generating unit exceeded its recoverable amount.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. OTHER INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost or deemed cost		
Balance as at April 1, 2015	2,308	2,308
Additions during the year	975	975
Deductions / adjustments	11	11
Foreign currency translation adjustments	-	-
Balance as at March 31, 2016	3,272	3,272
Balance as at April 1, 2016	3,272	3,272
Additions during the year	975	975
Deductions / adjustments	5	5
Foreign currency translation adjustments	(4)	(4)
Balance as at March 31, 2017	4,238	4,238
PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2015	-	-
Amortisation for the year	1,262	1,262
Deductions / Adjustments	-	-
Foreign currency translation adjustments	-	-
Balance as at March 31, 2016	1,262	1,262
Balance as at April 1, 2016	1,262	1,262
Amortisation for the year	1,116	1,116
Deductions / Adjustments	-	-
Foreign currency translation adjustments	-	-
Balance as at March 31, 2017	2,378	2,378
PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2017	1,860	1,860
As at March 31, 2016	2,010	2,010
As at April 1, 2015	2,308	2,308

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Un-quoted Investments (all fully paid)						
Investment in Equity Instruments						
- BFSI Sector Skill Council of India (Fully paid equity shares of Re. 1 each)	1,05,00,000	105	1,05,00,000	105	1,05,00,000	105
- BSE CSR Integrated Foundation (Fully paid equity shares of ₹ 10 each)	50,000	5	-	-	-	-
- BIL - Ryerson Technology Startup Incubator Foundation (Fully paid equity shares of Re. 1 each)	51,000	1	51,000	1	-	-
Less : Provision for diminution in investment		(106)		(100)		(100)
Total		5		6		5
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of un-quoted investments		111		106		105
Aggregate amount of impairment in value of investments in subsidiaries		106		100		100

Notes:

1 Details of non-wholly owned subsidiaries that have material non-controlling interests:

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

NAME OF SUBSIDIARY	Proportion of ownership interests/voting rights held by non-controlling interests	Profit (loss) allocated to non-controlling interests	Accumulated non-controlling interests
Central Depository Services (India) Limited	49.95%	4,452	29,088

2 Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

The summarised financial information below represents amounts before intragroup eliminations.

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	30,272	24,391	26,452
Current assets	30,378	30,913	24,615
Non-current liabilities	61	349	57
Current liabilities	5,708	5,556	7,951

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. INVESTMENTS IN SUBSIDIARIES (Contd.)..

PARTICULARS	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	18,685	16,133
Expenses	10,026	7,020
Profit (loss) for the year	8,659	9,113
Other comprehensive income for the year	(33)	(5)
Total comprehensive income for the year	8,626	9,108
Dividends paid to non-controlling interests including tax	(1,441)	(1,268)
Net cash inflow (outflow) from operating activities	5,165	2,842
Net cash inflow (outflow) from investing activities	928	27
Net cash inflow (outflow) from financing activities	(3,144)	(2,767)
Net cash inflow (outflow)	2,949	102

- 3 During the year, the Group disposed of 4.15 % of its interest in Central Depository Services (India) Limited, reducing its continuing interest to 50.05%. The proceeds on disposal of ₹ 3,423 were received in cash. An amount of ₹ 2,366 (being the proportionate share of the carrying amount of the net assets of Central Depository Services (India) Limited) has been transferred to non-controlling interests. The difference of ₹ 1,057 between the increase in the non-controlling interests and the consideration received has been credited to retained earnings.

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATE

PARTICULARS	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Joint Ventures						
Un-quoted Investments (all fully paid)						
Investment in Equity Instruments						
- BOI shareholding Limited (Fully paid equity shares of ₹ 100 each)	-	-	-	-	98,000	1,264
- Asia Index Private Limited (Fully paid equity shares of ₹ 10 each)	5,000	252	5,000	146	5,000	55
Total		252		146		1,319
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of un-quoted investments		252		146		1,319
Aggregate amount of impairment in value of investments in joint ventures and associate		-		-		-
Associate						
Un-quoted Investments (all fully paid)						
Investment in Equity Instruments						
- Institutional Investor Advisory Services India Limited (Fully paid equity shares of ₹ 10 each)	-	-	-	-	30,00,250	256
Total		-		-		256
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of un-quoted investments		-		-		256
Aggregate amount of impairment in value of investments in joint ventures and associate		-		-		-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATE (Contd.)..

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Joint ventures		
Asia Index Private Limited		
Opening Balance	146	55
Share of profit and loss for the year	107	89
Other comprehensive income for the year	(1)	2
Closing Balance	252	146
BOI Shareholding Limited		
Opening Balance	-	1,264
Share of profit and loss for the year	-	163
Other comprehensive income for the year	-	-
Proceeds on sale of Investment	-	(784)
Gain / loss on disposal of investment	-	(643)
Closing Balance	-	-
Associate		
Institutional Investor Advisory Services India Limited		
Opening Balance	-	256
Share of profit and loss for the period / year	-	(27)
Other comprehensive income for the period / year	-	-
Proceeds on sale of Investment	-	(300)
Gain / loss on disposal of investment	-	71
Closing Balance	-	-

Notes :

1 Aggregate information of joint ventures that are not individually material

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
The Group's share of profit (loss) from continuing operations	107	251
The Group's share of other comprehensive income	(1)	2
The Group's share of total comprehensive income	106	253

2 There are no commitments, the Group has made but not recognised at the reporting date relating to its interests in joint ventures.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Investments			
Un-quoted Investments (all fully paid)			
Investment in Equity Instruments at FVTPL			
- Calcutta Stock Exchange Limited (Fully paid equity share of Re. 1 each)	-	-	206
- National Power Exchange Limited (Fully paid equity share of ₹ 10 each)	-	-	-
- National E-Governance Services Limited (NESL) (Fully paid equity share of ₹ 10 each)	300	-	-
- Belapur Railway Station Commercial Company Limited (Fully paid equity share of ₹ 10 each)	1	1	1
Total Investment in Equity Instruments at FVTPL	301	1	207
Quoted Investments			
Investments in Debentures and Bonds measured at amortised cost			
Owned			
- Bonds and Non-Convertible Debentures	1,10,433	1,36,569	1,18,361
Earmarked			
- Bonds and Non-Convertible Debentures	-	1,385	2,894
- Bonds and Non-Convertible Debentures (Core Settlement Guarantee fund)	-	4,550	4,559
	1,10,433	1,42,504	1,25,814
Investments in Mutual Funds measured at FVTPL			
Owned			
- Units of Dividend Oriented Debt Schemes of Mutual Funds	-	-	153
- Units of Growth Oriented Debt Schemes of Mutual Funds	38,387	11,763	16,219
Earmarked			
- Units of Growth Oriented Debt Schemes of Mutual Funds	41	17	-
	38,428	11,780	16,372
Total Non-current Investments	1,49,162	1,54,285	1,42,393
Aggregate amount of quoted investments	1,48,861	1,54,284	1,42,186
Aggregate market value of quoted investments	1,54,415	1,59,462	1,45,715
Aggregate amount of unquoted investments	301	1	207
Aggregate amount of impairment in value of investments	-	-	-
Note : Counterparties in debentures & bonds have minimum AA+ credit rating.			
Current Investments			
Quoted Investments			
Investments in Debentures and Bonds/CDs measured at amortised cost			
Owned Fund			
- Certificate of Deposits	-	4,496	45,439
Earmarked Funds			
- Investment in Certificates of Deposit	-	-	4,993
	-	4,496	50,432

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments in Mutual Funds measured at FVTPL			
Owned Fund			
- Units of Dividend Oriented Debt Schemes of Mutual Funds	16,127	5,694	2,169
- Units of Growth Oriented Debt Schemes of Mutual Funds	4,286	2,135	2,019
- Investment in Exchange Traded Funds	276	469	410
	20,689	8,298	4,598
Earmarked Fund			
- Units of Dividend Oriented Debt Schemes of Mutual Funds	2,614	-	230
- Units of Growth Oriented Debt Schemes of Mutual Funds	-	314	643
- Units of Dividend Oriented Liquid Schemes of Mutual Funds	-	-	5,714
Settlement Guarantee Fund			
	2,614	314	6,587
Unquoted Investments			
Investments in Mutual Funds measured at FVTPL			
Owned Fund			
- Units of Debt Schemes of Mutual Funds	9,804	7,763	7,932
	9,804	7,763	7,932
Current Investments	33,107	20,871	69,549
Current Portion of Long Term Investments			
Quoted Investments			
Investments in Debentures and Bonds/CDs measured at amortised cost			
Owned Fund			
Bonds and Non-Convertible Debentures	5,647	19,969	9,000
	5,647	19,969	9,000
Investments in Mutual Funds at FVTPL			
Own Funds			
- Units of Dividend Oriented Debt Schemes of Mutual Funds	-	155	-
- Units of Growth Oriented Debt Schemes of Mutual Funds	11,429	16,036	9,181
	11,429	16,191	9,181
Earmarked Funds			
- Units of Growth Oriented Debt Schemes of Mutual Funds	17	14	-
	17	14	-
Current Portion of Long Term Investments	17,093	36,174	18,181
Total Current Investments	50,200	57,045	87,730
Aggregate amount of quoted investments	40,396	49,282	79,798
Aggregate market value of quoted investments	40,477	48,714	79,022
Aggregate amount of unquoted investments	9,804	7,763	7,932
Aggregate amount of impairment in value of investments	-	-	-

Note : Counterparties in debentures & bonds have minimum AA+ credit rating.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	COMPANY NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Nos of Shares	Amount	Nos of Shares	Amount	Nos of Shares	Amount
Own Funds							
Trade Investment							
Investments in Equity Instruments (Own Funds)							
1	Equity Shares of Calcutta Stock Exchange Limited of ₹ 1/- each	30,875	-	30,875	-	30,875	206
2	Equity Shares of National Power Exchange Limited of ₹ 10/- each	-	-	21,87,015	-	21,87,015	-
3	Equity Shares of Belapur Railway Station Commercial Company Limited of ₹ 10 each	5,000	1	5,000	1	5,000	1
4	Equity Shares of National E-Governance Services Limited (NESL) of ₹ 10/- each	30,00,000	300	-	-	-	-
TOTAL			301		1		207

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
(a) Own Funds							
Bonds & Non Convertible Debentures (Quoted)							
1	9.49%-HDB Financial Services Limited-18Jun2019	50	499	50	499	50	499
2	9.18%-Housing Development Finance Corporation Limited Limited-12Feb2018	-	-	250	2,469	250	2,453
3	9.70%-Housing Development Finance Corporation Limited Limited-18Mar2017	-	-	-	-	200	2,005
4	9.75%-Housing Development Finance Corporation Limited Limited-07Dec2016	-	-	-	-	297	2,962
5	8.10%-Housing And Urban Development Corporation Limited-05Mar2022-Tax Free	17,69,400	18,216	17,69,400	18,321	10,69,400	11,141
6	8.51%-Housing And Urban Development Corporation Limited-13Jan2024 -Tax Free	3,00,000	3,027	3,00,000	3,031	2,50,000	2,500
7	8.29%-Housing And Urban Development Corporation Limited-24Mar2024-Tax Free	1,00,000	1,000	1,00,000	1,000	1,00,000	1,000
8	10.00%-ICICI Bank Limited-10Nov2017	-	-	7,551	755	7,551	755
9	9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016	-	-	-	-	1,00,000	1,000
10	11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016	-	-	-	-	1,00,000	1,015
11	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	1,00,000	1,000	1,00,000	1,000
12	6.72%-Indian Railway Finance Corporation Limited-20Dec2020-Tax Free	7,500	7,483	7,500	7,481	7,500	7,478
13	7.55%-Indian Railway Finance Corporation Limited-08Nov2021Tax Free	500	500	500	500	500	500

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
14	8.00%-Indian Railway Finance Corporation Limited-23Feb2022-Tax Free	6,52,773	6,646	6,52,773	6,657	6,31,898	6,462
15	7.19%-Indian Railway Finance Corporation Limited-14Dec2022-Tax Free	100	1,000	100	1,000	200	2,000
16	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	3,00,000	3,077	3,00,000	3,088	2,00,000	2,035
17	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	-	-	10,00,000	10,000	10,00,000	10,000
18	8.35%-Indian Railway Finance Corporation Limited-21Nov2023-Tax Free	700	7,265	700	7,304	200	2,000
19	8.64%-LIC Housing Finance Limited-03May2016	-	-	-	-	200	1,976
20	9.30%-LIC Housing Finance Limited-14Oct2016	-	-	-	-	250	2,492
21	10.18%-LIC Housing Finance Limited-19Sep2016	-	-	-	-	100	1,001
22	10.60%-LIC Housing Finance Limited-06Sep2016	-	-	-	-	250	2,526
23	8.20%-National Highways Authority Of India-25Jan2022Tax Free	-	-	-	-	61,810	618
24	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	-	-	1,19,000	1,232	1,19,000	1,240
25	8.27% National Highway Authority Of India-05Feb2024-Tax Free	2,90,000	2,920	2,90,000	2,922	2,50,000	2,500
26	8.26%-National Housing Bank-13Jan2024-Tax Free	18,050	903	18,050	903	18,050	903
27	8.41%-National Thermal Power Corporation Limited-16Dec2023-Tax Free	79,162	792	79,162	792	79,162	792
28	7.19%-Power Finance Corporation Limited-04Jan2023-Tax Free	1,00,000	1,000	1,00,000	1,000	1,00,000	1,000
29	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	12,25,828	12,563	12,25,828	12,625	12,05,982	12,480
30	8.01%-Rural Electrification Corporation Limited-29Aug2023-Tax Free	250	2,501	250	2,501	250	2,501
31	8.01%-Rural Electrification Corporation Limited-24Sep2023-Tax Free	5,00,000	5,000	5,00,000	5,000	5,00,000	5,000
32	9.30%-State Bank Of India -16Mar2021	-	-	-	-	3,791	379
33	9.25%-Tata Sons Limited-19Jun2019	100	995	100	994	100	992
34	8.09%-Power Finance Corporation Limited-25Nov2021-Tax Free	1,000	1,037	1,000	1,045	1,000	1,053
35	7.93%-Rural Electrification Corporation Limited-27Mar2022-Tax Free	1,64,702	1,693	1,64,702	1,702	48,991	509
36	8.19%-Rural Electrification Corporation Limited-24Mar2024-Tax Free	2,50,000	2,617	2,50,000	2,633	-	-
37	7.34%-Housing And Urban Development Corporation Limited-16Feb2023-Tax Free	1,00,000	1,003	1,00,000	1,003	-	-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
38	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	50,000	518	50,000	520	-	-
39	7.62%-Housing And Urban Development Corporation Limited-11Nov2021-Tax Free	1,000	1,012	1,000	1,015	-	-
40	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	1,50,000	1,493	1,50,000	1,493	-	-
41	9.51%-LIC Housing Finance Limited-24Jul2019	100	1,013	100	1,019	-	-
42	11.08%-LIC Housing Finance Limited-13Aug2018	49	503	49	512	-	-
43	8.80%-Canfin Homes Limited-02Jul2018	100	1,000	100	1,000	-	-
44	8.77%-HDB Financial Services Limited-02Jun2018	50	500	50	500	-	-
45	8.81%-HDB Financial Services Limited-28Jul2018	50	500	50	500	-	-
46	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	50,000	500	-	-
47	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	1,00,000	1,000	1,00,000	1,000	-	-
48	8.80%-Kotak Mahindra Prime Limited-26Jun2018	50	500	50	500	-	-
49	8.65%-HDB Financial Services Limited-25Sep2018	50	500	50	500	-	-
50	8.71%-HDB Financial Services Limited-20Oct2018	100	998	100	998	-	-
51	8.8394%-HDB Financial Services Limited-12Mar2019	100	1,001	100	1,002	-	-
52	8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019	20,000	200	20,000	200	-	-
53	8.34%-LIC Housing Finance Limited-22Mar2018	250	2,490	250	2,484	-	-
54	9.50%-HDFC Limited-14Aug2017	-	-	100	1,010	-	-
55	9.30%-HDFC Limited-.04Oct2017	-	-	140	1,411	-	-
56	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	150	1,500	-	-
57	8.35 % Power Finance Corporation Limited-15May2016	-	-	-	-	500	4,931
58	8.00% Indian Railway Financial Corporation Limited-23Feb2022 -Tax Free	-	-	61,000	601	61,000	599
59	8.27% National Highway Authority Of India-05Feb2024 - Tax Free	-	-	8,12,098	8,121	8,12,098	8,121
60	8.20% National Highway Authority Of India-25Jan2022-Tax Free	-	-	34,000	338	34,000	337
61	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	2,500	26	2,500	25	2,500	25
62	8.41%-Infrastructure Leasing & Financial Services Limited - 22Jan2024 - Tax Free	1,00,000	1,045	1,00,000	1,000	1,00,000	1,000
63	8.23%-Indian Railway Finance Corporation Limited - 18Feb2024 - Tax Free	1,00,000	1,040	1,00,000	1,000	1,00,000	1,000
64	7.21%-Rural Electrical Corporation Limited-21Nov2022-Tax Free	50	500	50	500	50	500

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
65	7.22%-Power Finance Corporation Limited Bond Series 95 29Nov2022-Tax Free	50	500	50	500	50	500
66	7.18%-Indian Railway Finance Corporation Limited 19Feb2023-Tax Free	1,30,000	1,305	1,30,000	1,306	1,30,000	1,307
67	7.19%-Indian Railway Finance Corporation Limited 31Jul2025-Tax Free	50	501	50	501	-	-
68	8.01%-National Housing Bank Bonds 30Aug2023-Tax Free	70	700	70	700	70	700
69	7.17%-National Housing Bank Tax Free Bonds 01Jan2023-Tax Free	50	503	50	503	50	503
70	8.35%-National Highways Authority Of India Tax Free Bonds 22Nov2023-Tax Free	70	700	70	700	70	700
71	8.20%-National Highways Authority Of India Tax Free Bonds 25Jan2022-Tax Free	72,500	747	72,500	750	72,500	754
72	8.18%-National Hydroelectric Power Corporation 02Nov2023-Tax Free	22,547	226	22,547	226	22,547	226
73	8.19%-National Thermal Power Corporation 04Mar2024-Tax Free	50	500	50	500	50	500
74	8.41%-National Thermal Power Corporation 16Dec2023-Tax Free	31,665	317	31,665	317	31,665	317
75	8.20%-Power Finance Corporation Limited 01Feb2022-Tax Free	1,00,000	1,037	1,00,000	1,043	1,00,000	1,052
76	7.15%-National Thermal Power Corporation 21Aug2025-Tax Free	50	500	50	500	-	-
77	7.17%-Rural Electrical Corporation Limited 23Jul2025-Tax Free	50	500	50	500	-	-
78	8.18%-Rural Electrical Corporation Limited 11Oct2023-Tax Free	50	521	50	522	50	527
79	7.11%-National Highways Authority Of India -18Sep2025-Tax Free	30	300	30	300	-	-
80	7.16%-Power Finance Corporation Limited 17Jul2025-Tax Free	50	500	50	500	-	-
81	7.17%-Rural Electrical Corporation Limited 23Jul2025-Tax Free	50	500	50	500	-	-
	Less amortisation of premium		-		-5		-3
	Total		1,10,433		1,36,569		1,18,363
(a) Own Funds							
Investments in Mutual Funds measured at FVTPL							
Units of Dividend Oriented Debt Schemes of Mutual Funds							
1	HDFC Debt Fund For Cancer Cure-100% Dividend Donation-17Mar2017	-	-	-	-	15,00,000	153
	Total		-		-		153

