

**ANNUAL REPORT  
2017-18**

**BSE**  
EXPERIENCE THE NEW

**“AN OUNCE OF PRACTICE  
IS WORTH MORE THAN  
TONS OF PREACHING.”**

**- MAHATMA GANDHI**



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

## BOARD OF DIRECTORS

### Chairman

Shri S. Ravi (Public Interest Director)

### Managing Director & CEO

Shri Ashishkumar Chauhan

### Public Interest Directors

Justice Vikramajit Sen

Shri Sumit Bose

Shri S. S. Mundra

Shri David Wright

### Shareholder Directors

Dr. Sriprakash Kothari

Smt. Usha Sangwan

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

S. R. Batliboi & Co. 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](mailto:einward.ris@karvy.com)

Telephone No.: +91-040- 6716 2222

Fax. No.: +91 40 2342 0814

## REGISTERED OFFICE

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



## BOARD OF DIRECTORS



**Shri S. Ravi**  
Chairman & Public Interest Director



**Shri Ashishkumar Chauhan**  
Managing Director & CEO



**Justice Vikramajit Sen**  
Public Interest Director



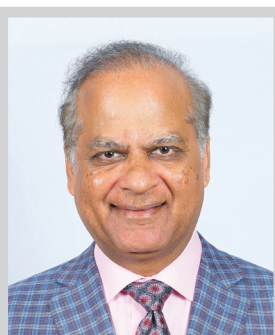
**Shri Sumit Bose**  
Public Interest Director



**Shri S. S. Mundra**  
Public Interest Director



**Shri David Wright**  
Public Interest Director



**Dr. Sriprakash Kothari**  
Shareholder Director



**Smt. Usha Sangwan**  
Shareholder Director



**Smt. Rajeshree Sabnavis**  
Shareholder Director



Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Rashed Abdul Karim Al Blooshi, CEO, Abu Dhabi Securities Exchange signing the MoU in presence of Hon'ble Prime Minister of India, Shri Narendra Modi and His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi on February 10, 2018.





Shri Ashishkumar Chauhan, MD & CEO, BSE along with Hon'ble Prime Minister of India, Shri Narendra Modi and other esteemed dignitaries at the UK CEO Meet on April 18, 2018.





Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri M Venkaiah Naidu, Hon'ble Vice-President of India during his visit to BSE on June 22, 2017.



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# Notice

**NOTICE** is hereby given that the Thirteenth Annual General Meeting of BSE Limited will be held on Thursday, August 2, 2018 at 11:00 a.m. at Sir Dinshaw Petit International Convention Hall, 1<sup>st</sup> 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, 2018, together with the Report of the Board of Directors and the Statutory Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Report of the Statutory Auditors thereon.
2. To declare final dividend of ₹ 31/- 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, 2018.
3. To appoint a Director in place of Smt. Usha Sangwan (DIN: 02609263), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment, subject to approval of Securities and Exchange Board of India.
4. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section(s) 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fourteenth AGM of the Company to be held in the year 2019 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**

Date : May 4, 2018  
Place : Mumbai

**Prajakta Powle**  
Company Secretary & Compliance Officer

## NOTES:

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

**THE DULY COMPLETED AND SIGNED INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the AGM, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.

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. Corporate Members intending to send their Authorised Representatives to attend and vote at the AGM are requested to ensure that the Authorised Representative carries a duly certified true copy of the board resolution, authorizing him/her to attend and vote at the AGM and any one of the photo identity proofs (viz. Aadhaar Card, 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. (Name of Person) or failing him/her, Mr./Ms. (Name of Person) be and is hereby authorised to act as the representative of (name of the Corporate Member) to attend the Thirteenth Annual General Meeting of BSE Limited to be held on Thursday, August 2, 2018 at Sir Dinshaw Petit International Conventional Hall, 1<sup>st</sup> 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 Thirteenth 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 such other valid authorization, may not be permitted to attend and/or vote at the Meeting.

3. Pursuant to the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder and Articles of Association of the Company, Smt. Usha Sangwan, Shareholder Director retires by rotation and being eligible, offers herself for re-appointment. A brief resume of Smt. Usha Sangwan along with nature of her expertise is provided as an Annexure to the Notice. **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.**
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank account details, 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.
5. 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 requests all its shareholders holding shares in physical mode to get their shares converted in dematerialized mode.

6. The Company has fixed Thursday, July 26, 2018 as the ‘Record date’ for the purpose of determining the member’s eligibility for final dividend, if declared at the AGM.
7. Members are informed that, in case of joint holders attending the AGM, 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.
8. 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, 2018, if declared at the Meeting.
9. Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), as amended from time to time, 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 FY 2009-10 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.

Please note that Company has already transferred shares in respect of which dividend remained unpaid/ unclaimed for the FY 2009-10. Due date for the shares in respect of which dividend remained unpaid/ unclaimed for the FY 2010-11, is August 31, 2018. The Company has sent individual letters and also published an advertisement in this regard. Furthermore, as per the Rules, such details are also made available on the website of the Company: <https://www.bseindia.com/static/about/dividend.aspx>

The Members/ claimants whose shares, unclaimed dividend, etc. have been transferred to the IEPF Authority may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [iepf.gov.in](http://iepf.gov.in)) as per the procedure prescribed in the IEPF Rules.

10. 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.
11. The physical copy of Annual Report 2017-18, the Notice of the AGM and instructions for e-voting, along with the attendance slip and proxy form, are being sent to those shareholders whose e-mail addresses are not registered with the Company and 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. All the above documents are also available on the website of the Company i.e. [www.bseindia.com](http://www.bseindia.com).
  12. To support the 'Green initiative', the Members who have not registered their e-mail addresses, are requested to register the same with their DPs to enable the Company to send communication electronically.
  13. 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 or RTA.
  14. 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 (i.e., except Saturdays, Sundays and Public Holidays) during business hours upto the date of the AGM. The aforesaid documents will also be available for inspection by members at the AGM.
  15. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
  16. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations 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 of the Company. Member holding share in electronic mode may contact their respective DPs for availing the nomination facility.
  17. 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 and DP ID or Folio No.
  18. Members/ proxies/ authorised representatives are requested to bring duly filled in attendance slip to the AGM.
  19. The term 'Members' has been used to denote Shareholders of BSE Limited.
  20. Mr. N. L. Bhatia, (FCS 1176/CP No. 422) Partner, Messrs. N L 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

21. 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. 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.
22. The instructions for shareholders voting electronically are as under:
  - i. The e-voting period commences on Monday, July 30, 2018 (9.00 a.m. IST) and ends on Wednesday, August 1, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, July 26, 2018 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](http://www.evotingindia.com)
  - iii. Click on Shareholders/ Members
  - 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](http://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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>

- 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 login 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. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. 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](http://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](mailto: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](mailto: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.

xx. 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](http://www.evotingindia.com) under help section or Contact: Mr. Rakesh Dalvi Telephone no.:1800225533 Email: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### VOTING AT THE AGM

23. Pursuant to the provisions of Rule 20 of Companies (Management and Administration) Rules 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015, the Company is also offering the facility for voting through ballot paper at the AGM.
24. 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 at the AGM through ballot paper.

### Other Instructions

- i. 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.
- ii. 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 48 hours 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.

- iii The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions.
- iv The results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company ([www.bseindia.com](http://www.bseindia.com)) and on the website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) within 48 hours from the conclusion of the AGM and the same shall also be simultaneously communicated to the National Stock Exchange of India Limited.

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

Date: May 4, 2018  
Place: Mumbai

**Prajakta Powle**  
Company Secretary & Compliance Officer

### Registered Office: BSE Limited

25<sup>th</sup> Floor, P J Towers, Dalal Street,  
Mumbai - 400 001  
Corporate Identification Number (CIN) - L67120MH2005PLC155188  
Tel: +91 22 22721233/34; Fax: +91 22 22721003  
Email: [bse.shareholders@bseindia.com](mailto:bse.shareholders@bseindia.com)  
Website: [www.bseindia.com](http://www.bseindia.com)

**Details of the Directors seeking re-appointment/ appointment/ variation in terms of remuneration at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings)**

Name of Director	Smt. Usha Sangwan
Designation	Shareholder Director
DIN	02609263
Date of Appointment	September 4, 2015
Item No.	3
Date of Birth (Age)	October 1, 1958 (59 years)
Brief Resume	<p>Mrs. Usha Sangwan, is the first ever woman Managing Director of Life Insurance Corporation of India. She is Post Graduate in Economics, Post Graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India. She joined LIC as Direct Recruit Officer in 1981.</p> <p>Mrs. Sangwan is the Whole Time Director of LIC of India, Board Member of General Insurance Corporation of India, LIC Housing Finance Ltd., Axis Bank, Ambuja Cements Ltd. and Bombay Stock Exchange Ltd., Board Member of LIC (International) BSC © Bahrain, Kenindia Assurance Co. Ltd., LIC Card Services Ltd., Member of Governing Council of National Insurance Academy, Member on the Board of Education of Insurance Institute of India.</p> <p>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, she has experience in Marketing and Product Development, Investments (Operations, Monitoring &amp; Accounting, Risk Management &amp; Research), Personnel, Product Development, Information Technology, Customer Relationship management, HRD/OD, Training, Direct Marketing, Corporate Communication, Corporate Planning, Board Sectt., Estate Management, Engineering, Finance &amp; Accounts, Marketing-all Channels, Group Business, New Business &amp; Reinsurance, Actuarial, Social Media Management, International Operations, Legal, RTI, Audit, Inspection and Mission office for digital India.</p> <p>Her expertise lies in analytics, strategy, execution, people skill, customer centricity, use of technology particularly in marketing and servicing and setting up of systems.</p> <p>She had started Direct Marketing Channel in LIC alongwith online sale of policies. She also brought LIC into Social Media. Today LIC has a Fanbase of 65.82 lakh on its official Facebook page.</p> <p>She institutionalized many Corporate Communication activities like LIC Student of the Year, Mobile Van, College Campus and Rozgar Melas.</p> <p>She has taken many new initiatives in Marketing like Super-30 to create Role Model agents in every Branch through mentoring process. She has also brought Mobile App for LIC Customers and agents, thus using latest technology for customer service and intermediary efficiency. In servicing, she introduced SMS based Helpline to assure anytime, anywhere accessibility to Customer.</p> <p><b>Awards</b></p> <ul style="list-style-type: none"> <li>▪ She has been featured in Forbes List of 50 most powerful Business Women in Asia in 2015</li> <li>▪ "Most Powerful Women in Indian Business" by Business Today in 2016</li> <li>▪ She is also featured in Femina – Most powerful women in India</li> <li>▪ Featured on cover page of Bureaucracy Today</li> <li>▪ Featured in Business World as "Most Influential Women" in 2016</li> <li>▪ Management Woman Achiever of the Year 2015-16 by Bombay Management Association</li> <li>▪ "Women Leadership Award" in BFSI sector by Institute of Public Enterprise</li> <li>▪ "Brand Slam Leadership Award" by CMO Asia</li> <li>▪ "Women Leadership Role Model" by Top Rankers Management Consultants</li> <li>▪ "CEO with HR Orientation Award" by Global HR Excellence arranged by Chartered Institute of Management Accountants</li> <li>▪ Also felicitated by Free Press Journal, Colors TV and Doordarshan for Women in Leadership Role</li> </ul>
Expertise in specific functional area	Analytics, Strategy, Execution, People skills and use of technology particularly in marketing and servicing and setting up of systems.



Qualifications	Post Graduate in Economics and Post Graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India
Remuneration last drawn*	₹ 4,00,000 <sup>#</sup>
Terms and Conditions of appointment/ re-appointment	Liable to retire by rotation
Number of Meetings of the Board attended during the year	3 (Three)
Directorships held in other Company	<ul style="list-style-type: none"> <li>• Axis Bank Limited</li> <li>• LIC Housing Finance Limited</li> <li>• Ambuja Cements Limited</li> <li>• LIC Cards Services Limited</li> <li>• General Insurance Corporation of India Limited</li> </ul>
Committee position held in other Companies (Including BSE Limited) **	<b>BSE Limited</b> <ul style="list-style-type: none"> <li>• Stakeholder Relationship Committee/ Share Allotment Committee</li> </ul> <b>General Insurance Corporation of India Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Stakeholder Relationship Committee</li> </ul>
Relationship with other directors	Nil
No. of equity shares held in the Company	Nil

\* Paid to Life Insurance Corporation ("LIC"), for the meeting attended by Smt. Usha Sangwan, as representative of Life Insurance Corporation.

\*\* (Chairmanship and membership of Audit Committee and Shareholders' Relationship Committee have been considered).

# ₹ 4,00,000/- was paid in FY 2018-19.

# Directors' Report

## To the Members,

The Directors present the Thirteenth Annual Report of BSE Limited ("the Company") along with the audited financial statements for the Financial Year (FY) ended March 31, 2018.

## FINANCIAL SUMMARY/ HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

The financial performance of the Company for the year ended March 31, 2018 is summarized below:

(₹ in Lakh)

PARTICULARS	Standalone		Consolidated	
	FY 2017-18 (FY18)	FY 2016-17 (FY17)	FY 2017-18 (FY18)	FY 2016-17 (FY17)
Total Revenue	65,107	55,099	69,892	61,828
Total Expenses	35,254	35,137	42,346	40,939
<b>Profit before exceptional items &amp; tax</b>	<b>29,853</b>	<b>19,962</b>	<b>27,546</b>	<b>20,889</b>
Exceptional items	31,556	364	(260)	(2,079)
<b>Profit before tax and share of net profits of investments accounted for using equity method</b>	<b>61,409</b>	<b>20,326</b>	<b>27,286</b>	<b>18,810</b>
Share of net profits of investments accounted for using equity method	-	-	1,990	107
<b>Profit before tax</b>	<b>61,409</b>	<b>20,326</b>	<b>29,276</b>	<b>18,917</b>
Tax Expenses	5,014	462	5,545	1,066
<b>Net Profit for the year from continuing operation</b>	<b>56,395</b>	<b>19,864</b>	<b>23,731</b>	<b>17,851</b>
Net Profit for the year from discontinued operation	-	-	48,722	8,658
<b>Net Profit for the year from total operation</b>	<b>56,395</b>	<b>19,864</b>	<b>72,453</b>	<b>26,509</b>
Net Profit attributable to the shareholders of the Company	56,395	19,864	71,128	22,057
Net Profit attributable to the non-controlling interest	-	-	1,325	4,452
<b>Other comprehensive income</b>	<b>(68)</b>	<b>(12)</b>	<b>13</b>	<b>(642)</b>
<b>Total comprehensive income for the year from total operation</b>	<b>56,327</b>	<b>19,852</b>	<b>72,466</b>	<b>25,867</b>
Total comprehensive income attributable to the shareholders of the Company	56,327	19,852	71,141	21,431
Total comprehensive income attributable to the non-controlling interest	-	-	1,325	4,436
Basic and diluted EPS before exceptional items (₹) – Continuing Operations	45.51	34.40	43.82	35.19
Basic and diluted EPS after exceptional item (₹) – Continuing Operations	103.40	36.39	43.51	32.70
Basic and diluted EPS after exceptional item (₹) – Total Operations	103.40	36.39	130.41	40.41

## COMPANY PERFORMANCE

### Consolidated Results

The total income of the Company during FY 2017-18 on a consolidated basis was ₹ 69,892 Lakh reflecting an increase of ₹ 8,064 Lakh (13%) over previous Financial Year. The total expenses for the year were higher by ₹ 1,407 Lakh (3%) at ₹ 42,346 Lakh.

During FY 2017-18, the income was higher mainly due to increase in Transaction Charges (up by 29%) and Listing Fees (up by 29%) earned

by the Company. Increase in expenses are mainly due to increase in Computer Technology Related Expenses (up by 15%), Regulatory and CSR related expenses (up by 34%) and Building repairs & maintenance expenses (up by 107%).

The Company partially divested its stake to 24% from 50.05% in Central Depository Services (India) Limited ("CDSL"), an erstwhile subsidiary company, on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Dr. Mohan Bhagwat, Sarsangchalak, Rashtriya Swayamsevak Sangh during the event 'Nationalism and Ethical Practices in Business' at BSE on January 25, 2018.

in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 Lakh has been credited to the statement of consolidated financial results during the year ended March 31, 2018. The residual equity stake retained in CDSL is now considered as an investment in an associate.

The net profit after tax from all operations was higher by ₹ 45,944 Lakh (up by 173%) to ₹ 72,453 Lakh as against ₹ 26,509 Lakh in the previous Financial Year and Net Profit attributable to the shareholder of the Company for the Financial Year was higher by ₹ 49,071 Lakh (up by 222%) to ₹ 71,128 Lakh as against ₹ 22,057 Lakh in the previous Financial Year.

### Standalone Results

The total income of the Company during the Financial Year 2017-18 on a standalone basis was ₹ 65,107 Lakh reflecting an increase of ₹ 10,008 Lakh (up by 18%) over previous Financial Year. The total expenses for the year were marginally higher by ₹ 117 Lakh at ₹ 35,254 Lakh.

During the Financial Year, the income was higher mainly due to increase in transaction charges (up by 29%) and Listing Fees (up by 28%) earned by the Company. Increase in expenses are mainly due to increase in Computer Technology Related Expenses (up by 8%), Regulatory and CSR related expenses (up by 25%) and Building repairs & maintenance expenses (up by 107%).

The Company has partially divested its stake in CDSL, an erstwhile subsidiary company, on June 29, 2017. The profit on divestment amounting to ₹ 31,603 Lakh is reflected as an "Exceptional Item" in the Statement of Standalone Financial Results during the year ended March 31, 2018.

The net profit after tax was higher by ₹ 36,531 Lakh (up by 184%) to ₹ 56,395 Lakh as against ₹ 19,864 Lakh in the previous Financial Year.

### Buyback of Equity Shares

The Board of Directors of the Company, at its meeting held on January 15, 2018, inter-alia, has approved the buyback of 15,09,090 (Fifteen Lakh Nine Thousand Ninety Only) or more fully paid-up equity shares of face value of ₹ 2/- each from the shareholders/ beneficial owners of the Company, at a price not exceeding ₹ 1,100 (Rupees One Thousand and One Hundred Only) per equity share payable in cash for an aggregate amount not exceeding ₹ 16,600 Lakh, from the open market through stock exchange mechanism excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. This is in accordance with the provisions of the Companies Act, 2013 (the Act), and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, and other applicable laws and regulations.

Pursuant to the same, the Company bought back 5,48,640 equity shares upto March 31, 2018, of which 5,02,920 equity shares were extinguished as at March 31, 2018. In line with the requirement of the Companies Act 2013, an amount of ₹ 4,487 Lakh has been utilized from the securities premium account and capital redemption reserve of ₹ 10 Lakh (representing the nominal value of the shares bought back and extinguished) has been created out of retained earnings on account of the buyback of shares.

### Appropriations

#### Dividend

The Board of Directors of the Company, in its meeting held on May 4, 2018, has recommended a final dividend of ₹ 31 per equity share of the face value of ₹ 2/- each fully paid up for the Financial Year ended March 31, 2018 subject to the approval of the shareholders at the Thirteenth Annual General Meeting taking the total dividend for the Financial Year ended March 31, 2018 to ₹ 36 per equity share of the face value of ₹ 2/- each fully paid up after considering the interim dividend of ₹ 5 per equity share of the face value of ₹ 2/- each fully paid up in the month of February 2018.

The final dividend, if approved, would result in a cash outflow of approximately ₹ 20,196 Lakh, including corporate dividend distribution tax. The total dividend on equity shares including dividend tax for FY 2017-18 would aggregate to ₹ 23,481 Lakh, resulting in a payout of 95% of the standalone profits of the Company subject to the number of shares bought back by the Company till March 31, 2018.

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, 2018. Meanwhile, all corporate benefits including dividend as may be declared by the Company from



time to time are being provided for and would be payable on the allotment of these shares.

### Transfer to Reserves

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

## BUSINESS PERFORMANCE OVERVIEW

### Economic Environment – Global Outlook

The global economy has experienced a cyclical recovery on the back of rebound in investment, manufacturing activity and trade. This economic improvement comes against the framework of benign global financing conditions, largely accommodative policies, rising consumer and business confidence, and firming commodity prices.

Towards the end of CY 2016, global economic activity began to see a modest pickup, which extended into CY 2017. According to the “World Economic Situation and Prospects by United Nations (UN)”, global economic growth was estimated to have reached 3.0% when calculated at market exchange rates, or 3.6% when adjusted for purchasing power parities in 2017— the highest growth rate since CY 2011. All major developed economies experienced a synchronized upturn in growth. Compared to CY 2016, growth strengthened in almost two thirds of countries worldwide in CY 2017<sup>1</sup>.

World industrial production accelerated in tandem with a recovery in global trade that has been predominantly driven by strong import demand from East Asia. In CY 2017, East Asia and South Asia accounted for nearly half of global growth, as both regions continued to expand at a rapid pace. Confidence and economic sentiment indicators have also generally strengthened, especially in developed economies. In developed economies, investment conditions have improved amid stable financial markets, strong credit growth, and a more solid macroeconomic outlook. However, developing economies remained the main drivers of global growth.

At the global level, Gross Domestic Product (GDP) was forecasted to expand at a steady pace of 3% in CY 2018 and CY 2019. The acceleration in GDP growth in CY 2017 from a low of 2.4% in CY 2016, lowest since the ‘2008 financial crisis,’ stems predominantly from firmer growth in several developed economies. Cyclical improvements in Argentina, Brazil, Nigeria and the Russian Federation explain roughly a third of the rise in the rate of global growth in CY 2017. The composition of global demand has shifted more towards investment in CY 2017. Gross fixed capital formation accounted for roughly 60% of the acceleration in global economic activity in CY 2017.

Global trade rebounded in CY 2017. The synchronized growth among both developed and developing countries boosted global exports and imports. In CY 2017, world merchandise trade grew at its fastest pace since the ‘2008 financial crisis’. The rebound springs predominantly

from stronger import demand in East Asia, as domestic demand picked up in the region, supported by accommodative policy measures. In several developed economies, imports of capital goods have rebounded, as firms respond to improving conditions for investment. Recent course adjustments in major trade relationships, such as the United Kingdom (UK) decision to withdraw from the European Union (EU) and the United States of America (US) decisions to renegotiate the North American Free Trade Agreement (NAFTA) and to reassess the terms of its other existing trade agreements, have raised concerns over a potential escalation in trade barriers and disputes. An increasingly restrictive trade environment may hinder medium-term growth prospects, given the mutually reinforcing linkages between trade, investment and productivity growth.

Commodity prices play a key role in the economic dynamics of the majority of countries in Africa, South America and Western Asia. Some developed economies such as Australia and Canada, as well as many economies in transition, are also very sensitive to commodity prices. Strong consumption demand is expected from China, the US and India — the world’s three largest energy consumers. Crude oil prices (Brent) averaged USD 52.5 per barrel in CY 2017 and expected to average USD 55.4 per barrel in CY 2018. Compared to 2011–2014 period, oil price levels have roughly halved in CY 2017.

Global financial conditions improved in CY 2017, supported by improved outlook in the world economy and expectations for a smooth and gradual monetary policy transition in the US. Furthermore, international bank lending has also shown signs of recovery, while stock markets have registered large gains, not only in developed countries — climbing to record highs in some cases — but also in several emerging economies. The improving global financial and liquidity environment, coupled with the ongoing pickup in global trade, aided the recovery of investment and supporting global growth.



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Government of India during the Listing Ceremony of Cochin Shipyard on August 11, 2017.

<sup>1</sup> Source: World Economic Situation and Prospects 2018 by UN



(L-R) Shri V. Balasubramaniam, MD & CEO, India International Exchange; Shri Ajay Pandey, MD & Group CEO, GIFT City; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Piyush Goyal, Hon'ble Minister of Railways and Coal, Government of India; Shri B N Mohaptra, Chairman, IRFC; Shri S Ravi, Chairman, BSE; Shri Praveen Garg, Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India and Shri S K Pattanayak, MD, IRFC during the Launch of IRFC Green Bond on January 13, 2018.