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)							
1	Reliance Fixed Horizon Fund XXVIII Series 4 - Direct - Growth	1,00,00,000	1,204	1,00,00,000	1,105	1,00,00,000	1,017
2	Birla Sun Life Fixed Term Plan - Series KC (368Days) - Direct - Growth	-	-	-	-	71,86,155	798
3	Birla Sun Life Fixed Term Plan - Series KK (367Days) - Direct - Growth	-	-	-	-	46,58,410	516
4	Birla Sun Life Fixed Term Plan - Series KM (368Days) - Direct - Growth	-	-	-	-	56,00,000	617
5	Birla Sun Life Fixed Term Plan - Series KQ (368Days) - Direct - Growth	-	-	-	-	84,92,604	933
6	DSP Blackrock Fixed Maturity Plan S146-12M-Direct - Growth	-	-	-	-	71,45,127	792
7	DSP Blackrock Fixed Maturity Plan S153-12M-Direct - Growth	-	-	-	-	41,10,415	452
8	DSP Blackrock Fixed Maturity Plan S149-12M-Direct - Growth	-	-	-	-	40,15,031	445
9	DSP Blackrock Fixed Maturity Plan S109-12M-Direct - Growth	-	-	-	-	57,20,279	667
10	DSP Blackrock Fixed Maturity Plan S161-12M-Direct - Growth	-	-	65,49,900	773	-	-
11	DHFL Pramerica Fixed Maturity Plan Series 63 -Direct - Growth	-	-	65,00,000	768	-	-
12	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)-Direct - Growth	-	-	-	-	1,38,027	14
13	HDFC Fixed Maturity Plan 370D Mar2014 (1) -Direct - Growth	-	-	43,84,836	526	43,84,836	485
14	HDFC Fixed Maturity Plan 371D Feb 2014(2) Sr 29 -Direct - Growth	-	-	60,00,000	720	60,00,000	664
15	HDFC Fixed Maturity Plan 370D Apr 2014 (2) -Direct - Growth	-	-	40,79,690	482	-	-
16	HDFC Fixed Maturity Plan 377Days March2014 (1) -Direct - Growth	-	-	1,44,68,207	1,713	-	-
17	ICICI Prudential Fixed Maturity Plan-Series 72-366 Days Plan K -Direct-Cumulative	-	-	-	-	34,83,042	387
18	ICICI Prudential Fixed Maturity Plan-Series 73-369 Days Plan P -Direct-Cumulative	-	-	1,23,03,571	1,461	1,23,03,571	1,345
19	ICICI Prudential Fixed Maturity Plan-Series 73-366 Days Plan A -Direct-Cumulative	-	-	32,84,400	395	32,84,400	363
20	ICICI Prudential Fixed Maturity Plan-Series 73-369 Days Plan S -Direct-Cumulative	-	-	47,93,668	570	-	-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
21	ICICI Prudential Fixed Maturity Plan-Series 74-370 Days Plan V -Direct-Cumulative	-	-	40,00,000	465	-	-
22	ICICI Prudential Fixed Maturity Plan-Series 74-369 Days Plan I -Direct-Cumulative	-	-	55,65,133	657	-	-
23	IDFC Fixed Term Plan Series 24 -Direct - Growth	-	-	-	-	60,00,000	377
24	IDFC Fixed Term Plan Series 27 -Direct - Growth	-	-	-	-	30,00,000	703
25	IDFC Fixed Term Plan Series 83 -Direct - Growth	-	-	-	-	34,22,759	352
26	Reliance Fixed Horizon Fund - XXV - Series 18 -Direct - Growth	-	-	-	-	40,00,000	445
27	Reliance Fixed Horizon Fund - XXV - Series 24 -Direct - Growth	-	-	50,00,000	602	50,00,000	555
28	Reliance Fixed Horizon Fund - XXV - Series 26 -Direct - Growth	-	-	48,40,140	582	48,40,140	535
29	Sundaram Fixed Term Plan Do 366 Days Direct - Growth	-	-	-	-	53,60,560	628
30	Birla Fixed Term Plan Series JY - Direct - Growth	-	-	-	-	35,44,730	394
31	Birla Fixed Term Plan Series KI - Direct - Growth	-	-	-	-	56,30,000	622
32	Birla Fixed Term Plan Series KQ - Direct - Growth	-	-	-	-	50,36,298	553
33	Birla Fixed Term Plan Series HI - Direct - Growth	-	-	-	-	25,62,575	301
34	Reliance Fixed Horizon Fund SR 15-Direct Plan - Growth	-	-	-	-	30,00,000	352
35	Reliance Fixed Horizon Fund XXV SR 26 -Direct - Growth	-	-	40,00,000	481	40,00,000	442
36	Reliance Fixed Horizon Fund XXVI SR 31 -Direct - Growth	-	-	40,00,000	464	-	-
37	DWS Fixed Maturity Plan Series 70 (2 Years)-Direct - Growth	-	-	-	-	-	-
38	DHFL Pramerica Fixed Maturity Plan Series 63 -Direct - Growth	65,00,000	839	-	-	-	-
39	Reliance Fixed Horizon Fund - XXIV 11Direct	-	-	-	-	39,48,606	463
40	Birla SI Fixed Term Plan - Series OE 1153 Days - Direct - Growth	50,00,000	503	-	-	-	-
41	Birla SI Fixed Term Plan - Series OK 1135 Days - Direct - Growth	3,00,00,000	3,009	-	-	-	-
42	Birla SI Fixed Term Plan Series OI 1120 Days - Direct - Growth	50,00,000	503	-	-	-	-
43	DHFL Pramerica Fixed Duration Fund - Series AG - 1120D - Direct - Growth	90,000	901	-	-	-	-
44	DHFL Pramerica Fixed Duration Fund Series AE - Direct - Growth	50,000	503	-	-	-	-
45	DSP Black Rock Fixed Maturity Plan Series 204 - Direct - Growth	50,00,000	503	-	-	-	-
46	DSP Blackrock Fixed Maturity Plan - Series 209 - 37M - Direct - Growth	30,00,000	300	-	-	-	-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
47	DSP Blackrock Fixed Maturity Plan Series 205 -37M - Direct - Growth	50,00,000	503	-	-	-	-
48	HDFC Fixed Maturity Plan 1150D Series 37(l) - Direct - Growth	50,00,000	504	-	-	-	-
49	ICICI Prudential Fixed Maturity Plan Series 80 - 1231 D Plan P - Direct - Growth	50,00,000	503	-	-	-	-
50	ICICI Prudential Fixed Maturity Plan Series 80 Plan J 1253 Days - Direct - Growth	50,00,000	504	-	-	-	-
51	ICICI Prudential Fixed Maturity Plan Series 80 Plan O 1233 Days - Direct - Growth	1,00,00,000	1,007	-	-	-	-
52	ICICI Prudential Fixed Maturity Plan Series 80 Plan P 1225 Days - Direct - Growth	50,00,000	501	-	-	-	-
53	IDFC Fixed Term Plan - Series 131 -1139 Days - Direct - Growth	20,00,000	200	-	-	-	-
54	IDFC Fixed Term Plan Series 129 - 1147D - Direct - Growth	50,00,000	504	-	-	-	-
55	Invesco Fixed Maturity Plan – Series 29 - Plan B 1150D - Direct - Growth	1,00,00,000	1,003	-	-	-	-
56	Kotak Fixed Maturity Plan Series 200 1158D - Direct - Growth	50,00,000	503	-	-	-	-
57	Kotak Fixed Maturity Plan Series 202 - 1144D - Direct - Growth	1,00,00,000	1,002	-	-	-	-
58	Reliance Fixed Horizon Fund XXXIII Series 1 Direct Growth	50,00,000	504	-	-	-	-
59	Reliance Fixed Horizon Fund XXXIII Series 3 Direct Growth	50,00,000	504	-	-	-	-
60	Reliance Fixed Horizon Fund XXXIII Series 4 - 1208 Days - Direct - Growth	1,00,00,000	1,006	-	-	-	-
61	Reliance Fixed Horizon Fund XXXIII Series 6 - 1201D - Direct - Growth	3,00,00,000	3,008	-	-	-	-
62	Reliance Fixed Horizon Fund XXXIII Series 7 - 1197 Days - Direct - Growth	80,00,000	801	-	-	-	-
63	UTI FTIF - XXVI - 1146 Days - Direct - Growth	1,00,00,000	1,006	-	-	-	-
64	UTI-FTIF - XXVI - VIII - 1154 Days - Direct - Growth	30,00,000	300	-	-	-	-
65	Birla Sun Life Fixed Term Plan- Series OD - Growth	92,60,869	932	-	-	-	-
66	Birla Sun Life Fixed Term Plan- Series OH - Growth	71,80,656	724	-	-	-	-
67	Birla Sun Life Fixed Term Plan- Series OI - Growth	1,09,01,955	1,097	-	-	-	-
68	Birla Sun Life Fixed Term Plan- Series OK - Growth	1,00,00,000	1,003	-	-	-	-
69	DSP Black Rock Fixed Maturity Plan Sr 204-37M- Direct - Growth	1,00,00,000	1,007	-	-	-	-
70	DSP Black Rock Fixed Maturity Plan Sr 205-37M- Direct - Growth	1,00,00,000	1,006	-	-	-	-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
71	DSP Black Rock Fixed Maturity Plan Sr 209-37M- Direct - Growth	43,00,000	430	-	-	-	-
72	ICICI Prudential Fixed Maturity Plan Sr 80-Plan J - 1253 Days Direct Cumulative	44,93,054	453	-	-	-	-
73	ICICI Prudential Fixed Maturity Plan SR 80-Plan L - 1245 Days Direct Cumulative	60,00,000	605	-	-	-	-
74	ICICI Prudential Fixed Maturity Plan SR 80-Plan O - 1233 Days Direct Cumulative	30,00,000	302	-	-	-	-
75	ICICI Prudential Fixed Maturity Plan SR 80-Plan T - 1225 Days Direct Cumulative	65,00,000	651	-	-	-	-
76	IDFC Fixed Term Plan SR 129 - Direct - Growth 1147Days	1,00,00,000	1,008	-	-	-	-
77	IDFC Fixed Term Plan SR 131 - Direct - Growth 1139Days	1,25,12,212	1,253	-	-	-	-
78	Invesco India Fixed Maturity Plan Sr 29 -Plan B - Direct -Growth 14May2020	1,00,00,000	1,003	-	-	-	-
79	Birla Fixed Term Plan Series OD - Direct - Growth	50,00,000	503	-	-	-	-
80	Birla Fixed Term Plan Series OE - Direct - Growth	80,00,000	804	-	-	-	-
81	Birla Fixed Term Plan Series OI - Direct - Growth	99,95,095	1,005	-	-	-	-
82	Birla Fixed Term Plan Series OK - Direct - Growth	55,00,000	552	-	-	-	-
83	Kotak Fixed Term Plan Series 202 - Direct - Growth	1,00,00,000	1,002	-	-	-	-
84	Reliance Fixed Horizon Fund SR 15-Direct Plan - Growth	30,00,000	413	-	-	-	-
85	HDFC Fixed Maturity Plan 1150D Series 37(l) - Direct - Growth	20,01,215	203	-	-	-	-
86	IDFC Fixed Term Plan Series 129 - 1147D - Direct - Growth	30,00,000	303	-	-	-	-
Total			38,387		11,764		16,217
(b) Earmarked Funds							
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)							
1	Reliance Fixed Horizon Fund - XXXVIII - Sr 19-Direct-Growth	1,65,632	20	1,65,632	16	-	-
2	Sundaram Fixed Term Plan HM - 1100 Days-Direct-Growth	1,98,759	21	-	-	-	-
Total			41		16		-
Bonds & Non Convertible Debentures (Quoted)							
1	9.25%-Vijaya Bank-01Aug2016	-	-	-	-	150	1,509
2	8.27% National Highway Authority Of India-05Feb2024-Tax Free	-	-	1,38,502	1,385	1,38,502	1,385
3	8.27% National Highway Authority Of India-05Feb2024-Tax Free	-	-	49,400	494	49,400	494

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
4	8.23% Indian Railway Financial Corporation-18Feb2024-Taxfree	-	-	2,50,000	2,517	2,50,000	2,519
5	7.93% Rural Electrification Corporation-27March2022-Tax Free	-	-	1,50,000	1,539	1,50,000	1,546
	Total		-		5,935		7,453
(a) Own Funds							
Certificate of Deposit (Quoted)							
1	HDFC Bank -04Apr2016	-	-	2,000	1,998	-	-
2	Axis Bank - 04Apr2016	-	-	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
6	Bank Of India-06Apr2015	-	-	-	-	5,000	4,994
7	Indusind Bank-06Apr2015	-	-	-	-	8,000	7,989
	Total		-		4,496		45,439
Investment in Mutual Funds							
Units of Dividend Oriented Debt Schemes of Mutual Funds							
1	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment - Investor Services Fund	-	-	22,20,872	2,222	11,09,593	1,111
2	Kotak Income Opportunities Fund - Direct - Weekly Dividend Reinvestment	2,74,06,356	2,865	2,59,43,686	2,636	-	-
3	ICICI Prudential Liquid-Direct-Daily Dividend Reinvestment-Settlement Guarantee Fund	-	-	-	-	825	1
4	Baroda Pioneer Liquid Fund - Plan B - Growth	-	-	-	-	2,644	42
5	ICICI Prudential Liquid Fund -Growth	-	-	-	-	86,155	178
6	Reliance Liquidity Direct - Growth	-	-	-	-	441	9
7	DWS Insta Cash Plus Fund-Direct- Daily Dividend Reinvestment	-	-	-	-	825	1
8	ICICI Prudential Liquid - Direct Plan - Daily Dividend Reinvestment	45,88,559	4,592	6,306	6	9,226	9
9	HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	2,273	24	2,168	23	76,98,321	818
10	IDFC Cash Fund Regular Plan - Daily Dividend Reinvestment	-	-	54,979	561	-	-
11	HDFC Floating Rate Income Fund - Direct - Daily Dividend Reinvestment	89,29,198	900	24,43,862	246	-	-
12	HDFC Liquid Fund Direct	4,54,132	4,631	-	-	-	-
13	UTI Liquid Cash Plan - Direct - Daily Dividend Reinvestment	2,45,275	2,500	-	-	-	-
14	Reliance Liquid Fund Treasury Plan - Direct - Daily Dividend Reinvestment	40,241	615	-	-	-	-
	Total		16,127		5,694		2,169

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
Units Of Debt Schemes Of Mutual Funds (Unquoted)							
1	Axis Liquid Fund - Direct - Daily Dividend Reinvestment	-	-	94,399	797	1,77,210	1,773
2	Birla Sun Life Dynamic Bond Fund - Retail-Monthly Dividend Plan	-	-	-	-	28,93,085	316
3	Dsp Ultra Short Fund- Direct-Daily Dividend Reinvestment	89,13,321	898	69,55,046	1,094	1,18,81,191	1,193
4	DWS Insta Cash Plus Fund -Direct -Daily Dividend Reinvestment	-	-	-	-	2,87,319	288
5	DWS Ultra Short Term Fund-Direct-Daily Dividend Reinvestment	-	-	-	-	8,16,171	82
6	Reliance Money Manager Direct -Daily Dividend Reinvestment	1,39,142	1,402	99,830	1,002	-	-
7	Reliance Short Term Fund - Direct - Monthly Dividend Plan	80,12,168	900	75,78,484	844	72,31,191	795
8	Religare Invesco Liquid Fund - Direct-Daily Dividend Reinvestment	-	-	59,211	593	-	-
9	Sundaram Select Debt Asset Plan -Direct-Monthly Dividend Reinvestment	1,32,57,496	1,684	1,26,49,676	1,574	1,20,90,423	1,486
10	Birla Sunlife Cash Plus Direct - Daily Dividend Reinvestment	38,863	39	-	-	5,14,089	515
11	Birla Sunlife Saving Fund Direct - Daily Dividend Reinvestment	-	-	-	-	4,96,872	498
12	Kotak Floater Short Term- Direct - Daily Dividend Reinvestment	21,873	221	72,122	730	-	-
13	Dsp Blackrock Liquidity Fund Direct - Daily Dividend Reinvestment*	88,698	888	41,352	414	-	-
14	ICICI Prudential Flexible Income Plan -Direct -Daily Dividend Reinvestment*	-	-	-	-	80,499	85
15	ICICI Prudential Banking And PSU Debt Fund- Direct -Growth	42,09,448	797	42,09,448	715	42,09,448	657
16	Reliance Liquid Fund-Treasury Plan Direct -Daily Dividend Reinvestment*	-	-	-	-	15,964	244
17	Reliance Banking & PSU Debt Fund -Direct- Monthly Dividend Reinvestment	51,92,299	534	-	-	-	-
18	Reliance Floating Rate Fund_Short Term Plan Direct-Growth	46,01,997	1,210	-	-	-	-
19	Invesco India Ultra Short Term Fund - Direct-Daily Dividend Reinvestment	20,625	210	-	-	-	-
20	Reliance Floating Rate Fund_Short Term Plan Direct-Growth	38,85,879	1,022	-	-	-	-
Total			9,804		7,763		7,932
Units of Growth Oriented Debt Schemes of Mutual Funds							
1	HDFC Short Term Plan	4,11,216	133	4,11,216	122	4,11,216	111
2	Kotak Income Opportunity Fund	11,03,355	198	26,58,075	434	26,58,075	397

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
3	Dsp Blackrock Income Opportunities Fund Regular - Growth	14,13,067	380	14,13,067	346	9,77,256	219
4	IDFC Super Saver Income Fund Medium Term	10,78,579	299	10,78,579	273	6,61,758	157
5	HDFC Corporate Debt Opportunities Fund	9,22,944	125	9,22,944	113	9,22,944	104
6	Birla Sunlife Short Term Opportunities Fund -Growth	-	-	-	-	2,43,869	56
7	ICICI Prudential Corporate Bond Fund - Regular-Growth	-	-	-	-	4,99,833	107
8	ICICI Prudential Regular Savings Fund	-	-	-	-	3,45,478	51
9	Kotak Income Opportunity Fund-Direct - Growth	25,37,830	474	25,37,830	426	-	-
10	Sundaram Banking And PSU Debt Fund Direct-Growth	38,88,841	1,000	-	-	-	-
11	Reliance Yearly Interval Fund-SR-5-Direct - Growth	32,57,927	452	32,57,927	421	32,57,927	389
12	Reliance Fixed Horizon Fund XXV SR 26 - Direct - Growth	40,00,000	518	-	-	-	-
13	Reliance Fixed Horizon Fund XXVI SR 31 - Direct - Growth	40,00,000	505	-	-	40,00,000	428
14	HDFC Fixed Maturity Plan 1150D Feb 2017 (1) Series 37 - Direct - Growth	20,00,000	201	-	-	-	-
Total			4,286		2,135		2,019
Investment in Exchange Traded Funds							
1	Sensex Prudential ICICI- Exchange Traded Fund (Spice)	90,000	276	1,20,000	311	1,00,000	281
2	Reliance R*Share Sensex -Exchange Traded Fund	-	-	30,000	78	-	-
3	Reliance R*Share Nifty -Exchange Traded Fund	-	-	1,00,000	80	1,50,000	129
Total			276		469		410
(b) Earmarked Funds							
Certificate of Deposit (Quoted)							
1	South Indian Bank-06Apr2015	-	-	-	-	3,000	2,996
2	ICICI Bank Limited CD-06Apr2015	-	-	-	-	600	598
3	Axis Bank CD-06Apr2015	-	-	-	-	1,400	1,399
Total			-		-		4,993
Mutual Fund							
Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)							
1	Birla Sunlife Floating Rate Fund - Short Term Plan	-	-	-	-	2,28,535	230
2	Axis Liquid Fund - Direct - Daily Dividend Reinvestment - Investor Services Fund	2,61,237	2,614				
Total			2,614		-		230
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)							
1	ICICI Prudential Floating Rate Fund - Plan C - Growth	-	-	-	-	71,460	154
2	HDFC Liquid Fund - Direct - Growth	-	-	10,517	314	17,71,700	489
Total			-		314		643

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted) (Settlement Guarantee fund)							
1	HDFC Liquid Fund Direct Daily Dividend Reinvestment	-	-	-	-	57,11,006	5,714
Total			-		-		5,714
Current Portion of Long Term Investments							
Own Funds							
Investments in Debentures and Bonds							
Bonds and Non Convertible Debentures (Quoted)							
1	11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016	-	-	1,00,000	1,004	-	-
2	10.60%-LIC Housing Finance Limited-06Sep2016	-	-	250	2,508	-	-
3	10.18%-LIC Housing Finance Limited-19Sep2016	-	-	100	1,000	-	-
4	9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016	-	-	1,00,000	1,000	-	-
5	9.75%-Housing Development Finance Corporation Limited-07Dec2016	-	-	297	2,967	-	-
6	9.30%-LIC Housing Finance Limited-14Oct2016	-	-	250	2,497	-	-
7	9.70%-Housing Development Finance Corporation Limited-18Mar2017	-	-	200	2,003	-	-
8	8.64%-LIC Housing Finance Limited-03May2016	-	-	200	1,998	-	-
9	9.85%-HDFC Limited-05Jun2015	-	-	-	-	250	2,500
10	7.60%-Power Finance Corporation Limited-30Dec2015	-	-	-	-	100	996
11	8.90%-Power Grid Corporation Limited-25Feb2016	-	-	-	-	40	501
12	9.40%-LIC Housing Finance Limited-26Feb2016	-	-	-	-	250	2,494
13	9.20%-Power Grid Corporation Limited-12Mar2016	-	-	-	-	160	2,009
14	8.35 % Power Finance Corporation Ltd-15May2016	-	-	500	4,992	-	-
15	6.05% Indian Railway Finance Corporation Limited	-	-	-	-	500	500
16	10.00%-ICICI Bank Limited-10Nov2017	7,551	755	-	-	-	-
17	9.30%-Housing Development Finance Corporation Limited.-04Oct2017	140	1,404	-	-	-	-
18	9.18%-Housing Development Finance Corporation Limited-12Feb2018	250	2,485	-	-	-	-
19	9.50%-Housing Development Finance Corporation Limited-14Aug2017	100	1,003	-	-	-	-
Total			5,647		19,969		9,000

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
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	-	-	15,00,000	155	-	-
Total			-		155		-
Units of Growth Oriented Debt Schemes of Mutual Funds							
1	Reliance Fixed Horizon Fund - XXIV 11 Direct	-	-	39,48,606	502	-	-
2	Birla Sun Life Interval Income Fund - Annual Plan 5 - Direct-Growth	82,66,209	1,145	82,66,209	1,068	82,66,209	984
3	Birla Sun Life Fixed Term Plan - Series KC (368Days) - Direct-Growth	-	-	71,86,155	866	-	-
4	Birla Sun Life Fixed Term Plan - Series KK (367Days) - Direct-Growth	-	-	46,58,410	560	-	-
5	Birla Sun Life Fixed Term Plan - Series KM (368Days) - Direct-Growth	-	-	56,00,000	670	-	-
6	Birla Sun Life Fixed Term Plan - Series KQ (368Days) - Direct-Growth	-	-	84,92,604	1,014	-	-
7	Dsp Blackrock Fixed Maturity Plan S146-12M-Direct-Growth	-	-	71,45,127	863	-	-
8	Dsp Blackrock Fixed Maturity Plan S153-12M-Direct-Growth	-	-	41,10,415	491	-	-
9	Dsp Blackrock Fixed Maturity Plan S149-12M-Direct-Growth	-	-	40,15,031	484	-	-
10	Dsp Blackrock Fixed Maturity Plan S161-12M-Direct-Growth	65,49,900	836	-	-	65,49,900	714
11	Dsp Blackrock Fixed Maturity Plan S109-12M-Direct-Growth	-	-	57,20,279	728	-	-
12	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Growth	-	-	-	-	65,00,000	710
13	HDFC Fixed Maturity Plan 370D Apr 2014 (2) - Direct Growth	40,79,690	521	-	-	40,79,690	444
14	HDFC Fixed Maturity Plan 370D Mar2014 (1) - Direct Growth	43,84,836	569	-	-	-	-
15	HDFC Fixed Maturity Plan 371D Feb 2014(2) SR 29 - Direct Growth	60,00,000	779	-	-	-	-
16	HDFC Annual Interval Fund SR1-Plan A - Direct Growth	-	-	57,56,369	756	57,56,369	695
17	HDFC Fixed Maturity Plan 377Days March2014 (1) - Direct Growth	1,44,68,207	1,853	-	-	1,44,68,207	1,582
18	ICICI Prudential Fixed Maturity Plan-Series 73-369 Days Plan S - Direct -Cumulative	47,93,668	614	-	-	47,93,668	524

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
19	ICICI Prudential Fixed Maturity Plan-Series 74-370 Days Plan V - Direct -Cumulative	40,00,000	503	-	-	40,00,000	428
20	ICICI Prudential Fixed Maturity Plan-Series 74-369 Days Plan I - Direct -Cumulative	55,65,133	712	-	-	55,65,133	603
21	ICICI Prudential Fixed Maturity Plan-Series 73-366 Days Plan A - Direct -Cumulative	32,84,400	424	-	-	-	-
22	ICICI Prudential Fixed Maturity Plan-Series 73-369 Days Plan P - Direct -Cumulative	1,23,03,571	1,573	-	-	-	-
23	ICICI Prudential Interval Fund SR-VI-Annual Interval Plan C- Direct -Cumulative	-	-	58,87,877	771	58,87,877	710
24	ICICI Prudential Fixed Maturity Plan-Series 72-366 Days Plan K - Direct -Cumulative	-	-	34,83,042	421	-	-
25	IDFC Fixed Term Plan Series 83 - Direct Growth	-	-	34,22,759	408	-	-
26	IDFC Fixed Term Plan Series 24 - Direct Growth Plan	-	-	60,00,000	763	-	-
27	IDFC Fixed Term Plan Series 27 - Direct Growth Plan	-	-	30,00,000	381	-	-
28	Reliance Yearly Interval Fund - Series 5 - Direct Growth Plan	44,96,857	624	44,96,857	581	44,96,857	537
29	Reliance Fixed Horizon Fund - XXV - Series 24 - Direct Growth Plan	50,00,000	650	-	-	-	-
30	Reliance Fixed Horizon Fund - XXV - Series 26 - Direct Growth Plan	48,40,140	627	-	-	-	-
31	Reliance Fixed Horizon Fund - XXV - Series 18 - Direct Growth Plan	-	-	40,00,000	483	-	-
32	Sundaram Fixed Term Plan Do 366 Days Direct Growth	-	-	53,60,560	683	-	-
33	Birla Fixed Term Plan Series HI - Direct Growth	-	-	25,62,575	327	-	-
34	Birla Fixed Term Plan Series JY - Direct Growth	-	-	35,44,730	428	-	-
35	Birla Fixed Term Plan Series KI - Direct Growth	-	-	56,30,000	675	-	-
36	Birla Fixed Term Plan Series KQ - Direct Growth	-	-	50,36,298	601	-	-
37	Reliance Fixed Horizon Fund SR 15-Direct Growth	-	-	30,00,000	382	-	-
38	Reliance Yearly Interval Fund SR 2 367 Days	-	-	39,95,528	528	39,95,528	485
39	Reliance Yearly Interval Fund SR 4 - Direct Growth	-	-	45,67,712	602	45,67,712	550
40	HDFC Fixed Maturity Plan 370D Jan 2014-1-Direct	-	-	-	-	20,00,000	215
Total			11,429		16,036		9,181
(b) Earmarked Funds							
Investments in Mutual Fund							
Units of Growth Oriented Debt Schemes of Mutual Funds							
1	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)-Direct Plan - Growth	1,38,027	17	1,38,027	14	-	-
Total			17		14		-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

12. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Trade Receivables			
- Secured, considered good	2,924	1,310	1,415
- Unsecured, considered good	3,948	3,409	2,066
- Doubtful	1,872	1,151	1,114
- Allowance for doubtful debts (expected credit loss allowance)	(1,872)	(1,151)	(1,114)
Total	6,872	4,719	3,481

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the Group ranges from 0 to 60 days.
3. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
4. There are no dues by directors or other officers of the Parent Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in expected credit loss allowance

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Balance at the beginning of the year	1,151	1,114
Impairment loss allowance on trade receivables	721	37
Balance at the end of the year	1,872	1,151

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
a Security deposits;			
- Deposit with public bodies and others	243	253	208
b Advances and others receivables			
- Share application money	-	4	-
- Advance to staff	99	92	85
- Others receivable from defaulter member	104	-	-
- Receivable from Punjab & Sindh bank	316	316	317
Less Impairment loss on receivable from Punjab & Sindh bank	(316)	-	-
Net receivable from Punjab & Sindh bank	-	316	317
c Bank deposits with more than 12 months maturity			
Owned fund			
- In deposit accounts	6,559	18,604	5,080
Earmarked fund			
- In deposit accounts	8,961	4,628	9,139
Earmarked - SGF			
- In deposit accounts	9,396	9,257	-
Total	25,362	33,154	14,829
Current			
a Advances			
- Advance to staff	33	48	50
b Others			
- Unbilled revenue	14	-	-
- Deposit with public bodies and others	400	76	66
- Receivable from depository participants Moongipa Investments Ltd	-	46	-
- Others receivable from defaulter member	26	137	785
- Receivable from selling shareholders	-	170	170
- Receivable from selling shareholders of CDSL	430	-	-
- Others	5	-	-
c Unsecured and considered doubtful			
Deposit made under protest for property tax and claim pending with court	771	771	771
Less: Provision for Doubtful Advances	(771)	(771)	(771)
e Accrued interest			
Owned			
- On deposits	360	413	97
- On investments	3,911	5,858	4,388
Earmarked			
- On deposits	448	420	908
- On investments	-	289	518
Earmarked - SGF			
- On deposits	-	13	-
- On investments	-	5	108
Total	5,627	7,475	7,090

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

14. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Cash on Hand	-	1	-
Cheque in Hand	-	31	-
Balance with Banks			
Owned fund			
- In Current Accounts	16,183	983	596
- In Deposit Accounts original maturity less than 90 days	7,500	1,000	3,100
Earmarked fund			
- In Current Accounts	30,894	14,731	5,432
- In Deposit Accounts original maturity less than 90 days	61,400	16,790	23,890
Earmarked - SGF			
- In Current Accounts	390	89	612
Total	1,16,367	33,625	33,630
Bank balance other than above			
Balance with banks			
Owned fund			
- In Deposit Accounts	64,558	38,019	50,695
Earmarked fund			
- In Current Accounts (unpaid dividend) (refer note 14.2)	867	730	572
- In Current Accounts (refer note 14.1 and 14.2)	4,438	5,503	96
- In Deposit Accounts	40,616	43,548	41,642
Earmarked - SGF			
- In Deposit Accounts	15,730	8,508	2,933
Total	1,26,209	96,308	95,938

Notes :

14.1. Of the above, ₹ 4,330 have been earmarked against payables on expenses towards IPO.

14.2. The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities of the Group.

15. OTHER ASSETS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Current			
Gratuity asset (net)	85	150	210
Prepaid Expenses	33	94	106
Capital Advances	3	22	4
Total	121	266	320
Current			
Prepaid Expenses	598	521	416
CENVAT Credit Receivable	781	773	757
CENVAT Credit Receivable (not due)	170	132	68
Advance to Creditors	226	112	186
Total	1,775	1,538	1,427

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised share capital: 1,500,000,000 (1,500,000,000 as at March 31, 2016) equity shares of ₹ 2/- each	30,000	30,000	5,000
Issued share capital: 54,588,172 (54,588,172 as at March 31, 2016) equity shares of ₹ 2/- each	1,092	1,092	1,057
Subscribed and paid-up share capital 53,808,172 (53,678,172 equity shares as at March 31, 2016) equity shares of ₹ 2/- each fully paid-up.	1,076	1,074	1,039
Equity share capital suspense account (Equity shares of ₹ 2 each to be issued as fully paid-up pursuant to the merger of United Stock Exchange of India Limited with the Company under the scheme of amalgamation without the payment being received in cash)	-	-	34
Total	1,076	1,074	1,073
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year			
PARTICULARS	As at March 31, 2017	As at March 31, 2016	
No. of shares at the beginning of the year	5,36,78,172	5,19,63,886	
Additions during the year	1,30,000	17,14,286	
No. of shares at the end of the year	5,38,08,172	5,36,78,172	
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.			
PARTICULARS	As at March 31, 2017	As at March 31, 2016	
2008-09	4,72,46,664	4,72,46,664	
2009-10 (*)	4,20,000	4,20,000	
2010-11 (*)	60,000	60,000	
2011-12 (*)	60,000	60,000	
2012-13 (*)	60,000	60,000	
2013-14 (*)	60,000	60,000	
2014-15 (*)	60,000	60,000	
2016-17 (*)	1,20,000	-	
TOTAL	4,80,86,664	4,79,66,664	

(*) 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.