The recovery in capital inflows in emerging economies throughout CY 2017 had been driven by portfolio flows, particularly debt flows. The “search for yield” boosted portfolio flows, which were likely to touch USD 350 billion in CY 2017, after posting only USD 163 billion in CY 2016. Sizeable inflows into emerging markets have led to strong gains in the Emerging Market Bond Index (EMBI) in CY 2017. Bonds issuances also gained momentum in China, Colombia, India, Indonesia, Mexico and Turkey, while issuance of sovereign bonds in crude oil-exporting and low-income countries also increased in CY 2017.

### Recent Developments in Key Economies

Growth in the US reached 2.3% in CY 2017 supported by an improvement in business investment. This marks a significant improvement compared to the 1.5% growth recorded in CY 2016. The acceleration largely stems from shifting dynamics in business investment and net trade. While the US's proposed infrastructure plan to support USD 1 trillion in infrastructure investment has not yet gained traction, a recovery in external demand coupled with expectations for stable domestic growth will continue to support moderate investment growth in 2018. Planned cuts to corporate tax may also encourage investment. The growth forecast is expected to expand at a steady pace of 2.9% and 2.7% in CY 2018 and CY 2019 respectively.

In Asia, China's growth is expected to remain solid, underpinned by favorable domestic demand and accommodative fiscal measures. Amid ongoing economic rebalancing efforts, growth is expected to moderate at a gradual pace from 6.9% in CY 2017 to 6.6% in CY 2018 and 6.4% in CY 2019. In CY 2017, the Chinese economy expanded at a faster pace compared to the previous year, marking the first acceleration in growth since CY 2010. The stronger than expected growth was in part attributed to the implementation of fiscal

policy stimulus measures, including higher infrastructure spending. Private consumption remained the main driver of growth, as reflected in the continued strong increase in sales of consumer goods in CY 2017. Looking ahead, household spending in China was expected to remain robust, supported by healthy wage growth, rising disposable income and steady job creation.

Economic growth in Japan accelerated to unexpectedly high levels in CY 2017, with GDP growth reached an estimated 1.7%. The robust economic growth was prompted by the continuously accommodative macroeconomic policy stance, and was led by a rapid expansion of domestic demand. Steady external demand growth from Asia and North America also contributed to the growth. The present momentum is expected to taper off in CY 2018 and CY 2019, as the impact from fiscal stimulus measures ease, with GDP forecast to grow by 1.2% in CY 2018 and 0.9% in CY 2019.

Economic activity in Europe remained robust, with real GDP growth forecast to reach 2.4% in CY 2018, up from 2.3% in CY 2017. The European Central Bank (ECB) decision to taper the pace of its asset purchases and eventually cease expansion of its balance sheet will have some dampening effect, contributing to a slight downturn in growth projections to 2.0% in CY 2019. This overall solid aggregate growth trajectory in Europe encompasses several economies with markedly higher growth rates. For instance, economic growth in the EU members from Eastern Europe and the Baltic States continued to outpace the EU average, thanks to capital accumulation and productivity gains. The aggregate GDP of these group known as EU-13 countries expanded by 4.2% in CY 2017 and is estimated to expand by 3.6% in CY 2018 and 3.5% in CY 2019. The expansion in the EU-13 in CY 2017 has been largely driven by the robust export performance of the manufacturing sector in Eastern Europe, and also a recovery of investment following the earlier slump in CY 2015 and CY 2016 that was related to the interval between EU funding cycles.

In the UK, growth is expected to decelerate to 1.6% and 1.5% in CY 2018 and CY 2019 respectively, as the economy will face increasing pressure from the effects of the decision to leave the EU. The weaker pound sterling has contributed to the rise in import cost pressures while taming domestic demand in the UK. At the same time, business investment is suffering from significant uncertainty regarding the future framework for the economic relations of the UK with the EU and the rest of the world.

In CY 2017, African economies expanded by 2.6%, following growth of 1.7% in CY 2016. The recovery was supported by economic improvement in large crude oil exporting economies such as Angola and Nigeria, and by Morocco where the agricultural sector recovered from a devastating drought in CY 2016. Africa's economic growth is projected to grow at 3.5% in CY 2018 and 3.7% in CY 2019. The projected modest improvement in growth is underpinned by strengthening external demand and a moderate increase in commodity prices.

## India Economic Environment

### Economic performance in Financial Year ("FY") 2017-18

In India, growth of GDP moderated in FY 2017-18 as compared to FY 2016-17 owing to businesses' adjustment to the newly introduced Goods and Services Tax (GST). Fiscal trends remained attuned to the consolidation plans and inflation remained within the comfort levels. There was increase in global confidence in Indian economy as well as an improvement in ease of doing business ranking in the year. Several economic reforms were undertaken during the year that include implementation of GST, Public Sector Undertaking (PSU) bank recapitalization program, infrastructure status to affordable housing thereby giving a fillip to infrastructure development, larger allocation of funds for highway construction and added focus on coastal connectivity. Apart from these reforms, other initiatives to boost the country's economy include lower income tax for companies with annual turnover upto ₹ 50 Crore; allowing carry-forward of MAT credit upto a period of 15 years instead of 10 years at present; additional measures to improve the ease of doing business ranking; and thrust to digital economy.

According to provisional estimates of Annual National Income FY 2017-18 released by the Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, India continued its economic growth in the fourth quarter of FY 2017-18, growing at 7.7% on an annualized basis, underlining its position as the world's fastest growing major economy. India's economy expanded at its fastest pace since December 2016 as government spending continues to drive the recovery. Rapid growth in agriculture (4.5%), manufacturing (9.1%) and construction sectors (11.5%) in the Financial Year contributed to the overall growth.

In FY 2017-18 India's GDP grew by an estimated 6.7% in FY 2017-18 as compared to the growth rate of 7.1% in FY 2016-17. Further, GDP at constant (2011-12) prices for FY 2017-18 is estimated at ₹ 130.11 Lakh Crore, as against ₹ 121.96 Lakh Crore for FY 2016-17. In FY 2017-18, India's GDP growth displayed a steady growth, rebounding to 7.7%, 7.0% and 6.3% in the fourth, third and second quarter respectively from 5.5% in the first quarter after initial hiccups associated with the roll-out of the GST.

Real Gross Value Added (GVA) i.e., GVA at basic constant (2011-12) prices for the year FY 2017-18 estimated at ₹ 119.76 Lakh Crores showing a growth rate of 6.5% over the year 2016-17 of ₹ 112.48 Lakh Crore. The sectors which registered growth rate of over 7.0% are 'public administration, defense and other services' (10.0%), 'trade, hotels, transport, communication and services related to broadcasting' (8.0%), and 'electricity, gas, water supply & other utility services (7.2%)'. The growth in the 'agriculture, forestry and fishing', 'mining & quarrying', 'manufacturing', 'construction', and 'financial, real estate and professional services' estimated to be 3.4%, 2.9%, 5.7%, 5.7% and 6.6%, respectively.

According to the provisional estimates, agriculture, forestry and fishing sector grew at a rate of 3.4% in its GVA in FY 2017-18, as against the previous year's growth rate of 6.3%. Similarly, growth in the mining and quarrying sector estimated to be 2.9% in FY 2017-18 as compared to growth of 13% in the previous year. The key indicators of mining sector, namely, production of coal, crude oil and natural gas registered growth rates of 2.5%, -0.9% and 3.4% respectively in FY 2017-18 as compared to 2.3%, -3.2% and -3.3% during the same period in FY 2016-17. IIP mining grew by 2.3% in FY 2017-18 as against 5.3% in the same period in FY 2016-17.

The growth in GVA at basic prices for FY 2017-18 from 'manufacturing' sector is estimated to be 5.7% as compared to growth of 7.9% in FY 2016-17. The private corporate sector growth (having a share of around 70% in the manufacturing sector) was at 9.0% at current prices in FY 2017-18. Growth in GVA at basic prices for FY 2017-18 from 'Electricity, gas, water supply and other utility services' sector was estimated at 7.2% as compared 9.2% in FY 2016-17. The key indicator of this sector, namely, IIP of Electricity registered a growth rate of 5.4% in FY 2017-18 as compared to growth of 6.3% during the same period in FY 2016-17.

In FY 2017-18, the growth of construction sector was estimated at 5.7% as compared to growth of 1.3% in FY 2016-17. Key indicators of construction sector, i.e. the production of cement and consumption of finished steel registered growth rates of 6.3% and 7.8% respectively, in FY 2017-18 as compared to -1.2% and 3.1% respectively during the same period in FY 2016-17.

Growth in services relating to trade, hotels, transport, communication and broadcasting was estimated at 8.0% in FY 2017-18 as compared to growth of 7.2% in FY 2016-17. With introduction of GST, sales tax data is now subsumed under GST. Therefore, a comparable estimate of turnover based on sales tax has been estimated. Growth



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Piyush Goyal, Hon'ble Minister of Railways and Coal, Government of India at the 8<sup>th</sup> Anniversary of Moneylife Foundation 'How transforming the railways can boost our economy' at BSE on January 13, 2018.





Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Piyush Goyal, Hon'ble Minister of Railways and Coal, Government of India in presence of Shri Praveen Garg, Joint Secretary of Department of Economic Affairs for Ministry of Finance, Government of India during the Launch of IRFC Green Bond on January 13, 2018.

in financial, insurance, real estate and professional services was estimated at 6.6% in FY 2017-18 as compared to 6.0% in FY 2016-17. Finally growth in public administration, defense and other services was estimated at 10.0% in FY 2017-18 as compared to 10.7% in FY 2016-17.

Gross Fixed Capital Formation (GFCF) at current prices was estimated at ₹ 47.79 Lakh Crore in FY 2017-18 as against ₹ 43.52 Lakh Crore in FY 2016-17. In terms of GDP, the rates of GFCF at current and constant (2011-12) prices during FY 2017-18 are estimated at 28.5% and 31.4% respectively, as against the corresponding rates of 28.5% and 31.1% respectively in FY 2016-17. The GFCF expected to register growth rate of 9.7% at current prices and 7.6% at constant prices for FY 2017-18.

Controlling inflation has been a priority area for the Government. According to the Economic Survey for FY 2017-18, Consumer Price Index (CPI) based headline inflation, factored in by the Reserve Bank of India (RBI) while arriving at its bi-monthly monetary policy, averaged 3.3% during the period, which "is the lowest" in the last six Financial Years. As per the economic survey, headline inflation has been below 4% for 12 straight months from November 2016 to October 2017. The survey noted that the economy has "witnessed a gradual transition" from a period of high and variable inflation to more stable prices in the last four years.

According to the RBI, the Banking Stability Indicator (BSI) shows that the risks to the banking sector remain at an elevated level weighed down by further asset quality deterioration. Credit growth of Scheduled Commercial Banks (SCBs) showed an improvement between March and September 2017, while Public Sector Banks (PSBs) continued to lag behind their private sector peer. The Gross Non-Performing Advances (GNPA) ratio of SCBs increased from 9.6% to 10.2% between March and September 2017, and estimated to reach 10.8% by March 2018 and further to 11.1% by September 2018, according

to RBI's Financial Stability Report. The NPA ratio, which averaged around 11-12% in the first three quarters of FY 2017-18, increased to almost 13.5% in the fourth quarter, thereby making banks to scale up provisioning and write-off bad debts from their balance sheet. However, RBI believes that stress in the banking sector may be bottoming out. The report also stated that credit growth of scheduled commercial banks has shown an improvement by growing at 10.32% (Y-o-Y) for the fortnight ended March 30, 2018.

The GDP growth at 7.7% in Q4 FY 2017-18 displayed strong signs of growth and revival of economic activity. GVA increased by 7.6% at constant prices in Q4 compared to 6.6% in Q3. Much of the growth was due to government expenditure—the "public administration, defense and other services" sector. The government's push to growth was also seen in the GDP figures on the expenditure side, with Government Final Consumption Expenditure going up by a massive 16.8% (Y-o-Y). The stand out numbers in the Q4 GVA numbers is that the "Trade, hotels, transport and communication etc." sector and the "financial, real estate and professional services" sector both saw lower growth in the Q4, despite a favorable base effect. The good news is industrial sector, which is at long last seeing a recovery, with growth in manufacturing, mining, and electricity and other utilities picking up. This is buttressed by the expenditure side figures for gross capital formation, which show a jump in growth to 14.4% (Y-o-Y). Investment demand is growing rapidly, although a large chunk of that is driven by government spending.

Though the situation has shown improvement since the first quarter of FY 2017-18, the overall investment climate remains challenging. The positive signals of improvement - 'the decline in number and cost of stalled projects', 'the efforts to improve the quality of government expenditure', 'ease of doing business ranking', 'India's sovereign rating upgrade by Moody's' and the 'bank recapitalization announcement' are expected to provide impetus to investment sentiments in the coming years.

### Economic Prospects for FY 2018-19

Stable macro-economic indicators, structural reforms, improving business climate, thrust on infrastructure development, and liberal FDI regime have resulted in high foreign capital inflows and provided the needed impetus to make India a favored investment destination. India's GDP is expected to rise to 7.4% in FY 2018-19, 7.8% in both FY 2019-20 and FY 2020-21, cementing its place as the world's fastest growing major economy<sup>2</sup>. Implementation of GST is expected to positively contribute to economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems and expanding the tax base by bringing more informal activity into the formal sector. India continues to move towards the path of macro-economic stability, as evidenced by the improving inflation and fiscal deficit. Retail inflation averaged at 3.4% for the FY 2018 period, lower than 4.5% for the same period last year.

The economic reforms undertaken in FY 2017-18 expected to strengthen growth momentum. Going ahead, growth in India is projected to continue at a steady pace and expected to hover over

<sup>2</sup> "KPMG – India Soars High" – April 2018

7%. A pickup in growth is expected in FY 2018-19, primarily due to restructured bank balance sheets and efficiency gains from the new tax regime. According to the Organization for Economic Co-operation and Development (OECD), the GDP growth of India is expected to average about 7.3% between FY 2018-19 and FY 2022-23, from 6.8% average registered for the period from FY 2011-12 to FY 2015-16, due to structural reforms. Economic growth is expected to draw support from the steady expansion of private consumption and investments following foreign ownership liberalization in some industries. Increase in planned government spending is expected to further boost the economic growth rate. However, increase in NPAs of banks and contingent liability may dampen the growth.

The proportion of government spending to GDP, which stands at 11% for FY 2017-18, may increase in the coming years in light of the planned fiscal expansion. The public investment share is expected to mirror the trend. In FY 2018-19, the sectors, which are likely to register growth rate of over 7% are 'public administration, defense and other services', trade, hotels, transport, communication and services related to broadcasting', 'electricity, gas, water supply and other utility services' and 'financial, real estate and professional services'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'manufacturing', and 'construction' is estimated to be 3%, 3%, 5.1% and 4.3% respectively.

In the long run, the GST is expected to boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Indicators of rural consumption, such as two-wheelers sales, have bounced-back, also aided by higher crop production and higher rural wages. Increase in wages, pensions and various allowances for public servants would also boost private consumption, especially in urban areas. Investment will be further supported by the plan to recapitalize public banks.

With GDP growth of 6.3% in the Q2 FY 2017-18, which was an uptick after five consecutive quarters of declining growth, and GDP growth of 7.0% and 7.7% for Q3 and Q4 respectively thereafter, exports surging to a six year high of 9.8% (Y-o-Y) in March 2018, all time high forex reserves of more than USD 400 billion and sharp jump in FDI inflows during FY 2017-18 indicates structural drivers of the Indian economy remain strong going forward. Strong growth in the industrial economies coupled with measures to improve the ease of doing business will help exports grow at a faster pace in FY 2018-19. Government's efforts and measures to liberalize foreign ownership caps and improving country's competitiveness is expected to foster a conducive climate for investment in India.

## CAPITAL MARKETS

### Overview

BSE is the world's fastest Stock Exchange and the largest stock exchange in terms of number of companies listed. As of March 31, 2018, BSE was ranked #2 in currency options traded, #4 in currency futures traded, and #9 by market capitalization among global stock exchanges.

### Primary Market

The total number of companies listed on BSE as on March 31, 2018 was 5,619 as compared to 5,834 as on March 31, 2017.

During FY 2017-18, 40 companies tapped the capital market through the IPO process to get listed on the Mainboard of BSE. The amount raised through Mainboard IPOs in FY 2017-18 was ₹ 75,796.52 Crore as against ₹ 27,156.56 Crore in FY 2016-17.

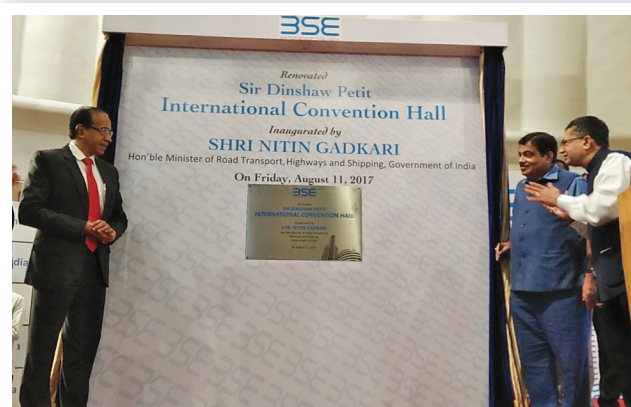
In addition to 40 IPOs on the Mainboard, another 60 companies raised ₹ 700.32 Crores through the Small and Medium-sized Enterprises ("SME") IPO process in FY 2017-18. Further, one SME listed company raised ₹ 12.60 Crore through FPO. During FY 2017-18, 2 initial public Issues of Infrastructure Investment Trusts (InvITs) came to the market and raised ₹ 7,282.85 Crore.

The total amount mobilized through Privately Placed Debt Instruments ("PPDI") at BSE in FY 2017-18 was ₹ 4,28,312 Crore as against ₹ 4,20,995 Crore in FY 2016-17. During FY 2017-18, there were 8 public issues of bonds, which mobilized ₹ 5,172.56 Crore as against ₹ 29,547.15 Crore in the FY 2016-17. Out of these 8 public issues, 5 issues (63%) were exclusively listed on BSE and the average bids garnered through BSE's Internet based Book Building software ("iBBS") platform for these debt public issuances was 97%.

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 FY 2017-18, 82 issuers with 530 issues of bonds have successfully raised ₹ 2,08,906 Crore using BSE BOND platform.

### Mutual Fund Segment

BSE StAR MF platform has become the largest mutual fund distribution Infrastructure with more than 25% of market share in New Inflows in mutual funds Industry. In Financial Year 2017-18, BSE StAR MF processed over 1.75 Crore transactions amounting to ₹ 1,18,112 Crore. The BSE StAR MF exchange Infrastructure is predominantly catering to retail category of mutual funds Industry i.e. 99.73% in terms of transactions and over 76% in terms of value of transactions.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Government of India unveiling the 'Renovated Sir Dinshaw Petit International Convention Hall' on August 11, 2017.

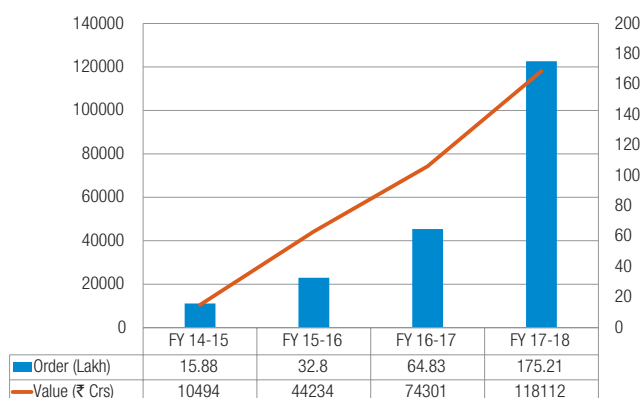


Shri Nitin Gadkari, Hon'ble Minister of Road Transport, Highways and Shipping and Water Resources, River Development & Ganga Rejuvenation, Government of India along with Shri Ashishkumar Chauhan, MD & CEO, BSE and other dignitaries posing with the Bull on August 11, 2017.

BSE StAR MF is now adding over 1,000 members per month and has more than 200,000 Independent Financial Advisors (IFAs), brokers, broker branches and associates on its Network in over 3,000 cities and towns across India. Almost all the top distributors of mutual funds are part of BSE StAR MF family now.

**37 AMCs** accounting for more than 99.99 % of total assets under management in Indian Mutual Fund Industry have agreed to pay a service charge per transaction processed at BSE's MF platform and this will allow BSE additional resources to provide even better services to all investors in mutual funds bringing further automation and certainty to the mutual funds investment process in India.

GROWTH – YoY



#### Innovations and unique features of BSE StAR MF

- The technology Infrastructure created a super highway, which has eliminated the barrier to expand mutual funds distribution for traditional distributors as well as new age e-commerce Network of 2,00,000 IFAs, brokers, broker branches and associates on its network in over 3,000 towns across India.

- Only Infrastructure in Indian Mutual Funds Industry that supports all modes and type such as: Regular as well as Direct mutual funds schemes, Demat as well as Non demat mode of holding of mutual funds units, Funds and Mutual Funds units Settlement via Broker Pool (Mutual Funds Intermediary (MFI)) as well as Direct with Investors for Mutual Funds Distributors (MFD)/ Registered Investment Advisers (RIA).
- 24X7 order acceptance is available on BSE StAR MF Platform, along with continuous settlement of orders.
- 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.
  - Subscription and redemption can happen simultaneously on the same day.
- Only Infrastructure in India that supports 4 modes via Systematic Investment Plan ("SIPs"), which can be initiated as under:
  - **Paperless SIP:** Wherein the link for payment is created for 1<sup>st</sup> 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 Companies ("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.
  - **Paperless E-mandate based SIP,** wherein the NACH paper based mandate has been replaced by digital aadhaar authentication based e-mandate. This has drastically reduced the time for mandate approval from 35 days to 3 days.



- Any day Systematic Transfer Plan ("STP") and Systematic Switch Plan ("SWP"), with First order today facility.
- 10 day order holding facility.
- Completely digital and real time onboarding of investors.
- Connectivity: Multi mode platform access;
  - Web – browser with CO-BRANDING facility,
  - APIs over leased lines,
  - WEB Services - APIs over internet.
  - 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.

### Municipal Bonds and Green Bonds

BSE has been a leader in listing Municipal Bonds post the revised SEBI guidelines on Municipal Bonds issued in 2015. Pune Municipal Corporation and Greater Hyderabad Municipal Corporation raised ₹ 200 Crore each post the revised guidelines and listing for these municipal bonds was exclusively on BSE. BSE is also the first exchange to list Green Bonds. The first Green Bonds issued pursuant to SEBI's guidelines are listed exclusively on BSE Limited. BSE is also a member of Indian Green Bonds Council.

### Sovereign Gold Bonds

BSE 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
8 <sup>th</sup>	132	4,779	112	33
9 <sup>th</sup>	137	3,811	116	32
10 <sup>th</sup>	44	1,455	35	10
11 <sup>th</sup>	62	2,624	36	11
12 <sup>th</sup>	35	752	12	3
13 <sup>th</sup>	31	691	28	8
14 <sup>th</sup>	17	711	13	4
15 <sup>th</sup>	18	409	16	5
16 <sup>th</sup>	18	300	8	2
17 <sup>th</sup>	22	371	22	7
18 <sup>th</sup>	20	239	5	2
19 <sup>th</sup>	24	290	6	2
20 <sup>th</sup>	25	350	11	3
21 <sup>st</sup>	58	771	36	10

### Secondary Market

#### Equity Cash Segment ("ECM")

The S&P BSE SENSEX ended FY 2017-18 at 32,969 compared to 29,621 at year end of FY 2016-17, an increase of 11.3% 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 2017-18 was ₹ 4,402 Crore, a y-o-y increase of about 9.37% from ₹ 4,025 Crore in FY 2016-17.

#### Equity Derivatives Segment ("EDX")

In EDX, the daily average volume was 182 contracts per day in FY 2017-18 as compared to 498 contracts in FY 2016-17. BSE has decided to discontinue its Liquidity Enhancement Incentive Programme Scheme ("LEIPS") that has been running for the past few years.

#### Currency Derivatives Segment ("CDX")

In CDX, the Company's market share increased to 46.3% in FY 2017-18 from 38.09% in FY 2016-17. Members' participation in this segment increased to 361 (21 Banks and 340 Members) during FY 2017-18, compared to 332 (16 Banks and 316 Members) in FY 2016-17. Open Interest market share for FY 2017-18 is 21.34% as compared to 21.93% for FY 2016-17.

#### Interest Rate Derivatives ("IRD")

During FY 2017-18, the Company's market share in IRD increased to 41.06% from 29.2% in FY 2016-17. Members' participation increased to 115 (8 Banks, 4 Primary Dealers & 103 Members) in 2017-18 from 104 (8 Banks, 4 Primary Dealers & 92 Members) in FY 2016-17.



(L-R) Shri Ajay Thakur, Head-BSE SME; Shri Mahavir Lunawat, Managing Director, Pantomath Capital Advisors Private Limited; Shri Jayakumar Rawal, Hon'ble Minister for Tourism and Employment Guarantee Scheme, Government of Maharashtra; Shri Dilip M Gandhi, Member of Parliament, Ex-Central Minister; Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra; Shri Subhash Desai, Hon'ble Minister for Industries and Mining, Government of Maharashtra and Shri Ashishkumar Chauhan, MD & CEO, BSE at the 200<sup>th</sup> SME Company Listing Ceremony at BSE on October 5, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra during the 200<sup>th</sup> SME Company Listing Ceremony on October 5, 2017.

### BSE SME Platform

The framework for SME Platforms to serve small and medium-sized enterprises on stock exchanges was 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 28, 2018 the value of this index reached 1,854.24. Additionally, the total market capitalization of all the 235 companies listed on BSE SME Platform reached ₹ 22,115.74 Crore. During FY 2017-18, the SME platform continued to be a front-runner with a market share of over 65%.

During FY 2017-18, 60 companies raised ₹ 700.32 Crore from the market and 1 company raised ₹ 12.60 Crore from the market through FPO. Therefore in FY 2017-18, Total Funds raised were of the order of ₹ 712.92

### 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 2017-18, 21 BSE SME companies have migrated to the BSE Main Board.

BSE SME has received the "Change Agent" award from SP Jain Institute of Management & Research.

### Debt Market Segment ("DMS")

BSE witnessed reporting of Over the Counter ("OTC") trades in

Corporate Bonds on New Debt Segment-Reporting, Settlement and Trading (NDS-RST) platform worth ₹ 4,79,350 Crore in FY 2017-18 as against ₹ 2,88,372 Crore in FY 2016-17, marking an increase of 66%. In case of Statutory Liquidity Ratio ("SLR") securities i.e. Government Securities and Treasury Bills, trades worth ₹ 2,07,372 Crore were reported on ICDM in the current year as against ₹ 2,00,469 Crore in FY 2016-17.

Trading in Non-Convertible Debentures ("NCDs") and Bonds on 'F' group on BOLT BSE's equity platform saw volume of ₹ 2,971 Crore in FY 2017-18 as against ₹ 4,770 Crore in FY 2016-17. BSE has retained a market share of over 57.7% in the retail trading of Corporate Bonds in FY 2017-18.

The settlement volume for corporate bonds witnessed business of ₹ 2,10,037 Crore in FY 2017-18 as against ₹ 1,16,030 Crore in FY 2016-17, which is an increase of over 81%.

As of March 31, 2018, 135 Trading Members and Institutional Members were registered on BSE NDS (New Debt Segment).

### ebidXchange – Auction of FPI limits for debt

The ebidXchange platform pioneered the auction of multiple products - Infrastructure Bonds, Corporate Bonds and Government Securities. During FY 2017-18, BSE conducted 12 auction sessions, all of which were conducted seamlessly and received positive response from market participants. The total cumulative amount bid in these 12 auctions was ₹ 2,14,804 Crore.

### Exchange Traded Funds ("ETF")

As on March 31, 2018, BSE had 54 ETFs listed compared with 50 as on March 31, 2017. During FY 2017-18, the average daily turnover in ETF increased by 57% to ₹ 61.44 Crore from ₹ 39.05 Crore in FY 2016-17.

### Offer for Sale ("OFS") & Offer to Buy ("OTB")

Offer for Sale (OFS) is a secondary market mechanism used by existing listed companies wherein existing shareholders tender their shares to public investors on stock exchanges' trading window. During FY 2017-18, there were 29 OFS issues out of which BSE was appointed as the Designated Stock Exchange in 26 issues (90%). Out of the 26 OFS issues, 12 issues were conducted exclusively on the BSE platform, the total amount raised through OFS issues was more than ₹ 10,000 Crore.

Similarly Offer to Buy (OTB) is also a secondary market mechanism wherein existing shareholders tender their shares on trading window to the Company in case of Buy-back, acquirer in case of Take Over or to the promoter in case of Delisting of securities. During FY 2017-18, there were 109 such OTB issues, of which BSE was appointed as the Designated Stock Exchange in 107 issues (98%). Out of the 107 OTB issues, 103 issues were conducted exclusively on BSE platform, the total subscription through OTB issues was more than ₹ 66,000 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 at ICCL increased by 227% from ₹ 1,244.38 Crore in FY 2016-17 to ₹ 4,073.90 Crore in FY 2017-18, while the lending fees collected increased by 106% from ₹ 6.29 Crore to ₹ 12.97 Crore during this period.

Segment	FY 2017-18 (₹ Crore)	FY 2016-17 (₹ Crore)
Turnover for the period - 1 <sup>st</sup> Leg of SLB transactions (quantity underlying price of the stocks as on previous day)	4,073.90	1,244.38
Lending fees.	12.97	6.29

### Disinvestment Drive of GOI and BSE's support

In FY 2017-18, 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 ₹ 16,000 Crore, forming more than 16% of the Total Disinvestment by the Government of India in FY 2017-18.

The Company also has extended the facility for acceptance of subscriptions for New Fund Offer of CPSE ETFs "Bharat 22 NFO" by online mechanism called BSE iBBS Platform for Mutual Fund ("BiMF") and garnered more than 90% of the subscription through electronic platform for CPSE ETF.

### DISSEMINATION BOARD

SEBI issued a circular in October 2016, requiring all exclusively listed companies of Regional Stock Exchanges which are derecognized and 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. During FY 2017-18, BSE initiated action against promoters/ directors of more than 300 exclusively listed companies, which were found to be non-compliant with SEBI circular of October 10, 2016 and August 1, 2017.

### BUSINESS OPERATIONS REVIEW

#### Membership

During FY 2017-18, 34 Deposit Based Membership ("DBM") applications were received at BSE. Since launch of new DBM scheme in April, 2010, BSE has received a total of 875 DBM applications as on March 31, 2018.

### Corporate Services (Listing)

The Corporate Services segment of the Company registered healthy revenue growth in FY 2017-18. Annual Listing Fees (equity, debt and MF) increased by 22.81% to ₹ 127.96 Crore compared to ₹ 104.19 Crore in FY 2016-17. This increase in Annual Listing Fees is mainly attributed to an increase in Annual Listing Fees slab and 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 ₹ 33.11 Crore in FY 2017-18 as compared to ₹ 14.31 Crore in FY 2016-17, a rise of 131.38% from the previous year on account of new primary market issuances and the newly introduced OTB facility.

### Data Information Products

The Company and Deutsche Boerse have entered into a partnership in October, 2013 under which Deutsche Boerse would act as the licensor of the Company's market data and information to all international clients. The business for sales and marketing of the Company's market data products to International customers by Deutsche Boerse commenced from April, 2014. Under the co-operation, Deutsche Boerse 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 Boerse 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.



Shri Shiv Pratap Shukla, Hon'ble Minister of State for Finance, Government of India along with Shri Ashishkumar Chauhan, MD & CEO, BSE at the Opening Bell Ceremony on October 9, 2017.





Shri Ashishkumar Chauhan, MD & CEO, BSE welcoming Shri Subhash Desai, Hon'ble Minister for Industries & Mining, Government of Maharashtra during the 200<sup>th</sup> SME Company Listing Ceremony on October 5, 2017.

The total revenue from the sale of market data and information products was ₹ 26.28 Crore in FY 2017-18 as compared to ₹ 24.67 Crore in FY 2016-17. 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 won the mandate from ICICI Prudential AMC to design the index for the Government's second disinvestment programme via an Exchange traded Fund (ETF). AIPL designed and launched the S&P BSE BHARAT 22 Index on August 10, 2017. The S&P BSE Bharat 22 Index is designed to measure the performance of 22 select companies disinvested by the central government of India.

The government has raised ₹ 14,500 Crore through the Bharat 22 ETF. The portion reserved for retail investors was subscribed 1.45 times; retirement funds 1.50 times and NII and QIBs 7 times.

ICICI Prudential Asset Management Company launched the Bharat 22 ETF. The Bharat 22 ETF new fund offer ("NFO") had an initial issue size of over ₹ 8,000 Crore with 25% of total issue size, or ₹ 2,000 Crore, reserved for anchor investors who put in bids worth about ₹ 12,000 Crore. The issue received highest subscription for any NFO in the history of Indian mutual fund industry.

Other new Indices launched by AIPL in FY 2017-18 were:

- S&P BSE 100 ESG Index was launched on October 26, 2017 and is designed to measure securities that meet sustainability investing criteria while maintaining a risk and performance profile similar to the S&P BSE 100

- S&P BSE 150 Midcap Index was launched on November 30, 2017 and is designed to track the performance of 150 mid-cap companies by total market capitalization, subject to buffers, that are in S&P BSE 500 but not in S&P BSE 100.
- S&P BSE 250 SmallCap Index was launched on November 30, 2017 and is designed to track the performance of the 250 small-cap companies by total market capitalization within S&P BSE 500 that are not part of S&P BSE 100 or S&P BSE 150 MidCap.
- S&P BSE 250 LargeMidCap Index was launched on November 30, 2017 and is designed to track the performance of the 250 companies that are part of S&P BSE 100 and S&P BSE 150 MidCap.
- S&P BSE 400 MidSmallCap Index was launched on November 30, 2017 and is designed to track the performance of the 400 companies within S&P BSE 500 that are not part of S&P BSE 100.
- S&P BSE 250 LargeMidCap65:35 Index was launched on November 30, 2017 and is designed to simulate a portfolio consisting of a position with a 65% weight in S&P BSE 100 and a 35% weight in S&P BSE 150 MidCap.
- The S&P BSE Arbitrage Rate Index was launched on March 20, 2018 consists of a position with a 100% long index weight in the S&P BSE SENSEX TR and a 100% short index weight in the S&P BSE SENSEX Futures Index ER.

### 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.

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, blogs, facebook, 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, Market capitalization, P/E Multiple, etc.

The main objective of these measures is to alert and advise investors to be extra cautious and advise 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 attract following additional graded surveillance actions such as additional surveillance Deposit, once a week trading only, Trade for Trade (TFT) etc.

As on March 28, 2018, a total of 835 companies have been identified to be a part of GSM framework.

### Verification of credentials/ fundamentals of suspected shell companies

SEBI on August 7, 2017, forwarded a list of 331 suspected shell companies as identified by MCA and inter alia directed the Exchanges to take following actions:

- Move trading in the securities of such companies directly to GSM stage VI whereby trading in a security is permitted on trade to trade basis once a month with 200% Additional Surveillance deposit with freeze on upper price movement.
- Verify credentials/ fundamentals of companies by appointing independent auditor. Further, if necessary conduct forensic audit of these companies.
- Promoters and directors are not allowed to transact in the Company except to buy securities until verification is completed.

- Initiate process of compulsory delisting, if any adverse findings with regard to credentials/ fundamentals of companies.

Based on SEBI direction, BSE has moved the trading in the securities of listed companies to GSM Stage VI and has undertaken verification of credentials/ fundamentals of the listed companies as per process finalized in consultation with SEBI.

### S+ Framework

In continuation with various surveillance measures already implemented, the Exchange introduced an additional surveillance measure called "S+ Framework" w.e.f. June 14, 2017 for enhanced monitoring of securities exclusively listed/ traded on main board of BSE which are not a part of GSM framework and witness price rise not commensurate with financial health and fundamentals like Earnings etc. or witness spurt in volumes without any corporate event.

However, effective May 2, 2018, S+ framework has been done away.

### Additional Surveillance Measure (ASM)

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 Surveillance Measures (ASM) on securities with surveillance concerns viz. Price variation, Volatility, etc.

Accordingly, the Exchange has implemented ASM w.e.f. March 26, 2018.



(L-R) Smt. Arundhati Bhattacharya, Former Chairman, State Bank of India; Shri Ajay Tyagi, Chairman, SEBI; Smt. Mukta Tilak, Mayor, Pune Municipal Corporation; Shri Girish Bapat Hon'ble Minister for Food, Civil Supplies & Consumer Protection, Food & Drug Administration & Parliamentary, Government of India; Shri M Venkaiah Naidu, Hon'ble Vice-President of India; Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra; Shri Arjun Ram Mehgal, Hon'ble Minister of State for Water Resources, River Development & Ganga Rejuvenation, Parliamentary Affairs, Government of India and Shri Rajiv Gauba, Secretary (Urban Development) Ministry of Urban Development, Government of India at the Listing Ceremony of Pune Municipal Bonds on June 22, 2017.



Shri V. Balasubramaniam, MD & CEO, India International Exchange presenting a memento to Shri Praveen Garg, Joint Secretary of Department of Economic Affairs for Ministry of Finance, Government of India during the Launch of IRFC Green Bond on January 13, 2018.

The surveillance actions applicable for the shortlisted securities is as under:

- Securities shall be placed in Price Band of 5%
- Margins shall be levied at the rate of 100%

The shortlisted securities shall be further monitored on a pre-determined objective criteria and would be moved into Trade for Trade segment once the criteria gets satisfied.

## REGULATION

### Surveillance & Investigation Statistics for FY 2017-18:

As part of market monitoring activities during FY 2017-18; 66,214 surveillance alerts were generated, of which 1101 alerts were taken up for snap investigations. Subsequently till March 31, 2018, 207 cases were taken up for preliminary/ detailed investigations, of which 126 preliminary/ investigation reports have been forwarded to SEBI. 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

604 inspections of members were conducted during FY 2017-18, which include 515 routine inspections and 89 special inspections. This also included 25 inspections on the basis of risk based supervision.

### Investor Services

The Investor Services Cell provides the following services: Redressal of complaints against trading members and Redressal of complaints against listed companies on BSE.

### Redressal of complaints against trading members

The Company redresses investor complaints against trading members 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 through email, physical document form or through online e-complaint registration on BSE website. The complaints against trading members are redressed through conciliation process 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/ appellate arbitration services from its 24 Regional Investor Service Centers located at Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Dehradun, Delhi, Guwahati, Jaipur, Jammu, Hyderabad, Indore, Kanpur, Kochi, Kolkata, Lucknow, Mumbai, Panaji, Pune, Patna, Raipur, Ranchi, Vadodara and Shimla.

Thus the Company currently provides IGRC and arbitration services from 24 investor services centres located at different parts of the country.

### Redressal of complaints against listed companies

The Company redresses investor complaints against listed entities by taking prompt action upon receiving the complaints. Investor complaints against listed entities are received through various modes such as through emails, physical documents, online e-complaint registration on BSE website and through SCORES. The Company takes up the complaint with respective listed entity for resolution. BSE Limited is the only Exchange in the country, where 13 Registrars and Transfer Agents ("RTAs") regularly visit its Investor Service Centre -Mumbai, for redressal of investor complaints against entities listed on BSE Limited.

### Listing Compliance

#### Update on eXtensible Business Reporting Language ("XBRL")

BSE is the first 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, Financial Results and Share Capital Audit report.

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 had made the filing of Shareholding Pattern, Corporate Governance and Voting Results also mandatory, in XBRL. In FY 2017-18, XBRL filing of Financial Results and Share Capital Audit Report was also made mandatory.

The Committee on Corporate Governance (Kotak Committee) in its report had recommended filing of disclosures to Exchange in XBRL format. Accordingly, SEBI has directed the Exchanges to implement XBRL based filing for the disclosures. Since BSE had made significant progress on this front, it was recommended by SEBI that the other nation-wide Exchanges also adopt the BSE Taxonomy and the same may be the common taxonomy for these regulations, across India.

### 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 six months 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 FY 2017-18, the Exchange has delisted 384 companies and till date, the Exchange has delisted 883 suspended companies. This is an ongoing activity and is expected to be completed by June 2018.

### 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, which leads to much faster, efficient and informed decisions by investors and the public at large.

During the current year, the system has been periodically enhanced to include additional disclosures under the seamless mode. Further, pursuant to a SEBI directive, upload of 'machine readable (PDF) documents' has been made mandatory and requisite checks have been introduced to verify whether the filing being done is in 'machine readable' form and the same is notified to the listed companies.

## SIGNIFICANT DEVELOPMENTS

### Enhanced Supervision of Stock Brokers

The Company has implemented enhanced supervision framework of stock brokers to facilitate reporting of their Clients' funds utilization and client wise funds and securities balances, held by them in the capacity of stock broker.

Further, the Company implemented enhanced supervision framework of stock brokers to facilitate reporting of ISIN wise details of securities of clients.

Investors are sent SMS and emails conveying their funds and securities balances with the stock brokers. Emails sent to Investors also contain ISIN wise details of securities held by the stock broker.

This new initiative of ISIN wise details of securities is in line with SEBI's directive (vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2017/123) dated November 29, 2017. Reporting on this clause has been made applicable w.e.f. February 1, 2018, for submission for the month of January 2018, onwards.

Margin Trading: The Company announced the revised framework for Margin Trading facility to the stock Brokers.

As per revised framework:

Group 1 securities are eligible for Margin Trading as against Securities offered in IPO and meeting conditions for inclusion in Derivatives Segment.

Initial margin payable by the client to the stock broker can also be in the form of Group 1 equity shares apart from cash and cash equivalents as against cash/cash equivalents earlier.



Shri Shankar Jadhav, Head-Strategy, BSE along with Shri Subramanian Swamy, Member of Parliament in Rajya Sabha; Prof. R Vaidyanathan along with the other dignitaries at the book launch of, 'Black Money and Tax Havens' by Prof. R Vaidyanathan on October 29, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Nobel Laureate Shri Kailash Satyarthi, Founder of Bachpan Bachao Andolan during the event 'Bharat Yatra' on August 24, 2017.

Stock Brokers are also allowed to borrow funds by issuance of commercial paper and by way of unsecured long term loans from their promoters and directors apart from Banks and Non-Banking Financial Companies (NBFCs) as against from Banks and NBFCs, earlier.

This new initiative is in line with SEBI's directive (vide SEBI Circular CIR/MRD/DP/54/2017 dated June 13, 2017 and SEBI Circular CIR/MRD/DP/86/2017 dated August 1, 2017).

## MARKETING AND COMMUNICATIONS

With a view to promote an investment culture among the masses, the Company undertook several initiatives to promote investor education. Apart from being present across leading television channels, the Company also utilised social media to spread the message of sound investing. The Company also undertook several initiatives in reaching out to members to inform them about existing products and future initiatives. The initiatives undertaken by the Company got significant coverage in all leading national and regional newspapers and television channels.

The Company hosted more than 230 events ranging from international delegations to educational programs to roundtables on important national and international topics. Some of the significant events were the Annual IOSCO (The International Organization of Securities Commissions) Conference, which was held for the 1<sup>st</sup> time in India and attended by delegates from across the globe; Inauguration of the renovated International Convention Hall by Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Government of India; SAFE (South Asian Federation of Exchanges) Conference and listing of the 200<sup>th</sup> company on BSE SME.

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 M Venkaiah Naidu, Hon'ble Vice-President of India
2. Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Government of India
3. Shri Piyush Goyal, Hon'ble Minister of Railways and Coal, Government of India
4. Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra
5. Shri Shiv Pratap Shukla, Hon'ble Minister of State for Finance, Government of India
6. Shri Arjun Ram Mehgal, Hon'ble Minister of State, Water Resources, River Development & Ganga Rejuvenation, Parliamentary Affairs, Government of India
7. Shri Girish Bapat, Hon'ble Minister for Food, Civil Supplies & Consumer Protection, Food & Drug Administration & Parliamentary, Government of Maharashtra
8. Smt. Bijoya Chakravarty, Member of Parliament and Chairperson - Committee on Empowerment of Women
9. Dr. Vallabh Kathiria, Member of Parliament
10. Shri Rajiv Gauba, Secretary (Urban Development) Ministry of Urban Development, Government of India
11. Shri Ajay Tyagi, Chairman, SEBI
12. Shri Dinesh Kumar Jain, Additional Chief Secretary (Finance), Government of Maharashtra
13. Shri Praveen Garg, IAS, Joint Secretary of Department of Economic Affairs for Ministry of Finance, Government of India.
14. Shri Kunal Kumar, Municipal Commissioner, Pune Municipal Corporation
15. Smt. Madhabi Puri Buch, Whole Time Member, SEBI
16. Shri S.V. Murli Dhar Rao, Executive Director, SEBI
17. Nobel Laureate Shri Kailash Satyarthi, Founder of Bachpan Bachao Andolan
18. Dr. Mohan Bhagwat, Sarsanghchalak, Rashtriya Swayamsevak Sangh
19. Shri Gaur Gopal Das, Monk at the International Society of Krishna Consciousness (ISKCON) Mumbai
20. H. E Mr. Vishvas Sapkal, High Commissioner of India to the Republic of Fiji
21. Smt. Arundhati Bhattacharya, Former Chairman, State Bank of India

22. Dr. Pawan Kumar Goenka, Managing Director, Mahindra & Mahindra Ltd.
23. Smt. Chanda Kochhar, Managing Director & CEO, ICICI Bank Ltd.
24. Shri Kumar Mangalam Birla, Chairman, Aditya Birla Group
25. Shri Robin Raina, Chairman and CEO of Ebix Inc.
26. Mr. William C. Dudley, President, Federal Reserve Bank of New York
27. Mr. Georgios Lakkotrypīs, Ministry of Energy, Commerce, Industry and Tourism, Republic of Cyprus
28. Hon. D. Sesungrur, Minister of Financial Services and Good Governance of the Republic of Mauritius
29. Mr. Wu Lijun, Chairman, Shenzhen Stock Exchange
30. H.E. Joanna Kempkers, High Commissioner of New Zealand
31. Mr. Rashed Al Blooshi, Chief Executive Senior Management, Abu Dhabi Stock Exchange
32. H. E. Mr. Bulat Sarsenbayev, Ambassador of the Republic of Kazakhstan
33. Shri Rajesh Agrawal, Deputy Mayor of London (Business)
34. Mr. Mesfin Gebremariam, Hon'ble Consul General of Democratic Republic of Ethiopia
35. Rt Hon Karen Bradley, MP, Secretary of State for Digital, Media & Sport, UK
36. Ms. Bari Rogoff, Policy Advisor to Ivanka Trump
37. Mr. Pierre-Gabriel Côté, President & CEO, Investissement Québec
38. Mr. William Knottenbelt, Senior Managing Director, EMEA, CME Group
39. Shri Kamal Hassan, Actor
40. Ms. Richa Chadda, Actress
41. Shri Vivek Oberoi, Actor
42. Shri Vidyut Jamwal, Actor

#### AWARDS AND RECOGNITION

1. 'IT Genius Awards 2017' in the category 'Data Centre Excellence' for setup of the India INX Data Centre by CORE (Centre of Recognition & Excellence)
2. Digital Innovation Award 2017 for the Social Media Analytics Project by Netmagic
3. Business World Digital Leadership and CIO Award
4. The IDC Digital Transformation Awards 2017
5. The Best Exchange of the year award for equity and currency derivatives in Tefla's Commodity Economic Outlook Award 2017
6. SKOCH AWARD – Best Cyber Security Project Award 2017 – GOLD
7. TOP 100 CISO Awards May 2017
8. INFOSEC MAESTROS Award April 2017
9. The Cyber Security Leader of the Year Award 2017 from NASSCOM-DSCI
10. CIO Powerlist Award for Big Data Innovations (April 2017)
11. IDC Digital Transformation Awards for Social Media Analytics implementation (April 2017)
12. C-Change Awards 2017 for Big Data Implementation at DR site conferred by Cyber Media (June 2017)
13. The Asia Capital Market Awards for Social Media Analytics by FOW & Global Investor (August 2017)
14. Business World CIO World - Digital Leadership & CIO Awards for BEST Analytics Implementation (July 2017)
15. CIO Crown Digital Innovation Award 2017, by NetMagic (August 2017)
16. Next Generation SOC, by CNBC-TV18 Fintech Edge Award (September 2017)

#### RECENT GLOBAL INITIATIVES BY BSE IN SUSTAINABILITY SPACE

- BSE has always been on a forefront to back various initiatives by regulators and various international forums that align with sustainable business practices.