- (a) The Exchange has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)..

- (b) Pursuant to the BSE (Corporatisation & Demutualisation) Scheme, 2005, (the Scheme) the Exchange had allotted 5,000 equity shares of ₹ 2/- 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.
- (c) Out of the total 47,775,000 equity shares of ₹ 2/- (including 44,100,000 bonus shares of ₹ 2/- each) issuable to the card based Members, the Exchange has allotted 46,985,000 equity shares (46,865,000 equity shares as on March 31, 2016) upon implementation of the BSE (Corporatisation and Demutualisation) Scheme, 2005 ("The Scheme"). The allotment of 7,80,000 equity shares (9,10,000 equity shares as on March 31, 2016) of ₹ 2/- 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 47,775,000 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 13th November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX).
- (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.

The shareholders of the Company at the Extraordinary General Meeting (EGM) held on November 25, 2016 accorded their consent to the consolidation of the entire authorised and issued share capital of the Company by increasing the nominal value of the equity share from Re. 1/- (Rupee one only) each to ₹ 2/- (Rupees two only) each, so that every two equity shares with nominal value of Re. 1/- (Rupee one only) each held by a shareholder are consolidated and re-designated into one equity share with a nominal value of ₹ 2/- each. Accordingly, the revised authorised share capital of the Company now stands at 1,50,00,00,000 equity shares of ₹ 2/- each, issued share capital 5,45,88,172 equity shares of ₹ 2/- each and paid up share capital 5,36,78,172 equity shares of ₹ 2/- each alongwith shares kept in abeyance 9,10,000 equity shares of ₹ 2/- each as at November 25, 2016.

Para 28 of Indian Accounting Standard 33 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding increases as a result of consolidation of shares. Pursuant to the shareholders' consent to the consolidation of the equity shares at the EGM mentioned above, the weighted average numbers of shares and consequently the basic and diluted earnings per share have been accordingly adjusted in the financial statements for all the periods presented in accordance with Indian Accounting Standard 33 on "Earnings per share".

- (f) No shareholder holds more than 5 % of the Share Capital of the Company.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

17. OTHER EQUITY EXCLUDING NON-CONTROLLING INTEREST

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General Reserve	70,470	70,470	70,470
Capital Reserve	66,179	66,179	66,179
Capital Reserve on business combination	10,530	10,530	10,530
Securities Premium Reserve	39,283	39,285	39,389
Retained earnings	77,644	64,754	63,515
Settlement Guarantee Fund	-	-	2,565
Disposal of partial interest in CDSL (refer note 17.6)	1,057	-	-
Share application money pending allotment	1	1	1
Total	2,65,164	2,51,219	2,52,649

17.1 General reserve

The general reserve created from time to time transfer profits from retained earnings for appropriation purposes. As the General reserve created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified to the Statement of Profit and Loss.

17.2 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 19th 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.

17.3 Securities premium

Securities premium reserve reflects issuance of the shares by the Group at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium reserve" as per the provisions of the Companies Act, 2013. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

17.4 Settlement guarantee fund

Refer Note 43 for the nature and purpose settlement guarantee fund.

17.5 Retained earnings

The same reflects surplus/deficit after taxes in the Profit or Loss. The amount that can be distributed by the Parent Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

The Board of Directors, at its meeting on May 5, 2016, proposed a final dividend of ₹ 4/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on June 24, 2016. The amount was recognized as distributions to equity shareholders during the year ended March 31, 2017 and the total appropriation was ₹ 5,256 including corporate dividend tax. (Refer note 4.2.2 for impact on transition to Ind AS) The amount of per share dividend recognized as distributions to equity shareholders during the year ended March 31, 2016 was ₹ 8.5/- per equity share (including interim dividend of ₹ 3.5/- per equity share).

The Board of Directors, at its meeting on May 5, 2017, have proposed a final dividend of ₹ 23/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 15,111 including corporate dividend tax.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

17. OTHER EQUITY EXCLUDING NON-CONTROLLING INTEREST (Contd.)..

17.6 Disposal of partial interest in CDSL

During the year, the Group disposed off 4.15% of its interest in CDSL reducing its continuing interest to 50.05%. The proceeds on disposal ₹ 3,423 were received in bank. Amount of ₹ 2,366 (being the proportionate share of carrying amount of the net assets in CDSL) has been transferred to Non-controlling interest (see note 42). The difference of ₹ 1,057 between increase in Non-controlling interest and consideration received has been credited to other equity.

18. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Accrued employee benefit expenses	463	416	364
Finance lease obligations (refer note 18.1 below)	39	68	134
Other deposits	104	154	-
Total	606	638	498
Current			
Owned :			
Deposits received from trading members	9,403	9,062	9,057
Other deposits received from members	3,025	5,163	4,895
Other deposits	3,169	787	2,939
Accrued employee benefit expenses	4,453	2,340	1,878
Unpaid dividends	51	32	29
Payables on purchase of fixed assets	566	621	1,070
Current maturities of finance lease obligations (refer note 18.1)	348	66	57
Accrued Interest on finance lease obligations (refer note 18.1)	5	10	14
Total (A)	21,020	18,081	19,939
Earmarked :			
From companies - 1% of their public issue (refer note 18.2 below)	13,412	14,329	13,325
Defaulters' liabilities (refer note 18.2)	2,799	6,702	6,839
Withheld liabilities (refer note 18.2)	5,899	5,676	3,939
Payables on expenses towards IPO (recovered from selling shareholders) (refer note 18.3)	4,330	-	-
Others	1,645	1,334	1,106
Total (B)	28,085	28,041	25,209
Clearing and Settlement			
Deposit from Clearing banks	14,280	13,801	13,801
Deposit and Margins from Members	51,562	18,157	21,156
Settlement Obligation payable	50,248	29,698	30,362
Others	1,907	809	144
Total (C)	1,17,997	62,465	65,463
Total (A+B+C)	1,67,102	1,08,587	1,10,611

18.1 Secured by lease asset. Liability is at a fixed rate of interest with original repayment period of 5 years.

18.2 Investments and Bank Deposits have been earmarked against these liabilities.

18.3 Current accounts have been earmarked against this liability.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

19. PROVISIONS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Employee benefits			
Provision for gratuity (refer note 46)	165	80	65
Total	165	80	65
Current			
Employee benefits			
Compensated absences (refer note 46)	1,168	912	767
Provision for gratuity (refer note 46)	90	12	12
Others			
Provision for incentive scheme for DPs (refer note 45)	413	281	-
Total	1,671	1,205	779

20. DEFERRED TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets (net)			
Deferred tax assets	2,925	622	18
Deferred tax liabilities	1,036	38	4
Deferred tax assets (net)	1,889	584	14
Deferred tax liabilities (net)			
Deferred tax liabilities	-	1,167	1,360
Deferred tax assets	-	841	1,074
Deferred tax liabilities (net)	-	326	286

Deferred tax assets / liabilities in relation to:

PARTICULARS	Opening balance as at April 1, 2015	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2016	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2017
Deferred tax assets							
MAT Credit entitlement	6	(349)	-	355	(878)	-	1,233
Impairment of financials assets	265	(4)	-	269	(264)	-	533
Expenses allowed on payment basis	467	(109)	2	574	(375)	(25)	974
Voluntary Retirement Scheme	354	89	-	265	80	-	185
	1,092	(373)	2	1,463	(1,437)	(25)	2,925
Deferred tax liabilities							
Property, Plant and Equipment, Intangible assets and goodwill	772	469	-	303	188	-	115
Others (Mainly on mutual fund fair valuation)	592	(310)	-	902	(19)	-	921
	1,364	159	-	1,205	169	-	1,036
Total	(272)	(532)	2	258	(1,606)	(25)	1,889

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

20. DEFERRED TAX ASSET AND LIABILITIES (Contd.)..

Notes:

1. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Tax losses (revenue in nature)	6,173	8,646	4,090
- Tax losses (capital in nature)	10,907	12,630	12,270
Total	17,080	21,276	16,360

The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2017-18 - Capital in Nature	271	271	271
2018-19 - Capital in Nature	46	46	46
2019-20 - Capital in Nature	4,398	6,121	6,122
2020-21 - Capital in Nature	5,018	5,018	5,018
2021-22 - Capital in Nature	124	124	124
2021-22 - Capital in Nature	51	51	51
2022-23 - Revenue in Nature	147	147	147
2022-23 - Capital in Nature	638	638	638
2023-24 - Revenue in Nature	2,527	3,838	3,838
2023-24 - Capital in Nature	309	309	-
2024-25 - Revenue in Nature	1,884	1,850	-
2024-25 - Capital in Nature	52	52	-
2025-26 - Revenue in Nature	1,421	-	-
Unabsorbed Depreciation	194	2,811	105

2. The management expects the Company to pay normal tax and benefit associated with MAT credit will flow to the Group within permissible time limit stipulated under Income Tax Act, 1961 to the extent MAT asset recognised.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

21. OTHER LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Current			
Income received in advance	107	95	113
	107	95	113
Current			
Owned :			
Income received in advance	1,406	1,914	1,965
Advance from customers	1,205	920	877
Statutory remittances	13,115	2,343	9,962
Other liabilities (refer note below)	3,463	2,909	1,812
Contribution payable to depository IPF	291	773	3,852
Contribution payable to settlement guarantee fund	6,276	5,143	-
Earmarked :			
Contribution payable to IPF	10	-	-
Total	25,766	14,002	18,468

Note: Other liabilities includes :

a) Investors' Services Fund (ISF):

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Annual listing fees received for the year	10,540	9,995
20% of the above (Amount to be contributed annually)	2,108	1,999
Investment income accrued to Investors' services fund	12	-
Expenses incurred on behalf of ISF	1,760	1,127
Expenses Recoverable (Subject to maximum of the contribution)	1,760	1,127

As per directive received from SEBI, BSE Limited decided to set aside 20% of the Annual listing fees received to an Investors' Services 1996-97 onwards. The Exchange has charged all direct expenses incurred towards Investors Services to this account.

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cumulative balance as at end of year	2,417	2,057	1,185

b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cumulative balance as at end of year	816	698	543

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

22. TRADE PAYABLES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
A) Total outstanding due of Micro & Small Enterprises Payable to service providers	8	2	-
B) Total outstanding due of Creditors other than Micro & Small Enterprises Payable to service providers	5,625	4,585	3,881
Total	5,633	4,587	3,881

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Principal amount and interest thereon remaining unpaid at the end of year	8	2	-
Interest paid including payment made beyond appointed day during the year	-	-	-
(b) Interest due and payable for delay during the year	-	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-	-

23. INCOME TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Current tax assets			
Income taxes paid in advance (net of provisions)	8,920	10,833	7,781
Total	8,920	10,833	7,781
Current tax liabilities			
Income tax payable	1,471	1,188	905
Wealth tax (net of advance)	-	6	2
Total	1,471	1,194	907

24. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Transaction charges	12,242	5,496
Income from Depository Services	14,581	12,268
Charges recovered	1,893	1,903
Annual subscription and admission fees	440	176
Processing fees	277	72
Treasury Income from Clearing and Settlement Funds	4,047	4,128
Auction Charges	90	83
Total	33,570	24,126

25. INCOME FROM SERVICES TO CORPORATES

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Listing fees	13,817	14,460
Book building software charges	1,431	1,123
Company reinstatement fees	296	351
Other fees	142	177
Total	15,686	16,111

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

26. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost)	5,657	4,867
Investments in debt instruments (at amortised cost)	11,270	12,259
b) Dividend income		
Dividends from investment in equity shares (designated at cost or at FVTPL)		
Dividend income from others	6	6
Dividends from investment in mutual funds (designated at FVTPL)		
Dividend income	1,720	1,535
c) Other gains or losses:		
Net gains / (loss) on derecognition of financial assets measured at amortised cost	2,302	41
Net gain / (loss) on disposal of investment in subsidiary, joint venture and associate measured at cost	-	71
Net gain / (loss) on disposal of equity instrument measured at FVTPL	121	(206)
Net gains / (loss) arising on financial assets measured at FVTPL	2,726	2,445
Total	23,802	21,018

27. OTHER INCOME

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Rental income	1,013	1,009
Website income	310	289
Net gain on disposal of property, plant and equipment	19	8
Net foreign exchange gains / (loss)	(21)	-
Training Institute	1,424	1,315
Sale of Software Licenses, Development, Customisation & Maintenance of Software	575	590
Interest on income tax refunds	958	19
Miscellaneous income	272	282
Total	4,550	3,512

28. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, allowances and bonus	12,514	9,469
Contribution to provident and other Funds	611	452
Staff welfare expenses	500	447
Compensated absences	524	370
Total	14,149	10,738

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

29. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Advertising and marketing expenses	847	645
Bad debts written off	562	567
Building repairs and maintenance expenses	1,003	711
Charity and donations	2	-
Clearing House Expenses	9	37
Computer technology related expenses	7,027	5,475
Contribution to investors service fund	2,108	1,999
Contribution to investors' protection fund	115	100
Contribution to Depository Investors' Protection Fund	460	231
Contribution to core settlement guarantee fund	6	1,741
Contribution to SEBI	1,210	1,133
Contribution to corporate social responsibility (refer note below 29.1)	225	314
Data entry charges	198	166
Datafeed expenses	187	188
Directors' fees	139	99
Electricity charges (net of recoveries)	1,837	2,091
Incentive Scheme for DPs	288	282
Insurance	393	411
Impairment of goodwill	-	785
Legal fees	413	458
Miscellaneous expenses	1,556	692
Payment to auditors		
a) Statutory audit fee	109	87
b) Tax audit fee	11	11
c) Other services	14	11
Professional fees	2,026	1,813
Postage and telephone expenses	678	658
Printing and stationery	116	117
Property taxes (net of recoveries)	231	243
Rent	308	288
Repairs to other assets	191	195
SEBI regulatory fees	251	236
Technology programmes	3,525	2,589
Travelling expenses	799	607
Total	26,844	24,980

29.1 CSR Expenditure

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
a) The gross amount required to be spent by the Group during the year	356	386
b) Amounts debited to Profit or Loss account were paid in cash during the respective year and were incurred for the purpose other than the construction / acquisition of any asset.		

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

30. IMPAIRMENT LOSS ON FINANCIAL ASSETS

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Impairment loss allowance on trade receivables	721	37
Impairment loss on financial assets carried at cost	322	-
Total	1,043	37

31. TAXES

(a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2017

(i) Profit or loss section

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Current tax expense	6,466	4,284
Current tax expense of earlier years	(796)	(47)
Deferred tax	(1,606)	(532)
Total income tax expense recognised in profit or loss	4,064	3,705

(ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Remeasurements of the defined benefit plans;	(25)	2
Total income tax expense recognised in other comprehensive income	(25)	2

(b) Reconciliation of effective tax rate

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Income before income tax	30,466	21,194
(B) Enacted tax rate in india	34.608%	34.608%
(C) Expected tax expenses	10,544	7,335
(D) Other than temporary differences		
Investment Income	(5,070)	(3,922)
Income from House Property and Related expenditure	(71)	(69)
Clearing corporation contribution to Core settlement guarantee fund	-	(1,196)
Expenses disallowed / (allowed)	314	103
Total	(4,827)	(5,084)
(E) Temporary difference on which deferred tax assets not recognised		
Business Loss Carried Forward	(857)	1,501
Total	(857)	1,501
(F) Net adjustments (D+E)	(5,684)	(3,583)
(G) Current tax expense of earlier years	(796)	(47)
(H) Tax expense recognised in profit and loss	4,064	3,705

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

32. Earnings per share (EPS)

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Weighted average number of equity shares (issued share capital) outstanding during the period for the calculation of basic EPS	5,45,88,172	5,45,88,172
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the period for the calculation of dilutive EPS	5,45,88,172	5,45,88,172
Face Value per Share	₹ 2 each	₹ 2 each
Profit after tax before exceptional items (net of tax and non-controlling interest)	23,416	17,332
Profit after tax after exceptional items	22,057	13,293
Basic and Diluted EPS before exceptional items (net of tax and non-controlling interest)	42.90	31.75
Basic and Diluted EPS after exceptional items	40.41	24.35

Note: The shareholders of the Company have, at the Extraordinary General Meeting (EGM) held on November 25, 2016 accorded their consent to the consolidation of the entire authorised and issued share capital of the Company by increasing the nominal value of the equity share from ₹ 1/- (Rupee one only) each to ₹ 2/- (Rupees two only) each, so that every two equity shares with nominal value of ₹ 1/- (Rupee one only) each held by a shareholder are consolidated and re-designated into one equity share with a nominal value of ₹ 2/- each. Accordingly, the revised share capital of the Company now stands at 54,588,172 equity shares of ₹ 2/- each. Para 28 of Indian Accounting Standard (Ind AS) 33 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding decreases as a result of consolidation of shares.

33. LEASE

33.1 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 at			As at		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
1	Payable not later than 1 Year	356	82	80	348	66	57
2	Payable later than 1 Year and not later than 5 Years	39	76	156	36	68	134
3	Payable later than 5 Year	4	-	-	3	-	-
	Total	399	158	236	387	134	191
	Less : Future Finance Charges	12	24	45			
	Present Value of Minimum Lease Payments	387	134	191			

- (iii) No contingent rent recognised / (adjusted) in the Profit or Loss in respect of finance lease.
- (iv) The Group has acquired leasehold building for the initial lease term of 30 years, however Group has option to extend the same for 99 years without any additional cost except yearly nominal lease rent subject to government authorities approving the extension of leasehold right of sub-leasing of lessor.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. LEASE (Contd.)..

33.2 Operating lease

The Group leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2017 was ₹ 308 (March 31, 2016: ₹ 288).

The Group does not have non-cancellable operating lease other than lease facilities towards investor services centers. Investor services centers rent expenses are incurred through investor services fund which is set aside from listing fee collected for investor services and shown under other liabilities.

34. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

PARTICULARS	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
i) Financial assets						
a) Amortised Cost						
Investment in debt instruments	1,16,080	1,66,969	1,85,246	1,21,715	1,72,048	1,87,999
Trade receivable	6,872	4,719	3,481	6,872	4,719	3,481
Cash and cash equivalents	1,21,672	39,858	34,298	1,21,672	39,858	34,298
Bank balances other cash and cash equivalents	1,20,904	90,075	95,270	1,20,904	90,075	95,270
Other financial assets	30,989	40,629	21,919	30,989	40,629	21,919
Total	3,96,517	3,42,250	3,40,214	4,02,152	3,47,329	3,42,967
b) FVTPL						
Investment in equity instruments	301	1	207	301	1	207
Investment in Exchange Traded Funds	276	469	410	276	469	410
Investment in mutual funds	82,705	43,891	44,260	82,705	43,891	44,260
Total	83,282	44,361	44,877	83,282	44,361	44,877
c) Others						
Investment in subsidiaries, joint ventures and associates	258	152	1,580	258	152	1,580
ii) Financial liabilities						
a) Amortised Cost						
Trade payables	5,633	4,587	3,881	5,633	4,587	3,881
Other financial liabilities	1,67,708	1,09,225	1,11,109	1,67,708	1,09,225	1,11,109
Total	1,73,341	1,13,812	1,14,990	1,73,341	1,13,812	1,14,990

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

34. FINANCIAL INSTRUMENTS (Contd.)..

- (b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

PARTICULARS	Fair values As at March 31, 2017	Fair values As at March 31, 2016	Fair values As at April 1, 2015	Fair Value Hierarchy (Level)
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	1,21,715	1,72,048	1,87,999	Level 1
b) FVTPL				
Investment in equity instruments	301	1	207	Level 3
Investment in Exchange Traded Funds	276	469	410	Level 1
Investment in mutual funds	82,705	43,891	44,260	Level 1 & Level 3
Total	83,282	44,361	44,877	

35. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

It is the Group's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

- Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

The Group provides the stock exchange services to its listed customers and registered members (who have provided the collaterals and other securities for trading done on its platform), hence the Group operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2017 and March 31, 2016.

• Investments

The Group limits its exposure to credit risk by making investment as per the investment policy. The Group addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), Allowable Net Non- Performing Asset (NNPA) Levels, Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Group reviews the investment portfolio on bi-monthly basis and recommend or provide suggestion to the management. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors. The Group does not invest in equity instruments unless they are strategic in nature.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Subsidiary Company ICCL holds a significant amount of cash and securities deposited by clearing members as margin or default funds.

Potential liquidity risks faced by the ICCL includes:

- Margin payments: Margins are settled at least daily. ICCL has to ensure that sufficient funds are available to fulfil their obligations
- Collateral switches and excess cash margin cover: Members have some flexibility to choose whether to post margin in cash or securities, and may choose to over-collateralise.
- Market disruptions: Such as unusual market volatility driving large margin movements; liquidity squeezes in the cash or securities markets and central bank action.
- Failed settlements: Arise when a member fails to deliver securities, leaving the ICCL short of these securities which may have been designated to meet the obligations of another member.

ICCL monitors its liquidity needs daily using stressed assumptions and reports to the various committee each month.

ICCL has created a dedicated Core Settlement Guarantee Fund (Core SGF), which is readily and unconditionally available to meet settlement obligations of ICCL in case of clearing member(s) failing to honour settlement obligation.

ICCL maintains a dedicated Core SGF for each segment, effectively ring fencing each segment of ICCL from defaults in other segments. Core SGF contributed 75% self-funded, while 25% is funded by the Exchange i.e. BSE Limited. The Contribution to the Core SGF is determined on the basis of the results of daily stress tests and in a manner stipulated by SEBI in its circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014. ICCL carries out daily stress tests for credit risk, daily liquidity stress test to assess the adequacy of liquidity arrangements, periodic reverse stress tests and daily back tests for adequacy of margins. ICCL maintains a Business Continuity Plan ("BCP") and Disaster Recovery ("DR") Plan for systems as well as manpower. ICCL has a far DR, situated in a different seismic zone.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy for INR 402 Crore across all segments. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL net-worth making the resources of the non-defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

Further, as a second line of defence to the margining and risk management systems, ICCL has subscribed to the Insurance policy. As per the default waterfall, in the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk. The magnitude of potential loss due to default that a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL conducts daily liquidity stress tests on a hypothetical stress scenario basis to ensure that it maintains sufficient liquid resources to manage liquidity risk from its clearing members. ICCL carries out the stress tests on the liquidity position by assuming the default of the two clearing participants to which it has the largest exposures in equity derivatives and currency derivatives segment. In addition, ICCL has lines of credit with various commercial banks in excess of its entire average daily funds pay-out, to build redundancy in case of one or more banks being unable to provide the liquidity support. The investments made in liquid resources are based on ICCL's investment policy, which is periodically reviewed by its investment committee and duly approved by its audit committee and the board of directors. The investment policy specifies the quality as well as exposure limits for each type of the qualified liquid resources.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payable			
< 1 year	5,633	4,587	3,881
1-5 years	-	-	-
> 5 years	-	-	-
Total	5,633	4,587	3,881
Other financial liabilities			
< 1 year	1,67,102	1,08,587	1,10,611
1-5 years	602	638	498
> 5 years	4	-	-
Total	1,67,708	1,09,225	1,11,109
Total	1,73,341	1,13,812	1,14,990

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015

PARTICULARS	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Investments*			
< 1 year	50,200	57,045	87,730
1-5 years	1,04,053	65,738	69,635
> 5 years	44,808	88,546	72,551
Total	1,99,061	2,11,329	2,29,916
Other financial assets			
< 1 year	5,627	7,475	7,090
1-5 years	25,362	33,154	14,829
> 5 years	-	-	-
Total	30,989	40,629	21,919
Trade receivables			
< 1 year	6,872	4,719	3,481
1-5 years	-	-	-
> 5 years	-	-	-
Total	6,872	4,719	3,481
Cash and cash equivalents			
< 1 year	1,21,672	39,858	34,298
1-5 years	-	-	-
> 5 years	-	-	-
Total	1,21,672	39,858	34,298
Bank balances other than cash and cash equivalents			
< 1 year	1,20,904	90,075	95,270
1-5 years	-	-	-
> 5 years	-	-	-
Total	1,20,904	90,075	95,270
Total	4,79,498	3,86,610	3,84,884

* Investment does not include investment in equity investment of subsidiaries, joint ventures, associate and others.