Dr. Gulshan Rai, National Cyber Security Coordinator, Prime Ministers Office along with Shri Ashishkumar Chauhan, MD & CEO, BSE inaugurating the 24 X 7 Next Generation Cyber Security Operation Centre at BSE on October 9, 2017.





(L-R) Shri Santosh Shukla, CGM, SEBI; Shri SV Murlidhar Rao, Executive Director, SEBI; Shri Ajay Tyagi, Chairman, SEBI and Shri V. Balasubramaniam, MD & CEO, India International Exchange during their visit to India International Exchange Office on June 5, 2017.

- BSE is engaging efforts to publish the "Guidance Document of ESG Disclosures" for its Listed Corporates to steer the initiatives of Sustainable Stock Exchange ("SSE") globally. **Global Reporting Initiative (GRI) and BSE entered a formal MoU in mid-2016** to work collaboratively and support the Listed Corporates establish sustainability reporting process. The collaboration led to the successful creation and launch of a linkage document that is designed to show companies how requirements under the SEBI Business Responsibility Report Framework correspond to the GRI Standards and disclosures. Also BSE has successfully driven various informative and educational workshops across India on ESG in association with GRI to encourage Sustainability Reporting amongst Listed Corporates.
- Being a member of Indian Green Bonds Council set up for the development of green bonds market in India, BSE encourages the sustainable investments in the form of green bond listing. BSE has initiated its contribution in the sustainability space with its sustainability indices like **S&P BSE Carbonex** and **S&P BSE Greenex**. The latest addition being **S&P BSE 100 ESG Index** designed to measure securities meeting sustainability investing criteria.
- In October 2017, BSE in collaboration with Carbon Disclosure Project ("CDP") India and Environmental Resource Management ("ERM") India; hosted a successful launch of CDP 2017 Climate Change Report.
- In November 2017, **BSE in collaboration with Environmental Resources Management and RobecoSAM** conducted a

successful round table on Responsible Investment: Integrating value by using ESG Frameworks as Effective Screening Tools involving judicious participation of various stakeholders.

- BSE in association with **Principles for Responsible Investment (PRI) and CFA Institute** hosted the **Global Survey on ESG Integration** at BSE premises in India in February, 2018.
- In April 2018, BSE has successfully steered a series of discussions and presentations on Information disclosure and ESG disclosures in the **36<sup>th</sup> General Assembly of The Asian and Oceanian Stock Exchanges Federation ("AOSEF")** at Shanghai, April 2018.

### SHARE CAPITAL

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 5,000 equity shares of face value ₹ 2/- per share. Remaining 12 erstwhile trading members, having an aggregate 12 membership rights, continue to remain in abeyance till date for various reasons.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

### SUBSIDIARIES/ ASSOCIATE COMPANIES

The Company has twelve subsidiary companies (direct and indirect) and six associates as on March 31, 2018 as follows:

#### Subsidiaries:

- BSE Institute Limited
- BSE Investments Limited
- BSE Sammaan CSR Limited
- BSE Skills Limited
- India International Exchange (IFSC) Limited
- India International Clearing Corporation (IFSC) Limited
- Indian Clearing Corporation Limited

8. Marketplace Technologies Private Limited
9. Marketplace Tech Infra Services Private Limited
10. BFSI Sector Skill Council of India (Section 8 Company)
11. BIL – Ryerson Technology Startup Incubator Foundation (Section 8 Company)
12. BSE CSR Integrated Foundation (Section 8 Company)

#### Associates:

1. Asia Index Private Limited
2. BSE EBIX Insurance Broking Private Limited (w.e.f. March 15, 2018)
3. Central Depository Services (India) Limited (w.e.f. June 30, 2017)
4. CDSL Ventures Limited (w.e.f. June 30, 2017)
5. CDSL Insurance Repository Limited (w.e.f. June 30, 2017)
6. CDSL Commodity Repository Limited (w.e.f. June 30, 2017)

BSE Skills Limited has discontinued its business operations. There has been no material change in the nature of the business of the other subsidiaries and associate companies.

Pursuant to Rule 5 (1) of the Companies (Accounts) Rules 2014 the performance and financial position of the subsidiary and associate companies given in Form AOC – 1, which forms a part of this Annual Report.

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 free of cost, the copy of the financial statements of its subsidiary companies to the shareholders upon their request. The statements are also available on the website of the Company [www.bseindia.com](http://www.bseindia.com).

#### Changes in subsidiaries/ joint ventures/ associate company

1. BSE EBIX Insurance Broking Private Limited was incorporated under the Companies Act, 2013 on March 15, 2018.
2. Pursuant to the sale of 26.05% stake in CDSL under its Initial Public Offering through Offer for Sale, it has ceased to be a subsidiary and it is now considered as an associate company with effect from June 30, 2017. Accordingly, the subsidiaries of CDSL viz. CDSL Ventures Limited, CDSL Insurance Repository Limited and CDSL Commodity Repository Limited have also been considered as associate companies.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

#### Appointment and Re – appointment of Directors

During the year under review, Shri S. S. Mundra and Shri David Wright were appointed as Public Interest Directors w.e.f. January 17, 2018 and March 16, 2018 respectively.

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

#### Cessation of Directors

Shri Roland Schwinn was appointed as Shareholder Director in place of Mr. Thomas Bendixen w.e.f. June 13, 2017

Shri Sudhakar Rao and Shri Dharendra Swarup retired from the position of Public Interest Director and Chairman, from the Board of the Company, w.e.f. June 28, 2017 and November 2, 2017 respectively, on successful completion of their term as Public Interest Director.

Dr. K. Kasturirangan retired from the position of Public Interest Director, from the Board of the Company w.e.f. from January 22, 2018 on successful completion of his said term.

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

#### 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



(L-R) Smt. Arundhati Bhattacharya, Former Chairman, State Bank of India; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Ajay Tyagi, Chairman, SEBI and Shri Kunal Kumar, Municipal Commissioner, Pune Municipal Corporation posing with the Bull during their visit to BSE on June 22, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a photo frame to Shri Ajay Tyagi, Chairman, SEBI during The International Organisation of Securities Commissions (IOSCO) Conference on September 26, 2017.

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, 2018, seven 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 were held on May 4, 2017 and February 1, 2018.

### BOARD EVALUATION

The Board of Directors of the Company carried out annual evaluation of its own performance, committees of the 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.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

#### Observations of Board evaluation carried out for the year

No observations.

#### Previous year's observations and actions taken

Since no observations were received, no actions were taken.

#### Proposed actions based on current year observations

Since no observations were received, no actions were required.

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, Risk Management Committee and Corporate Social Responsibility (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereof 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, M/s. S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration No 301003E/E300005), Mumbai had been appointed, in the Twelfth AGM held on September 4, 2017, for a period of five years to hold the office from the conclusion of the twelfth AGM until the conclusion of seventeenth AGM to be held in the year 2022, accordingly they retire at the seventeenth AGM.

The Statutory Auditors report dated May 4, 2018 on the financial statements of the Company for FY 2017-18 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 FY 2017-18.

Secretarial audit report for the year ended on March 31, 2018 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.



### Corporate Social Responsibility (“CSR”)

The Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The details of the CSR Policy of the Company, its development and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended 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](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, 2018, no complaints pertaining to sexual harassment have been received.

### RISK MANAGEMENT AND COMPLIANCE

The risk management report discusses various dimensions of our 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. Our business is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements. Readers are advised to refer the detailed discussion of the risk factors and related

disclosures in our regulatory filings, and exercise their own judgment in accessing risks associated with the Company.

### Overview

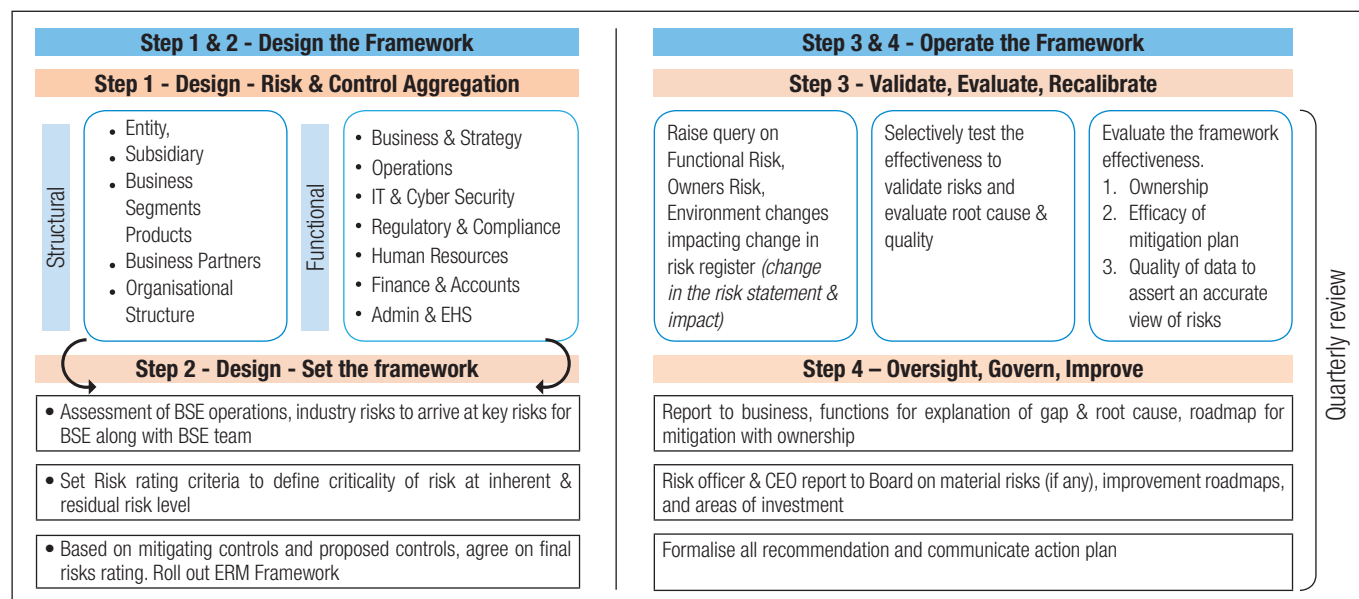
Risk Management is an enterprise wide function at BSE which covers major business and functional objectives including Strategy, Operations, Technology and Compliance. The Enterprise Risk Management (ERM) enables the achievement of strategic objective by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. 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 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 risks 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 Auditor. 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.

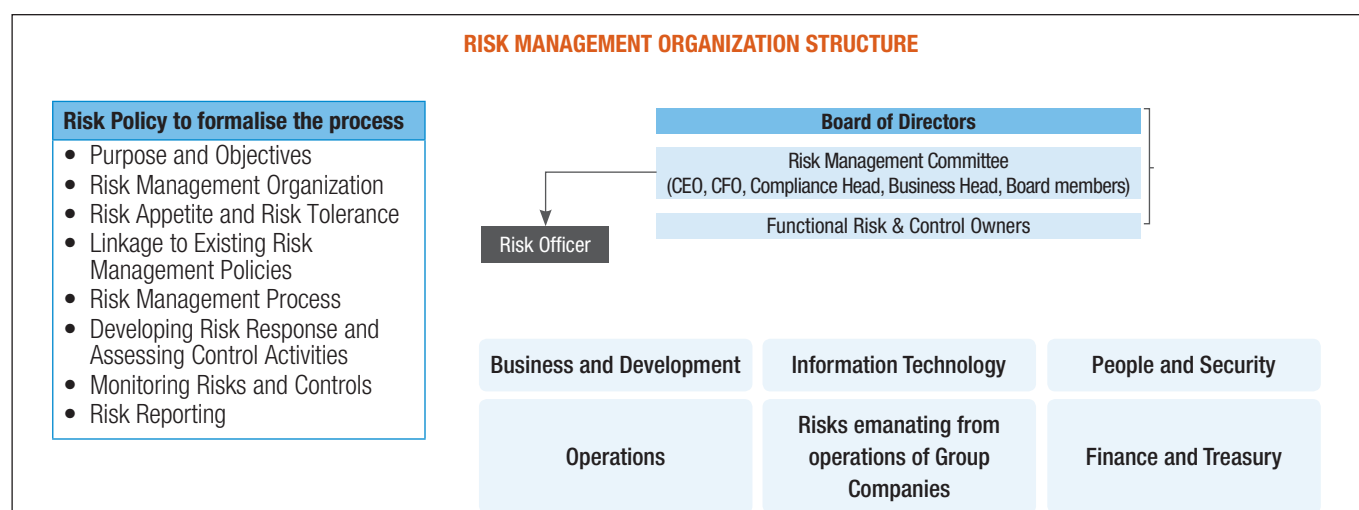


Shri Dharendra Swarup, Former Chairman, BSE welcoming Shri Ajay Tyagi, Chairman, SEBI during the The International Organisation of Securities Commissions (IOSCO) Conference on September 26, 2017.

## Key component of the Company's Risk Management Framework



## Risk Management Organization Structure



The Key Roles and responsibility regarding risk management in the Company are summarized as follows

LEVEL	Key Roles and responsibility
Board of Directors	<ul style="list-style-type: none"> <li>✓ Approving key business objective to be achieved by the Company. Ensuring that the executive management focuses on managing risks to key business objectives.</li> <li>✓ Reviewing the performance of the Risk Management Committee</li> </ul>

LEVEL	Key Roles and responsibility
Risk Management Committee	<ul style="list-style-type: none"> <li>✓ Comprises of five directors and three members from management : <ul style="list-style-type: none"> <li>▪ Smt. Usha Sangwan, Chairperson</li> <li>▪ Shri S Ravi, Member</li> <li>▪ Shri Sumit Bose, Member</li> <li>▪ Shri Ashishkumar Chauhan, Member</li> <li>▪ Shri Roland Schwinn, Member</li> <li>▪ Shri Nehal Vora, Chief Regulatory Officer</li> <li>▪ Shri Neeraj Kulshrestha, Chief of Business Operations</li> <li>▪ Shri Nayan Mehta, Chief Financial Officer</li> </ul> </li> <li>✓ Review and oversight with regards to identification, evaluation and mitigation of the strategic, operational, technology and compliance risks</li> <li>✓ Reviewing and approving risk related disclosures</li> <li>✓ Monitoring and approving the risk management framework and associated practices of the Company</li> </ul>
Role of Risk team	<ul style="list-style-type: none"> <li>✓ Adhering to the risk management policies and procedures</li> <li>✓ Implementing prescribed risk mitigations actions</li> <li>✓ Reporting risk events and incidents in a timely manner</li> </ul>

### Risk Categories

The Company's risk management framework is broadly categorized as risk pertaining to (a) Business and Development, (b) Information Technology, (c) People and Security, (d) Finance and Treasury, (e) Operations, and (f) Risks emanating from operations of Group Companies, from the risk universe.

Risks arising out of the choices we have made in defining our business and development strategy and the risks to the successful execution of these strategies are covered in this category – for e.g., risk inherent to 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 actioned. We periodically assess risks to the successful execution of our strategy such as the effectiveness of strategic programs that are being executed, the momentum in new initiatives, the impact of strategy on financial performance, leveraging of inorganic strategies, effectiveness of organisation structure and processes, retention and development of high performing talent and leadership.

Risks arising out of internal and external factors affecting the policies, procedures, people and systems in our support functions thereby impacting services delivery, compromises our core values or not in accordance with generally accepted business practice 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 or war or regional conflicts, or disruption in telecommunications, systems failures, virus attacks or breach of cyber security.

Risks arising out of threats posed to our financial, organisational, or reputational standing resulting from violations or non-conformance with laws, regulations, codes of conducts or organisational 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 risk arising out of major regulatory/ geo-political changes, potential risks arising out of strategic or operational business decisions.

### Risk Management Procedure

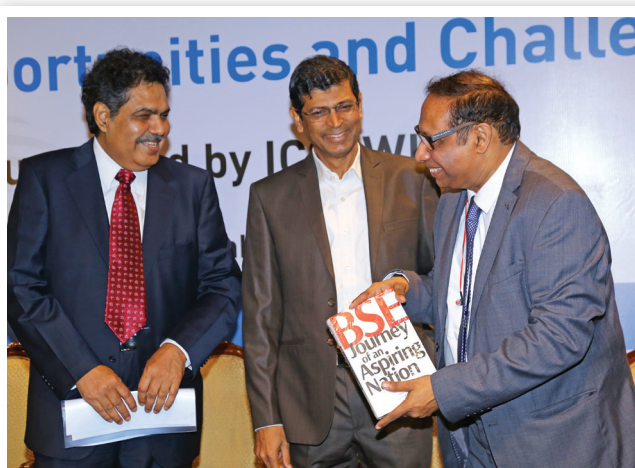
#### Risk Identification

Risk Management is a continuous interplay of actions that permeate the Company. It is brought in to 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 the Company's 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.





Shri S Ravi, Chairman, BSE welcoming Shri Ajay Tyagi, Chairman, SEBI in presence of Shri M.S. Sahoo, Chairperson, The Insolvency and Bankruptcy Board of India during the event 'Insolvency and Bankruptcy Code, 2016- Newer Opportunities and Challenges' on November 17, 2017.

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 detectability of the risk.

### Risk Mitigation

Mitigation actions are prepared and finalised, owners are identified and the progress of mitigation actions are monitored and reviewed. The Risk Management Committee periodically reviews and monitors the mitigation actions, its effectiveness and provides its advices to the mitigation teams.

### Risk Reporting

The top risk from the risk registers, its mitigation plans, periodic review of processes and new risks emanating from such reviews are periodically reviewed by the Risk Management Committee. The risks identified by risk management function or roles at different levels in the organization are presented at appropriate level of governance structure. Critical risks or cross functional risks at each level are escalated to the next level in the governance structure. Critical risks under different categories of risks at group level are reviewed by Chief Executive Officer, Chief Financial Officer, Chief of Business Operations, Chief Information Officer and Chief Regulatory Officer.

### Risk Management Framework for the year

During the year, as a part of monitoring the key risks, the risk management office:

- (a) Reviewed the risk management practices, which were primarily focused on the effectiveness of strategic programs in improving our competitive position and differentiation in market segments.

- (b) Reviewed the momentum of new initiatives to achieve our long-term business aspirations, our preparedness to address any incidents that may cause business disruptions to our physical and technological infrastructure, strengthening operational and internal controls to detect fraudulent activity, leadership development and succession, planning and monitoring possible impact of changes in our regulatory environment.
- (c) Reviewed information security risks including cyber-attacks and threat intelligence and continue to monitor the progress of mitigation actions.
- (d) Reviewed key operational risks and actions based on inputs from internal risk register, external assessment, internal audit findings and incidents.
- (e) Reviewed operational risk areas including client service level standards, retentions and engagement of employees, reskilling of employees, brand attractiveness, women's safety, physical securities and business continuity management.
- (f) Monitoring by regulatory departments the key developments in the regulatory environment.

### 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) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company, and (c) 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, 2018, 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).

### 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 Company's website at [http://www.bseindia.com/downloads1/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf).

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between 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 of all the Related Parties and Transactions thereof, entered in the Ordinary Course of Business and at Arm's Length. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed disclosure of these transactions with the Related Parties is annexed 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 was instrumental in conducting 4,433 IAPs during FY 2017-18. Out of which 826 IAPs were conducted by IPF itself while 3607 IAPs were conducted using Investors Services Fund (ISF). During the year, IPF conducted 190 Regional Investor Seminars exclusively with SEBI across different parts of the country. IPF also periodically brings out advertisements on Do's and Don'ts for investors to educate investors and enable them to safeguard their interests.

For the benefit of retail investors, IPF has published 1508 research reports on traded companies to fill the information gap as of March 31, 2018. During the year, several educational and other capital market awareness events were sponsored by IPF to raise awareness about corporate best-practice. IPF has also supported global conferences and seminars that enhance understanding of Indian markets both in India and abroad. IPF is currently managing 26 Investor Service Centers 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 800 programs with Universities and Educational Institutions across India.

Major Initiatives include:

- 1) Under the aegis of IOSCO and SEBI, IPF has participated in 'World Investor Week' celebrations during October 2, 2017 to October 8, 2017. 86 Investor Awareness Programs were conducted across India of which 43 were conducted jointly with SEBI.
- 2) 'Listing Obligations & Disclosure Requirements' & Secretarial Audit seminars on compliances conducted across 7 Indian cities in association with ICSI.

- 3) ICAI International Conference on 'Accountancy Profession: Convergence and Sustainability in Digital Era' organized in Mumbai on December 8-9, 2017.
- 4) 45<sup>th</sup> National Convention of Company Secretaries in association with ICSI at Thiruvananthapuram during November 22-24, 2017.

Research Projects:

IPF supports research projects in the area of Capital Market. During FY 2017-18, IPF has completed following Research Projects:

1. 'Stepping up the Game - How Can SMEs Get to the Next Orbit' prepared in association with market practitioners for the growth and development of SME sector.
2. 'Study of Retail Investors perception on Non-Financial information' prepared by the academic team of Vivekanand Education Society's Institute of Management Studies and Research, Mumbai.

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, IPF has used services of national level TV channels including leading Business channels 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:



(L-R) Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Ajay Tyagi, Chairman, SEBI, Shri M. S. Sahoo, Chairperson, The Insolvency and Bankruptcy Board of India, CS Atul Mehta, Former President, ICSI and Shri S Ravi, Chairman, BSE during the event on 'Insolvency and Bankruptcy Code, 2016- Newer Opportunities and Challenges' on November 17, 2017.



(L-R) Ms. Nathalie Bechamp, Director of General of investment and Innovation, Global Affairs Canada; Shri Shankar Das Gupta, CEO, ElectroVaya; Shri Ashishkumar Chauhan, MD & CEO, BSE; Mr. David Lisk, VP, National Research Council; Ms. Ilse Treumicht, CEO, Mars Discovery District and Mr Suneet Tulli, CEO, Data Wind at the panel discussion on 'Innovation driving two-way trade growth' at Canada India Business Symposium on June 9, 2017.

- 1) CNBC TV18 and CNBC Awaaz
- 2) ZEE Business
- 3) News 24
- 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:

As a policy we regularly replace high energy consuming electrical equipment with modern efficient devices such as replacing the induction ballasts with electronic ballasts and the fluorescent lights with LED lights. We conserve energy by switching off lights & other equipment when they are not required using sensing technology where feasible. Our offices are painted in brighter colors to maximize lighting efficiency besides using natural light in most places. 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:

Our building has a glass windows all around and 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 Enhancements & Security

The Company takes pride in being one of the few companies that has ventured in different horizons to harness the benefits of its Big Data implementation. The processing of huge voluminous data are managed with ease. The open source Big Data HADOOP platform facilitates real time processing by consolidating information from Trading, Risk Management and Clearing & Settlement into Enterprise Data Lake.

Big Data implementation has helped meet statutory & mandatory requirements to maintain and make available historical information as well as helped achieving significant reduction in hardware and software investment.

The Company has implemented the Big Data capabilities for its real time surveillance and fraud detection. Extending the scope of surveillance beyond the traditional means, the Company has effectively implemented the 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.

Taking this to the next level, the Company has implemented machine learning and language parsing for rumour verification. BSE has implemented open source natural language processing framework for voice to text conversion. This is in addition, to the already implemented textual mining to detect rumours which is published in Print media, Facebook and Twitter. Today, many of the rumours are available in the media in the form of voice on different News channels. To capture these voices and convert them into text, textual data mining is done of converted text.

Using machine learning, BSE is able to do language conversion of news about BSE listed companies, appearing in print media, from Hindi to English. This helps BSE to do effective surveillance and monitoring for Indian regional language other than English language.

Data security is the vital and integral part of our Big Data implementation success. Using Cloudera enterprise, the Company is able to meet ever-evolving security requirements imposed by regulating agencies, governments, industries, and the general public. Cloudera clusters comprise both Hadoop core and ecosystem components, all of which are protected from a variety of threats to ensure the confidentiality, integrity and availability of all the cluster's services and data.

Goals for data management systems, such as confidentiality, integrity, and availability, require that the system be secured across several



dimensions. With level 3 security, the Company's Cloudera enterprise is ready for full compliance with various industry and regulatory mandates and is ready for audit when necessary.

### Adoption of Open source technologies

#### ➤ Open source Databases

The Company, in line with its overall outlook of moving towards the Open Source technologies and to save licensing costs towards proprietary software, has adopted to use PostgreSQL as its transactional database. During the year, initially a few of the non-critical databases were migrated, which helped in understanding inter-dependencies of heterogeneous databases and other challenges. These challenges were overcome as it was encountered in the migration process. The mid-level databases are planned to be migrated next, which is expected to be accomplished by end of 2018.

#### ➤ Unified Experience – Identity and Access Management

IAM (Identity Access Management) has already been implemented for BSE and its group companies for all internal applications. This solution is based on the open source technology, which is integrated with active directory. The user and access management is now streamlined with a single point authentication Active Directory/Lightweight Directory Access Protocol (AD/LDAP) for all internal applications and is linked to the HR systems for timely updates on the same and the periodic reviews triggered off at regular intervals.

Single Sign-on (SSO) for BSE's web-based applications is rolled out to few market participants on pilot basis and is scheduled to be rolled-out to all participants by first quarter of next Financial Year.

All the external facing applications are linked with the user authentication happening in LDAP. The user management, password policies are now uniform across all users. Most importantly, the market participants can now access all application on a single portal and do not have to remember multiple URL's, user names, passwords, etc. This would also ensure the user management discipline amongst the external users too. This definitely aims at having a cleaner process in place with limited overhead.

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 BSE help desk
5. One portal for all available applications

### Setting up Hybrid Cloud

Over the past two years, BSE had been investing efforts in the direction of moving towards adoption of cloud computing technologies. The Company has already set up the basic infrastructure for Hybrid Cloud. The typical hybrid cloud mix includes a blend of public cloud, private cloud and traditional IT services. Although the Company recognizes the huge opportunities of Cloud computing in IT infra arena, the move to Cloud is a journey, starting with small, manageable workloads and pick-up the speed as it gains confidence in the Cloud.

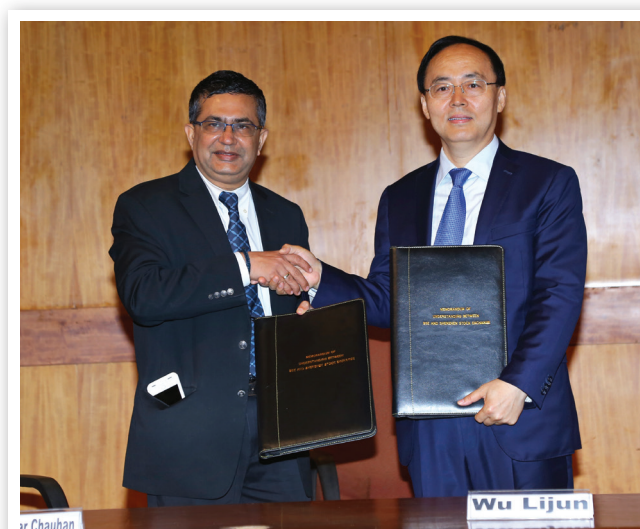
The Company has commenced delivering new and small scale workloads from new infrastructure on private Cloud. Existing less critical workloads are being migrated to the private cloud infrastructure in a phased manner.

The bigger picture of the Cloud initiative is to take advantage of the inherent benefits that Cloud computing offers, these are, reduced costs, high availability, business continuity capabilities and faster time to market.

The Company in parallel also engaged in assessing future technological challenges that may be required to adjust hybrid IT environment with its existing IT systems, applications, network and security.

### Disaster Recovery site of India International Exchange – India INX

BSE was the first exchange to setup the country's first International Exchange at the International Financial Services Centre ("IFSC"), Gujarat International Finance-Tec City ("GIFT"), Gandhinagar. India INX became operational from January 16, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE exchanging the MoU with Mr. Wu Lijun, Chairman, Shenzhen Stock Exchange on April 21, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to H.E. Joanna Kempfers, High Commissioner of New Zealand at the Opening Bell Ceremony on April 11, 2017.

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

The Company during this year accomplished the setting up of the Disaster Recovery site of India INX. The site was made ready in two months' time and have already done multiple drills. This meets the regulatory and compliance requirement of Business Continuity plan.

### Phasing out VSAT Network

It was observed over last several years that VSAT connectivity had become much slower as compared to other alternative connectivity methods such as Leased lines, MPLS, PoPs, Internet, etc. In addition, VSAT was also been found to of very high cost as compared to other connectivity alternatives. In view of high cost and slow speed, most market participants using VSATs had migrated to alternative connectivity methods. VSAT was mostly relegated to secondary or tertiary backup. Current framework of Closed User Group (CUG) had already increased cost of VSATs multi-fold for market participants and made connectivity commercially unviable for most of them. In view of this, BSE decided to phase out VSAT technology. Market participants have been migrated to MPLS connectivity. VSAT network has been shut down with effect from November 30, 2017.

### GST implementation

The Company successfully implemented GST in the month of July 2017, as per the Government's direction. The new implementation was done across its billing and financial application. In GST, as base tax structure was undergoing a change, the impact of the change was on all the financial related process, necessitating careful approach using manual validations. The process eased out over a period of time and were automated.

## Shift from Proprietary to Indigenous solutions

### ➤ NEW HRMS

BSE and few of its group companies has been using proprietary Human Resource Management System (HRMS) to manage their HR related data and activities. As a technological initiative, it was decided to move to a home grown solution for the entire group. Office Manager, developed by BSE's IT arm Marketplace Technologies is designed to address the HR functions on all the fronts. Office Manager has already been rolled out in BSE and its group companies. Soon mobile application will be introduced for HRMS, to facilitate the users to have leave management, attendance records, expense management, etc., at their finger tip, and can be used from anywhere and everywhere within the Company portal.

### ➤ Financial Accounting System

We have also commenced work on developing our in-house Financial Accounting System. The proprietary financial system is in the process of being transformed and migrated to a system that will be built by its IT team. This will result in cost reduction and remove dependency on third party vendor system.

### Swift Service Bureau

Marketplace Technologies Pvt. Ltd., a wholly owned subsidiary of BSE Ltd., has recently tied up with Swift to act as its Service Bureau providing a gateway to standardized, cost-effective, robust and secured infrastructure to all market participants.

As the regulators are encouraging adoption of standardization to bring in operational efficiency in the securities market, the partnership is expected to provide easy access to industry players like AMCs, brokers/ dealers to connect via Swift network.

This will help participants to automate and standardize their communication including areas but not limited to investment account management, fixed income trade settlement and trade reporting, investment funds subscription and redemption which will bring operational efficiency and reduce risk.

BSE will provide shared services like Data Centre, Disaster Recovery, Security Operations, Systems Administration, Monitoring, Automation, etc. to this new project.

Swift Bureau was launched on November 10, 2017.

The first audit of the Bureau, conducted by Swift appointed Auditors, has been completed in the month of January 2018.

## Unified Trading Interface

### ➤ **BOLTPLus on Web (BOW)**

The Company has been continuously striving to remain abreast and reciprocate the market trading needs into its trading interface viz. BOLTPLus on Web ("BOW"). BOW has come of the age in terms of user experience and technology. BOW is now recognized as one of the powerful real time trading solutions, made available to all trading members free of cost.

During the year, many important enhancements were added in BOW, which were widely accepted and acknowledged. Major initiatives and improvements were in Risk management, introducing new avenues of trading segment & enhanced user interface.

Few of the noteworthy enhancements implemented in BOW during the year:

1. Multiple Level Risk Management controls with higher flexibility at Mark to Market level (MTM)
2. Flexibility to include, exclude realized and notional Profit and loss
3. MTM based Auto Square off.
4. Dynamic Change in Order entry fields and other books for commodity segment
5. Options for commodity segment
6. Cross Currency trading in currency segment

The BOW trading solution is been constantly upgraded on India's first International Exchange India INX at GIFT City.

### ➤ **BEST - BSE Electronic Smart Trader**

The Company in association with Thomson Reuters launched a new trading interface BEST (BSE Electronic Smart Trader), a robust, state-of-the-art hosted trading solution built by Thomson Reuters, for BSE members and customers.

BEST trading platform brings greater scalability, convenience, speed and transparency to the users. This hosted trading platform is offered through various channels including dealers, investor exe and web.

BEST supplements the existing order routing platform BOW (Bolt+ On Web) to provide a single trading platform for BSE customers across multiple exchanges including BSE, NSE, MCX and NCDEX for a wide range of investment categories such as

equity, equity derivatives, bonds, currency and commodities on a single terminal. The platform will help traders make informed investing decisions and manage risk, along with the benefit of speed and accuracy, thereby increasing the effectiveness of the transaction.

In a nutshell, both BOW and BEST are intuitive feature rich interface that facilitates end-users to trade from anywhere, anytime using internet, charts, portfolio views, and many more. For trading members it provides an effective tool to manage and control the risk, faster on-boarding of clients. The highpoint of BOW and BEST solution is its Cloud model, as a result trading members do not have to invest and manage hardware, software or incur any other license costs.

## Quality Assurance and Automation

BSE is growing and spreading its wings in various products. This makes it necessary to ensure that the product launched by BSE has a Quality Standard which is accepted internationally. In order to achieve this, our Quality Assurance team focuses on the functionality testing as well as validates the International standards.

The time to market of a new functionality is also very crucial. The management has further invested in the Automation of the Test cases to help perform regression testing. Such automation ensures that previously developed and tested software still performs the same way after it is changed. It also helps in reducing the testing time as the manual tester needs to focus only on changes or functionalities which are new to the market.

With the adoption of Quality Assurance Process and Automation the Company is now comfortable to launch a fully tested product in a short span of time.



Shri S Ravi, Chairman, BSE interacting with Dr. Rajiv Kumar, Vice Chairman, NITI Aayog during the Book Publishing Program "Socio-Economic Dynamics Of Indian Society" on April 16, 2018.





Mr. William Dudley, President, Federal Reserve Bank, New York along with Shri Ashishkumar Chauhan, MD & CEO, BSE at the Closing Bell Ceremony on May 11, 2017 at BSE.

### Application Release Management

In addition to the testing process, BSE has also invested in the process of Release Management. Release Management basically ensures that the right code has been migrated to the production server in a fully automated manner.

The Company uses an open source release management tool and it has been customized as per the Company's process. In this process, the developers commit the code in the development branch and the release team takes over from there and ensures the same code is available in all servers. The release management tool also being the versioning tool, ensures sanctity of the code once committed. This is a major step, which ensures all the codes of all applications are been maintained and nothing is lost.

### Implementation of Next Generation Cyber Security Operations Center 24\*7 ("CSOC")

With 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 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.

About the Project - Next Generation Cyber security Operation Center:

- The project comprises of various cyber security technologies that work at end point, network, application and system level as a well-defined integrated and robust security framework.
- Also a 24\*7 Cyber Security Operation monitoring with the help of latest niche Technologies.
- The project has brought more control in operational areas, monitoring area and thus facilitating in better information to the decision makers.
- This in turn is also bringing better governance and control based near real time data for mitigating Cyber Security threat.
- As a part of this project we have implemented niche and advanced cyber security solutions in a fully integrated manner. The details of some of the technologies implemented are as below:

1. Privileged Identity Manager - Privileged identity management (PIM) is the monitoring and protection of privileged accounts in an organization's IT environments.
2. Anti-Phishing Service - The solution provides deep insight into cybercrime trends and in-depth investigations into fraud methods and operations within the dark web. The service is designed to identify malware threats, respond to an attack when it occurs and minimize the threat by blocking end-user access to the attack's online resources. The service monitors all major app stores, social media sites to detect rogue apps or social media activity targeting an organization's customer base. It shuts down unauthorized apps, thereby reducing threats to organizations' reputation and financial losses.
3. Website Anti Malware Service - Website Anti-malware service solution runs regular and on-demand scans for:
  - a. Analysis of web page against identifiable malicious activity to enable easy clean-up of infections.
  - b. Instant alerting identifying to enable fast malware removal.
  - c. Anti-Malware scan helps website owners to assure visitors that the website is safe to be browsed. It protects web site traffic by avoiding blacklisting by browsers and search engines to ensure maximum availability of website to visitors.

4. Unified Threat Management ("UTM") - UTM Firewalls monitor the flow of traffic between networks and filter all network packets to determine whether or not to forward them towards their destinations.
5. Network Intrusion Prevention - It is an independent platform that identifies intrusions by deploying sensors to capture network traffic and analyze the content of individual packets against known attack patterns of malicious traffic.
6. Web Application Firewall - protects Web servers from malicious traffic and blocks attempts to compromise the system. It prevents targeted attacks that include cross-site scripting, SQL injection, forceful browsing, cookie poisoning and invalid input.
7. Application Scanning - is the use of software, hardware, and procedural methods to protect applications from external threats. Different techniques are used to surface such security vulnerabilities at different stages of an applications lifecycle such design, development, deployment, upgrade, or maintenance.

Security application testing techniques scour for vulnerabilities or security holes in applications making use of static, dynamic and hybrid security testing.

8. Security Information & Event Management ("SIEM")
  - a. Security information and event management is an approach to security management that seeks to provide a holistic view of an organization's Information Technology security.
  - b. It deals with real-time monitoring, correlation of events, notifications and console views.
  - c. It detects anomalies, uncovers advanced threats and removes false positives. It consolidates log events and network flow data from thousands of devices, endpoints and applications distributed throughout a network.

It then uses an advanced engine to normalize and correlate this data and identifies security offenses requiring investigation.

9. Network Behavior Anomaly Detect & Forensics - This solution allows to retrace the step-by-step actions of a potential attacker, and quickly and easily conduct an in-depth forensics investigation of suspected malicious network security incidents.

- a. Retraces the step-by-step actions of cyber criminals to provide deep insights into the impact of intrusions and help prevent their reoccurrence.
  - b. Reconstructs raw network data related to a security incident back into its original form for a greater understanding of the event.
  - c. Integrates with Security Intelligence Platform and offers compatibility with many third-party packet capture offerings.
10. Vulnerability Manager - Vulnerabilities scans are used to discover and report vulnerabilities in system against BSE baselines.
11. Firewall Analyzer - Firewall Analyzer automates tasks such as firewall rule review, rule consolidation and optimizations. It also reports risks associated with a new rule before getting implemented.
12. Database Activity Monitoring ("DAM") - DAM is the observation of actions in a database. DAM tools enable us to monitor, capture and record database events in near-real time and provide alerts about policy violations. It is an important technology for protecting sensitive databases from external attacks by cybercriminals.
13. Data Loss prevention ("DLP") - DLP is a strategy for making sure that end users do not send sensitive or critical information outside the corporate network. Adoption of DLP is being driven by insider threats and by more rigorous state privacy laws, many of which



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Smt. Bijoya Chakravarty, Member of Parliament, Chairperson - Committee on Empowerment of Women during their visit to BSE on July 13, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with the other dignitaries lighting the lamp at the 3<sup>rd</sup> International Yoga Day on June 21, 2017.

have stringent data protection or access components. In addition to being able to monitor and control endpoint activities, DLP tools can also be used to filter data streams on the corporate network and protect data in motion.

14. Network Access Control ("NAC") - NAC is a solution that uses a set of rules to define and implement a policy that describes how to secure access to network when the machines initially attempt to access the network.
15. Deception platform detects cyber-attacks like reconnaissance, spear phishing, lateral movement, stolen credentials and data theft. Deception technology considers the human attacker's point of view and methodology for exploiting and navigating networks to identify and exfiltrate data. It integrates with existing technologies to provide new visibility into the internal networks, share high probability alerts and threat intelligence with the existing infrastructure.
16. Anti-Advance Persistent Threat ("APT") & Endpoint Detection and Response ("EDR") - AntiAPT is an emerging technology that focuses on detecting, investigating, and mitigating suspicious activities and issues on hosts and endpoints. Anti-APT provides visibility into a variety of events, including: Application access and activity, Operating system activity, All data interactions (creation, modification, transmission, duplication, etc.) & User access to sensitive data Memory usage. EDR helps to combat APT and targeted attacks which Anti-malware

and other endpoint solutions are usually unable to detect.

17. Automated Intelligence ("AI") and Machine Learning - AI enables BSE SOC services with advisory services based on cognitive analysis making use of Machine Learning techniques.
18. Threat Analytics, Intelligence and Hunting - EDR is an emerging technology that focuses on detecting, investigating, and mitigating suspicious activities and issues on hosts and endpoints. EDR provides visibility into a variety of events, including: Application access and activity, Operating system activity, All data interactions (creation, modification, transmission, duplication, etc.) & User access to sensitive data Memory usage.

The project has transformed the overall maturity of cyber security posture of BSE in terms of cyber security readiness and threat mitigation capabilities.

### **Key Differentiators & USP of the Project:**

- Onboarding of all niche and advance technologies were done by a Big Bang approach by rolling out a single and comprehensive RFP.
- Technologies were chosen to obtain maximum leverage of existing technologies landscape. This ensure optimize integration of all the technologies in the stack.
- Advanced technologies like Anti APT for protection against latest malwares and ransomwares & mitigation of threats like zero day attack were implemented.
- Niche Technologies like, User Behavioral Analysis, Anti APT, Deception technology, Real-time Forensics, etc. were also implemented.
- Subscriptions to Multiple Global and local Cyber Threat intelligence feed.
- The USP of Next Gen SOC is implementation of Cognitive Analysis and AI which Gain deeper insights by ingesting and understanding extensive data sources, including human generated data (for example, blogs, websites, research papers).



### Awards & Recognition:

The BSE SOC Project is considered as a benchmark in cyber security space & information security community. It is considered as a role model for similar cyber security implementations.

- SKOCH AWARD – Best Cyber Security Project Award 2017 – GOLD
- TOP 100 CISO Awards May 2017
- INFOSEC MAESTROS Award April 2017
- The Cyber Security Leader of the Year Award 2017 from NASSCOM-DSCI
- Finnoviti Best Cyber Security Project Award 2018
- 5th Annual Dynamic CISO Excellence Award 2018

### Foreign Exchange Earning and Outgo

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

Foreign Exchange Earning: ₹ 2,347 Lakh (Previous Year: ₹ 2,168 Lakh)

Foreign Exchange Outgo: ₹ 981 Lakh (Previous Year: ₹ 585 Lakh)

### HUMAN RESOURCES

Human Resources (“HR”) 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 hence there is continuous investments in training and development programs along with various other HR initiatives. 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, 2018, the Company had 385 officers and 118 staff level employees.

### 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 385 professionals in the officers category with an ideal mix of experience and youth. In addition to the 385 professionals, we also have 118 staff level employees.

### 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.

### Particulars of Employees

In compliance with the requirements of Section 197 (12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012, a statement containing details of employees is annexed as **Annexure E**.

### DEPOSITS

The Company has not accepted any public deposits during the Financial Year ended on March 31, 2018 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.



Shri Nehal Vora, Chief Regulatory Officer, BSE; Shri Ashishkumar Chauhan, MD & CEO, BSE; Mr. José Carlos Doherty, AMCC Chair and ANBIMA CEO; Shri Tajinder Singh, IOSCO Deputy Secretary General; Ms. Karen Wuertz, AMCC Vice-Chair and Senior VP, Strategic Planning and Communication, NFA; Mr. Gabriel Porto, ANBIMA Senior Policy Analyst; Ms. Patricia Fesch Menandro, ANBIMA; Shri Dharendra Swarup, Former Chairman, BSE during the AMCC 2017 Mid-Year Meeting on September 25, 2017.



Shri Nehal Vora, Chief Regulatory Officer, BSE welcoming Shri Gaur Gopal Das, Monk at the International Society of Krishna Consciousness (ISKCON) Mumbai during The International Organisation of Securities Commissions (IOSCO) Conference on September 27, 2017.

### Details of Deposits not in Compliance with the Requirements of the Act

Since the Company has not accepted any deposits during the Financial Year ended on March 31, 2018, there has been no non-compliance with the requirements of the Act.

### GREEN INITIATIVE

The Company promotes green initiative by requesting members to register their email ids to save on the paper cost for sending annual reports and notices. Additionally the Company disseminates all agenda items of Board and Committee meetings electronically on a real time basis, by uploading them on a secured online application specifically designed for this purpose, thereby eliminating circulation of printed agenda papers.

### 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;
- 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 annexed herewith as **Annexure F**.

#### Management Discussion & Analysis

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and 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 of the Company to which the financial statements relate and the date of the report.

#### Change in the Nature of Business

The 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, 2018, 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.

#### **Audit Committee Recommendations**

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

#### **Secretarial Standards**

The Company complies with the applicable Secretarial Standards issued by the 'Institute of Company Secretaries of India'.

#### **ACKNOWLEDGEMENTS**

The Board thanks the Government of India, SEBI, RBI, Gift City Ltd., 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

Date: May 4, 2018  
Place: Mumbai

**S. Ravi**  
Chairman



**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 01-04-2017 TO 31-03-2018**

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 **1<sup>st</sup> April, 2017 to 31<sup>st</sup> March 2018** ("the reporting period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018** 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 Regulation 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.

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, Securities Contracts (Regulation) Rules, 1957, to the extent applicable.
2. Securities and 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 the 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 Directors 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 with 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:

- 1) Board of Directors at their meeting held on January 15, 2018 approved the buyback of equity shares from open market through stock exchange mechanism representing maximum 9.99% aggregate of the total paid up equity share capital and free reserves of the Company based on audited standalone financial statements of the Company as on March 31, 2017 in accordance with Section 68(2) of the Companies Act, 2013 for ₹ 166 Crores at a price not exceeding ₹ 1,100/- per equity share of the face value of ₹ 2/- each. The Exchange had bought back 5,48,640 equity shares of the face value of ₹ 2/- each till March 31, 2018.
- 2) Shri Roland Schwinn was appointed as a Shareholder Director in place of Mr. Thomas Bendixen w.e.f. June 13, 2017.
- 3) Shri S. S. Mundra and Shri David Wright were appointed as Public Interest Directors on the Board of the Company w.e.f. January 17, 2018 and March 16, 2018 respectively.

- 4) Shri Sudhakar Rao and Shri Dharendra Swarup retired as Chairman and Public Interest Director from the Board of the Company on June 28, 2017 and November 2, 2017 respectively.
- 5) Dr. K. Kasturirangan retired as Public Interest Director from the Board of the Company on January 22, 2018.
- 6) Shri Dharendra Swarup and Shri S. Ravi were appointed as a Chairman of the Board of the Company w.e.f. July 31, 2017 and November 13, 2017 respectively.
- 7) S.R. Batliboi & Co LLP, Mumbai, Chartered Accountants appointed as a Statutory Auditors of the Company in place of retiring Auditors Deloitte Haskins & Sells, LLP, Chartered Accountants.
- 8) Approval of Members through postal ballot was sought on October 16, 2017 for re-appointment of Shri Ashishkumar Chauhan as MD & CEO for a further period of 5 years commencing from November 2, 2017 till November 1, 2022.
- 9) Approval of members through postal ballot was sought on January 10, 2018 for payment of One-time Special Ex-gratia to Shri Ashishkumar Chauhan, MD & CEO of the Company.