The Group manages contractual financial liabilities and contractual financial assets on net basis.

Market risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Group's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

In addition to the above risk, market risk also includes foreign currency risk and interest rate risk.

- **Foreign Currency risk**

The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars and Euros). The Group's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies the Group is not much exposed to foreign currency risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term / short-term investment with floating interest rates.

Interest rate risk primarily arises from floating rate investment. The Group's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

Regulatory risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Group has licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Group's operations are subject to continued review and the governing regulations may change. The Group's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary Indian Clearing Corporation Limited (ICCL). ICCL guarantees the settlement of trade executed on the Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Clearing Corporations (CCPs) have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("Core SGF") and Default Waterfall, to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR"). IOSCO has issued discussion papers on Recovery and Resolution and Cyber Risk, areas which are expected to witness regulatory guidance in the next few years. IOSCO is also expected to lay guidelines on standardised stress testing for CCPs across the World, and the first discussion paper in this regard is expected shortly. The CPMI and the IOSCO continue to

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

closely monitor the implementation of the PFMI. The Third Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMI has accorded India with the highest rating of 4. CPMI-IOSCO have also published the Guidance on cyber resilience for financial market infrastructures ("Cyber Guidance") and a further guidance report on the Resilience and recovery of central counterparties (CCPs). SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. ICCL has applied for Third Country Central Counterparty ("TC-CCP") recognition to the European Securities and Markets Authority ("ESMA") under EMIR which is contingent upon India being rated "Equivalent" by the European Commission. On December 16, 2016, the European Commission determined that India has an equivalent regulatory regime for central counterparties to the European Union. ICCL earlier has received a notification of completeness of application from ESMA and is currently awaiting decision on its TC-CCP recognition from ESMA.

The Parent Company and Subsidiary continues to focus on remaining well positioned to respond to regulatory developments and further opportunities exist for the Group to deliver solutions to help the market address the changing regulatory environment.

36. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Parent Company shall have a minimum networth of ₹ 100 Crore at all times.

Capital requirement of the Subsidiary Company Indian Clearing Corporation Limited is regulated by Securities and Exchange Board of India (SEBI). As per SEBI notification dated June 20, 2012 Clearing corporation shall a minimum networth of ₹ 300 Crore at all times.

In accordance with regulation 13 of Securities and Exchange Board of India (Depository and Participants) Regulations, 1996, the Subsidiary Company Central Depositories Services (India) Limited shall have a minimum networth of ₹ 100 Crore at all times.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS

Sr.	CONTROL	ENTITIES
a.	Subsidiary Companies (not consolidated)	BSE CSR Integrated Foundation (w.e.f. March 7, 2016) BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation
b.	Trusts set-up by the Group	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 BSE Employee's Gratuity Fund BSE Employee's Providend Fund ICCL Employee's Gratuity Fund ICCL Employee's Providend Fund
c.	Joint Venture Companies	BOI Shareholding Limited (upto January 8, 2016) Asia Index Private Limited
d.	Associate	Institutional Investor Advisory Services India Limited (upto January 5, 2016)
e.	Key Management Personnel and their relatives (KMP)	Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Shri Sudhakar Rao - Chairman Dr. K. Kasturirangan - Public Interest Director Shri Dharendra Swarup - Public Interest Director Justice Vikramajit Sen - Public Interest Director Shri Sumit Bose - Public Interest Director Dr. Sriprakash Kothari - Shareholder Director Shri Sethurathnam Ravi - Public Interest Director Smt. Usha Sangwan - Shareholder Director Smt. Rajeshree Sabnavis - Shareholder Director Shri Thomas Bendixen - Shareholder Director

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (Contd.)..

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Subsidiary Companies		
Income		
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	10	6
Administrative and Other Expenses (Recoveries)	2	1
Expenditure		
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	94	211
Trusts set-up by the Company		
Income		
The Stock Exchange Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	394	471
Rent	28	26
Expenditure		
The Stock Exchange Investors' Protection Fund		
Contribution to IPF (a proportion of listing fee)	105	100
Reimbursement for IFRS Foundation	-	460
Rent	46	48
Joint Ventures:		
Income		
BOI Shareholding Limited (upto January 8, 2016)		
Miscellaneous Income	-	1
Asia Index Private Limited		
Rent and Infrastructure Charges	138	138
Administrative and Other Expenses (Recoveries)	24	32
Associate		
Income		
Institutional Investor Advisory Services India Limited (upto January 5, 2016)		
Rent and Maintenance Charge	-	29
Administrative and Other Expenses (Recoveries)	-	4
Expenditure		
Institutional Investor Advisory Services India Limited (upto January 5, 2016)		
Professional fees	-	7
KMP		
Expenditure		
Salaries, Allowances and Bonus*		
Short term Employee benefits		
Shri Ashishkumar Chauhan	417	327

* Includes the variable pay of the prior years which has been paid in the current year based on Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012.

The Group provides long term benefits in the form of Gratuity to Key managerial person along with all employees, cost of same is not identifiable separately and not disclosed.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Subsidiary			
Assets			
Investments			
BSE CSR Integrated foundation	5	-	-
BFSI Sector Skill Council of India	105	105	105
BIL - Ryerson Technology Startup Incubator Foundation	1	1	-
Share Application Money			
BSE CSR Integrated Foundation (w.e.f March 7, 2016)	-	4	-
Trusts set-up by the Group			
Assets			
Receivable			
The Stock Exchange Investors' Protection Fund	91	58	131
Net defined benefit assets			
BSE Employee's Gratuity Fund	1,927	1,766	1,794
ICCL Employee's Gratuity Fund	87	78	72
Liabilities			
Deposit			
The Stock Exchange Investors' Protection Fund	6	6	6
Joint ventures			
Assets			
Investments			
BOI Shareholding Limited (up to January 8, 2016)	-	-	98
Asia Index Private Limited	1	1	1
Receivable			
Asia Index Private Limited	2	-	-
Liabilities			
Payable			
Asia Index Private Limited	-	3	2
Deposit			
Asia Index Private Limited	92	92	92
Associate			
Assets			
Investments			
Institutional Investor Advisory Services India Limited (upto January 5, 2016)	-	-	400
Liabilities			
Deposit			
Institutional Investor Advisory Services India Limited (upto January 5, 2016)	-	-	15

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

38. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Claims against the Group not acknowledged as debts in respect of :			
i)	Income tax matters	1,404	2,870	2,765
ii)	Service tax matters	3,993	2,262	2,298
iii)	Department of telecommunication license matters (Refer Note below)	401	401	401
iv)	Other matters	10,401	10,403	10,510
v)	Out of 'iv' above other matters in the opinion of the Management are remote	10,370	10,370	10,394
b)	Guarantees given by the Group to the loan provider: Aggregate loans outstanding from employees of the Exchange as on date. The employees have mortgaged their flats / properties with the loan provider.	46	48	60

Note: During the year 2012-13, the Parent Company had received notices from Department of Telecommunication (DoT), Government of India to pay a revised VSAT Network License Fees, Royalty etc. aggregating ₹ 636 against which an amount of ₹ 235 was paid and expensed during the earlier years. In respect of the balance amount of ₹ 401 the Management filed a reply, after legal consultations, with DoT challenging the claim stating that the demand notices were based on an incorrect interpretation of the existing guidelines / orders. Hence no provision for the same was made in the accounts and the amounts have been considered as a Contingent Liability.

39. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are mentioned in below table:

Sr. No.	PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Towards Tangible assets	2,448	1,034	2,555
b)	Towards Intangible assets	1,027	108	623

40. The MD & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources.

40.1 The "Group" operates in two Operating Segments i.e. "Facilitating Trading in Securities and other related ancillary Services" and Depository and other related ancillary Services, these are the reportable business Segments as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Segment Revenue		
(a) Stock Exchange Activity	56,365	46,919
(b) Depository Activity	18,577	16,009
Total	74,942	62,928
Less : Inter Segment Revenue	-	-
Total Segment Revenue	74,942	62,928
Segment Results before Exceptional Items		
(a) Stock Exchange Activity	26,536	21,007
(b) Depository Activity	12,798	10,784
Total	39,334	31,791

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

40.1 (Contd.)..

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Less : Exceptional Items	2,079	4,660
Segment Results after Exceptional Items		
(a) Stock Exchange Activity	24,457	13,037
(b) Depository Activity	12,798	14,094
Total Segment Results	37,255	27,131
Add : Unallocated Corporate Income	5,133	4,081
Less : Unallocated Corporate Expenses	11,922	10,018
Net profit before tax, share of joint ventures and associate	30,466	21,194
Less : Provision for taxation	4,064	3,705
Profit after taxation	26,402	17,489

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment Assets			
(a) Stock Exchange Activity	4,22,299	3,32,689	3,38,645
(b) Depository Activity	63,721	53,686	49,650
Total Segment Assets	4,86,020	3,86,375	3,88,295
Unallocated Assets	32,281	37,964	32,738
Total Assets	5,18,301	4,24,339	4,21,033
Segment Liabilities			
(a) Stock Exchange Activity	2,13,084	1,39,582	1,33,710
(b) Depository Activity	5,231	5,257	7924
Total Segment Liabilities	2,18,315	1,44,839	1,41,634
Unallocated Liabilities	4,658	3,480	5,100
Total Liabilities	2,22,973	1,48,319	1,46,734

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Property, plant and equipment and intangible assets acquired during the year		
(a) Stock Exchange Activity	5,092	2,797
(b) Depository Activity	453	65
Total Segment property, plant and equipment and intangible assets addition	5,545	2,862
Unallocated property, plant and equipment and intangible assets addition	813	2,950
Total property, plant and equipment and intangible assets addition	6,358	5,812
Depreciation and amortisation		
(a) Stock Exchange Activity	3,150	3,166
(b) Depository Activity	233	283
Total Depreciation and amortisation	3,383	3,449
Unallocated Depreciation and amortisation	2,015	1,918
Total Depreciation and amortisation	5,398	5,367

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

40.2 Information about geographic areas

40.2.1 Revenues from external customers

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Within India	77,949	64,984
Outside India	2,126	2,025
Total	80,075	67,009

40.2.2 The Group does not have non-current assets outside India.

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, 2017		March 31, 2016		April 1, 2015	
	Net assets, i.e., total assets minus total liabilities					
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company	69%	183,374	72%	181,962	68%	173,450
Indian Subsidiaries						
Indian Clearing Corporation Limited	15%	38,930	15%	36,781	19%	48,897
Marketplace Technologies Private Limited	1%	2,402	1%	2,392	1%	1,955
BSE Institute Limited	2%	5,358	2%	5,396	2%	5,402
Central Depository Services (India) Limited	21%	54,910	20%	49,331	17%	43,014
BSE Investments Limited (w.e.f March 28, 2014)	0%	5	0%	6	0%	6
BSE Sammaan CSR Limited (w.e.f September 10, 2015)	0%	206	0%	6	-	-
India International Exchange (IFSC) Limited	2%	4,330	-	-	-	-
India International Clearing Corporation (IFSC) Limited	2%	5,561	-	-	-	-
Non-controlling Interest in all Subsidiaries	(11%)	(29,088)	(9%)	(23,727)	(8%)	20,577
Indian Joint Ventures (Investment as per equity method)						
BOI Shareholding Limited (Upto January 8, 2016)	-	-	-	-	0%	1,264
Asia Index Private Limited	0%	252	0%	146	0%	55
Indian Associate (Investment as per equity method)						
Institutional Investor Advisory Services India Limited (Upto January 5, 2016)	-	-	-	-	0%	256
Total	100%	266,240	100%	252,293	100%	253,722

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

41. (Contd.)..

NAME OF THE ENTITY IN THE	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Parent Company	64%	14,129	25%	3,381
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	29%	6,421	42%	5,533
Marketplace Technologies Private Limited	(11%)	(2,404)	(11%)	(1,504)
BSE Institute Limited	1%	293	3%	463
Central Depository Services (India) Limited	42%	9,156	72%	9,622
BSE Investments Limited (w.e.f March 28, 2014)	0%	(1)	0%	(1)
BSE Sammaan CSR Limited (w.e.f September 10, 2015)	0%	(49)	0%	(5)
India International Exchange (IFSC) Limited	(4%)	(942)	-	-
India International Clearing Corporation (IFSC) Limited	(1%)	(201)		
Share of Non-controlling Interest in all Subsidiaries	(20%)	(4,452)	(33%)	(4,420)
Indian Joint Ventures				
BOI Shareholding Limited (Upto January 8, 2016)	-	-	1%	162
Asia Index Private Limited	0%	107	1%	89
Indian Associate				
Institutional Investor Advisory Services India Limited (January 5, 2016)	-	-	0%	(27)
Total	100%	22,057	100%	13,293

NAME OF THE ENTITY IN THE	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent Company	2%	(12)	100%	5
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	1%	(4)	40%	2
Marketplace Technologies Private Limited	2%	(15)	(40%)	(2)
BSE Institute Limited	0%	(2)	20%	1
Central Depository Services (India) Limited	5%	(33)	(100%)	5
BSE Investments Limited (w.e.f March 28, 2014)	0%	-	0%	-
BSE Sammaan CSR Limited (w.e.f September 10, 2015)	0%	-	0%	-
India International Exchange (IFSC) Limited	42%	(261)	-	-
India International Clearing Corporation (IFSC) Limited	50%	(314)	-	-
Share of Non-controlling Interest in all Subsidiaries	(3%)	16	40%	2
Indian Joint Ventures				
BOI Shareholding Limited (Upto January 8, 2016)	-	-	0%	-
Asia Index Private Limited	0%	(1)	40%	2
Indian Associate				
Institutional Investor Advisory Services India Limited (January 5, 2016)	-	-	0%	-
Total	100%	(626)	100%	5

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

41. (Contd.)..

NAME OF THE ENTITY IN THE	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount	As % of consolidated net Total Comprehensive Income	Amount
Parent Company	66%	14,117	25%	3,386
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	30%	6,417	42%	5,535
Marketplace Technologies Private Limited	(11%)	(2,419)	(11%)	(1,506)
BSE Institute Limited	1%	293	3%	464
Central Depository Services (India) Limited	43%	9,123	72%	9,617
BSE Investments Limited (w.e.f March 28, 2014)	0%	(1)	0%	(1)
BSE Sammaan CSR Limited (w.e.f September 10, 2015)	0%	(49)	0%	(5)
India International Exchange (IFSC) Limited	(6%)	(1,203)	-	-
India International Clearing Corporation (IFSC) Limited	(2%)	(515)		
Share of Non-controlling Interest in all Subsidiaries	(21%)	(4,436)	(33%)	(4,418)
Indian Joint Ventures				
BOI Shareholding Limited (Upto January 8, 2016)	-	-	1%	162
Asia Index Private Limited	0%	106	1%	91
Indian Associate				
Institutional Investor Advisory Services India Limited (January 5, 2016)	-	-	0%	(27)
Total	100%	21,431	100%	13,298

Note: Above information has been prepared based on consolidated financials of Subsidiaries wherever applicable.

42. NON-CONTROLLING INTEREST RECONCILIATION

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	23,727	20,577
Add: Share of profit		
Profit for the year	4,452	4,420
Other comprehensive income for the year / period	(16)	(2)
Less : Share in Dividend and dividend distribution tax	(1,441)	(1,268)
Add: Additional Non-controlling interest arising on disposal of interest in CDSL (refer note 17.6)	2,366	-
Closing Balance	29,088	23,727

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

- 43.** The following regulation / circulars issued by SEBI from time to time requires the recognition by the Parent 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.
- 43.1** As per Regulation 33 of The Securities Contracts (Regulations) (SECC) Regulations, 2012 (the "Regulation") issued on June 20, 2012, every recognised stock exchange is required to transfer twenty five percent of its annual profits every period / year to a fund of the recognised clearing corporation which clears and settles trades executed on that stock exchange to guarantee the settlement of trades.
- 43.2** 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.
- 43.3** Further, a clarification was issued as per Circular No SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 based on a recommendation given by the Expert Committee constituted by SEBI. It was clarified that twenty five per cent of profits till the date of amendment of Regulation 33 of SECC Regulations, 2012, shall be transferred by the Stock Exchange to the Core SGF maintained by Clearing Corporation within such time as may be specified by SEBI.
- 43.4** Thereafter, on August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012. Accordingly, the Parent Company has made provision for transfer of twenty-five percent of its profit till August 29, 2016 (pro-rata based on profit for the six months ended September 30, 2016), being the date of the amendment, towards Settlement Guarantee Fund.

The above Regulations / Circulars were given effect to in the Financial Statements as under:

- (i) The Parent Company deposited ₹ 2,579 (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.
- (ii) The deposit amount of ₹ 2,579 was accounted as prior period item and adjusted to opening retained earnings in total equity.
- (iii) The Exchange's contribution of ₹ 1,741 towards the MRC has been charged to the Profit or Loss under the head "Administration and Other Expenses" during the year ended March 31, 2016. The contribution to the Core SGF has been adjusted against the transfer of profit by the Parent Company as per the Regulation mentioned above.
- (iv) 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 being 25% of the profits of the Parent Company after tax, before making such contribution for FY 2012-13 to FY 2015-16. The Exchange had already contributed and charged ₹ 4,320 to the Profit or Loss towards 25% of the MRC to the Core Settlement Guarantee Fund as explained in '43.2' above. After adjusting the investment income accrued on the Parent Company's contribution to the Core SGF for the period up to March 31, 2016 of ₹ 279, the balance amount of ₹ 5,143 (including ₹ 4,598 for FY 2015-16) is now charged to the Profit or 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 "Other current liabilities" and is payable to the Core Settlement Guarantee Fund within such time as specified by SEBI.
- (v) During the year ended March 31, 2017 ₹ 2,079 has been charged to the Profit or Loss, being 25% of the profits earned till August 29, 2016 (pro-rata based on profit for the six months ended September 30, 2016), as an "Exceptional Item". As at March 31, 2017 the amount of ₹ 6,276 payable by the Exchange in respect of the SGF has been disclosed under the head "Other current liabilities" and is payable to the Core Settlement Guarantee Fund within such time to be specified by SEBI.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

44. 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 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. Consequently, the excess amounts of ₹ 3,310 credited earlier to the IPF has been written back and the same has been disclosed as exceptional item in the Profit or Loss for the year ended March 31, 2016

45. 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 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 ₹ 216 being 20% of incremental revenue on issuer income for the year ended March 31, 2017 for DP incentive scheme.

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	281	-
Add: Provision made during the year	288	282
Less : Payment made during the year	(156)	(1)
Closing Balance	413	281

46. EMPLOYEE BENEFITS :

46.1 Defined Benefit Plan – Gratuity:

The Group 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.

Such plan exposes the Group to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

46. EMPLOYEE BENEFITS : (Contd.)..

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2017 and March 31, 2016:

PARTICULARS	March 31, 2017	March 31, 2016
Change in benefit obligation		
Benefit obligations at the beginning	1,952	1,845
Service cost	149	130
Interest expense	154	149
Benefits paid	(13)	(30)
Liabilities settled on transfer	(2)	(7)
Remeasurements – Actuarial (gains)/ losses	110	(135)
Benefit obligations at the end	2,349	1,952
Change in Plan assets		
Fair value of plan assets at the beginning	2,010	2,010
Interest income	159	161
Contribution by employer	7	14
Remeasurements – Actuarial (gains)/ losses	15	(146)
Benefits paid	(13)	(30)
Fair value of plan assets at the end	2,179	2,010
Funded status	2,094	1,855
Prepaid gratuity benefit	85	150

Amount for the year ended March 31, 2017 and year ended March 31, 2016 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2017	March 31, 2016
Service cost	151	130
Net interest on the net defined benefit liability/asset	(4)	(14)
Net gratuity cost	147	116

Amount for the year ended March 31, 2016 and year ended March 31, 2016 recognised in the other comprehensive income:

PARTICULARS	March 31, 2017	March 31, 2016
Remeasurement of the net defined benefits liability / (asset)		
Experience adjustments	(51)	(247)
(Gain)/loss from change in financial assumptions and actual return on plan assets less interest on plan asset	149	261
Adjustment to recognise the effect of asset ceiling	(6)	(19)
Amount recognised in OCI	92	(5)

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2017 and year ended March 31, 2016:

PARTICULARS	March 31, 2017	March 31, 2016
Discount rate	6.99- 8.05%	7.51- 8.15%
Increase in compensation levels	4.00- 7.50%	4.00- 7.50%

The Group assesses these assumption with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

46. EMPLOYEE BENEFITS : (Contd.)..

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

PARTICULARS	For the year ended March 31, 2017	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(112)	99
Impact of decrease in 50 bps on defined benefit obligation	122	(94)

Sensitivity for the significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50 basis points, keeping all other actuarial assumption constant.

Composition of Plan Assets

PARTICULARS	March 31, 2017	March 31, 2016
Government of India Securities	34%	36%
Corporate Bonds	18%	24%
Insurer Managed assets	43%	36%
Others	5%	4%

Actual return on the assets for the year ended March 31, 2017 and March 31, 2016 were ₹ 150 and ₹ 167 respectively.

There is no compulsion on the part of the Group to fully pre fund the liability of the Plan. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The Employer's best estimate of the contributions expected to be paid to the plan during the next year is NIL.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2017
Expected benefits for year 1-3	318
Expected benefits for year 4-5	232
Expected benefits for year 6-9	1,104
Expected benefits for year 10 and above	3,294

The weighted average duration to the payment of these cash flows is 11.40 years.

- **Discount Rate:** 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.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

46.2 Defined Contribution Plan- Provident fund, Pension Fund and New pension Scheme :

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Group 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 Group pay predetermined contributions into the provident fund and New National Pension Scheme, contributions into the family pension fund are made by only the Group. The contributions are based on a certain proportion of the employee's salary.

The Group has an obligation to fund any shortfall on the yield of the trust's investment over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Group has been higher in the past years.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

The Group recognised charge for the year ended March 31, 2017 and March 31, 2016 of ₹ 405 and ₹ 356 respectively for provident fund and family pension fund contribution in the Profit or Loss.

The Group recognised charge for the year ended March 31, 2017 and March 31, 2016 of ₹ 36 and ₹ 23 respectively for New National pension Scheme contribution in the Profit or Loss.

46.3 Compensated Absences

The Group recognised charge for the year ended March 31, 2017 and for the year ended March 31, 2016 of ₹ 524 and ₹ 370 respectively for Compensated Absences in the Profit or Loss.

47. An amount of ₹ 300 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 Subsidiary 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 and disclosed under non-current financial assets. Subsequently in current financial year the Group has created impairment loss provision for receivable from bank based on expected credit loss during the year ended March 31, 2017.

48. 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 has been discontinued with effect from April 01, 2016 and hence the Parent Company has incurred during year ended March 31, 2017 and March 31, 2016 amounting to Nil and ₹ 1,724 respectively. 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) Based on a direction received from SEBI during the financial year 2015-16, the Parent Company has charged an amount of ₹ 460 to the Profit or Loss which was 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 Parent Company, the same has been disclosed as an exceptional item during year ended March 31, 2016.

49. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

Pursuant to the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBNS) held and transacted during the period from November 8, 2016 to December 30, 2016, are given below:

(in ₹)

PARTICULARS	SBNS	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	119,500	14,241	1,33,741
(+) Permitted receipts	-	5,46,795	5,46,795
(-) Permitted payments	7,500	3,33,437	3,40,937
(-) Amount deposited in Banks	1,12,000	1,77,235	2,89,235
Closing cash in hand as on December 30, 2016	-	50,364	50,364

For and on behalf of the Board of Directors

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Date: May 05, 2017
Place: Mumbai

Independent Auditors' Report

To The Members of BSE Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of BSE Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.
 - 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of 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, as amended, 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 standalone Ind AS 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 March 31, 2017. The Company does not have any outstanding derivative contracts as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to December 30, 2016.
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)

G. K. Subramaniam

Partner

(Membership No. 109839)

Place : Mumbai

Date : May 5, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section 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 Act.**

We have audited the internal financial controls over financial reporting of BSE Limited (the “Company”) as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

G. K. Subramaniam

Partner
(Membership No. 109839)

Place : Mumbai
Date : May 5, 2017

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) 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) To the best of our knowledge 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) To the best of our knowledge and 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 of 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) To the best of our knowledge and 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, 2017 for a period of more than six months from the date they became payable.
 - (c) There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess have not been deposited as on March 31, 2017 on account of disputes.
- (viii) To the best of our knowledge and according to the explanations given to us, 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) To the best of our knowledge 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) To the best of our knowledge 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) To the best of our knowledge 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) To the best of our knowledge 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-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam

Partner

(Membership No. 109839)

Place : Mumbai

Date : May 5, 2017

Balance Sheet as at March 31, 2017

		(₹ in Lakh)		
PARTICULARS	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
1 Non-current assets				
a. Property, plant and equipment	5	10,695	12,515	11,557
b. Capital work-in-progress		438	60	305
c. Investment properties	6	477	501	526
d. Goodwill	7	-	-	785
e. Other intangible assets	8	1,600	1,904	2,134
f. Intangible assets under development		68	109	61
g. Financial assets				
i. Investments				
a. Investments in subsidiaries	9	68,239	57,465	57,455
b. Investments in joint ventures	10	1	1	99
c. Investments in associate	10	-	-	253
d. Other investments	11	1,19,245	1,04,994	86,412
ii. Other financial assets	13	8,740	17,139	13,319
h. Deferred tax assets (net)	20	1,017	197	-
i. Income tax assets (net)	23	5,609	7,756	5,238
j. Other assets	15	112	233	308
Total non-current assets		2,16,241	2,02,874	1,78,452
2 Current assets				
a. Financial assets				
i. Investments	11	24,345	24,497	42,734
ii. Trade receivables	12	5,246	2,910	2,630
iii. Cash and cash equivalents	14	2,203	181	314
iv. Bank balances other than (iii) above	14	64,091	55,884	56,684
v. Other financial assets	13	4,772	5,010	5,956
b. Other assets	15	854	529	917
Total current assets		1,01,511	89,011	1,09,235
Total assets (1+2)		3,17,752	2,91,885	2,87,687
EQUITY AND LIABILITIES				
3 Equity				
a. Equity share capital	16	1,076	1,074	1,073
b. Other equity	17	2,41,861	2,29,662	2,25,848
Total equity		2,42,937	2,30,736	2,26,921
Liabilities				
4 Non-current liabilities				
a. Financial liabilities				
Other financial liabilities	18	464	554	436
b. Deferred tax liabilities (Net)	20	-	-	260
c. Other liabilities	21	107	95	113
Total non-current liabilities		571	649	809
5 Current liabilities				
a. Financial liabilities				
i. Trade payables				
a. Total outstanding dues of micro enterprises and small enterprises	22	-	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	22	4,932	4,085	3,410
ii. Other financial liabilities	18	44,256	43,090	41,841
b. Provisions	19	629	553	518
c. Income tax liabilities (net)	23	952	852	852
d. Other liabilities	21	23,475	11,920	13,336
Total Current Liabilities		74,244	60,500	59,957
Total Equity and Liabilities (3+4+5)		3,17,752	2,91,885	2,87,687
See accompanying notes forming part of the financial statements				

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Place : Mumbai
Date : May 05, 2017

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

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

(₹ in Lakh)

PARTICULARS	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
1 Revenue from operations: Income from			
Trading members	24	14,951	7,745
Services to corporates	25	15,686	16,111
Data dissemination fees		2,467	2,242
Revenue from operations		33,104	26,098
2 Investment income	26	18,969	23,354
3 Other income	27	3,026	2,090
4 Total income (1+2+3)		55,099	51,542
5 Expenses			
Employee benefits expense	28	7,611	5,870
Finance costs		10	16
Depreciation and amortisation expense	5 & 6 & 8	4,766	4,853
Administration and other expenses	29	22,015	20,889
Impairment loss on financial assets	30	735	(239)
Total expenses		35,137	31,389
6 Profit before exceptional items and tax (4 - 5)		19,962	20,153
7 Exceptional items :			
Liquidity enhancement incentive program scheme		-	1,724
Settlement guarantee fund (25% transfer of profit)		2,079	5,143
Net gain on partial disposal of investment in subsidiary measured at cost		(2,443)	-
Others		-	460
Total exceptional items		(364)	7,327
8 Profit before tax (6 - 7)		20,326	12,826
9 Tax expense:	31		
Current tax		2,056	-
Current tax of earlier years		(781)	-
Deferred tax		(813)	(460)
Total tax expenses		462	(460)
10 Profit for the year (8-9)		19,864	13,286
11 Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
i. Remeasurements of the defined employee benefit plans;		(19)	8
ii. Income tax relating to items that will not be reclassified to profit or loss		(7)	3
Total other comprehensive income for the year (i - ii)		(12)	5
12 Total comprehensive income for the year (10+11)		19,852	13,291
13 Earnings per equity share :	32		
Basic and diluted before exceptional items (₹)		34.40	33.12
Basic and diluted after exceptional item (₹)		36.39	24.34
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		5,45,88,172	5,45,88,172
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Place : Mumbai
Date : May 05, 2017

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Cash Flow Statement for year ended March 31, 2017

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	19,864	13,286
Adjustments for		
Income tax expenses recognised in profit and loss	462	(460)
Depreciation and amortisation expenses	4,766	4,853
Impairment loss on non financial assets	-	785
Net gain on disposal of property, plant and equipment and intangible assets	(9)	(7)
Impairment loss on financial assets and bad debts write off	904	265
Finance cost	10	16
Net gain on derecognition of financial assets measured at amortised cost	-	(41)
Net gain on disposal of investment in subsidiary, joint venture and associate measured at cost	(2,443)	(586)
Net (gain) / loss on disposal of equity instrument measured at FVTPL	(121)	206
Net gain arising on financial assets measured at FVTPL	(353)	(107)
Interest income	(13,182)	(13,048)
Dividend income	(5,313)	(9,778)
Provision for compensated absences	343	221
Operating profit before working capital changes	4,928	(4,395)
Movements in working capital		
Increase in trade receivables	(3,240)	(545)
Increase in trade payables	847	675
Increase in provisions	76	35
(Increase) / decrease in other financial assets and other assets	(443)	2,420
Increase / (decrease) in other financial liabilities and other liabilities	12,731	(3,388)
Cash generated from / (used in) operations	14,899	(5,198)
Direct taxes paid (net of refunds)	988	(2,791)
Net cash from / (used in) operating activities	15,887	(7,989)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments, intangible assets, capital work in progress, intangible assets under development and capital advances	(3,518)	(5,822)
Proceeds from sale of property, plant and equipments	14	18
Net increase in investment in equity and debt instruments	(13,925)	(1,626)
Net decrease in fixed deposits with banks	286	2,649
Investment in subsidiaries	(11,754)	(10)
Proceeds on partial sale of investment in subsidiary	3,423	-
Interest received	14,030	12,148
Dividend received	5,313	9,778
Net cash (used in) / generated from investing activities	(6,131)	17,135

Cash Flow Statement for year ended March 31, 2017 (contd.)..

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(15)	(20)
Dividend and taxes paid thereon	(7,651)	(9,372)
(decrease) / Increase in trading members and others deposits	(68)	217
Share issue expenses	-	(104)
Net cash used in financing activities	(7,734)	(9,279)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,022	(133)
Cash and cash equivalents at the beginning of the year	181	314
Cash and Cash Equivalents at the end of the year*		
In Current Accounts	2,203	181
* Cash and cash equivalents at the end of the year comprises (Refer note 14)	2,203	181

See accompanying notes forming part of the financial statements

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
- The Company has issued 34,28,572 equity shares of face value ₹ 1 per equity share to shareholder of United Stock Exchange of India Limited ("USE") pursuant to the scheme of Amalgamation of USE with the Company.
- 1,20,000 equity shares of face value ₹ 2 per equity share are allotted as bonus shares by capitalisation of free reserves and hence not included in Cash Flow Statement.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam

Partner

Sudhakar Rao

Chairman

Ashishkumar Chauhan

Managing Director & CEO

Place : Mumbai

Date : May 05, 2017

Nayan Mehta

Chief Financial Officer

Prajakta Powle

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

	(₹ in Lakh)
Balance as at April 1, 2015	1,039
Changes in equity share capital during the year	34
Balance as at March 31, 2016	1,074
Changes in equity share capital during the year	2
Balance as at March 31, 2017	1,076

B. Other Equity

PARTICULARS	Share application money pending allotment	Reserves and Surplus					Total	
		Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	General Reserve	Retained Earnings		Settlement Guarantee Fund
Balance as at April 1, 2015	1	66,179	10,530	39,389	69,415	37,769	2,565	2,25,848
Profit for the year	-	-	-	-	-	13,286	-	13,286
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	5	-	5
Rebate of Dividend Distribution Tax	-	-	-	-	-	1,796	-	1,796
Contribution to Core Settlement Guarantee Fund utilized from Settlement Guarantee Fund	-	-	-	-	-	1,741	(1,741)	-
Contribution to Settlement Guarantee Fund	-	-	-	-	-	545	(545)	-
Investment Income Accrued to Core Settlement Guarantee Fund	-	-	-	-	-	279	(279)	-
Payments of Dividends	-	-	-	-	-	(5,459)	-	(5,459)
Payments of Interim Dividends	-	-	-	-	-	(3,821)	-	(3,821)
Payments of Dividend Distribution Tax	-	-	-	-	-	(1,889)	-	(1,889)
Share issue expenses	-	-	-	(104)	-	-	-	(104)
Balance as at March 31, 2016	1	66,179	10,530	39,285	69,415	44,252	-	2,29,662
Profit for the year	-	-	-	-	-	19,864	-	19,864
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(12)	-	(12)
Rebate of Dividend Distribution Tax	-	-	-	-	-	890	-	890
Issue of Bonus Shares	-	-	-	(2)	-	-	-	(2)
Payments of Dividends	-	-	-	-	-	(7,096)	-	(7,096)
Payments of Dividend Distribution Tax	-	-	-	-	-	(1,445)	-	(1,445)
Balance as at March 31, 2017	1	66,179	10,530	39,283	69,415	56,453	-	2,41,861

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner

Sudhakar Rao
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Place : Mumbai
Date : May 05, 2017

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

1. COMPANY OVERVIEW

BSE Limited (Formerly known as Bombay Stock Exchange Limited) herein after referred to as the “Exchange” or “the Company” was established in 1875 and is Asia’s first Stock Exchange and one of India’s leading exchange groups. The registered office of the Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. 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.

The equity shares of the Company got listed on the National Stock Exchange of India Limited (NSE) on February 3, 2017.

The financial statements were authorized for issue by the Company’s Board of Directors on May 05, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

2.1.1 Statement of compliance

The financial statements as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS for Shareholders’ equity as at March 31, 2016 and April 1, 2015 and of the total comprehensive income for the year ended March 31, 2016. Refer note 4 for the details for first-time adoption exemptions availed by the Company. The Company has adopted all Ind AS Standards.

For all the periods’ upto and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013 (“Indian GAAP” or “Previous GAAP”). These financial statement for the year ended March 31, 2017 are the Company’s first Ind AS financial statements.

2.1.2 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- (i) Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- (ii) Defined benefit and other long-term employee benefits.

2.1.3 Functional and presentation currency

The financial statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data in terms of Schedule III unless otherwise stated.

2.1.4 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation,

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) *Income taxes:* The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- (ii) Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.
- (iii) *Impairment of Goodwill:* Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is tested for impairment on annual basis.
- (iv) Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- (v) *Property plant and equipment:* The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets at the end of its useful life are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (vi) *Impairment of trade receivables:* The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.1.5 Summary of significant accounting policies

(i) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

(ii) Investment in subsidiaries / joint ventures / associate

Investment in subsidiaries / joint ventures / associate is measured at cost. Dividend income from subsidiaries / joint ventures / associate is recognised when its right to receive the dividend is established.

(iii) Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of assets for the current and comparative period of investment property are as follows:

Category	Useful life
Buildings	60 years

Freehold land is not depreciated.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

(iv) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets (debt instrument) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income ("FVTOCI"), financial asset (equity instruments) at Fair value Through Profit and Loss account ("FVTPL") and FVTOCI and financial liabilities at amortised cost or FVTPL.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

(a) Financial assets (debt instrument) at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest on the principal amount outstanding ("SPPI").

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(b) Financial asset (debt instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in Other Comprehensive Income ("OCI"). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Currently the Company has not classified any interest bearing debt instrument under this category.

(c) Equity instruments at FVTOCI and FVTPL

All equity instruments are measured at fair value other than investment in subsidiaries, joint venture and associate. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Profit or Loss.

Currently the Company has not classified any equity instrument at FVTOCI.

If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

(d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Earmarked Funds

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or Loss.

Financial liabilities

(a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(b) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration that are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Equity Instruments (Share capital)

Ordinary shares:- Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognised as a deduction from equity, net of any tax effect (if any).

(v) Property, Plant and Equipment

- (a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.
- (b) Depreciation: The Company depreciates property, plant and equipment over the estimated useful life on a written down method basis from the date the assets are ready for intended use including for assets acquired under finance lease. However, assets acquired under finance lease and leasehold improvements are amortised over the lower of estimated useful life and lease term if there is no reasonable certainty that the Company will obtain ownership by the end of lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful life
Buildings	60 years
Plant and equipments	15 years
Electrical installations	10 years
Computers hardware and networking equipments - owned	3-6 years
Computers hardware and networking equipments - under finance lease	6 years
Furniture, fixtures and office equipment	5-10 years
Motor vehicles	8 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Profit or Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

(vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective estimated useful lives on a "Written Down Value", from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful life of intangibles are as follows:

Category	Useful life
Computer softwares	6 years

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(vii) Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Finance Lease:

When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the financial statements as finance lease obligation.

Operating Lease:

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(viii) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date, ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) Non-financial assets:

The Company assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(ix) Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

(a) Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

(x) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

(xi) Revenue

The Company derives revenue primarily from Services to Corporate and Securities Services. The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

(a) Time and service contracts

Revenues and costs relating to time and service contracts are recognised as the related services are rendered.

(b) Annual / monthly Fee contracts

Revenue from Annual / monthly fee contracts is recognised ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period or under some other method that better represents the stage of completion.

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognised at the time of sale / services rendered. Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

(xii) Investment income and interest expense

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognised as it accrues in the Statement of Profit and Loss, using the effective interest method.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Dividend income is recognised in the Profit or Loss on the date that the Company's right to receive payment is established.

Interest expenses consist of interest expense on loans, borrowings and finance lease. Borrowing costs are recognised in the Profit or Loss using the effective interest method.

(xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

(a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

(xiv) Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(xv) Current / Non-current classification

The company present assets and liabilities in the balance sheet based on current/non-current classification

Assets: An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date
- (e) All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
- (c) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
- (d) All other liabilities are classified as non-current.
- (e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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.

3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction

Significant accounting policies and notes to the accounts for the year ended March 31, 2017 (Rupees in lakhs, except share and per share data, unless otherwise stated)

3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (Contd.)..

is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have share based payments hence there will be no impact on the financial statements.

4. EXPLANATION OF TRANSITION TO IND AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

4.1 First-time adoption – Mandatory exception, Optional exemptions:

4.1.1 Deemed Cost

The Company has elected to continue with the carrying value of all the property, plant and equipment, investment properties and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

4.1.2 Past business combinations

The Company has elected not apply Ind AS 103 Business Combination retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- (i) The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.
- (ii) The Company has not recognised assets and liabilities that was not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for the recognition in accordance with Ind AS in the separate balance sheet of the acquiree.
- (iii) The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- (iv) The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103

4.1.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existing as of transition date.

4.1.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4.1.5 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

4.1.6 Equity investments at FVTPL

The Company has designated investment in equity shares at FVTPL on the basis of facts and circumstances that existed at the transition date.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2 Reconciliations between Previous GAAP and Ind AS

4.2.1 Effect of Ind AS adoption on the Standalone Balance Sheet as at March 31, 2016 and April 1, 2015

PARTICULARS	Note No.	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet	Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet
ASSETS							
1 Non-current assets							
a. Property, plant and equipment	d	13,016	(501)	12,515	12,083	(526)	11,557
b. Capital work-in-progress		60	-	60	305	-	305
c. Investment property	d	-	501	501	-	526	526
d. Goodwill		-	-	-	785	-	785
e. Other intangible assets		1,904	-	1,904	2,134	-	2,134
f. Intangible assets under development		109	-	109	61	-	61
g. Financial assets							
i. Investments							
a. Investment in subsidiaries		57,465	-	57,465	57,455	-	57,455
b. Investment in joint ventures		1	-	1	99	-	99
c. Investment in associates		-	-	-	253	-	253
d. Other investments	e & f	1,04,889	105	1,04,994	86,392	20	86,412
ii. Others financial assets	i & l	17,167	(28)	17,139	13,359	(40)	13,319
h. Deferred tax assets (net)	j	260	(63)	197	-	-	-
i. Income tax assets (net)		7,756	-	7,756	5,238	-	5,238
j. Other assets	i	224	9	233	2,873	(2,565)	308
Total non-current assets		2,02,851	23	2,02,874	1,81,037	(2,585)	1,78,452
2 Current assets							
a. Financial assets							
i. Investments	e & f	24,481	16	24,497	42,651	83	42,734
ii. Trade receivables		2,941	(31)	2,910	2,630	-	2,630
iii. Cash and cash equivalents		181	-	181	314	-	314
iv. Bank balances other than (iii) above	k	55,884	-	55,884	56,684	-	56,684
v. Other financial assets	i	5,010	-	5,010	5,951	5	5,956
b. Other assets	i	419	110	529	892	25	917
Total current assets		88,916	95	89,011	1,09,122	113	1,09,235
Total assets (1+2)		2,91,767	118	2,91,885	2,90,159	(2,472)	2,87,687
EQUITY AND LIABILITIES							
1 Equity							
a. Equity share capital		1,074	-	1,074	1,073	-	1,073
b. Other equity		2,24,288	5,374	2,29,662	2,21,839	4,009	2,25,848
Total equity	4.2	2,25,362	5,374	2,30,736	2,22,912	4,009	2,26,921
Liabilities							
2 Non-current liabilities							
a. Financial liabilities							
Other financial liabilities		554	-	554	436	-	436
b. Deferred tax liabilities (Net)	j	-	-	-	251	9	260
c. Other liabilities		95	-	95	113	-	113
Total non-current liabilities		649	-	649	800	9	809

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.1 Effect of Ind AS adoption on the Standalone Balance Sheet as at March 31, 2016 and April 1, 2015 (Contd.)..

PARTICULARS	Note No.	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet	Previous GAAP	Effect of Ind AS Transition	As per Ind AS Balance Sheet
3 Current liabilities							
a. Financial liabilities							
i. Trade payables							
a. Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,085	-	4,085	3,410	-	3,410
ii. Other financial liabilities	f	43,090	-	43,090	41,761	80	41,841
b. Provisions	b	5,809	(5,256)	553	7,088	(6,570)	518
c. Income tax liabilities (Net)		852	-	852	852	-	852
d. Other liabilities		11,920	-	11,920	13,336	-	13,336
Total current liabilities		65,756	(5,256)	60,500	66,447	(6,490)	59,957
Total equity and liabilities (1+2+3)		2,91,767	118	2,91,885	2,90,159	(2,472)	2,87,687

4.2.2 Equity reconciliations as at March 31, 2016 and April 1, 2015

PARTICULARS	Notes	As at March 31, 2016	As at April 1, 2015
Total equity reported under previous GAAP		2,25,362	2,22,912
Reversal of contribution to Core settlement guarantee fund prior period item adjusted to opening retained earnings	a	-	(2,579)
Reversal of proposed dividend (including dividend distribution tax) in the absence of obligating event	b	5,256	6,570
Effect of measuring investments in bonds at amortised cost	e	74	15
Effect of measuring investments in mutual fund units at fair value through profit or loss	f	121	24
Effect of measuring deposits at fair valuation at initial recognition and amortised cost at subsequent measurement	i	(5)	(5)
Others	i	(9)	(7)
Deferred tax on Ind AS adjustments	j	(63)	(9)
Total equity under Ind AS		2,30,736	2,26,921

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.3 Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the year ended March 31, 2016

PARTICULARS	Note No.	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Ind AS Transition	As per Ind AS
1 Revenue from operations: Income from				
Securities services		7,745	-	7,745
Services to corporates		16,111	-	16,111
Data dissemination fees		2,242	-	2,242
Revenue from operations		26,098	-	26,098
2 Investment income	e, f & k	23,404	(50)	23,354
3 Other income		2,078	12	2,090
4 Total income (1+2+3)		51,580	(38)	51,542
5 Expenses				
Employee benefits expense	i	5,857	13	5,870
Finance costs		16	-	16
Depreciation and amortisation expense	h	5,638	(785)	4,853
Administration and other expenses	h, l & k	20,095	794	20,889
Impairment loss on financial assets		(33)	(206)	(239)
Prior period item	a	2,579	(2,579)	-
Total expenses		34,152	(2,763)	31,389
6 Profit before exceptional items and tax (4-5)		17,428	2,725	20,153
7 Exceptional items :				
Liquidity enhancement incentive program scheme		1,724	-	1,724
Settlement guarantee fund (25% transfer of profit)		5,143	-	5,143
Others		460	-	460
Total exceptional items		7,327	-	7,327
8 Profit before tax (6-7)		10,101	2,725	12,826
9 Tax expense:				
Current tax		-	-	-
Current tax of earlier years		-	-	-
Deferred tax	j	(511)	51	(460)
Total tax expenses		(511)	51	(460)
10 Profit for the year (8-9)		10,612	2,674	13,286
11 Other comprehensive income				
Items that will not be subsequently reclassified to profit or loss				
i. Remeasurements of the defined benefit plans;	g	-	8	8
ii. Income tax relating to items that will not be reclassified to profit or loss	j	-	3	3
Total other comprehensive income for the year (i-ii)		-	5	5
12 Total comprehensive income for the year (10+11)	4.4	10,612	2,679	13,291

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.4 Total Comprehensive Income reconciliation for the year ended March 31, 2016

PARTICULARS	Notes	For the year ended March 31, 2016
Net Profit after tax as reported under previous GAAP		10,612
Reversal of Contribution to Core SGF Prior Period Item adjusted to Opening Retained Earnings	a	2,579
Remeasurement of defined benefit plans recognised in Other Comprehensive Income	c	(8)
Effect of measuring investments at effective interest rate	e	59
Effect of measuring investments at Fair Value through profit or loss	f	97
Others	i	(2)
Deferred taxes adjustments	j	(51)
Net Profit for the year as per Ind AS		13,286
Other comprehensive income (net of taxes)	c and g	5
Total Comprehensive Income for the year as per Ind AS		13,291

4.2.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

4.2.6 Notes to Reconciliations

- Under previous GAAP, all prior period items are included in determination of net profit or loss for the period in which error pertaining to a prior period is discovered and are separately disclosed in the Statement of Profit and Loss in a manner that impact on current profit or loss can be perceived. Under Ind AS, such errors are corrected retrospectively by restating comparative amounts for the prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening Balance Sheet. The effect of this change is an decrease in total equity as at March 31, 2016 of nil (₹ 2,579 as at April 1, 2015) and a increase in profit before tax of ₹ 2,579 for the year ended March 31, 2016.
- Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ 5,256 (₹ 6,570 as at April 1, 2015), but does not affect profit before tax and total profit for the year ended March 31, 2016.
- Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2016 were ₹ 8 and the tax effect thereon ₹ 3.

This change does not affect total equity, but there is a decrease in profit before tax of ₹ 8, and in total profit of ₹ 5 for the year ended March 31, 2016.
- Under previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost less accumulated depreciation. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it as per Ind AS 16 "Property plant and equipment". Accordingly, the carrying value of investment property as at March 31, 2016 of ₹ 501 (₹ 526 as at April 1, 2015) under previous GAAP has been reclassified to a separate line item on the face of the balance sheet and depreciation provided based on the estimated useful life. This change does not affect total equity.
- Under previous GAAP, Interest bearing long term investments including current maturity of interest bearing long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified at amortised cost and interest income is accounted as per effective interest rate method. On the date of transition to Ind AS, these financial assets have been measured at value which would have been the value if these investment would have accounted

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4.2.6 Notes to Reconciliations (Contd.)..

as per Ind AS. The net effect of these changes is an increase in total equity as at March 31, 2016 of ₹ 74 (₹ 15 as at April 1, 2015) and there is a increase in profit before tax of ₹ 59 for the year ended March 31, 2016.