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

**Ragini Chokshi**  
(Partner)

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

Date: May 4, 2018  
Place: Mumbai



## Annexure 'B' to Directors Report

## 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 May 14, 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.

- (v) 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 upto 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) 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, 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 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.

## 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 Technology Business Incubators, as permitted under Companies Act, 2013 and various guidelines issued thereunder

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

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

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

### 2. Composition of CSR Committee:

Sr. No.	Name of the members	Category
1.	Justice Vikramajit Sen (Chairman)	Public Interest Director
2.	Shri S. Ravi	Public Interest Director
3.	Dr. S. P. Kothari	Shareholder Director
4.	Smt. Usha Sangwan	Shareholder Director
5.	Shri Ashishkumar Chauhan	Managing Director & CEO

3. Average net profit of the Company for last three Financial Years: ₹ **8,109.54 Lakh**

4. Prescribed CSR Expenditure (two percent of ₹ 8,109.54 Lakh): ₹ **162.19 Lakh**

5. Details of CSR expenditure for the Financial Year ending March 31, 2018:

- a. Total amount to be spent for the Financial Year: ₹ **162.19 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 projects identified	Sector	Location of the Project	Amount outlay (budget) (₹ in Lakh)	Direct expenditure on the projects (₹ in Lakh)	Cumulative expenditure (₹ in Lakh) *	Manner of spending
1.	Contribution to technology incubator	Technology Incubator	Mumbai, Maharashtra	134.60	134.60	331.06	Through BSE CSR Integrated Foundation
2.	Donation to Chief Ministers Relief Fund of Assam, Arunachal Pradesh, Gujarat, Odisha and Rajasthan	Socio-economic development and relief	Respective States	25.00	25.00	25.00	Direct
	<b>Subtotal</b>			159.60	159.60	356.06	
	<b>Overheads</b>				2.59		
	<b>Total CSR Spend</b>				<b>162.19</b>		

\* 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.

Date: May 4, 2018

Place: Mumbai

**Ashishkumar Chauhan**

Managing Director & CEO

**Justice Vikramajit Sen**

Chairman of CSR Committee

## 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	Not Applicable
(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	Not Applicable
(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)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Date: May 4, 2018  
Place: Mumbai

**S. Ravi**  
Chairman

## Annexure 'E' of Directors' Report

**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 2017-18 IS AS FOLLOWS:**

Name of Director	Ratio of Remuneration of Director to median remuneration
Shri Ashishkumar Chauhan <sup>1</sup>	89.27
Shri S. Ravi	2.84
Justice Vikramajit Sen	1.60
Shri Sumit Bose	2.47
Shri S. S. Mundra <sup>2</sup>	@
Shri David Wright <sup>3</sup>	@
Shri Sudhakar Rao <sup>4</sup>	@
Shri Dharendra Swarup <sup>5</sup>	@
Dr. K. Kasturirangan <sup>6</sup>	@
Dr. Sriprakash Kothari	1.60
Smt. Usha Sangwan	0.58
Smt. Rajeshree Sabnavis	1.20
Shri Roland Schwinn <sup>7</sup>	@
Shri Thomas Bendixen <sup>7</sup>	@

<sup>1</sup> Total Remuneration considered 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 2017-18 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. It also includes one-time ex-gratia paid during the year.

<sup>2</sup> Appointed as Public Interest Director w.e.f. January 17, 2018

<sup>3</sup> Appointed as Public Interest Director w.e.f. March 16, 2018

<sup>4</sup> Retired as Public Interest Director w.e.f. June 28, 2017

<sup>5</sup> Retired as Public Interest Director w.e.f. November 2, 2017

<sup>6</sup> Retired as Public Interest Director w.e.f. January 22, 2018

<sup>7</sup> Appointed as Shareholder Director in place of Shri Thomas Bendixen w.e.f. June 13, 2017

@ 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 2017-18 ARE AS FOLLOWS:**

Remuneration paid to Managing Director and Chief Executive Officer:

Name	% increase in remuneration in the Financial Year <sup>1 &amp; 2</sup>
Shri Ashishkumar Chauhan	47

<sup>1</sup> 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 Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and one-time ex-gratia paid during the year. If the same are excluded, the percentage increase in remuneration is 26%

<sup>2</sup> Excluding 50% of the Variable Pay to be paid on deferred basis after 3 years as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012

Remuneration paid to Non-Executive Independent Directors:

Name	% increase in remuneration in the Financial Year
Shri S. Ravi	15
Justice Vikramajit Sen	-12
Shri Sumit Bose	36
Shri S. S. Mundra <sup>1</sup>	@
Shri David Wright <sup>2</sup>	@
Shri Sudhakar Rao <sup>3</sup>	@
Shri Dharendra Swarup <sup>4</sup>	@
Dr. K. Kasturirangan <sup>5</sup>	@

<sup>1</sup> Appointed as Public Interest Director w.e.f. January 17, 2018

<sup>2</sup> Appointed as Public Interest Director w.e.f. March 16, 2018

<sup>3</sup> Retired as Public Interest Director w.e.f. June 28, 2017

<sup>4</sup> Retired as Public Interest Director w.e.f. November 2, 2017

<sup>5</sup> Retired as Public Interest Director w.e.f. January 22, 2018

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

Remuneration paid to Non-Executive Non Independent Shareholder Directors:

Name	% increase in remuneration in the Financial Year
Shri Roland Schwinn <sup>1</sup>	@
Dr. Sriprakash Kothari	33
Smt. Usha Sangwan	-50
Smt. Rajeshree Sabnavis	-11
Shri Thomas Bendixen <sup>1</sup>	@

<sup>1</sup> Appointed Shareholder Director in place of Shri Thomas Bendixen 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 is not comparable

Remuneration paid to Key Managerial Personnel (KMP):

Name	Designation	% increase in remuneration in the Financial Year
Shri Nayan Mehta	Chief Financial Officer <sup>1</sup>	60
Smt. Prajakta Powle	Company Secretary and Compliance Officer	@

<sup>1</sup> 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 Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and one-time ex-gratia paid during the year. If the same are excluded, the percentage increase in remuneration is 40%. It excludes 50% of the Variable Pay to be paid on deferred basis after 3 years as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012

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

**C. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2017-18: 19%**

**D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2018: 459**

**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 in the salaries of employees other than the managerial personnel in the last Financial Year is 13%. The average percentile increase in the salaries of managerial personnel is 26% primarily due to reduce disparities in their salaries while benchmarking to industry levels considering absence of ESOP's to employees and in accordance with the recommendations of a reputed HR consultancy firm. A one-time ex-gratia payment of ₹ 5.57 Crore was approved by the Board and made to all employees during Financial Year 2017-18 to recognize their contribution towards successful completion of BSE's Initial Public Offer and commencement of its International Exchange, India International Exchange (IFSC) Ltd. at GIFT City, Gandhinagar.

**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 AND THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2012, FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018**

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 <sup>®</sup>	50	22-Sep-09	6,13,84,200	Managing Director & CEO	B.Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)	27	President and Group Chief Information Officer (CIO) - Reliance Industries Limited.
2	Shri Nehal Vora <sup>®</sup>	44	20-Jul-09	2,17,45,611	Chief Regulatory Officer	B.Com., MMS (Finance)	22	Director - DSP Merrill Lynch Ltd.
3	Shri Nayan Mehta <sup>®</sup>	51	19-Jan-12	1,36,46,957	Chief Financial Officer	B. Com, ACMA, FCA	26	Joint General Manager (Accounts) - Credit Analysis & Research Ltd.
4	Shri Kersi Tavadia <sup>®</sup>	55	25-Oct-10	1,32,46,004	Chief Information Officer	B.Sc., PGDCS, MFM, CISM	35	Chief Technology Office - HSBC Invest Direct Securities.
5	Shri Neeraj Kulshrestha <sup>®</sup>	52	05-May-15	1,08,61,391	Chief of Business Operations	B.Sc. (Computer), MBA (Finance)	30	Executive Director at Morgan Stanley India.

\* 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 year's which has been paid during the Financial Year 2017-18 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

® 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 taxable value of 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 reappointed as Managing Director & CEO for a period of five years with effect from November 2, 2017.
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: May 4, 2018  
Place: Mumbai

**S. Ravi**  
Chairman



## Annexure 'F' to Directors' Report

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the Financial Year ended March 31, 2018

[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 <sup>th</sup> Floor, P.J.Towers, Dalal Street, Mumbai - 400 001. Tel. 022-22721233; Fax 022-22721003 E-mail: bse.shareholders@bseindia.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar Transfer Agent, if any	<b>Karvy Computershare Private Limited</b> Unit : BSE Limited, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032  <b>Contact Person</b> 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 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai – 400001	U67120MH2007PLC170358	Wholly Owned Subsidiary	100.00%	2(87)
2	Marketplace Technologies Private Limited Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai – 400001	U72200MH2005PTC152920	Wholly Owned Subsidiary	100.00%	2(87)

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>					
<b>Sr. No</b>	<b>Name and Address of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
3	BSE Institute Limited Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai – 400001	U80903MH2010PLC208335	Wholly Owned Subsidiary	100.00%	2(87)
4	BSE Investments Limited Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001	U65990MH2014PLC253680	Wholly Owned Subsidiary	100.00%	2(87)
5	BSE Sammaan CSR Limited Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U74999MH2015PLC268298	Wholly Owned Subsidiary	100.00%	2(87)
6	India International Exchange (IFSC) Limited Address: 1 <sup>st</sup> 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 <sup>st</sup> 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 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001.	U85191MH2016NPL273997	Subsidiary (additional 25% of shares held by subsidiaries)	75.00%	2(87)
9	Marketplace Tech Infra Services Private Limited Address: 3 <sup>rd</sup> 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)
10	BSE Skills Limited Address: 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001. (under process of striking off)	U80904MH 2014PLC255068	Subsidiary (Wholly Owned Subsidiary of BSE Institute Limited, referred to at Sr. no 3)	-	2(87)
11	BFSI Sector Skill Council of India Address: 25 <sup>th</sup> 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)
12	BIL – Ryerson Technology Startup Incubator Foundation Address: 18 <sup>th</sup> 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)

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>					
<b>Sr. No</b>	<b>Name and Address of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
13	Central Depository Services (India) Limited Address: Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	L67120MH1997PLC112443	Associate	24%	2(6)
14	CDSL Ventures Limited Address: A Wing, Marathon Futurex, 25 <sup>th</sup> Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	U93090MH2006PLC164885	Associate (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no 13)	-	2(6)
15	CDSL Insurance Repository Limited Address: Marathon Futurex, A Wing, 25 <sup>th</sup> Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	U74120MH2011PLC219665	Associate (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no 13)	-	2(6)
16	CDSL Commodity Repository Limited Address: A Wing, Marathon Futurex, 25 <sup>th</sup> Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	U74999MH2017PLC292113	Associate (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no 13)	-	2(6)
17	Asia Index Private Limited Address: 14 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001.	U74900MH2013PTC247709	Associate	50.00%	2(6)
18	BSE EBIX Insurance Broking Private Limited Address: 25 <sup>th</sup> Floor, P.J Towers, Dalal Street, Mumbai – 400001.	U66010MH2018PTC306530	Associate (40% holdings of BSE Investments Limited)	-	2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Share holders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other ....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other ....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	20,23,670	0	20,23,670	3.76	27,03,119	0	27,03,119	5.07	1.31
b) Banks/ FI	1,58,576	0	1,58,576	0.29	49,480	0	49,480	0.09	-0.20
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	25,09,721	0	25,09,721	4.66	25,29,150	0	25,29,150	4.74	0.08
g) FIIs (including FPI's)	79,38,506	0	79,38,506	14.75	51,01,878	0	51,01,878	9.57	-5.18
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
<b>i) Others (specify)</b>									
a) FDI	47,30,534	0	47,30,534	8.79	47,30,534	0	47,30,534	8.87	0.08
b) Alternate Investment Funds	9,114	0	9,114	0.02	0	0	0	0.00	-0.02
<b>Sub-total (B)(1):-</b>	<b>1,73,70,121</b>	<b>0</b>	<b>1,73,70,121</b>	<b>32.28</b>	<b>1,51,14,161</b>	<b>0</b>	<b>1,51,14,161</b>	<b>28.35</b>	<b>-3.93</b>



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
Category of Share holders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	42,58,469	0	42,58,469	7.91	50,28,566	0	50,28,566	9.43	1.52
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	88,21,182	126	88,21,308	16.39	1,27,75,146	26	1,27,75,172	23.97	7.57
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	5,30,835	0	5,30,835	0.99	5,30,835	0	5,30,835	1.00	0.01
<b>c) Other (Specify)</b>									
i. HUF	5,54,166	0	5,54,166	1.03	7,53,724	0	7,53,724	1.41	0.38
ii. Trust	2,10,735	0	2,10,735	0.39	19,685	0	19,685	0.04	-0.35
iii. Non Resident Indians	14,19,330	0	14,19,330	2.64	19,15,778	0	19,15,778	3.59	0.96
iv. Limited liability partnership (LLP)	0	0	0	0.00	0	0	0	0.00	0.00
v. NBFC	200	0	200	0.00	540	0	540	0.00	0.00
vi. IEPF	0	0	0	0.00	225	0	225	0.00	0.00
vii. Foreign Nationals	0	0	0	0.00	50	0	50	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>1,57,94,917</b>	<b>126</b>	<b>1,57,95,043</b>	<b>29.35</b>	<b>2,10,24,549</b>	<b>26</b>	<b>2,10,24,575</b>	<b>39.44</b>	<b>10.09</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3,31,65,038</b>	<b>126</b>	<b>3,31,65,164</b>	<b>61.64</b>	<b>3,61,38,710</b>	<b>26</b>	<b>3,61,38,736</b>	<b>67.80</b>	<b>6.16</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>3,31,65,038</b>	<b>126</b>	<b>3,31,65,164</b>	<b>61.64</b>	<b>3,61,38,710</b>	<b>26</b>	<b>3,61,38,736</b>	<b>67.80</b>	<b>6.16</b>
<b>D. Trading Members &amp; their Associates</b>									
I. Corporate Trading Member	86,90,505	2,22,948	89,13,453	16.57	79,70,326	1,56,000	81,26,326	15.24	-1.32
II. Individual Trading Member	30,78,365	71,500	31,49,865	5.85	24,57,578	71,500	25,29,078	4.74	-1.11
III. Trading Member BANK	45,30,833	0	45,30,833	8.42	39,69,581	0	39,69,581	7.45	-0.97
IV. Associate Trading Member-CORPORATE	9,34,272	0	9,34,272	1.74	6,25,285	0	6,25,285	1.17	-0.56
V. Associate Trading Member-INDIVIDUAL	29,62,362	0	29,62,362	5.51	14,04,060	0	14,04,060	2.63	-2.87
VI. Associate Trading Member-HUF	73,302	0	73,302	0.14	82,018	0	82,018	0.15	0.02
VII. Associate Trading Member Banks/FII	20,480	0	20,480	0.04	19,480	0	19,480	0.04	0.00
VIII. Associate Trading Member FDI Banks	58,441	0	58,441	0.11	58,441	0	58,441	0.11	0.00
IX. Associate Trading Member - FPI	0	0	0	0.00	3,38,089	0	3,38,089	0.63	0.63
X. Associate Trading Member - NBFC	0	0	0	0.00	14,158	0	14,158	0.03	0.03
<b>Sub-total (D):-</b>	<b>2,03,48,560</b>	<b>2,94,448</b>	<b>2,06,43,008</b>	<b>38.36</b>	<b>1,69,39,016</b>	<b>2,27,500</b>	<b>1,71,66,516</b>	<b>32.20</b>	<b>-6.16</b>
<b>Grand Total (A+B+C+D)</b>	<b>5,35,13,598</b>	<b>2,94,574</b>	<b>5,38,08,172</b>	<b>100.00</b>	<b>5,30,77,726</b>	<b>2,27,526</b>	<b>5,33,05,252</b>	<b>100.00</b>	<b>0.00</b>

**Note:** The outstanding share capital as on March 31, 2018 is after considering extinguishment of 5,02,920 (Out of 5,48,640 equity shares bought back till March 31, 2018) equity shares pursuant to buyback.

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	DEUTSCHE BOERSE AG	25,49,443	4.75	25,49,443	4.75
	<b>At the end of the year</b>			<b>25,49,443</b>	<b>4.78*</b>
2	STATE BANK OF INDIA	25,48,682	4.75	25,48,682	4.75
	<b>At the end of the year</b>			<b>25,48,682</b>	<b>4.78*</b>
3	LIFE INSURANCE CORPORATION OF INDIA	25,09,721	4.68	25,09,721	4.68
	02/03/2018 Purchase	10,000		25,19,721	4.70
	09/03/2018 Purchase	5,779		25,25,500	4.72
	<b>At the end of the year</b>			<b>25,25,500</b>	<b>4.74*</b>
4	IDFC MUTUAL FUND	0	0.00	0	0.00
	09/03/2018 Purchase	13,67,725		13,67,725	2.56
	23/03/2018 Purchase	48,000		14,15,725	2.65
	<b>At the end of the year</b>			<b>14,15,725</b>	<b>2.66*</b>
5	GKFF VENTURES	12,28,465	2.29	12,28,465	2.29
	<b>At the end of the year</b>			<b>12,28,465</b>	<b>2.30*</b>

<b>iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)</b>					
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
6	CALDWELL INDIA HOLDINGS INC	11,73,319	2.19	11,73,319	2.19
	<b>At the end of the year</b>			<b>11,73,319</b>	<b>2.20*</b>
7	SIDDHARTH BALACHANDRAN	10,87,915	2.03	10,87,915	2.03
	31/10/2017 Purchase	4,045		10,91,960	2.03
	03/11/2017 Purchase	17,256		11,09,216	2.06
	10/11/2017 Purchase	24,611		11,33,827	2.11
	17/11/2017 Purchase	20,307		11,54,134	2.14
	24/11/2017 Purchase	35,356		11,89,490	2.21
	01/12/2017 Purchase	20,751		12,10,241	2.25
	08/12/2017 Purchase	18,674		12,28,915	2.28
	09/02/2018 Purchase	35,485		12,64,400	2.35
	16/02/2018 Purchase	56,515		13,20,915	2.46
	09/03/2018 Purchase	1,500		13,22,415	2.47
	16/03/2018 Purchase	6,966		13,29,381	2.48
	23/03/2018 Purchase	6,410		13,35,791	2.50
	30/03/2018 Purchase	3,424		13,39,215	2.51
	<b>At the end of the year</b>			<b>13,39,215</b>	<b>2.51*</b>
8	ACACIA BANYAN PARTNERS LIMITED	10,07,772	1.88	10,07,772	1.88
	<b>At the end of the year</b>			<b>10,07,772</b>	<b>1.89*</b>
9	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	0	0.00	0	0.00
	19/05/2017 Purchase	3,15,423		3,15,423	0.59
	26/05/2017 Purchase	2,57,672		5,73,095	1.07
	02/06/2017 Purchase	1,80,467		7,53,562	1.40
	09/06/2017 Purchase	64,399		8,17,961	1.52
	30/06/2017 Purchase	26,079		8,44,040	1.57
	21/07/2017 Purchase	5,960		8,50,000	1.58
	09/02/2018 Purchase	7,631		8,57,631	1.59
	<b>At the end of the year</b>			<b>8,57,631</b>	<b>1.61*</b>
10	BAJAJ HOLDINGS AND INVESTMENT LTD	7,51,699	1.40	7,51,699	1.40
	<b>At the end of the year</b>			<b>7,51,699</b>	<b>1.41*</b>

<b>iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)</b>					
<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the Year</b>	
		<b>No. of Shares</b>	<b>% of total shares of the Company</b>	<b>No of Shares</b>	<b>% of total shares of the Company</b>
11	SMALLCAP WORLD FUND, INC	26,73,430	4.98	26,73,430	4.98
	17/11/2017 Sale	-6,310		26,67,120	4.96
	24/11/2017 Sale	-28,423		26,38,697	4.90
	01/12/2017 Sale	-26,090		26,12,607	4.86
	08/12/2017 Sale	-66,856		25,45,751	4.73
	15/12/2017 Sale	-31,267		25,14,484	4.67
	22/12/2017 Sale	-64,607		24,49,877	4.55
	29/12/2017 Sale	-1,83,886		22,65,991	4.21
	05/01/2018 Sale	-13,60,087		9,05,904	1.68
	12/01/2018 Sale	-7,52,361		1,53,543	0.29
	19/01/2018 Sale	-1,53,543		0	0.00
	<b>At the end of the year</b>			<b>0</b>	<b>0.00</b>
12	NOMURA INDIA INVESTMENT FUND MOTHER FUND	15,00,000	2.79	15,00,000	2.79
	12/01/2018 Sale	-2,00,000		13,00,000	2.42
	19/01/2018 Sale	-1,00,000		12,00,000	2.23
	09/03/2018 Sale	-12,00,000		0	0.00
	<b>At the end of the year</b>			<b>0</b>	<b>0.00</b>
13	ICICI PRUDENTIAL TOP 100 FUND	8,78,163	1.64	8,78,163	1.64
	07/04/2017 Sale	-21,445		8,56,718	1.60
	14/04/2017 Sale	-48,222		8,08,496	1.50
	21/04/2017 Sale	-25,805		7,82,691	1.45
	14/07/2017 Sale	-39,848		7,42,843	1.38
	21/07/2017 Sale	-49,309		6,93,534	1.29
	17/11/2017 Sale	-8,086		6,85,448	1.27
	24/11/2017 Sale	-47,398		6,38,050	1.19
	01/12/2017 Sale	-1,282		6,36,768	1.18
	08/12/2017 Sale	-5,169		6,31,599	1.17
	15/12/2017 Sale	-41,939		5,89,660	1.10
	22/12/2017 Sale	-54,008		5,35,652	1.00
	<b>At the end of the year</b>			<b>5,35,652</b>	<b>1.00*</b>
*Difference in percentage at the end of the year is due to ongoing buyback of the Company.					



<b>v) Shareholding of Directors and Key Managerial Personnel :</b>					
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 Lakhs)

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

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>			
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>			
Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager (Shri Ashishkumar Chauhan) <sup>1</sup>	Total Amount
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,99,02,000	5,99,02,000
	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...	-	-

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>			
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>			
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/Manager (Shri Ashishkumar Chauhan)<sup>1</sup></b>	<b>Total Amount</b>
5	Others - Employer's contribution to Provident Fund	14,42,600	14,42,600
	<b>Total</b>	<b>6,13,84,200</b>	<b>6,13,84,200</b>
	Ceiling as per the Act (₹ in Lakh)	1,349	1,349
<sup>1</sup> 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 2017-18 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. It also includes one-time ex-gratia paid during the year.			

<b>B. Remuneration to other directors</b>					
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Fee for attending board/ committee meetings</b>	<b>Commission</b>	<b>Others, please specify</b>	<b>Total Amount</b>
<b>1</b>	<b>Independent Directors/ Public Interest Director</b>	(Amount in Lakh)			
	Shri Sudhakar Rao <sup>1</sup>	4,00,000	-	-	4,00,000
	Shri Dharendra Swarup <sup>2</sup>	13,25,000	-	-	13,25,000
	Dr. K. Krishnaswamy <sup>3</sup>	12,75,000	-	-	12,75,000
	Shri S. Ravi	*19,50,000	-	-	19,50,000
	Justice Vikramajit Sen	11,00,000	-	-	11,00,000
	Shri Sumit Bose	17,00,000	-	-	17,00,000
	Shri S. S. Mundra <sup>4</sup>	4,00,000	-	-	4,00,000
	Shri David Wright <sup>5</sup>	NA	-	-	NA
	<b>Total (1)</b>	<b>81,50,000</b>	<b>-</b>	<b>-</b>	<b>81,50,000</b>
<b>2</b>	<b>Shareholder Director</b>				
	Shri Thomas Bendixen <sup>6 &amp; 7</sup>	1,00,000	-	-	1,00,000
	Dr. Sriprakash Kothari	11,00,000	-	-	11,00,000
	Smt. Rajeshree Sabnavis	8,25,000	-	-	8,25,000
	Smt. Usha Sangwan <sup>8</sup>	**4,00,000	-	-	4,00,000
	Shri Roland Schwinn <sup>9&amp;7</sup>	8,50,000	-	-	8,50,000
	<b>Total (2)</b>	<b>32,75,000</b>	<b>-</b>	<b>-</b>	<b>32,75,000</b>
	<b>Total Managerial Remuneration (1) + (2)</b>	<b>1,14,25,000</b>	<b>-</b>	<b>-</b>	<b>1,14,25,000</b>

Sitting fees paid to Directors are within the prescribed limit of Companies Act, 2013 and the above fees does not include the Swachh Bharat Cess which the Company has to borne.

<sup>1</sup> Retired as Public Interest Director w.e.f. June 28, 2017

<sup>2</sup> Retired as Public Interest Director w.e.f. November 2, 2017

<sup>3</sup> Retired as Public Interest Director w.e.f. January 22, 2018

<sup>4</sup> Appointed as Public Interest Director w.e.f. January 17, 2018

<sup>5</sup> Appointed as Public Interest Director w.e.f. March 16, 2018

<sup>6</sup> Ceased to be Shareholder Director w.e.f. June 13, 2017

<sup>7</sup> Paid to Deutsche Boerse AG (DB) for the meetings attended by Shri Thomas Bendixen & Shri Roland Schwinn, as representative of Deutsche Boerse AG

<sup>8</sup> Paid to Life Insurance Corporation (LIC) for the meetings attended by Smt. Usha Sangwan, as representative of Life Insurance Corporation

<sup>9</sup> Appointed as Shareholder Director w.e.f. June 13, 2017

\* ₹ 25,000/- out of ₹ 19,50,000/- was paid in FY 2018-19

\*\* ₹ 4,00,000/- was paid in FY 2018-19

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD</b>				
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
		Shri Nayan Mehta*	Smt. Prajakta Powle	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,32,09,440	29,16,509	1,61,25,949
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	92,553	-	92,553
	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	3,44,964	57,600	4,02,564
	<b>Total</b>	<b>1,36,46,957</b>	<b>29,74,109</b>	<b>1,66,21,066</b>
* Total Remuneration of CFO stated above is excluding unpaid 50% of total variable to be paid on deferred basis after 3 years and including variable pay of the prior years which has been paid during the Financial Year 2017-18 as per the Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations 2012 and one-time ex-gratia paid during the year.				

<b>VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Date: May 4, 2018  
Place: Mumbai**S. Ravi**  
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. Exchanges are crucial market intermediaries and are supervised by the 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, as on February 28, 2018 there are five (5) Stock Exchanges in the Equity Capital Market (ECM), three (3) in the Equity Derivatives Market (EDX) and seven (7) in the commodities derivatives market, almost 11,500 brokers and 26,000 sub brokers across these segments, over 5,500 listed companies, 2 depositories, over 9,000 Foreign Portfolio Investors (FPIs), and nineteen (19) custodians, all with a market capitalization of ~ USD 2.3 trillion<sup>1</sup>.

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' brokers, sub brokers, broker branches, corporates, banks, depositories, depository participants, custodians and investors. The Stock Exchange industry in India has evolved rapidly in the past few years. Currently, the Indian Exchange space spans many asset classes – equities, equity derivatives, currency derivatives, commodity derivatives, ETF, mutual funds, debt, interest rate derivatives and power trading.

In the board meeting held on December 28, 2017, SEBI approved a slew of reforms, among which is formation of a universal exchange, i.e. integrating trading in equities, currency and commodities on a single platform from October 1, 2018. This move will help participants in various markets with a highly regulated, safer and more transparent trading, clearing and settlement framework. Moreover, universal exchange offers significantly greater convenience for investors and traders, who will be able to trade in all asset categories from a single account. They will also reap benefits arising from enhanced competition across all categories, thus creating deeper markets with lower spreads and transaction charges. This move has the potential to transform India's capital markets in the coming years and make available a large spectrum of products to the common investor.

The Union Budget for FY 2018-19 introduced a number of measures for formalizing and enhancing the role of capital markets. The need for reviving corporate bond market is addressed with the budget considering mandating large Corporates to meet about 25% of their financing needs from the bond market to boost the bond market. On the other hand, permitting trade in lower rated bonds offer investors more choices and improves liquidity in Indian Corporate Debt market. The Government also approved listing of 14 Central Public Sector Enterprises (CPSE), including two insurance companies, on the stock exchanges.

The budget also envisages the launch of Gold Spot exchanges to drive transparency and efficiency in gold trading in the country. The Hon'ble Finance Minister announced setting up of an expert committee to study and promote the creation of an operational and legal framework to integrate spot market and derivatives market for gold. A policy will be adopted to develop gold as an asset class. The gold spot exchange will be first initiative in this direction. Further details are awaited at this stage.

Launch of a debt ETF is also envisaged for raising debt financing. Other measures that are beneficial for the capital markets include amendment of stamp duty regime in consultation with the States, review of Overseas Direct Investment (ODI) regulations, and separate policy for hybrid instruments for startups and venture capital firms and proposal to provide an impetus to the FinTech industry.

The Budget also offers provisions to further develop the IFSC at Gift City. Short-term capital gains tax are exempt for EDX trades. The proposed GIFT City unified regulator would provide a single window for all regulatory concerns and help expedite decisions on multiple policies. This is expected to help the country regain offshore trading activity and improve price discovery process. This move will also help India compete with other international financial centers and usher in new chapter in financial services sector.

On the tax front, after a gap of fourteen years, the Government reintroduced the long-term capital gains tax on gains arising from the transfer of listed securities exceeding ₹ 1 Lakh at 10%, without allowing any indexation benefit. However,

<sup>1</sup> SEBI Bulletin February 2018 published on April 4, 2018



the Government has not levied taxes retrospectively by grandfathering gains upto January 31, 2018 i.e. January 31, 2018 is now the new base.

## 2. CAPITAL MARKET – REVIEW AND OUTLOOK

In 2017, global equity markets rallied sharply with many indices touching their lifetime high levels. The rally was mainly driven by improvement in economic data points in the US and economic revival in Europe as discussed in the section 1.1 of the Directors Report. Commodity prices also witnessed an uptrend in 2017 on the back of improvement in economic growth in advanced economies coupled with curtailment in domestic production for certain commodities by China and production by major oil producing countries leading to crude oil prices touched a three year high of USD 69.37 in January 2018.

In FY 2017-18, Indian equity markets also scaled to all-time highs with S&P BSE Sensex surpassing 36,000 levels. The Government continued its focus on improving economic growth with series of big-ticket reforms like GST. Two consecutive years of good monsoon rainfall coupled with Government's focus on improving farm income led to gradual recovery in rural demand that also boosted the positive sentiments in the capital markets.

The sharp rally in the markets taking the benchmark S&P BSE Sensex to all time high levels was also supported by constant inflows from FPIs and sustained buying from Domestic Institutional Investors (DIIs). FPIs were net buyers to the tune of ₹ 1,146.82 billion and DIIs were net buyers to the tune of ₹ 1,146 billion in FY 2017-18.

In FY 2018-19, it is expected that India will remain one among the top investment destinations 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 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 CDX, IRD, 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.

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 financial products such as insurance, mutual funds and direct equities is expected to increase.

The Government's focus on job creation, infrastructure spending and improvement in farm income to boost domestic

demand bodes well for the capital markets. The capital markets may look attractive in the coming years as companies improve their earning margins through reduction in logistics and freight cost on the back of implementation of GST. Additionally, rationalization of tax differential will lead to improvement in share of organized sector.

Overall, major factors to impact Indian capital markets in FY 2018-19 include resurrection in consumption demand, growth led by policy reforms, move towards digitization and monetary stance of central banks of major economies and economic and trade policies. Coupled with strong demographic dividend and economic growth, consumer demand conditions in the country will remain strong for a long period. Additionally, stable fiscal situation, moderate inflation rate, exports growth, rising FDI inflows point towards fundamental stability in the economy, which augurs well for the capital markets. Key risks include near term growth uncertainty due to any policy changes, further rise in crude oil and other key commodities prices. Along with those risks, the Monetary Policy Committee (MPC) of the RBI at its monetary policy meeting on 4-6 June 2018 raised the key repo rate by 25 basis points for the first time since January 2014, to 6.25% while continued to maintain its 'neutral' stance of monetary policy might also have an impact on the overall business environment.

## 3. COMPETITIVE STRENGTHS AND OPPORTUNITIES

### 3.1 Strengths

#### Strong brand recognition

Established in 1875, BSE is Asia's oldest Stock Exchange 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 benchmark index, 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



(L-R) Smt. Shyamala Gopinath, Chairperson, HDFC Bank and Former Deputy Governor, RBI; Shri Harish Mehta, Chairman and Managing Director, Onward Technologies Ltd.; Bollywood Actress, Richa Chadda; Shri Ashishkumar Chauhan, MD & CEO, BSE along with the dignitaries ringing the bell to commence Diwali Muhurat Trading at BSE on October 19, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE exchanging MoU with Shri Robin Raina, CEO, Ebix on October 26, 2017 at BSE.

global indices such as the S&P 500, the Dow Jones Industrial Average, the FTSE 100, the DAX and the Hang Seng Index. Since it was first compiled in 1986, the Sensex has come to be known as the market bellwether.

### **Sound corporate governance and regulatory framework**

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

### **Technological Prowess Big Data Implementation**

The Company understands the importance of data and analytics and has invested substantially to leverage the benefits of Big Data Implementation. BSE has introduced a data analytics-based solution that relies on artificial intelligence to track news related to listed companies on digital media using social media. The primary objective of the tool is to detect and mitigate potential risks of market manipulation and rumors, and to reduce information asymmetry arising from it on digital media platforms, including social media.

During the initial implementation, print media and news websites were included, which was later expanded to Facebook and Twitter. With Social Media Analytics, overall it improved the speed, efficiency, productivity and ability to understand impact of news on the prices of BSE listed companies. Going further, the Company has implemented machine learning and language parsing for rumour verification and implemented open source natural language processing framework for voice to text conversion. This is in addition to the already implemented textual mining to detect rumours, which is published in Print media, Facebook and twitter.

Using machine learning, the Company is able to do language conversion of news about BSE listed companies, appearing in print media, from Hindi to English. This helps the Company for effective surveillance and monitoring for Indian regional language other than English language. The Company has also developed a real time price movement chart with correlation to rumours captured in the market.

With this innovation, BSE became the first stock exchange to implement advance surveillance measures, effectively providing investors accurate information involving BSE and BSE listed companies.

### **Use of Open source technologies**

The Company strongly believes in use of Open source technology and has built its core trading system and many of the important applications are on Open source technology. As an on-going process, the learning and experience of use of open source technology is being explored in other functional areas of the Exchange. The biggest strength of use of Open source technology is its continuous innovations by the global communities. BSE has been steadily and continuously transforming its legacy system to open source technology, wherever feasible. Overall the cost of ownership will be substantially less compared to proprietary software, its licensing cost and recurring annual maintenance cost for such proprietary software.

Proprietary relational database and User access work-flow management application are the area where BSE is migrating to open source technology.

So far use of Open source technology has helped the Company to remain competitive, as typically, open source enables technology agility to meet business needs. On the other hand, the roll out time is faster as compared to proprietary software dependent on vendor capabilities and delivery.

Lately, solutions based on web browser, mobile and cloud are increasingly built on open source infrastructure, so that they can be consumed and integrated with multiple platforms.

### Infrastructure on Cloud

Flexibility, Speed, Performance, High Availability, Security and Competitiveness, are today's IT environment needs to meet business expectations. During the last one & half year, the Company was engaged in exploring different cloud models that will be suitable for its environment. Continuous and increasing demand was creating a stress on existing infrastructure together with manageability and maintenance of it. All of these can be met with Cloud computing. To be future ready, the Company is in process of setting up of Hybrid Cloud.

With cloud in place and consolidation of infrastructure, it is expected to have substantial savings in infrastructure cost and to maintain it. The Company has already set up the basic infrastructure for Hybrid Cloud. While, the Company recognizes the huge opportunities of cloud computing in IT infra arena, the move to cloud is a journey, starting with small, manageable workloads and pick-up the speed as the Company gains confidence in the cloud.

The Company is simultaneously engaged in assessing future technological challenges that may be required to adjust hybrid IT environment with its existing IT systems, applications, network and security.

### Indigenous Solutions Development

BSE's IT core strength is its combined own tech savvy team and in-house development team. Apart from developing trading related applications, BSE is strengthening its IT capabilities by developing home grown solutions. The mutual effort of technology and development team has developed several noteworthy low cost applications based on contemporary technologies. BSE's IT arm Marketplace Technologies is engaged in developing home grown solutions for BSE and its group companies.

The biggest take away from developing the home grown solutions is the diversity in thought process and flexibility by indigenous IT team working on the solution as against the limited capabilities offered by third party proprietary solutions. In addition, the indigenous IT team has better access to business understanding and its needs. The type of applications that are in focus for indigenous solutions are internal workflow applications like Human Resource Management System (HRMS) and Financial Accounting System.

Team participation, grooming and skill development, knowledge transfer are the biggest benefits for investing in Indigenous solution development.

### Quality assurance & control

Quality has always remained the prime essence in all solutions that BSE IT team has developed till date. End-users, market participants and other intermediaries have acknowledged this

and always look forward for an enhanced experience. For quality management system, BSE has a strong, effective and stringent quality process for all its technology solutions. The process is overseen by dedicated Quality assurance team, who are equipped with required skill sets together with automated testing processes. Defining, maintenance and implementation of quality process is followed effectively.

Customer satisfaction and their confidence is the baseline for BSE's quality assurance process. In the course, there are many intangible benefits that the Company has reaped, such as enhanced market image, customer loyalty, elimination of defects and higher productivity.

### 3.2 Opportunities Universal Exchange

Number of opportunities have arisen from policy action directed at the growth and development of the commodity market. A significant opportunity has arose in this regard by grant of permission by SEBI to integrate trading in equities, currency and commodities on a single platform by October 2018, essentially creating a Universal exchange. This move is expected to participants in various markets with a highly regulated, safer and more transparent trading, clearing and settlement framework when implemented fully. This also has the potential to transform India's capital markets in the coming years and make available the spectrum of products to the common investor. BSE will be ready to offer trading for commodities derivatives as and when the regulator comes out with detailed regulations.



(L-R) Mr. Bernhard Steinruecke, Director General, Indo-German Chamber of Commerce; Mr. Thomas Fuhrmann, President, Indo-German Chamber of Commerce and Managing Director, TÜV Rheinland (India) Pvt. Limited; Dr. Andreas Dombret, Member of the Executive Board of the Deutsche Bundesbank, Shri Ashishkumar Chauhan, MD & CEO, BSE, Mr. Sunil Mathur, Vice President, Indo-German Chamber of Commerce and Managing Director & CEO, Siemens Limited and Dr. Juergen Morhard, Consul General, Consulate General of the Federal Republic of Germany, at the Indo-German Financial and Business Dialogue on October 31, 2017.





Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to The Rt. Hon Karen Bradley during British Home Council Event on November 10, 2017.

### Insurance Distribution

The ongoing steady development in the FinTech space has facilitated all market intermediaries working towards making all payments and settlements to happen electronically. Digital platforms like in the case with StAR MF has served as an opportunity for distributors to rapidly expand and reach potential investors. The digital platform has enabled BSE to establish a strong presence in mutual fund distribution. As a logical next step, we intend to augment this framework further by also venturing into insurance distribution. The Company has signed a Memorandum of Understanding (MoU) with Nasdaq-listed Ebix Inc. to set up a joint venture to develop an insurance distribution network in India. The new venture will be branded as BSE-Ebix and will deploy an insurance distribution platform that will allow distribution outlets, stock brokers, wealth management advisors and financial institutions across the country to sell life and non-life products. The venture will utilize the distribution reach of both BSE and Ebix that spans more than 3 Lakh outlets across the country. The proposed platform will leverage Ebix's end-to-end insurance exchange technology and encompass the entire insurance life cycle from customer relationship management, distribution management, multi-quoting, underwriting, policy creation and claims filings. We have necessary approvals from SEBI and in the process of seeking approval from Insurance Regulatory Development Authority of India (IRDAI).

### Gold Spot Exchange

While presenting the Union Budget for FY 2018-19, the Hon'ble Finance Minister announced the setting up of an expert committee to study and promote the creation of an operational and legal framework to integrate spot market and derivatives market for gold. A policy will be adopted to develop gold as an asset class. The gold spot exchange is expected to be first initiative in this direction. This move is expected to enable greater transparency not just with respect to pricing but

also the conduct of business of gold. It is also expected that this move can usher in the benefits of electronic markets for spot trading in gold for all stakeholders. This move presents a major opportunity for all stakeholders including BSE to expand their scope of business. The Company will be closely working with the Government and the regulators to launch spot trade in bullion as and when the framework is finalized.

### Natural Gas Spot Exchange

In October 2017, the Hon'ble Minister for Petroleum and Natural Gas announced the Government's intent to launch electronic natural gas trading platform, which could lead to market-determined pricing of gas. There is a lot of synergy between trading in commodities and the proposed gas exchange. Since the Company is ready for commodity derivatives which will be launched later this year, we shall be exploring the opportunity for setting up a natural gas exchange as and when such favorable opportunity exists. The Company will be closely working with the Government and the regulators to launch electronic trading in natural gas as and when the framework is finalized.

## 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 impact 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 its subsidiaries and associate companies, 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 Universal Exchange Platform

The approval by SEBI to offer universal exchanges i.e. trading in equities, currencies and commodities by all exchanges, is expected to intensify competition among the equity bourses and commodity bourses in the country. With enhanced competition, 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.



#### 4.4 Cybersecurity threats

The financial services industry faces growing and dynamic cyber-attack threats intended to exploit vulnerabilities, disrupt systems, and steal data and funds. Cyber-crime also appears to be increasing in terms of sophistication and complexity, widening the potential for infiltration and large-scale damage. The prevalence of such attacks in recent years only highlight the escalating threats to the security of customer funds and financial data.

With 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 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 known types of cyber-attacks that the Company could face:

- Malware - "Malware" refers to various forms of harmful software, such as viruses. Once malware is in your computer, it can wreak all sorts of havoc, from taking control of your machine, to monitoring your actions and keystrokes, to silently sending all sorts of confidential data from your computer or network to the attacker's home base.
- 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.
- Bots - Bots are efficient little blighters designed to scan a system and find specific information such as credit card information, weak points in new software patches or previously unknown access points that can be exploited. At which point the hacker(s) then do whatever they have set their mind upon.
- Application based attacks such as SQL Injection, XSS, Broken Authentication, etc. For e.g. 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.

#### 4.5 Global Protectionist Trends

There has been a steady surge in anti-global trade rhetoric globally accompanied by a rise in the introduction of protectionist measures by most of the world's major economies. While the fundamentals of the Indian economy remain robust, the domestic capital markets and inflow of foreign funds are susceptible to the developments in the global economy. If the tariff war escalates into a full-scale global trade war, Indian economy and the overall sentiment may be impacted.

### 5. KEY STRATEGIES

#### 5.1 Launch of Commodity Derivatives

Initially the Company will enter the commodity derivatives segment with non-agri products such as bullion, base metals, crude, and natural gas. Free- membership for the segment has also been offered to the members. The Company is ready with all the necessary technologies, clearing and settlement framework to launch in October 2018. The Company has also informed its trading members that once commodity derivatives are launched, their trading would be conducted on the exchange's BOLT Plus, its new generation trading system. The Company has initiated mock trading for commodity derivatives segment in the test environment with effect. We also plan to offer competitive trading charges in the segment including the lowest transaction charge payable by broker-members to the exchange, i.e. one rupee per trade, irrespective of the contract value.

#### 5.2 India International Exchange (IFSC) Limited (INDIA INX)

The Company set up India International Exchange (IFSC) Limited (formerly known as BSE International Exchange (IFSC)



Shri Ashishkumar Chauhan, MD & CEO, BSE; Mr. Willy Borsus, Hon'ble Minister President of Wallonia; Mr. Philippe Dirckx, MD, Markets and Initiatives, SWIFT posing with the Bull during their visit to BSE for the strategic partnership between SWIFT and BSE on November 10, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with the BSE brokers at the launch of BSE Electronic Smart Trader (BEST) Platform on November 15, 2017.

Limited and hereinafter referred to as “India INX”), India’s first international exchange located at the International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT City) on January 2017. India INX, a 100% subsidiary of the Company, was inaugurated by Hon’ble Prime Minister of India, Shri Narendra Modi on January 9, 2017 and commenced operations from January 16, 2017. For the period under consideration, India INX has taken initiative to be a pioneer in India’s IFSC mission by being the first to market on several products across asset class. This has augured well in developing confidence of participants/ members on the exchange and in offering a balanced portfolio of products to members and clients who trade on India INX.

India INX is well complemented by India International Clearing Corporation (IFSC) Limited (“India ICC”) as the Central Clearing Counterparty for all trades done on the exchange platform or OTC deals reported on the platform. India ICC is the first international clearing corporation at IFSC and is a wholly owned subsidiary of the Company.

The Company believes that IFSC in India can bring about transformational change by pursuing globally competitive business model that synergise and complement well with the domestic offerings. This will help strengthen the overall capital markets ecosystem for India.

The growth strategy for FY 2017-18 for India INX and India ICC was to set up an attractive and reliable trading platform with balanced product portfolio and to emerge as a universal exchange. Towards this, India INX adopted the following strategies during the year -

1. Be a global exemplar in offering trading technology platform that enables participants to trade seamlessly 22 hours a day simultaneously with other global markets from Japan in the east to the US in the west. India INX implemented several improvisation of its trading platform to enable the same.
2. Be a pioneer in offering IFSC services from India enabled by new products, platforms and services. Towards this, both India INX and India ICC drove several firsts during the period under consideration, viz. –
  - a. India INX was the first to launch gold options contract in India.
  - b. India ICC was the first international clearing corporation to offer clearing and settlement of securities through International Central Securities Depository (ICSDs).
  - c. To offer ease of trading for international participants, India ICC was the first international clearing corporation to allow traders to offer foreign securities as collateral to be kept with ICSDs. For this India ICC got into an arrangement with Clearstream.
  - d. India INX was the first to set up a primary market platform i.e. Global Securities Market. The platform allows Indian issuers to list their international bonds on India INX platform. SEBI’s IFSC guidelines allowed exchanges to frame the debt listing guidelines similar to other global IFCs. India INX’s debt listing framework offers listing guideline that is at par with leading listing jurisdictions globally thereby making it an attractive listing destination for Indian and foreign issuers.
  - e. India ICC was the first to set up an OTC reporting and settlement platform for OTC trades done on Global Securities Market.

The incessant focus on creating a comprehensive eco-system for offering universal exchange services has helped us set up a strong business foundation for the Company’s international business.

The following section outlines India INX and India ICC’s progress in pursuit of offering comprehensive eco-system and state of the art IFSC services to all participants.

### TRADING PERFORMANCE

India INX delivered an exponentially increasing growth in trading volume and trading turnover for the period under consideration.

Such performance is especially commendable in the backdrop of persistent tax frictions like capital gains tax that were in place till March 31, 2018. The Union Budget of 2018 offered several encouraging decisions that has offered fillip to the business and operating environment. While the benefit of this will accrue post March 31, 2018, the announcement of the measures have held attention of Indian and international participants.

Overall, trading turnover grew at 884% CAGR from less than USD 1 million in daily trading turnover to more than USD 500 million daily trading turnover during the period. Cumulative Trading Turnover of India INX Derivatives segment has crossed USD 27.4 billion (₹ 178,240 Crores) as on March 31, 2018. Cumulative Trading Volume of India INX Derivatives segment has crossed 16,95,708 contracts (lots) as on March 31, 2018.