- f Under previous GAAP, non-interest bearing non-current investments and current investments in mutual funds, equity instruments other than investment in subsidiaries, joint ventures and associate were measured at cost less diminution in value. Under Ind AS, these financial assets have been classified at FVTPL on the date of transition to Ind AS. The fair value changes are recognised in profit or loss and credited to respective earmarked liabilities for investment earmarked against them. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 121 as at March 31, 2016 and by ₹ 24 as at April 1, 2015. The corresponding deferred taxes have also been recognised as at March 31, 2016 and as at April 1, 2015. The net effect of these changes is an increase in total equity as at March 31, 2016 of ₹ 121 (₹ 24 as at April 1, 2015), increase in profit before tax of ₹ 97 for the year ended March 31, 2016.
- g Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.
- h Under previous GAAP, Goodwill on amalgamation (business combination) in nature of purchase was required to be amortised over a period not exceeding five years, where the Company had decided to amortised goodwill on amalgamation with respect to amalgamation of United Stock Exchange of India Limited with BSE Limited. These goodwill are not amortised but tested for impairment as per Ind AS. The Company has applied the exemption available on not accounting business combination transaction retrospectively hence on transitioning to Ind AS, goodwill have been measured at carrying value and tested for impairment. Impairment loss is accounted in Profit or Loss in the period in which impairment is identified. Carrying value as per previous GAAP and Ind AS was same as at March 31, 2016 and April 1, 2015. The net effect of these changes is an increase in total equity as at March 31, 2016 of Nil (Nil as at April 1, 2015) and there is a no impact in profit before tax for the year ended March 31, 2016. Further classification of amortisation and impairment loss in Profit or Loss is different hence cause for difference in depreciation and amortisation expense and administration and other expenses of ₹ 785 on face of Profit or Loss for the year ended March 31, 2016.
- i Under previous GAAP, all financial assets other than investments and cash and bank balances were initially measured at cost however on transitioning to Ind AS, same were measured initially at fair value and subsequently at amortised. On the date of transition to Ind AS, these financial assets have been measured at value which would have been the value if these financial assets would have accounted as per Ind AS. Further the impact of bringing it at amortised cost given to the respective expense and prepaid expenses based on the nature of individual transaction. The net effect of these changes is a decrease in total equity as at March 31, 2016 of ₹ 14 (₹ 12 as at April 1, 2015) and there is a decrease in profit before tax of ₹ 2 for the year ended March 31, 2016.
- j Under previous GAAP deferred taxes are computed for the timing differences in respect of recognition of items of profit or loss for the purpose of financials reporting and for income taxes. Under Ind AS, deferred taxes are computed for the temporary differences between carrying amount of an asset or liability in the Balance Sheet and its tax base. On the date of transition, deferred taxes have been calculated as per the approach defined under Ind AS on Balance Sheet as per Ind AS and accordingly difference has been accounted under Balance Sheet, Profit or Loss and Other Comprehensive Income. The effect of this change is an decrease in total equity as at March 31, 2016 of ₹ 63 (₹ 9 as at April 1, 2015), and decrease in profit after tax ₹ 51 for the year ended March 31, 2016.
- k Under previous GAAP equity instruments were carried at cost and diminution in value of investment was provided in Profit or Loss. However under Ind AS equity instruments measured at fair value and corresponding gain / loss is accounted to the Profit or Loss on equity instruments measured at FVTPL. Accordingly the Company has accounted for ₹ 206 as decrease in Fair value of equity instrument and reversed the provision for diminution of ₹ 206. There is no impact on net profit on account of same however presentation of both is different on the face of Profit or Loss.
- l Bank balance with remaining maturity of more than 12 months are regrouped to other financials assets from cash and bank balances.
- m Refundable deposits to members reclassified from non-current to current liabilities as the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting period.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Freehold land	Buildings	Plant and equipments	Electrical installations	Computers		Furniture and fixtures	Office equipments	Motor vehicles	Total
					Hardware and networking equipments - owned	Hardware and networking equipments - on lease				
Cost or deemed cost										
Balance as at April 1, 2015	1,000	2,552	986	2,134	4,122	136	452	155	20	11,557
Additions during the year	-	657	698	794	1,557	-	214	808	-	4,728
Deductions / adjustments	-	-	3	3	-	6	5	-	-	17
Balance as at March 31, 2016	1,000	3,209	1,681	2,925	5,679	130	661	963	20	16,268
Balance as at April 1, 2016	1,000	3,209	1,681	2,925	5,679	130	661	963	20	16,268
Additions during the year	-	85	20	39	1,697	-	39	114	-	1,994
Deductions / adjustments	-	-	2	6	-	-	2	-	-	10
Balance as at March 31, 2017	1,000	3,294	1,699	2,958	7,376	130	698	1,077	20	18,252
Accumulated depreciation										
Balance as at April 1, 2015	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	164	245	652	2,144	58	142	348	6	3,759
Deductions / Adjustments	-	-	-	1	-	4	1	-	-	6
Balance as at March 31, 2016	-	164	245	651	2,144	54	141	348	6	3,753
Balance as at April 1, 2016	-	164	245	651	2,144	54	141	348	6	3,753
Depreciation for the year	-	365	284	619	2,046	33	150	303	4	3,804
Deductions / Adjustments	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	529	529	1,270	4,190	87	291	651	10	7,557
Net Book Value										
As at March 31, 2017	1,000	2,765	1,170	1,688	3,186	43	407	426	10	10,695
As at March 31, 2016	1,000	3,045	1,436	2,274	3,535	76	520	615	14	12,515
As at April 1, 2015	1,000	2,552	986	2,134	4,122	136	452	155	20	11,557

Note: The Company's obligations under finance leases (see note 33.1) are secured by the lessors' title to the leased assets.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. INVESTMENT PROPERTIES

PARTICULARS	Freehold Land	Buildings	Total
Cost or deemed cost			
Balance as at April 1, 2015	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2016	10	516	526
Balance as at April 1, 2016	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2017	10	516	526
PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance as at April 1, 2015	-	-	-
Depreciation for the year	-	25	25
Deductions / Adjustments	-	-	-
Balance as at March 31, 2016	-	25	25
Balance as at April 1, 2016	-	25	25
Depreciation for the year	-	24	24
Deductions / Adjustments	-	-	-
Balance as at March 31, 2017	-	49	49
PARTICULARS	Freehold Land	Buildings	Total
Net Book Value			
As at March 31, 2017	10	467	477
As at March 31, 2016	10	491	501
As at April 1, 2015	10	516	526

Notes:

- The fair value of the Company's investment properties as at March 31, 2017 and March 31, 2016 and April 1, 2015 has been arrived at on the basis of a valuation used by Municipal Corporation of Greater Mumbai for calculation of property tax.
- Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of Building	32,045	32,045	31,650
Fair value hierarchy	Level 3	Level 3	Level 3

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. INVESTMENT PROPERTIES (Contd.)..

3 Amount recognised in the Statement of Profit and Loss in respect for Investment Property

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Rental income derived from investment properties	1,506	1,458
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year)	241	252

4 All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

5 Minimum lease payments receivable under non-cancellable operating lease of investments properties are as follows:

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than 1 year	220	356	143
Later than 1 year and not longer than 5 years	295	515	-
Later than 5 years	-	-	-

6 No contingent rent recognised / (adjusted) in the Profit or Loss in respect of operating lease.

7. GOODWILL

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cost or deemed cost	785	785	785
Accumulated impairment losses	785	785	-
Net Book value	-	-	785

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Cost or deemed cost		
Balance at the beginning of the year	785	785
Balance at the end of the year	785	785
Accumulated Impairment losses		
Balance at the beginning of the year	785	-
Impairment loss recognised during the year	-	785
Balance at the end of the year	785	785

Note : For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Company at which goodwill is monitored for internal management purposes pertaining to the Company's operating segment i.e. Facilitating Trading in Securities and other related ancillary services. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. the Company carried out the annual goodwill impairment assessment as at March 31, 2016, based on which an impairment of ₹ 785 was recognised for the year ended March 31, 2016 as the carrying amount of the cash generating unit exceeded its recoverable amount.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. OTHER INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost or deemed cost		
Balance as at April 1, 2015	2,134	2,134
Additions during the year	839	839
Deductions / adjustments	-	-
Balance as at March 31, 2016	2,973	2,973
Balance as at April 1, 2016	2,973	2,973
Additions during the year	639	639
Deductions / adjustments	5	5
Balance as at March 31, 2017	3,607	3,607
PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2015	-	-
Amortisation for the year	1,069	1,069
Deductions / Adjustments	-	-
Balance as at March 31, 2016	1,069	1,069
Balance as at April 1, 2016	1,069	1,069
Amortisation for the year	938	938
Deductions / adjustments	-	-
Balance as at March 31, 2017	2,007	2,007
PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2017	1,600	1,600
As at March 31, 2016	1,904	1,904
As at April 1, 2015	2,134	2,134

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Un-quoted Investments (all fully paid)						
Investment in Equity Instruments						
- Indian Clearing Corporation Limited (Fully paid equity shares of ₹ 1 each)	3,54,00,00,000	35,400	3,54,00,00,000	35,400	3,54,00,00,000	35,400
- Marketplace Technologies Private Limited (Fully paid equity shares of ₹ 1 each)	5,00,00,000	4,250	2,00,00,000	4,250	2,00,00,000	4,250
- BSE Institute Limited (Fully paid equity shares of ₹ 1 each)	50,00,00,000	5,000	50,00,00,000	5,000	50,00,00,000	5,000
- Central Depository Services (India) Limited (Fully paid equity shares of ₹ 10 each)	5,22,97,850	11,815	5,66,34,600	12,795	5,66,34,600	12,795
- BSE Investments Limited (Fully paid equity shares of ₹ 1 each)	10,00,000	10	10,00,000	10	10,00,000	10
- BSE CSR Sammaan Limited (Fully paid equity shares of ₹ 10 each)	26,00,000	260	1,00,000	10	-	-
- BSE CSR Integrated Foundation (Fully paid equity shares of ₹ 10 each)	40,000	4	-	-	-	-
- BFSI Sector Skill Council of India (Fully paid equity shares of ₹ 1 each)	1,00,00,000	100	1,00,00,000	100	1,00,00,000	100
- India International Exchange (IFSC) Limited (Fully paid equity shares of ₹ 1 each)	54,99,99,994	5,500	-	-	-	-
- India International Clearing Corporation (IFSC) Limited (Fully paid equity shares of ₹ 1 each)	59,99,99,994	6,000	-	-	-	-
Less : Provision for diminution		(100)		(100)		(100)
Total		68,239		57,465		57,455
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of un-quoted investments		68,339		57,565		57,555
Aggregate amount of impairment in value of investments in subsidiaries		100		100		100

The Company is required to reduce its investment in Central Depository Services (India) Limited ("CDSL") pursuant to the SEBI Regulations and SEBI Letter No MRD/DSA/OW/9183/1/2017 dated April 24, 2017, whereby the Company is required to bring down its shareholding in CDSL to 24% of the Share Capital of CDSL by June 30, 2017.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATE

PARTICULARS	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Joint Ventures						
Un-quoted Investments (all fully paid)						
Investment in Equity Instruments						
- BOI Shareholding Limited (Fully paid equity shares of ₹ 100 each)	-	-	-	-	98,000	98
- Asia Index Private Limited (Fully paid equity shares of ₹ 10 each)	5,000	1	5,000	1	5,000	1
Total		1		1		99
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of un-quoted investments		1		1		99
Aggregate amount of impairment in value of investments in joint ventures		-		-		-
Associate						
Un-quoted Investments (all fully paid)						
Investment in Equity Instruments						
- Institutional Investor Advisory Services India Limited (Fully paid equity shares of ₹ 10 each)	-	-	-	-	30,00,750	400
Less : Impairment		-		-		147
Total		-		-		253
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		-		-		-
Aggregate carrying value of un-quoted investments		-		-		400
Aggregate amount of impairment in value of investments in an associate		-		-		147

10.1 Change in the Company's ownership interest in a Joint Ventures

As at April 1, 2015 the Company held a 49% interest in BOI Shareholding Limited which was disposed off during the year ended March 31, 2016 to a third party for ₹ 784. The same resulted in a gain of ₹ 686 recorded in the Statement of Profit and Loss during the year ended March 31, 2016.

10.2 Change in the Company's ownership interest in an associate

As at April 1, 2015 the Company held a 30% interest in Institutional Investor Advisory Services (India) Limited which was disposed off during the year ended March 31, 2016 to third parties for ₹ 300. The same resulted in a loss of ₹ 100 recorded in the Statement of Profit and Loss during the year ended March 31, 2016.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Investments			
Un-quoted Investments (all fully paid)			
Investment in Equity Instruments at FVTPL			
- Calcutta Stock Exchange Limited (Fully paid equity share of ₹ 1 each)	-	-	206
- National Power Exchange Limited (Fully paid equity share of ₹ 10 each)	-	-	-
Total Investment in Equity Instruments at FVTPL	-	-	206
Quoted Investments			
Investments in Debentures and Bonds measured at amortised cost			
Owned			
- Bonds and Non-Convertible Debentures	97,956	1,03,889	83,527
Earmarked			
- Bonds and Non-Convertible Debentures	-	-	1,509
	97,956	1,03,889	85,036
Investments in Mutual Funds measured at FVTPL			
Owned			
- Units of Dividend Oriented Debt Schemes of Mutual Funds	-	-	153
- Units of Growth Oriented Debt Schemes of Mutual Funds	21,289	1,105	1,017
	21,289	1,105	1,170
Total Non-current Investments	1,19,245	1,04,994	86,412
Aggregate amount of quoted investments	1,19,245	1,04,994	86,206
Market value of quoted investments	1,24,702	1,07,523	88,645
Aggregate amount of unquoted investments	-	-	206
Aggregate amount of impairment in value of investments	-	-	-
Current Investments			
Quoted Investments			
Investments in Debentures and Bonds/CDs measured at amortised cost			
Owned			
- Certificate of Deposits	-	4,496	32,456
	-	4,496	32,456
Investments in Mutual Funds measured at FVTPL			
Owned			
- Investment in Mutual Fund - Maintained by Indian Clearing Corporation Limited on behalf of the Company	-	-	54
- Units of Growth Oriented Debt Schemes of Mutual Funds	1,000	-	-
- Units of Dividend Oriented Debt Schemes of Mutual Funds	15,084	4,869	1,341
	16,084	4,869	1,395
Earmarked			
- Units of Dividend Oriented Debt Schemes of Mutual Funds	2,614	-	229
- Units of Growth Oriented Debt Schemes of Mutual Funds	-	-	154
	2,614	-	383

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Portion of Non-current Investments			
Quoted Investments			
Investments in Debentures and Bonds/CDs measured at amortised cost			
Owned			
Bonds and Non-Convertible Debentures	5,647	14,977	8,500
Investments in Mutual Funds measured at FVTPL			
Owned			
Units of Dividend Oriented Debt Schemes of Mutual Funds	-	155	-
	5,647	15,132	8,500
Total Current Investments	24,345	24,497	42,734
Aggregate amount of quoted investments	24,345	24,497	42,734
Market value of quoted investments	24,426	24,583	42,421
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

Note : Counterparties in debentures and bonds have minimum AA+ credit rating.

Sr. No.	COMPANY NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Nos of Shares	Amount	Nos of Shares	Amount	Nos of Shares	Amount
Own Funds							
Trade Investment							
Investments in Equity Instruments (Own Funds)							
1	Equity Shares of Calcutta Stock Exchange Limited of ₹ 1/- each	30,875	-	30,875	-	30,875	206
2	Equity Shares of National Power Exchange Limited of ₹ 10/- each	-	-	21,87,015	-	21,87,015	-
	Total		-		-		206

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
(a) Own Funds							
Bonds & Non Convertible Debentures							
1	9.49%-HDB Financial Services Limited-18 Jun 2019	50	499	50	499	50	499
2	9.18%-Housing Development Finance Corporation Limited-12Feb2018	-	-	250	2,469	250	2,453
3	9.70%-Housing Development Finance Corporation Limited-18Mar2017	-	-	-	-	200	2,005
4	9.75%-Housing Development Finance Corporation Limited-07Dec2016	-	-	-	-	297	2,962
5	8.10%-Housing And Urban Development Corporation Limited-05Mar2022-Tax Free	17,69,400	18,216	17,69,400	18,321	10,69,400	11,141

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
6	8.51%-Housing And Urban Development Corporation Limited-13Jan2024 -Tax Free	3,00,000	3,027	3,00,000	3,031	2,50,000	2,500
7	8.29%-Housing And Urban Development Corporation Limited-24Mar2024-Tax Free	1,00,000	1,000	1,00,000	1,000	1,00,000	1,000
8	10.00%-ICICI Bank Limited-10Nov 2017	-	-	7,551	755	7,551	755
9	9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016	-	-	-	-	1,00,000	1,000
10	11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016	-	-	-	-	1,00,000	1,015
11	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	1,00,000	1,000	1,00,000	1,000
12	6.72%-Indian Railway Finance Corporation Limited-20Dec2020-Tax Free	7,500	7,485	7,500	7,481	7,500	7,478
13	7.55%-Indian Railway Finance Corporation Limited-08Nov2021-Tax Free	500	500	500	500	500	500
14	8.00%-Indian Railway Finance Corporation Limited-23Feb2022-Tax Free	6,52,773	6,635	6,52,773	6,657	6,31,898	6,462
15	7.19%-Indian Railway Finance Corporation Limited-14Dec2022-Tax Free	100	1,000	100	1,000	200	2,000
16	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	3,00,000	3,077	3,00,000	3,088	2,00,000	2,035
17	8.35%-Indian Railway Finance Corporation Limited-21Nov2023-Tax Free	700	7,265	700	7,304	200	2,000
18	8.64%-LIC Housing Finance Limited-03May2016	-	-	-	-	200	1,976
19	9.30%-LIC Housing Finance Limited-14Oct2016	-	-	-	-	250	2,492
20	10.18%-LIC Housing Finance Limited-19Sep2016	-	-	-	-	100	1,001
21	10.60%-LIC Housing Finance Limited-06Sep2016	-	-	-	-	250	2,526
22	8.20%-National Highways Authority Of India-25Jan2022-Tax Free	-	-	-	-	61,810	618
23	8.27%-National Highways Authority Of India-05Feb2024-Tax Free	2,90,000	2,920	2,90,000	2,922	2,50,000	2,500
24	8.26%-National Housing Bank-13Jan2024-Tax Free	18,050	903	18,050	903	18,050	903
25	8.41%-National Thermal Power Corporation Limited-16Dec2023-Tax Free	79,162	792	79,162	792	79,162	792
26	7.19%-Power Finance Corporation Limited-04Jan2023-Tax Free	1,00,000	1,000	1,00,000	1,000	1,00,000	1,000
27	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	12,25,828	12,563	12,25,828	12,625	12,05,982	12,480
28	8.01%-Rural Electrification Corporation Limited-29Aug2023-Tax Free	250	2,501	250	2,501	250	2,501
29	8.01%-Rural Electrification Corporation Limited-24Sep2023-Tax Free	5,00,000	5,000	5,00,000	5,000	5,00,000	5,000
30	9.30%-State Bank of India-16Mar2021	-	-	-	-	3,791	379

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
31	9.25%-Tata Sons Limited-19Jun2019	100	995	100	994	100	992
32	8.09%-Power Finance Corporation Limited-25Nov2021-Tax Free	1,000	1,037	1,000	1,045	1,000	1,053
33	7.93%-Rural Electrification Corporation Limited-27Mar2022-Tax Free	1,64,702	1,693	1,64,702	1,702	48,991	509
34	8.19%-Rural Electrification Corporation Limited-24Mar2024-Tax Free	2,50,000	2,617	2,50,000	2,633	-	-
35	7.34%-Housing And Urban Development Corporation Limited-16Feb2023-Tax Free	1,00,000	1,003	1,00,000	1,003	-	-
36	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	50,000	518	50,000	520	-	-
37	7.62%-Housing And Urban Development Corporation Limited-11Nov2021-Tax Free	1,000	1,012	1,000	1,015	-	-
38	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	1,50,000	1,493	1,50,000	1,493	-	-
39	9.51%-LIC Housing Finance Limited-24Jul2019	100	1,013	100	1,019	-	-
40	11.08%-LIC Housing Finance Limited-13Aug2018	49	503	49	512	-	-
41	8.80%-Canfin Homes Limited-02Jul2018	100	1,000	100	1,000	-	-
42	8.77%-HDB Financial Services Limited-02Jun2018	50	500	50	500	-	-
43	8.81%-HDB Financial Services Limited-28Jul2018	50	500	50	500	-	-
44	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	50,000	500	-	-
45	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018-	1,00,000	1,000	1,00,000	1,000	-	-
46	8.80%-Kotak Mahindra Prime Limited-26Jun2018	50	500	50	500	-	-
47	8.65%-HDB Financial Services Limited-25Sep2018	50	500	50	500	-	-
48	8.71%-HDB Financial Services Limited-20Oct2018	100	998	100	998	-	-
49	8.8394%-HDB Financial Services Limited-12Mar19	100	1,001	100	1,002	-	-
50	8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019	20,000	200	20,000	200	-	-
51	8.34%-LIC Housing Finance Limited-22Mar2018	250	2,490	250	2,484	-	-
52	9.50%-Housing Development Finance Corporation Ltd-14Aug2017	-	-	100	1,010	-	-
53	9.30%-Housing Development Finance Corporation Ltd.-04Oct2017	-	-	140	1,411	-	-
54	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	150	1,500	-	-
Total			97,956		1,03,889		83,527
Units of Dividend Oriented Debt Schemes of Mutual Funds							
1	HDFC Debt Fund for Cancer Cure-100% Dividend Donation-Mar 2017	-	-	-	-	15,00,000	153
Total			-		-		153

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
(a) Own Funds							
Units of Growth Oriented Debt Schemes of Mutual Funds							
1	Reliance - Fixed Maturity Plan - XXVIII Series 4 - Direct - Growth Plan	1,00,00,000	1,204	1,00,00,000	1,105	1,00,00,000	1,017
2	Birla Sun Life - Fixed Term Plan - - Series OE 1153 Days - Direct - Growth Plan	50,00,000	503	-	-	-	-
3	Birla Sun Life - Fixed Term Plan - - Series OK 1135 Days - Direct - Growth Plan	3,00,00,000	3,009	-	-	-	-
4	Birla Sun Life - Fixed Term Plan - Series OI 1120 Days - Direct - Growth Plan	50,00,000	503	-	-	-	-
5	DHFL Pramerica Fixed Duration Fund - Series AG - 1120D - Direct - Growth Plan	90,000	901	-	-	-	-
6	DHFL Pramerica Fixed Duration Fund Series AE - Direct - Growth Plan	50,000	503	-	-	-	-
7	DSP Black Rock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	503	-	-	-	-
8	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	300	-	-	-	-
9	DSP Blackrock - Fixed Maturity Plan - Series 205 -37M - Direct - Growth Plan	50,00,000	503	-	-	-	-
10	HDFC - Fixed Maturity Plan - 1150D Series 37(I) - Direct - Growth Plan	50,00,000	504	-	-	-	-
11	ICICI Prudential - Fixed Maturity Plan - Series 80 - 1231 D Plan P - Direct - Growth Plan	50,00,000	503	-	-	-	-
12	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J 1253 Days - Direct - Growth Plan	50,00,000	504	-	-	-	-
13	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O 1233 Days - Direct - Growth Plan	1,00,00,000	1,007	-	-	-	-
14	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P 1225 Days - Direct - Growth Plan	50,00,000	501	-	-	-	-
15	IDFC - Fixed Term Plan - Series 131 -1139 Days - Direct - Growth Plan	20,00,000	200	-	-	-	-
16	IDFC - Fixed Term Plan - Series 129 - 1147D - Direct - Growth Plan	50,00,000	504	-	-	-	-
17	Invesco - Fixed Maturity Plan - Series 29 - Plan B 1150D - Direct - Growth Plan	1,00,00,000	1,003	-	-	-	-
18	Kotak - Fixed Maturity Plan - Series 200 1158D - Direct - Growth Plan	50,00,000	503	-	-	-	-
19	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	1,00,00,000	1,002	-	-	-	-
20	Reliance - Fixed Horizon Fund - XXXIII Series 1 Direct - Growth Plan	50,00,000	504	-	-	-	-
21	Reliance - Fixed Horizon Fund - XXXIII Series 3 Direct - Growth Plan	50,00,000	504	-	-	-	-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
22	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,006	-	-	-	-
23	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201D - - Direct - Growth Plan	3,00,00,000	3,008	-	-	-	-
24	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	801	-	-	-	-
25	UTI FIXED Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,006	-	-	-	-
26	UTI-Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	300	-	-	-	-
Total			21,289		1,105		1,017
(b) Earmarked Funds							
Bonds & Non Convertible Debentures							
1	9.25%-Vijaya Bank-Aug 2016	-	-	-	-	150	1,509
Total			-		-		1,509
Current Investment							
(a) Own Funds							
Certificate of Deposit							
1	HDFC Bank Limited 04Apr2016	-	-	2,000	1,998	-	-
2	Axis Bank Limited 04Apr2016	-	-	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
Total			-		4,496		32,456
Units of Growth Oriented Debt Schemes of Mutual Funds							
1	Sundaram Banking and PSU Debt Fund Direct Plan- Growth Plan	38,88,841	1,000	-	-	-	-
Total			1,000		-		-
Units of Dividend Oriented Debt Schemes of Mutual Funds							
1	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment - Investor Services Fund	-	-	22,20,872	2,222	11,09,593	1,111
2	Kotak Income Opportunities Fund - Direct - Weekly Dividend Reinvestment	2,74,06,356	2,865	2,59,43,686	2,647	-	-
3	HDFC Liquid Fund Direct Plan	4,54,132	4,631	-	-	2,209	57
4	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment	45,84,559	4,588	-	-	825	1
5	Baroda Pioneer Liquid Fund	-	-	-	-	2,644	40
6	ICICI Prudential Liquid Fund - Growth Plan	-	-	-	-	86,155	177
7	Reliance Liquidity Fund - Direct Plan	-	-	-	-	441	9
8	UTI Liquid Cash Plan - Direct - Daily Dividend Reinvestment	2,45,275	2,500	-	-	-	-
9	Reliance Liquid Fund Treasury Plan - Direct - Daily Dividend Reinvestment	32,713	500	-	-	-	-
Total			15,084		4,869		1,395

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
(b) Earmarked Funds							
Units Of Dividend Oriented Debt Schemes Of Mutual Funds							
1	Birla Sunlife Floating Rate Fund - Short Term Plan	-	-	-	-	2,28,535	229
2	Axis Liquid Fund - Direct - Daily Dividend Reinvestment - Investor Services Fund	2,61,237	2,614	-	-	-	-
Total			2,614		-		229
Units of Growth Oriented Debt Schemes of Mutual Funds							
1	ICICI Prudential Floating Rate Fund - Plan C - Growth Plan	-	-	-	-	71,460	154
Total			-		-		154
Current Portion of Long Term Investments							
Own Funds							
Investments in Debentures and Bonds							
Bonds and Non Convertible Debentures							
1	11.25%-Infrastructure Leasing & Financial Services Limited-23Aug2016	-	-	1,00,000	1,004	-	-
2	10.60%-LIC Housing Finance Limited-06Sep2016	-	-	250	2,508	-	-
3	10.18%-LIC Housing Finance Limited-19Sep2016	-	-	100	1,000	-	-
4	9.97%-Infrastructure Leasing & Financial Services Limited-28Sep2016	-	-	1,00,000	1,000	-	-
5	9.75%-Housing Development Finance Corporation Limited-07Dec2016	-	-	297	2,967	-	-
6	9.30%-LIC Housing Finance Limited-14Oct2016	-	-	250	2,497	-	-
7	9.70%-Housing Development Finance Corporation Limited-18Mar2017	-	-	200	2,003	-	-
8	8.64%-LIC Housing Finance Limited-03May2016	-	-	200	1,998	-	-
9	9.85%-Housing Development Finance Corporation Limited -05Jun2015	-	-	-	-	250	2,500
10	7.60%-Power Finance Corporation Limited- 30Dec2015	-	-	-	-	100	996
11	8.90%-Power Grid Corporation Limited-25Feb2016	-	-	-	-	40	501
12	9.40%-LIC Housing Finance Limited-26Feb2016	-	-	-	-	250	2,494
13	9.20%-Power Grid Corporation Limited-12Mar2016	-	-	-	-	160	2,009
14	10.00%-ICICI Bank Limited-10Nov2017	7,551	755	-	-	-	-
15	9.30%-Housing Development Finance Corporation Ltd.- 04Oct2017	140	1,404	-	-	-	-
16	9.18%-Housing Development Finance Corporation Limited-12Feb2018	250	2,485	-	-	-	-
17	9.50%-Housing Development Finance Corporation Ltd-14 Aug 2017	100	1,003	-	-	-	-
Total			5,647		14,977		8,500

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2017		Balance as at March 31, 2016		Balance as at April 1, 2015	
		Units	Amount	Units	Amount	Units	Amount
Investment in Mutual Funds							
Units of Dividend Oriented Debt Schemes of Mutual Funds							
1	HDFC Debt Fund For Cancer Cure-100% Dividend Donation- Mar 2017	-	-	15,00,000	155	-	-
	Total		-		155		-

12. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Trade Receivables			
- Secured, considered good	2,916	1,114	1,146
- Unsecured, considered good	2,330	1,796	1,484
- Doubtful	1,324	589	681
- Allowance for doubtful debts (expected credit loss allowance)	(1,324)	(589)	(681)
Total	5,246	2,910	2,630

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The Normal credit period allowed by the Company ranges from 0 to 60 days.
- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
- There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Balance at the beginning of the year	589	681
Impairment loss allowance on trade receivables	735	(92)
Balance at the end of the year	1,324	589

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
a Security deposits;			
- Deposit with public bodies and others	161	174	203
b Advances			
- Share application money	-	4	-
- Advance to staff	78	80	66
c Bank deposits with more than 12 months maturity			
Owned fund			
- In deposit accounts	748	13,252	4,044
Earmarked fund			
- In deposit accounts	7,753	3,629	9,006
Total	8,740	17,139	13,319
Current			
a Advances			
- Advance to staff	18	29	31
b Advances to related parties			
- Due from subsidiaries	235	31	2,060
c Others			
- Deposit with public bodies and others	345	61	38
- Receivable from selling shareholders	-	170	170
d Unsecured and considered doubtful			
Deposits made under protest for property tax and others	771	771	771
Less: Provision for doubtful advances	(771)	(771)	(771)
e Accrued interest			
Owned			
- On deposits	196	96	98
- On investments	3,556	4,204	3,031
Earmarked			
- On deposits	422	419	525
- On investments	-	-	3
Total	4,772	5,010	5,956

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

14. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Balance with Banks			
Owned fund			
- In Current Accounts	2,203	181	314
Total	2,203	181	314
Bank balance other than above			
Balance with banks			
Owned fund			
- In Deposit Accounts	43,425	31,207	42,683
Earmarked fund			
- In Current Accounts (unpaid dividend)	867	730	572
- In Current Accounts (refer note below)	4,438	5,503	2
- In Deposit Accounts	15,361	18,444	13,427
Total	64,091	55,884	56,684

Note : Of the above, ₹ 4,330 have been earmarked against payables on expenses towards IPO.

15. OTHER ASSETS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Current			
Gratuity asset (net)	84	149	210
Prepaid Expenses	28	84	98
Total	112	233	308
Current			
Prepaid Expenses	244	183	126
CENVAT Credit Receivable	224	124	566
CENVAT Credit Receivable (not due)	169	132	62
Advances to Creditors	217	90	163
Total	854	529	917

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised share capital: 1,500,000,000 (1,500,000,000 as at March 31, 2016) equity shares of ₹ 2/- each	30,000	30,000	5,000
Issued share capital: 54,588,172 (54,588,172 as at March 31, 2016) equity shares of ₹ 2/- each	1,092	1,092	1,057
Subscribed and paid-up share capital 53,808,172 (53,678,172 equity shares as at March 31, 2016) equity shares of ₹ 2/- each fully paid-up.	1,076	1,074	1,039
Equity share capital suspense account (Equity shares of ₹ 2 each to be issued as fully paid-up pursuant to the merger of United Stock Exchange of India Limited with the Company under the scheme of amalgamation without the payment being received in cash)	-	-	34
Total	1,076	1,074	1,073
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year			
PARTICULARS	As at March 31, 2017	As at March 31, 2016	
No. of shares at the beginning of the year	5,36,78,172	5,19,63,886	
Additions during the year	1,30,000	17,14,286	
No. of shares at the end of the year	5,38,08,172	5,36,78,172	
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.			
PARTICULARS	As at March 31, 2017	As at March 31, 2016	
2008-09	4,72,46,664	4,72,46,664	
2009-10 (*)	4,20,000	4,20,000	
2010-11 (*)	60,000	60,000	
2011-12 (*)	60,000	60,000	
2012-13 (*)	60,000	60,000	
2013-14 (*)	60,000	60,000	
2014-15 (*)	60,000	60,000	
2016-17 (*)	1,20,000	-	
TOTAL	4,80,86,664	4,79,66,664	

(*) 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.

- (a) The Exchange has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)..

- (b) Pursuant to the BSE (Corporatisation & Demutualisation) Scheme, 2005, (the Scheme) the Exchange had allotted 5,000 equity shares of ₹ 2/- 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.
- (c) Out of the total 47,775,000 equity shares of ₹ 2/- (including 44,100,000 bonus shares of ₹ 2/- each) issuable to the card based Members, the Exchange has allotted 46,985,000 equity shares (46,865,000 equity shares as on March 31, 2016) upon implementation of the BSE (Corporatisation and Demutualisation) Scheme, 2005 ("The Scheme"). The allotment of 7,80,000 equity shares (9,10,000 equity shares as on March 31, 2016) of ₹ 2/- 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 47,775,000 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 13th November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX).
- (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."
- (f) The shareholders of the Company, at the Extraordinary General Meeting (EGM) held on November 25, 2016 accorded their consent to the consolidation of the entire authorised and issued share capital of the Company by increasing the nominal value of the equity share from ₹ 1/- (Rupee one only) each to ₹ 2/- (Rupees two only) each, so that every two equity shares with nominal value of ₹ 1/- (Rupee one only) each held by a shareholder are consolidated and re-designated into one equity share with a nominal value of ₹ 2/- each. Accordingly, the revised share capital of the Company now stands at 54,588,172 equity shares of ₹ 2/- each. Para 28 of Indian Accounting Standard (Ind AS) 33 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding decreases as a result of consolidation of shares.
- (g) No shareholder holds more than 5 % of the Share Capital of the Company.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

17. OTHER EQUITY

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General reserve	69,415	69,415	69,415
Capital reserve	66,179	66,179	66,179
Capital reserve on business combination	10,530	10,530	10,530
Securities Premium Reserve	39,283	39,285	39,389
Settlement guarantee fund	-	-	2,565
Retained earnings	56,453	44,252	37,769
Share application money pending allotment	1	1	1
Total	2,41,861	2,29,662	2,25,848

17.1 General reserve

The general reserve created from time to time transfer profits from retained earnings for appropriation purposes. As the general reserve created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified to the Statement of Profit and Loss.

17.2 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 19th 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.

17.3 Securities premium

Securities premium reserve reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium reserve" as per the provisions of the Companies Act, 2013. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

17.4 Settlement guarantee fund

Refer Note 41 for the nature and purpose settlement guarantee fund.

17.5 Retained earnings

The same reflects surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

The Board of Directors, at its meeting on May 5, 2016, proposed a final dividend of ₹ 4/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on June 24, 2016. The amount was recognised as distributions to equity shareholders during the year ended March 31, 2017 and the total appropriation was ₹ 5,256 including corporate dividend tax (Refer note 4.2 for impact on transition to Ind AS). The amount of dividend per share recognised as distributions to equity shareholders during the year ended March 31, 2016 was ₹ 8.5/- per equity share of face value ₹ 1/- each (including interim dividend of ₹ 3.5/- per equity share).

The Board of Directors, at its meeting on May 5, 2017, have proposed a final dividend of ₹ 23/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 15,111, including corporate dividend tax.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Accrued employee benefit expenses	360	333	309
Finance lease obligations (refer note 18.1)	-	67	127
Other deposits	104	154	-
Total	464	554	436
Current			
Owned :			
Unpaid dividends	51	32	29
Deposits received from trading members	8,881	9,062	9,057
Other deposits received from members	3,025	2,912	2,700
Other deposits	947	841	2,988
Accrued employee benefit expenses	2,742	1,372	1,118
Due to subsidiaries	338	147	4
Payables on purchase of fixed assets	115	613	1,011
Current maturities of finance lease obligations (refer note 18.1)	67	60	54
Accrued Interest on finance lease obligations (refer note 18.1)	5	10	14
Total (A)	16,171	15,049	16,975
Earmarked :			
From companies - 1% of their public issue (refer note 18.2)	13,412	14,329	13,325
Defaulters' liabilities (refer note 18.2)	2,799	6,702	6,496
Withheld liabilities (refer note 18.2)	5,899	5,676	3,939
Payables on expenses towards IPO (recovered from selling shareholders) (refer note 18.3)	4,330	-	-
Others	1,645	1,334	1,106
Total (B)	28,085	28,041	24,866
Total (A+B)	44,256	43,090	41,841

18.1 Secured by leased asset. The liability is at a fixed rate of interest with original repayment period of 5 years.

18.2 Investments and Bank Deposits have been earmarked against these liabilities.

18.3 Current accounts have been earmarked against this liability.

19. PROVISIONS

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Employee benefits			
Compensated absences (refer note 42)	629	553	518
Total	629	553	518

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

20. DEFERRED TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	1,415	700	683
Deferred tax liabilities	398	503	943
Deferred tax balance (net)	1,017	197	(260)

Deferred tax assets and liabilities in relation to:

PARTICULARS	Opening balance as at April 1, 2015	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2016	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2017
Deferred tax assets							
MAT credit entitlement	-	-	-	-	(547)	-	547
Impairment of financial assets	122	32	-	90	(255)	-	345
Expenses allowed on payment basis	183	(14)	-	197	(132)	-	329
Voluntary retirement scheme	354	89	-	265	88	-	177
Others	24	(127)	3	148	138	(7)	17
	683	(20)	3	700	(708)	(7)	1,415
Deferred tax liabilities							
Property, plant and equipment, intangible assets and goodwill	943	440	-	503	232	-	271
Financial assets measured at FVTPL and interest income at effective interest rate	-	-	-	-	(127)	-	127
	943	440	-	503	105	-	398
Total	(260)	(460)	3	197	(813)	(7)	1,017

Notes:

- Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
- Tax losses (revenue in nature)	-	2,644	-
- Tax losses (capital in nature)	8,523	10,246	10,195
Total	8,523	12,890	10,195

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

20. DEFERRED TAX ASSETS AND LIABILITIES (Contd.)..

The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2019-20 - Capital in nature	3,629	5,352	5,353
2020-21 - Capital in nature	4,796	4,796	4,796
2021-22 - Capital in nature	46	46	46
2024-25 - Capital in nature	52	52	-
Infinite (unabsorbed depreciation)	-	2,644	-

2. The management expects the Company to pay normal tax in future and the benefit associated with MAT Credit will flow to the Company within permissible time limit stipulated under Income Tax Act, 1961 to the extent MAT asset recognised.

21. OTHER LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Current			
Income received in advance	107	95	113
Total	107	95	113
Current			
Income received in advance	537	1,640	1,649
Advance from customers	412	171	107
Statutory remittances	12,835	2,096	9,802
Other liabilities (refer note below)	3,415	2,870	1,778
Contribution payable to settlement guarantee fund	6,276	5,143	-
Total	23,475	11,920	13,336

Note: Other liabilities includes :

a) Investors' services fund (ISF):

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Annual listing fees received for the year	10,540	9,995
20% of the above (Amount to be contributed annually)	2,108	1,999
Investment income accrued to Investors' services fund	12	-
Expenses incurred on behalf of ISF	1,760	1,127
Expenses Recoverable (Subject to maximum of the contribution)	1,760	1,127

As per directive received from SEBI, BSE Limited decided to set aside 20% of the Annual listing fees received to an Investors' Services account from 1996-97 onwards. The Exchange has charged all direct expenses incurred towards Investors Services to this account.

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cumulative balance as at end of year	2,417	2,057	1,185

b) Other Liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cumulative balance as at end of year	816	698	543

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

22. TRADE PAYABLES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Payable to service providers	4,932	4,085	3,410
Total	4,932	4,085	3,410

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day during the year	-	-	-
(b) Interest due and payable for delay during the year	-	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-	-

23. INCOME TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Current tax assets			
Income taxes paid in advance (net of provision)	5,609	7,756	5,238
Total	5,609	7,756	5,238
Current tax liabilities			
Income tax payable	952	852	852
Total	952	852	852

24. INCOME FROM TRADING MEMBER

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Transaction charges	12,242	5,496
Charges recovered	1,992	2,001
Annual subscription and admission fees	440	176
Processing fees	277	72
Total	14,951	7,745

25. INCOME FROM SERVICES TO CORPORATES

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Listing fees	13,817	14,460
Book building software charges	1,431	1,123
Company reinstatement fees	296	351
Other fees	142	177
Total	15,686	16,111

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

26. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost)	4,193	3,775
Investments in debt instruments (at amortised cost)	8,989	9,273
b) Dividend income		
Dividends from investment in equity shares (designated at cost or at FVTPL)		
Dividend income from subsidiaries	4,371	8,824
Dividend income from others	6	6
Dividends from investment in mutual funds (designated at FVTPL)		
Dividend income	936	948
c) Other gains or losses:		
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	41
Net gain on disposal of investment in joint venture and associate measured at cost	-	586
Net gain / (loss) arising of equity instrument measured at FVTPL	121	(206)
Net gains arising on financial assets measured at FVTPL	353	107
Total	18,969	23,354

27. OTHER INCOME

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Other non-operating income		
Rental income	1,536	1,516
Website income	310	289
Net gain on disposal of property, plant and equipment and intangible assets	9	7
Net foreign exchange gains / (loss)	(15)	9
Interest on income tax refunds	932	-
Miscellaneous income	254	269
Total	3,026	2,090

28. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, allowances and bonus	6,643	5,105
Contribution to provident and other Funds	311	262
Staff welfare expenses	314	282
Compensated absences	343	221
Total	7,611	5,870

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

29. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Advertising and marketing expenses	623	388
Bad debts written off	169	357
Building repairs and maintenance expenses	827	565
Charity and donations	2	-
Computer technology related expenses	7,709	5,572
Contribution to investors service fund	2,108	1,999
Contribution to investors' protection fund	105	100
Contribution to core settlement guarantee fund (refer note 41)	6	1,741
Contribution to SEBI	1,054	1,000
Contribution to corporate social responsibility (refer note below 29.1)	106	112
Data entry charges	198	166
Datafeed expenses	187	188
Directors' fees	73	41
Electricity charges (net of recoveries)	1,706	1,961
Insurance	89	85
Impairment of goodwill	-	785
Legal fees	410	428
Miscellaneous expenses	362	282
Payment to auditors		
a) Statutory audit fee	82	67
b) Tax audit fee	8	8
c) Other services	12	10
Professional fees	1,327	1,188
Postage and telephone expenses	128	115
Printing and stationery	66	62
Property taxes (net of recoveries)	186	202
Rent	133	132
Repairs to other assets	187	185
SEBI regulatory fees	250	236
Technology programmes	3,525	2,589
Travelling expenses	377	325
Total	22,015	20,889

29.1 CSR EXPENDITURE

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
a) The gross amount required to be spent by the Company during the year	105	114
b) Amounts debited to Statement of Profit and Loss were paid in cash during the respective year and were incurred for the purpose other than the construction / acquisition of any asset.		

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

30. IMPAIRMENT LOSS / (REVERSAL) ON FINANCIAL ASSETS

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Impairment loss allowance on trade receivables	735	(92)
Reversal of impairment loss on financial assets carried at cost	-	(147)
Total	735	(239)

31. TAXES

(a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2017

(i) Profit or loss section

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Current tax expense	2,056	-
Current tax expense of earlier years	(781)	-
Deferred tax	(813)	(460)
Total income tax expense recognised in profit or loss	462	(460)

(ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Remeasurements of the defined benefit plans;	(7)	3
Total income tax expense recognised in other comprehensive income	(7)	3

(b) Reconciliation of effective tax rate

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Income before income tax	20,326	12,826
(B) Enacted tax rate in india	34.608%	34.608%
(C) Expected tax expenses (A*B)	7,034	4,439
(D) Other than temporary differences		
Investment income	(4,893)	(5,734)
Income from house property and related expenditure	(71)	(69)
Expenses disallowed / (allowed)	83	(11)
Total	(4,881)	(5,814)
(E) Temporary difference on which deferred tax assets not recognised		
Business loss carried forward	(910)	915
Total	(910)	915
(F) Net adjustments (D+E)	(5,791)	(4,899)
(G) Current tax expense of earlier years	(781)	-
(H) Tax expenses recognised in Profit or Loss (C+F+G)	462	(460)

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

32. EARNINGS PER SHARE (EPS)

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Weighted average number of equity shares (issued share capital) outstanding during the period for the calculation of basic EPS	5,45,88,172	5,45,88,172
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the period for the calculation of dilutive EPS	5,45,88,172	5,45,88,172
Face Value per Share	₹ 2 each	₹ 2 each
Profit after tax before exceptional items (net of tax)	18,780	18,077
Profit after tax after exceptional items	19,864	13,286
Basic and Diluted EPS before exceptional items (net of tax)	34.40	33.12
Basic and Diluted EPS after exceptional items	36.39	24.34

Note: The shareholders of the Company have, at the Extraordinary General Meeting (EGM) held on November 25, 2016 accorded their consent to the consolidation of the entire authorised and issued share capital of the Company by increasing the nominal value of the equity share from ₹ 1/- (Rupee one only) each to ₹ 2/- (Rupees two only) each, so that every two equity shares with nominal value of ₹ 1/- (Rupee one only) each held by a shareholder are consolidated and re-designated into one equity share with a nominal value of ₹ 2/- each. Accordingly, the revised share capital of the Company now stands at 54,588,172 equity shares of ₹ 2/- each. Para 28 of Indian Accounting Standard (Ind AS) 33 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding decreases as a result of consolidation of shares.

33. LEASE

33.1 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 at			As at		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
1.	Payable not later than 1 Year	75	75	75	67	60	54
2	Payable later than 1 Year and not later than 5 Years	-	75	149	-	67	127
	Total	75	150	224	67	127	181
	Less: Future Finance Charges	8	23	43			
	Present Value of Minimum Lease Payments	67	127	181			

- (iii) No contingent rent recognised / (adjusted) in the Profit or Loss in respect of finance lease.

33.2 Operating lease

The Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2017 was ₹ 133 Lakh (for the year ended March 31, 2016: ₹ 132 Lakh).

The Company does not have non-cancellable operating lease other than lease facilities towards investor services centers. Investor services centers rent expenses are incurred through investor services fund which is set aside from listing fee collected for investor services and shown under other liabilities.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

34. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

PARTICULARS	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
i) Financial assets						
a) Amortised Cost						
Investment in debt instruments	1,03,603	1,08,385	1,17,492	1,09,141	1,11,000	1,19,618
Trade receivable	5,246	2,941	2,630	5,246	2,941	2,630
Cash and cash equivalents	7,508	6,414	888	7,508	6,414	888
Bank balances other cash and cash equivalents	58,786	49,651	56,110	58,786	49,651	56,110
Other financial assets	13,512	22,118	19,275	13,512	22,118	19,275
Total	1,88,655	1,89,509	1,96,395	1,94,193	1,92,124	1,98,521
b) FVTPL						
Investment in equity instruments	-	-	206	-	-	206
Investment in mutual funds	39,987	21,106	11,448	39,987	21,106	11,448
Total	39,987	21,106	11,654	39,987	21,106	11,654
c) At Cost						
Investment in subsidiaries, joint ventures and associates	68,240	57,466	57,807	68,240	57,466	57,807
ii) Financial liabilities						
a) Amortised Cost						
Trade payables	4,932	4,085	3,410	4,932	4,085	3,410
Other financial liabilities	44,720	43,644	42,277	44,720	43,644	42,277
Total	49,652	47,729	45,687	49,652	47,729	45,687

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- (a) The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

34. FINANCIAL INSTRUMENTS (Contd.)..

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of the assets and liabilities measured at fair value on a recurring basis:

PARTICULARS	Fair values As at March 31, 2017	Fair values As at March 31, 2016	Fair values As at April 1, 2015	Fair Value Hierarchy (Level)
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	1,09,141	1,11,000	1,19,618	Level 1
b) FVTPL				
Investment in equity instruments	-	-	206	Level 3
Investment in mutual funds	39,987	21,106	11,448	Level 1
Total	39,987	21,106	11,654	

Except as detailed in the above table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

There were no transfers between Level 1 and 2 in the period.

35. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

It is the Company's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

- Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

The Company provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence the Company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2017.

- Investments**

The Company limits its exposure to credit risk by making investment as per the investment policy. The Company addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), Allowable Net Non- Performing Asset (NNPA) Levels, Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Company reviews the investment portfolio on bi-monthly basis and recommend or provide suggestion to the management. The Company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors. The Company does not invest in equity instruments unless they are strategic in nature.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payable			
< 1 year	4,932	4,085	3,410
1 - 5 years	-	-	-
> 5 years	-	-	-
Total	4,932	4,085	3,410
Other financial liabilities			
< 1 year	44,256	43,090	41,841
1 - 5 years	464	554	436
> 5 years	-	-	-
Total	44,720	43,644	42,277
Total	49,652	47,729	45,687

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015

PARTICULARS	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Investments*			
< 1 year	24,345	24,497	42,734
1 - 5 years	85,131	28,939	23,357
> 5 years	34,114	76,055	62,849
Total	1,43,590	1,29,491	1,28,940
Other financial assets			
< 1 year	4,772	5,010	5,956
1 - 5 years	8,740	17,139	13,319
> 5 years	-	-	-
Total	13,512	22,149	19,275
Trade receivables			
< 1 year	5,246	2,910	2,630
1 - 5 years	-	-	-
> 5 years	-	-	-
Total	5,246	2,910	2,630
Cash and cash equivalents			
< 1 year	7,508	6,414	888
1 - 5 years	-	-	-
> 5 years	-	-	-
Total	7,508	6,414	888
Bank balances other than cash and cash equivalents			
< 1 year	58,786	49,651	56,110
1 - 5 years	-	-	-
> 5 years	-	-	-
Total	58,786	49,651	56,110
Total	2,28,642	2,10,615	2,07,843

* Investment does not include investment in equity investment of subsidiaries, joint ventures, associate and others.

The Company manages contractual financial liabilities and contractual financial assets on net basis.

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

In addition to the above risk, market risk also includes foreign currency risk and interest rate risk.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. FINANCIAL RISK MANAGEMENT (Contd.)..

- **Foreign Currency risk**

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars and Euros). Company's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies the Company is not much exposed to foreign currency risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Group's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Group receives on investments in debt securities, the value of interest-earning investments, its ability to realise gains from the sale of investments.

Interest rate risk primarily arises from floating rate investment. The Company's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Indian Clearing Corporation Limited (ICCL). ICCL guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

36. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Company shall have a minimum networth of ₹ 100 Crore at all times.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS

Sr. No.	Control	Entities
a.	Subsidiary Companies	
	Direct	Indian Clearing Corporation Limited Marketplace Technologies Private Limited BSE Institute Limited Central Depository Services (India) Limited BSE Investments Limited BSE Sammaan CSR Limited (w.e.f. September 10, 2015) BSE CSR Integrated Foundation (w.e.f. March 7, 2016) India International Exchange (IFSC) Limited (w.e.f. September 12, 2016) India International Clearing Corporation (IFSC) Limited (w.e.f. September 12, 2016)
	Indirect	Marketplace Tech Infra Services Private Limited CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited (w.e.f. March 16, 2017) BSE Skills Limited BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation
b.	Trusts set-up by the Company	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 BSE Employee's Gratuity Fund BSE Employee's Provident Fund
c.	Joint Venture Companies	BOI Shareholding Limited (upto January 8, 2016) Asia Index Private Limited
d.	Associate Company	Institutional Investor Advisory Services India Limited (upto January 5, 2016)
e.	Key Management Personnel and their relatives (KMP)	Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Shri Sudhakar Rao - Chairman Dr. K. Kasturirangan - Public Interest Director Shri Dhirendra Swarup - Public Interest Director Justice Vikramajit Sen - Public Interest Director Shri Sumit Bose - Public Interest Director Dr. Sriprakash Kothari - Shareholder Director Shri Sethurathnam Ravi - Public Interest Director Smt. Usha Sangwan - Shareholder Director Smt. Rajeshree Sabnavis - Shareholder Director Shri Thomas Bendixen - Shareholder Director

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (Contd.)..

Following are the transactions with related and the year-end balances:

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Subsidiary Companies		
Income		
Indian Clearing Corporation Limited		
Rent and Infrastructure Charges	62	38
Miscellaneous Income	30	72
Dividend Income	2,956	7,528
Other Employee cost Recovery	4	3
Administrative and Other Expenses (Recoveries)	186	207
BSE Institute Limited		
Salaries, Allowances and Bonus (Recoveries)	16	50
Rent and Infrastructure Charges	263	265
Dividend Income	-	50
Administrative and Other Expenses (Recoveries)	79	63
Central Depository Services (India) Limited		
Administrative and Other Expenses (Recoveries)	75	77
Charges Recovered	132	144
Dividend Income	1,416	1,246
Rent and Infrastructure Charges	260	264
Miscellaneous Income	13	8
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	10	6
Administrative and Other Expenses (Recoveries)	2	1
India International Exchange (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	115	-
Sale of property, plant and equipment	12	-
India International Clearing Corporation (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	79	-
BSE Sammaan CSR Limited		
Administrative and Other Expenses (Recoveries)	1	-
Expenditure		
Indian Clearing Corporation Limited		
Contribution to Core Settlement Guarantee Fund	6	1,741
Contribution to Settlement Guarantee Fund (25% of Profit)	2,079	5,143
Marketplace Technologies Private Limited		
Computer Technology Related Expenses (net of recovery)	2,440	1,855
Purchase of Intangible Assets	90	108
Intangible assets under development	-	-
Central Depository Services (India) Limited		
Administrative and Other Expenses	14	3
Receiving of services	89	-

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
BSE Institute Limited		
Reimbursement of services	134	182
India International Exchange (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	84	-
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	94	102
Trusts set-up by the Company		
Income		
The Stock Exchange Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	394	471
Rent	28	26
Expenditure		
The Stock Exchange Investors' Protection Fund		
Contribution to IPF (a proportion of listing fee)	105	100
Reimbursement for IFRS Foundation	-	460
Rent	46	48
Joint Ventures:		
Income		
BOI Shareholding Limited (upto January 8, 2016)		
Miscellaneous Income	-	1
Asia Index Private Limited		
Rent and Infrastructure Charges	138	138
Administrative and Other Expenses (Recoveries)	24	32
Associate		
Income		
Institutional Investor Advisory Services India Limited (upto January 5, 2016)		
Rent and Maintenance Charge	-	29
Administrative and Other Expenses (Recoveries)	-	4
Expenditure		
Institutional Investor Advisory Services India Limited (upto January 5, 2016)		
Professional fees	-	7
KMP		
Expenditure		
Salaries, Allowances and Bonus *		
Short term Employee benefits		
Shri Ashishkumar Chauhan	417	327

*Includes the variable pay of the prior years which has been paid in the current year based on Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012.

The Company provides long term benefits in the form of Gratuity to Key managerial person along with all employees, cost of same is not identifiable separately and not disclosed.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Subsidiary Companies			
Assets			
Investments			
Indian Clearing Corporation Limited	35,400	35,400	35,400
Marketplace Technologies Private Limited	4,250	4,250	4,250
BSE Institute Limited	5,000	5,000	5,000
BSE Investments Limited	10	10	10
BSE Sammaan CSR Limited	260	10	-
BSE CSR Integrated foundation	4	-	-
BFSI Sector Skill Council of India	100	100	100
Central Depository Services (India) Limited	11,815	12,795	12,795
India International Exchange (IFSC) Limited	5,500	-	-
India International Clearing Corporation (IFSC) Limited	6,000	-	-
Receivable (Net)			
Indian Clearing Corporation Limited	62	55	2,108
BSE Institute Limited	33	14	47
BSE Sammaan CSR Limited	1	-	-
BSE Investments Limited	-	-	3
Central Depository Services (India) Limited	45	7	7
India International Exchange (IFSC) Limited	43	-	-
India International Clearing Corporation (IFSC) Limited	78	-	-
Share Application Money			
BSE CSR Integrated Foundation (w.e.f March 7, 2016)	-	4	-
Liabilities			
Payable (Net)			
Marketplace Technologies Private Limited	338	146	202
Indian Clearing Corporation Limited (Towards Settlement Guarantee Fund)	6,276	5,143	-
Other Deposits Received			
Central Depository Services (India) Limited	73	73	73

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trusts set-up by the Company			
Assets			
Receivable			
The Stock Exchange Investors' Protection Fund	91	58	131
Net defined benefit assets			
BSE Employee's Gratuity Fund	1,927	1,766	1,794
Liabilities			
Deposit			
The Stock Exchange Investors' Protection Fund	6	6	6
Joint ventures			
Assets			
Investments			
BOI Shareholding Limited (up to January 8, 2016)	-	-	98
Asia Index Private Limited	1	1	1
Receivable			
Asia Index Private Limited	2	-	-
Liabilities			
Payable			
Asia Index Private Limited	-	3	2
Deposit			
Asia Index Private Limited	92	92	92
Associate			
Assets			
Investments			
Institutional Investor Advisory Services India Limited (upto January 5, 2016)	-	-	400
Liabilities			
Deposit			
Institutional Investor Advisory Services India Limited (upto January 5, 2016)	-	-	15

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

38. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Claims against the Exchange not acknowledged as debts in respect of :			
i)	Income tax matters	1,312	2,759	2,713
ii)	Service tax matters	-	-	36
iii)	Department of telecommunication license matters (Refer Note below)	401	401	401
iv)	Other matters	10,400	10,403	10,510
v)	Out of 'iv' above other matters in the opinion of the Management are remote	10,370	10,370	10,394
b)	Guarantees given by the Exchange to the loan provider: Aggregate loans outstanding from employees of the Exchange as on date. The employees have mortgaged their flats / properties with the loan provider.	39	48	60

Note: During the year 2012-13, the Exchange had received notices from Department of Telecommunication (DoT), Government of India to pay a revised VSAT Network License Fees, Royalty etc. aggregating ₹ 636 against which an amount of ₹ 235 was paid and expensed during the earlier years. In respect of the balance amount of ₹ 401 the Management filed a reply, after legal consultations, with DoT challenging the claim stating that the demand notices were based on an incorrect interpretation of the existing guidelines / orders. Hence no provision for the same was made in the accounts and the amounts have been considered as a Contingent Liability.

39. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are mentioned in below table:-

Sr. No.	PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Towards Tangible assets	2,258	1,020	2,530
b)	Towards Intangible assets	993	108	623

40. The Managing Director and CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources.

40.1 The "Company" or the "Exchange" operates only in one Operating Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

40.2 Information about geographical area

40.2.1 The Company revenue from customers outside India

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Within India	52,973	49,517
Outside India	2,126	2,025
Total Income	55,099	51,542

40.2.2 The Company does not have non-current assets outside India.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

- 41.** 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 ("Core SGF") from time to time.
- 41.1** As per Regulation 33 of The Securities Contracts (Regulations) (SECC) Regulations, 2012 (the "Regulation") issued on June 20, 2012, every recognised stock exchange is required to transfer twenty five percent of its annual profits every period / year to a fund of the recognised clearing corporation which clears and settles trades executed on that stock exchange to guarantee the settlement of trades.
- 41.2** 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.
- 41.3** Further, a clarification was issued as per Circular No SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 based on a recommendation given by the Expert Committee constituted by SEBI. It was clarified that twenty five per cent of profits till the date of amendment of Regulation 33 of SECC Regulations, 2012, shall be transferred by the Stock Exchange to the Core SGF maintained by Clearing Corporation within such time as may be specified by SEBI.
- 41.4** Thereafter, on August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012. Accordingly, the Company has made provision for transfer of twenty-five percent of its profit till August 29, 2016 (pro-rata based on profit for the six months ended September 30, 2016), being the date of the amendment, towards Settlement Guarantee Fund.

The above Regulations / Circulars were given effect to in the Financial Statements as under:

- (i) The Company deposited ₹ 2,579 (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.
- (ii) The deposit amount of ₹ 2,579 was accounted as prior period item and adjusted to opening retained earnings in total equity.
- (iii) The Company's contribution of ₹ 1,741 towards the MRC has been charged to the Profit or Loss under the head "Administration and Other Expenses" during the year ended March 31, 2016. The contribution to the Core SGF has been adjusted against the transfer of profit by the Company as per the Regulation mentioned above.
- (iv) 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 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 to the Profit or Loss towards 25% of the MRC to the Core Settlement Guarantee Fund as explained in '43.2' above. After adjusting the investment income accrued on the Company's contribution to the Core SGF for the period up to March 31, 2016 of ₹ 279, the balance amount of ₹ 5,143 (including ₹ 4,598 for FY 2015-16) is now charged to the Profit or 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 "Other current liabilities" and is payable to the Core Settlement Guarantee Fund within such time as specified by SEBI.
- (v) During the year ended March 31, 2017 ₹ 2,079 has been charged to the Profit or Loss, being 25% of the profits earned till August 29, 2016 (pro-rata based on profit for the six months ended September 30, 2016), as an "Exceptional Item". As at March 31, 2017 the amount of ₹ 6,276 payable by the Exchange in respect of the settlement guarantee fund has been disclosed under the head "Other current liabilities" and is payable to the Core Settlement Guarantee Fund within such time to be specified by SEBI.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS:

42.1 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.

Such plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2017 and March 31, 2016:

PARTICULARS	March 31, 2017	March 31, 2016
Change in benefit obligation		
Benefit obligations at the beginning	1,612	1,561
Service cost	105	93
Interest expense	128	126
Benefits paid	-	(25)
Remeasurements – Actuarial (gains)/ losses	45	(142)
Liabilities assumed / settled *	(47)	-
Benefit obligations at the end	1,843	1,612
Change in Plan assets		
Fair value of plan assets at the beginning	1,766	1,794
Interest income	141	149
Remeasurements – Actuarial (gains)/ losses	20	(152)
Benefits paid	-	(26)
Fair value of plan assets at the end	1,927	1,766
Funded status	1,843	1,612
Prepaid gratuity benefit	84	149

* On account of inter-group transfer.

Amount for the year ended March 31, 2017 and year ended March 31, 2016 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2017	March 31, 2016
Service cost	105	93
Net interest on the net defined benefit liability/asset	(12)	(22)
Curtailment gain	-	-
Net gratuity cost	93	71

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS: (Contd.)..

Amount for the year ended March 31, 2017 and year ended March 31, 2016 recognised in the other comprehensive income:

PARTICULARS	March 31, 2017	March 31, 2016
Remeasurements of the net defined benefits liability / (asset)		
Experience adjustments	(118)	(251)
(Gain)/loss from change in financial assumptions & Actual return on plan assets less interest on plan asset	143	262
Adjustment to recognise the effect of asset ceiling	(6)	(19)
Amount recognised in OCI	19	(8)

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2017 and year ended March 31, 2016:

PARTICULARS	March 31, 2017	March 31, 2016
Discount rate	7.20%	8.15%
Increase in compensation levels	7.00%	7.00%

The Company assesses these assumption with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

PARTICULARS	For the year ended March 31, 2017	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(88)	82
Impact of decrease in 50 bps on defined benefit obligation	94	(77)

Sensitivity for the significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50 basis points, keeping all other actuarial assumption constant.

Composition of Plan Assets

PARTICULARS	March 31, 2017	March 31, 2016
Government of India Securities	38%	41%
Corporate Bonds	20%	27%
Special Deposit Schemes	0%	0%
Insurer Managed Assets	36%	27%
Others	6%	5%

Actual return on the assets for the period ended March 31, 2017 and year ended March 31, 2016 were ₹ 141 and ₹ 149 respectively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

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.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS: (Contd.)..

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2017
Expected benefits for year 1-3	239
Expected benefits for year 4-5	182
Expected benefits for year 6-9	779
Expected benefits for year 10 and above	2971

The weighted average duration to the payment of these cash flows is 9.83 years.

- **Discount Rate:** 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.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

42.2 Defined Contribution Plan- Provident fund, Pension Fund and New pension Scheme :

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 has an obligation to fund any shortfall on the yield of the trust's investment over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years.

The Company recognised charge for the year ended March 31, 2017 and for the year ended March 31, 2016 of ₹ 184 and ₹ 192 respectively for provident fund and family pension fund contribution in the Profit or Loss.

The Company recognised charge for the year ended March 31, 2017 and for the year ended March 31, 2016 of ₹ 33 and ₹ 23 respectively for New National pension Scheme contribution in the Profit or Loss.

42.3 Compensated Absences

The Company recognised charge for the year ended March 31, 2017 and for the year ended March 31, 2016 of ₹ 343 and ₹ 221 respectively for Compensated Absences in the Profit or 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 has been discontinued with effect from April 01, 2016 and hence the Company has incurred during year ended March 31, 2017 and for the year ended March 31, 2016 amounting to Nil and ₹ 1,724 respectively. 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) Based on a direction received from SEBI during the financial year 2015-16, the Company has charged an amount of ₹ 460 to the Profit or Loss which was 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 during year ended March 31, 2016.

Significant accounting policies and notes to the accounts for the year ended March 31, 2017

(Rupees in lakhs, except share and per share data, unless otherwise stated)

44. Disclosure on Specified Bank Notes (SBNs)

Pursuant to the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December, 30 2016, are given below:

PARTICULARS	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on December 30, 2016	NIL	NIL	NIL

For and on behalf of the Board of Directors

Sudhakar Rao

Chairman

Ashishkumar Chauhan

Managing Director & CEO

Date : May 05, 2017

Place : Mumbai

Nayan Mehta

Chief Financial Officer

Prajakta Powle

Company Secretary

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 ¹	BSE Sammaan CSR Limited	Marketplace Technologies Private Limited	BFSI Sector Skill Council of India ²	Marketplace Tech Infra Services Private Limited ³	CDSL Ventures Limited ⁴	CDSL Insurance Repository Limited ⁵	BSE Skills Ltd. ⁶	BIL-Ryerson Technology Startup Incubator Foundation ⁷	BSE CSR Integrated Foundation ⁸	India International Exchange (IFSC) Limited	India International Clearing Corporation (IFSC) Limited	CDSL Commodity Repository Limited ⁹
1	The date since when subsidiary was acquired	16-Jun-10	26-Apr-07	28-Sep-10	27-Feb-14	10-Sep-14	29-Sep-09	16-Sep-11	09-Feb-11	16-Jun-10	12-Jul-11	26-Mar-14	05-Nov-15	07-Mar-16	12-Sep-16	12-Sep-16	07-Mar-17
2	Share capital	10,450	35,400	5,000	10	260	500	205	1	450	3,000	5	1	5	5,500	6,000	3,005
3	Reserves & surplus	35,779	17,005	333	(5)	(53)	2,303	591	54	8,572	408	(5)	(7)	(2)	(1,203)	(512)	(52)
4	Total assets	51,705	1,77,114	6,564	6	220	3,697	988	147	9,232	3,486	4	456	3	6,009	6,448	3,031
5	Total liabilities	5,476	1,24,709	1,231	1	13	894	192	92	210	78	4	462	-	1,712	960	78
6	Investments	46,181	-	4,113	4	115	1,666	760	-	8,623	2,219	-	310	-	-	-	-
7	Turnover	15,522	8,797	1,890	-	11	3,798	283	447	2,968	272	-	118	305	-	-	-
8	Profit before taxation	9,184	6,208	(42)	(1)	(49)	269	18	33	2,349	176	5	(1)	(2)	(942)	(201)	(52)
9	Provision for taxation	2,399	560	15	-	-	11	-	14	599	-	-	-	-	-	-	-
10	Profit after taxation	6,785	5,648	(57)	(1)	(49)	258	18	19	1,750	176	5	(1)	(2)	(942)	(201)	(52)
11	Proposed dividend	3,135	1,542	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	% of shareholding	50.05%	100%	100%	100%	100%	100%	51.21%	100%	50.05%	50.05%	100%	51%	100%	100%	100%	50.05%
		India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India

1. BSE Investments Limited was incorporated on February 27, 2014 which is yet to commence operations.

2. 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.

3. Wholly owned subsidiary of Marketplace Technologies Private Limited

4. Wholly owned subsidiary of Central Depository Services (India) Limited

5. Subsidiary of Central Depository Services (India) Limited

6. BSE Skills Limited have filed Application to ROC for removing its name from register of companies and it is a wholly owned subsidiary of BSE Institute Limited.

7. 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.

8. BSE CSR Integrated Foundation is a Section 8 company under the Companies Act, 2013. Hence, the same has not been considered for consolidation. Additional 20% of share are held by Subsidiaries of BSE Limited.

9. Wholly owned subsidiary of Central Depository Services (India) Limited. Financial information provided above is unaudited, is yet to commence operations.

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-17
2	Date on which the Associate or Joint Venture was associated or acquired	30-Aug-13
3	Shares of Associate/Joint Ventures held by the company on the year end	
	a. No. of shares	5,000
	b. Amount of Investment in Associates/Joint Venture (₹)	1
	c. Extend of Holding %	50%
4	Description of how there is significant influence	50% Equity Shares Stake
5	Reason why the associate/joint venture is not consolidated	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (₹)	503
7	Profit / Loss for the year	
	i. Considered in Consolidation	213
	ii. Not Considered in Consolidation	Not Applicable

For and on behalf of the Board of Directors

Dhirendra Swarup
Chairman

Ashishkumar Chauhan
Managing Director & CEO

Date: August 03, 2017

Place: Mumbai

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

LISTING CEREMONIES 2016-17



Listing Ceremony of LUX Industries Limited on 5th January, 2016



Listing ceremony of Narayan Hrudayalaya Limited on 6th January, 2016



Listing Ceremony of K.P. Energy Limited on 25th February, 2016



Listing Ceremony of Infibeam Incorporation Limited on 4th April, 2016



Listing Ceremony of Nintec Systems Limited on 18th April, 2016



Listing Ceremony of Bajaj Healthcare Limited on 10th May, 2016

LISTING CEREMONIES 2016-17



Listing Ceremony of Equitas Holding Limited on 21st May, 2016



Listing ceremony of Parag Milk Foods Limited on 19th May, 2016



Listing Ceremony of Commercial Syn Bags Limited & Titanium Ten Enterprise Limited on 14th July, 2016



Listing Ceremony of Advance Enzyme Technologies Limited on 1st August, 2016



Listing Ceremony of S. P. Apparels Limited on 12th August, 2016



Listing Ceremony of Dilip Buildcon Limited on 11th August, 2016

LISTING CEREMONIES 2016-17



Listing Ceremony of GNA AXLES Limited on 26th September, 2016



Listing Ceremony of Narayani Steels Limited on 14th September, 2016



Listing Ceremony of Mewar Hi-Tech Engineering Limited on 17th October, 2016



Listing Ceremony of Aditya Consumers Marketing Limited on 17th October, 2016



Listing Ceremony of Endurance Technologies Limited on 19th October, 2016



Listing Ceremony of Sheela Foam Limited on 9th December, 2016

LISTING CEREMONIES 2016-17



Listing Ceremony of Aditya Visions Limited on 12th December, 2016



Listing Ceremony of Laurus Labs Limited on 19th December, 2016



Listing Ceremony of Octaware Technologies Limited on 28th March, 2017



Listing Ceremony of Chemcrux Enterprises Limited on 28th March, 2017



Listing Ceremony of Avenue Supermarts Limited on 21st March, 2017



Listing Ceremony of Music Broadcast Ltd 17th March, 2017



Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance and Corporate Affairs, Government of India ringing the bell along with Shri Sudhakar Rao, Former Chairman, BSE and Shri Ashishkumar Chauhan, MD & CEO, BSE at the Opening Bell Ceremony during his visit to BSE on 18th October, 2016.



Shri Ashish Kumar Chauhan, MD & CEO, BSE presenting a memento to H.E. Mr. Aleksandar Vučić, Prime Minister of Serbia on 12th January, 2017 at BSE.

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ROUTE MAP TO THE VENUE OF THE AGM



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BSE LIMITED

CIN: L67120MH2005PLC155188

Registered office: 25th Floor P.J Towers, Dalal Street, Mumbai 400 001

Tel: + 91 22 2272 1233/34; Fax: +91 22 2272 1003; Email: bse.shareholders@bseindia.com; Website: www.bseindia.com



ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Details of Shareholder:	
No. of Shares held: <input type="text"/>	Folio No: <input type="text"/>
Client ID No: <input type="text"/>	DP ID No. <input type="text"/>
Name(s) of the Shareholder(s)/ Proxy (IN BLOCK LETTERS)	
<input type="text"/>	
Address: <input type="text"/>	
<input type="text"/>	

I/We hereby record my/our presence at the Twelfth Annual General Meeting of BSE Limited held at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001 on Monday, September 4, 2017 at 11.30 am.

Signature of Shareholder / Proxy

Note: No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting.

BSE LIMITED

CIN: L67120MH2005PLC155188

Registered office: 25th Floor P.J Towers, Dalal Street, Mumbai 400 001

Tel: + 91 22 2272 1233/34; Fax: +91 22 2272 1003; Email: bse.shareholders@bseindia.com; Website: www.bseindia.com



PROXY FORM

(FORM NO. MGT-11)

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

Name of the Member (s) :	<input type="text"/>
Registered address:	<input type="text"/>
E-mail Id :	<input type="text"/>
Folio No/Client ID :	<input type="text"/>
DP ID :	<input type="text"/>

I /We, being the member(s) of BSE Limited holding _____ shares, hereby appoint:

- Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her
- Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her
- Name: _____ Address: _____
E-mail ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company, to be held on Monday, September 4, 2017 at 11.30 am. at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai-400001 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

Ordinary Business

1.	To receive, consider and adopt: a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Board of Directors and the Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.
2.	To declare final dividend of ₹ 23/- per equity share and to confirm the interim dividend of ₹ 5/- per equity share, already paid during the year, for the financial year ended March 31, 2017.
3.	To appoint a Director in place of Dr. Sriprakash Kothari (DIN:06824003), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India.
4.	To appoint Statutory Auditors and to fix their remuneration in place of retiring auditors.

Signed this _____ day of _____ 2017

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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



(L to R) Shri V. Balasubramaniam, MD & CEO, India International Exchange (India INX), Shri Piyush Goyal, Minister of State with Independent Charge for Power, Coal, New & Renewable Energy and Mines, Government of India, Shri Ashishkumar Chauhan, MD & CEO, BSE, Smt. Shehal Ambekar, Ex- Mayor Mumbai and Smt. Shaina NC, Fashion designer, Treasurer & BJP Spokesperson and other delegates flagging off the BSE Bull Run 2017 on 22nd January, 2017.



(CIN: L67120MH2005PLC155188)

25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001

Tel. : +91 22 2272 1233 / 34 Fax: +91 22 2272 1003

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