### Derivatives Segment

For the period from April 1, 2017 to March 31, 2018:

- Total Trading Volume : 16,77,469 contracts (lots)
- Total Trading Turnover : USD 27,228 million
- Trading Volume on India INX Futures contracts : 14,33,092 contracts (lots)
- Trading Turnover on India INX Futures contracts : USD 24,538 million
- Trading Volume on India INX Options contracts : 2,44,377 contracts (lots)
- Trading Turnover on India INX Options contracts : USD 2,690 million

### Key Statistics of India INX Derivatives by asset class:

Sr. No.	Segment	Trading Volume (Contracts/ Lots)	Percentage (%)	Trading Turnover (USD million)	Percentage (%)
1	Index Futures	10,98,922	65.5%	11,784	43.3%
2	Index Options	2,44,377	14.6%	2,690	9.9%
3	Commodity Futures	2,93,562	17.5%	12,254	45%
4	Other Segments	40,608	2.4%	500	1.8%
	<b>GRAND TOTAL</b>	<b>16,77,469</b>	<b>100%</b>	<b>27,228</b>	<b>100%</b>

### Key Statistics of India INX Derivatives by product:

Sr. No.	India INX Futures/ Options Products	Trading Volume (Contracts/ Lots)	Percentage (%)	Trading Turnover (USD million)	Percentage (%)
1	S&P BSE SENSEX 50 Index Futures	10,97,489	65.4%	11,741	43.1%
2	S&P BSE SENSEX 50 Index Options	2,44,377	14.6%	2,690	9.9%
3	Gold Futures (32 tr oz)	2,93,345	17.5%	12,251	45%
4	Other Products	42,258	2.5%	546	2%
	<b>GRAND TOTAL</b>	<b>16,77,469</b>	<b>100%</b>	<b>27,228</b>	<b>100%</b>

### Global Securities Market:

For the period from December 21, 2017 to March 31, 2018:

- Debt Securities Established on GSM segment : USD 17,000 million
- Debt Securities Listed on GSM segment : USD 2,500 million
- No. of Issuers : three (3)
- No. of ISINs listed : five (5)

India INX remains the leading exchange at India's IFSC and the value created by the economic activities of this international exchange is set to multiply manifold after benefits offered from the latest Union Budget can be availed by the participants.

### 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. The major collaborative interactions with different stock exchanges in the past year are listed below:

In July 2017, The Egyptian Exchange (EGX) and BSE signed an MOU that includes mutual cooperation and the exchange of information across business areas of both the exchanges. The MOU between BSE and EGX was a step in integrating both the exchanges to build capital market flows and communication channels. It 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.





Shri Ashishkumar Chauhan, MD & CEO, BSE along with the students from Harvard & MIT during their visit to BSE on December 29, 2017.

In October 2017, the world's largest insurance exchange Ebix, Inc. and BSE signed a MOU to set up a joint venture (JV), to develop a pioneering insurance distribution network in India. The JV intends to deploy an insurance distribution exchange platform, that will allow distribution outlets, stock brokers, wealth management advisors and financial institutions, etc. across the length and breadth of the country to sell life and non-life products. It will leverage Ebix's world's leading end-to-end insurance exchange technology that encompasses the entire insurance life cycle from customer relationship management, agency management, multi-quoting, underwriting, policy creation, claims filing & settlement, to back end insurance policy administration.

In February 2018, an MOU was signed between BSE and Abu Dhabi Securities Exchange (ADX) in the presence of Honorable Prime Minister of India, Shri Narendra Modi and His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces. It aims at enhancing cooperation between both the countries in financial services industry. It would facilitate investment in financial markets by investors from both the countries. ADX has requested for assistance from BSE in various fields like skill development and training program, certification program for capital market professionals, student, and financial markets professional in UAE.

In March 2018, BSE signed an MOU with Afrinex - a new multi asset exchange proposed to be set up in Mauritius. This exchange would facilitate Indian companies raising funds in USD, Euro, GBP or South African Rands for investments within or outside India. Technical and operational support from BSE or Group companies is sought by the promoters of Afrinex -Exchange. This would strengthen the efforts of Government

of Mauritius to develop its financial sector and integrate it with neighboring African countries.

#### **5.4 Diversify our product and service offerings and maintain new product innovation and development**

BSE currently operates in equity, equity derivatives, currency derivatives, interest rate derivatives, debt segment, mutual fund segment and SME segment. With SEBI announcement of Integration of trading in commodity derivatives market with other segments of securities market at exchange level with effect from October 1, 2018, BSE endeavors to commence trading in Commodities segment w.e.f. October 1, 2018, subject to approval from SEBI.

In addition to our ongoing strength in service offering, we intend target the investors' needs for all financial products through innovative product and service offerings.

Complementing the success of our Mutual fund platform, we are venturing into insurance broking for pioneering insurance distribution network in India through BSE Ebix Insurance Broking Private Limited, a joint venture between BSE Investments Limited (BIL), 100% subsidiary of BSE and Ebix Fincorp Exchange Pte Ltd. (Ebix), 100% subsidiary of Ebix.

BEST (BSE Electronic Smart Trader) a robust, state-of-the-art hosted trading solution of Thomson Reuters was launched on November 15, 2017 for BSE members and customers, through our subsidiary, Marketplace Tech Infra Services Private Limited. BEST will allow BSE members to trade across multiple exchanges and segments across various exchanges expanding their distribution reach.

In line with our proposal to commence trading in Commodity markets, BSE proposes to invest upto 24% in the equity share of CDSL Commodity Repository Limited, promoted by CDSL. This Company is expected to digitize the commodities markets, as was done by Depositories for equity shares.

#### **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. We have entered into a strategic partnership with S&P Dow Jones Indices LLC, USA ("SPDJI") 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.

In March 2017, BSE tied up with Sentifi, a Swiss company and leader in algorithmic based analyses and reporting on social media updates of about 40,000 listed stocks globally. Sentifi analyses in real time the public online communication of more than 60,00,000 persons and organizations relevant for the financial markets. This helps investors/ readers to steer away from information overflow and follow the most influential persons and organizations online.

Using machine learning and deep learning algorithms, insights are generated and visualized through widgets. The data is updated around the clock in near real time on the BSE website through Sentifi platform.

In October 2017, Marketplace Tech Infra Services (MTISPL), 100% subsidiary of BSE, and Thomson Reuters signed an MOU to deploy BEST (BSE Electronic Smart Trader), a robust, state-of-the-art hosted trading solution built on Thomson Reuters Omnesys NEST platform, for BSE members and customers. This platform is offered through various channels including dealers, investor exe and web and brings greater scalability, convenience, speed and transparency to the users. It will supplement the existing order routing platform of MTISPL, BOW (Bolt+ On Web) to provide a single trading platform for all stock and commodity exchanges viz BSE, INDIA INX, NSE, NCDEX, MCX, MSEI & ICEX.

In November 2017, SWIFT India announced that Marketplace Technologies Pvt. Ltd, a 100% subsidiary of the BSE will act as its Service Bureau for securities markets in India providing a standardized, cost-effective, robust and secured infrastructure to all market participants.

This partnership is expected to provide easy access to industry players like asset management companies, broker dealers, etc. to connect to SWIFT India network which will help securities participants to automate and standardize their communication like investment account management, fixed income trade settlement and trade reporting, investment funds subscription and redemption, etc. This would bring operational efficiency and reduce risk to the users of SWIFT.

In January 2018, MTISPL signed an MOU with Thomson Reuters, the world's leading source of trusted answers for businesses and professionals. In this partnership, BSE members will be able to avail Thomson Reuters powered solutions – proTRade (mobile trading platform), i3 Algos (comprehensive algorithms for trading) and Bracket Order (trading by entering parameters for taking new positions, squaring off and keeping a stop loss for positions on mobile device as well as dealer terminals).

## 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. These initiatives have yielded us good results, evident in our increasing market share in the currency and interest rate derivatives segments. With the introduction of physical settlement in Equity derivatives, we are once again focusing on this product to increase market share.

## 5.7 Implementation of Open source in database & workflow application

The Company mission is to adopt open source technologies and garner greater participants from end users. The Company has been continuously exploring the use of open source technology in new developments catering to business needs and also transform legacy proprietary system to open source technology. Migrating from proprietary database to open source database is underway. In the long run, this will substantially reduce the licensing cost incurred on proprietary software and build a robust and scalable architecture. IAM (Identity Access Management) is another such solution based on open source technology. Using IAM, a strong user access workflow has been integrated with major internal and external applications. Another key point is use of Two Factor authentication to strengthen the security and the flexibility that it provides for integration with applications built on different platforms.

## 5.8 Hybrid Cloud framework

For details, please refer to the Director's Report.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Mr. Riho Kruuv, Ambassador of Estonia to India, Myanmar, Singapore and Sri Lanka and other delegates during their visit to BSE on January 17, 2018.



Shri Neeraj Kulshrestha, Chief of Business Operations, BSE addressing the gathering at the Listing of Municipal bonds of Greater Hyderabad Municipal Corporation on February 22, 2018.

## 5.9 Implementation of Next Generation Cyber Security Operations Center 24\*7 ("CSOC")

For details, please refer to the Directors Report.

## 5.10 Unified Trading Interface

The Company understands and appreciates the fact that needs of trading interface are different depending on the trading profile. The Company has been continuously striving to remain abreast and reciprocate the market trading needs into its trading interface viz. BOLTPlus on Web (BOW). BOW has come of the age in terms of user experience and technology. BOW is now recognized as one of the powerful real time trading solutions, made available to all trading members free of cost.

The Company in association with Thomson Reuters launched a new trading interface BEST (BSE Electronic Smart Trader), a robust, state-of-the-art hosted trading solution built on Thomson Reuters's platform, for BSE members and customers.

BEST trading platform brings greater scalability, convenience, speed and transparency to the users. This hosted trading platform is offered through various channels including dealers, investor exe and web.

BEST supplements the existing order routing platform BOW (Bolt+ On Web) to provide a single trading platform for BSE customers across multiple exchanges including BSE, NSE, MCX and NCDEX for a wide range of investment categories such as equity, equity derivatives, bonds, currency and commodities on a single terminal. The platform will help traders make informed investing decisions and manage risk, along with the benefit of speed and accuracy, thereby increasing the effectiveness of the transaction.

In nutshell, both BOW and BEST are intuitive feature rich interface that facilitates end-users to trade from anywhere, anytime using internet, charts, portfolio views, and many more. For trading members it provides an effective tool to manage and control the risk, faster on-boarding of clients. The highpoint of BOW and BEST solution is its cloud model, as a result trading members do not have to invest and manage hardware, software or incur any other license costs.

## 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 U S, Europe and elsewhere in the world.

- Weak economic conditions of the country may 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:
  - broad trends in business and finance, including industry-specific circumstances, capital market trends and, the mergers and acquisitions environment;
  - social and civil unrest, terrorism and war;
  - concerns over inflation and the level of institutional or retail confidence;
  - changes in government monetary policy and foreign currency exchange rates;
  - the availability of short-term and long-term funding and capital;
  - the availability of alternative investment opportunities;
  - changes and volatility in the prices of securities;
  - changes in tax policy (including transaction tax) and tax treaties between India and other countries;
  - the level and volatility of interest rates;
  - legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets;
  - the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and
  - 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 changes. 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:
  - develop and license leading technologies;
  - enhance existing trading and clearing platforms and services;
  - 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;
  - continue to attract and retain a workforce highly skilled in technology and to develop and maintain existing technology; and
  - 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 basis.

BSE has implemented various security initiatives to counter these:

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



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Ms. Vladislava Ryabota, Lead – Corporate Governance; Smt. Devika Shah, MD & CEO, ICCL; Ms. Shalaka Joshi, Gender Lead, IFC along with BSE Women employees cutting the cake on the occasion of Women's day celebration on March 8, 2018.





Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Kamal Haasan, Bollywood Actor, Founder of Makkal Needhi Maiam during his visit to BSE on March 9, 2018.

- To monitor Cyber Attack Targeted at Critical Information assets, BSE has setup 24\*7 Next Gen Cyber Security Operation Centre.
- Humans being the weakest link in Cyber Security, BSE has been carrying out continuous Cyber Security Awareness and Training programmes among employees.
- The critical websites of BSE are Scanned and Monitored continuously for detection of any malware.
- BSE has well defined Audit/Risk/Compliance framework which covers Statutory, Regulatory, Internal and External Cyber Security mandates.

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

### 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 report, observations relating to the deficiencies/ non-compliance of various audit areas and give suggestions/ recommendations and control directives to mitigate the shortcomings 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 manuals for major functions have been prepared to establish interlinkages between departments, to define responsibility, accountability and reporting matrix, to define 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. 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 1<sup>st</sup> Surveillance Audit for FY 2017-18.

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

### 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 385 professionals in the officers' category with an ideal mix of experience and youth. In addition to the 385 professionals, we also have 118 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.

## 9. Financial Performance

### 9.1 Sources of Funds

#### Equity Share Capital

BSE has one class of shares - equity shares at a face value of ₹ 2 each. The authorised share capital is ₹ 30,000 Lakh represented by 1,50,00,00,000 equity shares of ₹ 2 each. The issued equity share capital stood at ₹ 1,081 Lakh (₹ 1,092 Lakh as at March 31, 2017) represented by 5,40,39,532 equity shares of ₹ 2 each (5,45,88,172 equity shares of ₹ 2 each as at March 31, 2017). Out of the same, 5,32,59,532 equity shares of ₹ 2 each (5,38,08,172 equity shares of ₹ 2 each as at March 31, 2017) was subscribed and issued as at March 31, 2018. The allotment of 7,80,000 equity shares (7,80,000 equity shares as on March 31, 2017) of ₹ 2/- each have been kept in abeyance for specific reasons pursuant to the provisions of the BSE (Corporatisation & Demutualisation) Scheme, 2005. However, all corporate benefits as declared from time to time, including dividend and bonus are accrued to such shares kept in abeyance.

#### Share Buyback

The Board of Directors of the Company at its meeting held on January 15, 2018, inter-alia approved the Buyback proposal for purchase by the Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/ beneficial owners of the Company, at a price not exceeding ₹ 1,100 (Rupees One Thousand and One Hundred Only) per Equity Share ("Maximum Buyback Price") from the open market through stock exchange mechanism in such manner as may be prescribed in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("Buy-back Regulations") and the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force).

The Buyback shall not exceed ₹ 166 Crore (Rupees One Hundred Sixty Six Crore only), excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 9.99% of the aggregate of the Company's

paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2017, which is in compliance with the maximum permissible limit of 10% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

As of March 31, 2018, the scheme of buyback was open and upto March 31, 2018, the Company bought back 5,48,640 equity shares as part of the aforementioned buy back process resulting in total cash outflow of ₹ 4,497 Lakh. Out of 5,48,640 equity shares bought back, the Company extinguished 5,02,920 equity shares as at March 31, 2018 and the remaining 45,720 equity shares were extinguished in the month of April 2018 as per the records of the depositories. In line with the requirement of the Companies Act 2013, an amount of ₹ 4,487 Lakh has been utilized from the securities premium account for the buy back. Further, capital redemption reserve of ₹ 10 Lakh (representing the nominal value of the shares bought back and extinguished) has been created.

#### Other Equity

**Capital Reserve:** Pursuant to the BSE (Corporatisation & Demutualisation) Scheme, 2005, 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 August 19, 2005 as appearing in the Company are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operations of the Company. On a standalone and a consolidated basis, the balance as at March 31, 2018 amounted to ₹ 66,179 Lakh, which is the same as the previous year.

**Securities Premium Account:** Securities premium reserve reflects issuance of the shares by the Company at a premium,



Members, Management and Staff of BSE celebrating Sensex crossing 35000 level on January 17, 2018.



Shri Vidyut Jamwal, Bollywood Actor; Shri V. Balasubramaniam, MD & CEO, India INX; Shri Robin Raina, Chairman, Ebix; Shri Ashishkumar Chauhan, MD & CEO, BSE; Smt. Shaina NC, BJP Spokesperson; Smt. Rajeshree Sabnavis, Public Interest Director, BSE; Shri S. Ravi, Chairman, BSE; Shri K. P. Bakshi, Chairman, Maharashtra Water Resources Regulatory Authority along with the other dignitaries flagging off the BSE Bull Run on January 14, 2018.

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. On a standalone and a consolidated basis, the balance as at March 31, 2018 reduced to ₹ 34,796 Lakh from ₹ 39,283 Lakh as at March 31, 2017. This was on account of utilization of the Securities Premium Account for the purpose of buy back of 5,48,640 equity shares.

**General Reserve:** The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes. As the general reserve created by a transfer from one component of equity to another, it is not an item of other comprehensive income, accordingly items included in general reserve will not be reclassified to the Statement of Profit and Loss. The balance of general reserve as on March 31, 2018 stood at ₹ 69,415 Lakh on a standalone basis and ₹ 70,470 Lakh on a consolidated basis, which is same as the previous year.

**Capital reserve on business combination:** The balance of Capital reserve on business combination as on March 31, 2018 stood at ₹ 10,530 Lakh on a standalone and consolidated basis, which is same as the previous year.

**Retained Earnings:** On a standalone basis, the balance in the retained earnings as at March 31, 2018 was ₹ 95,436 Lakh, as compared to ₹ 56,453 Lakh in the previous year. Retained earnings include loss of ₹ 68 Lakh (loss of ₹ 12 Lakh for FY 2016-17) charged to Other Comprehensive Income (“OCI”) which is mainly on account of remeasurement gains/ losses on our defined benefit plans net of taxes.

On a consolidated basis, the balance in retained earnings as at March 31, 2018 was ₹ 1,30,145 Lakh as compared to ₹ 77,644 Lakh in the previous year. Retained earnings include gain of ₹ 13 Lakh (loss of ₹ 642 Lakh for FY 2016-17) charged to Other Comprehensive Income which is mainly on account of remeasurement gains/ losses on our defined benefit plans net of taxes and exchange differences on translating the financial statements of International Financial Services Centre (“IFSC”) operation.

#### Other Reserves:

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Share application money pending allotment	1	1
b)	Capital redemption reserve	10	-
	<b>Total</b>	<b>11</b>	<b>1</b>

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Consolidated</b>			
a)	Share application money pending allotment	1	1
b)	Capital redemption reserve	10	-
c)	Liquidity enhancement scheme (LES) reserve	239	-
	<b>Total</b>	<b>250</b>	<b>1</b>

Capital redemption reserve of ₹ 10 Lakh has been created representing the nominal value of equity shares bought back and extinguished.

Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India International Exchange (IFSC) Limited (“INDIA INX”) had launched Liquidity Enhancement Scheme (“LES”) to enhance liquidity in INDIA INX’s Futures & Options Segment.

LES was launched on November 1, 2017 and an expense of ₹ 2,13,04,441 (USD 3,30,571) has been incurred towards the Scheme for the year ended March 31, 2018 considering the special nature of this expense and its impact on the Loss of INDIA INX, the same has been recognised as an exceptional item. Further, pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, INDIA INX has created LES reserve of ₹ 4,51,52,427 (USD 7,06,309) and incurred an expense of ₹ 2,13,04,441 (USD 3,30,571) during the year. Accordingly LES reserve balance as at March 31, 2018 is ₹ 2,38,47,986 (USD 3,75,738). The same will not form part of net worth of INDIA INX.

**Non-controlling Interest:** On a consolidated basis, the balance in Non-controlling interest as at March 31, 2018 was Nil as compared to ₹ 29,088 Lakh in the previous year. This extinction was due to sale of stake of 26.05% in Central Depository Services (India) Limited ("CDSL").

**Total Equity:** The total Equity on consolidated basis increased to ₹ 3,13,435 Lakh as on March 31, 2018 from ₹ 2,95,328 Lakh as at March 31, 2017. The book value per equity share on consolidated basis increased to ₹ 580 as at March 31, 2018 as compared to ₹ 488 as at March 31, 2017.

The total Equity on standalone basis increased to ₹ 2,77,432 Lakh as on March 31, 2018 from ₹ 2,42,937 Lakh as on March 31, 2017. The book value per equity share on standalone basis increased to ₹ 513 as at March 31, 2018 as compared to ₹ 445 as at March 31, 2017.

**Core Settlement Guarantee Fund:** On a consolidated basis, the balance as at March 31, 2018 increased by ₹ 8,644 Lakh to ₹ 29,096 Lakh, as compared to previous year.

## 9.2 Application of Funds:

### Property Plant & Equipment and Investment Property:

**Additions to Gross Block - Standalone:** During the year, the Company capitalised ₹ 3,051 Lakh to the gross block comprising of ₹ 56 Lakh in Land, ₹ 109 Lakh in Building infrastructure, ₹ 32 Lakh in Plant & equipments, ₹ 35 Lakh in Electrical installations, ₹ 2,659 Lakh in Computer equipments, ₹ 97 Lakh in Furniture & fixtures and ₹ 63 Lakh in Office equipments.

During the previous year, the Company capitalised ₹ 1,994 Lakh to the gross block comprising of ₹ 85 Lakh in Building infrastructure, ₹ 20 Lakh in Plant & equipments, ₹ 39 Lakh in Electrical installations, ₹ 1,697 Lakh in Computer equipments, ₹ 39 Lakh in Furniture & fixtures and ₹ 114 Lakh in Office equipments.

**Additions to Gross Block - Consolidated:** During the year, the Company capitalised ₹ 3,732 Lakh to the gross block comprising of ₹ 56 Lakh in Land, ₹ 109 Lakh in Building infrastructure, ₹ 68 Lakh in Leasehold building, ₹ 443 Lakh in Plant & equipments, ₹ 76 Lakh in Electrical installations, ₹ 2,773 Lakh in Computer equipments, ₹ 104 Lakh in Furniture & fixtures, ₹ 71 Lakh in Office equipments and ₹ 32 Lakh in Motor cars.

During the previous year, the Company capitalised ₹ 5,383 Lakh to the gross block comprising of ₹ 287 Lakh in Building infrastructure, ₹ 1,092 Lakh in Leasehold building, ₹ 873 Lakh in Plant & equipments, ₹ 301 Lakh in Electrical installations, ₹ 2,099 Lakh in Computer equipments, ₹ 156 Lakh in Furniture

& fixtures, ₹ 424 Lakh in Office equipments and ₹ 151 Lakh in Motor cars.

**Deductions from Gross Block - Standalone:** During the year the Company disposed of various assets with a gross block of ₹ 75 Lakh as compared to ₹ 10 Lakh during the previous year.

**Deductions from Gross Block - Consolidated:** During the year the Company disposed of various assets with a gross block of ₹ 78 Lakh as compared to ₹ 16 Lakh during the previous year. Also during the year due to sale of stake in subsidiary, various assets with a gross block of ₹ 1,090 Lakh was shown as deduction on sale of subsidiary.

**Goodwill and Other Intangible Assets - Standalone:** During the year, the Company capitalised ₹ 1,455 Lakh in Software as compared to ₹ 639 Lakh.

**Goodwill and Other Intangible Assets - Consolidated:** The carrying value of Goodwill was ₹ 3,742 Lakh as at March 31, 2018 as compared to ₹ 8,504 Lakh as at March 31, 2017. The reduction was on account of sale of stake in subsidiary company. During the year, the Company capitalised ₹ 2,031 Lakh in Software as compared to ₹ 975 Lakh.

Also during the year due to sale of stake in subsidiary, intangible assets and goodwill with a gross block of ₹ 5,138 Lakh was shown as deduction on sale of subsidiary.

**Capital Work in Progress and Intangible under development (CWIP) - Standalone:** The carrying value of CWIP was ₹ 732 Lakh as at March 31, 2018 as compared to ₹ 506 Lakh as at March 31, 2017.



Shri S. Ramadorai, Former Chairman, BSE interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE during the Club of Rome Annual Conference on November 17, 2017.





Shri Ashishkumar Chauhan, MD & CEO, BSE welcoming Dr. Rajiv Kumar, Vice-Chairman, NITI Aayog during the Book Publishing Program "Socio-Economic Dynamics Of Indian Society" on April 16, 2018.

**Capital Work in Progress and Intangible under development (CWIP) - Consolidated:** The carrying value of CWIP was ₹ 702 Lakh as at March 31, 2018 as compared to ₹ 597 Lakh as at March 31, 2017.

**Capital Expenditure Commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for are mentioned in below table:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Towards Tangible assets	799	2,258
b)	Towards Intangible assets	1	993
	<b>Total</b>	<b>800</b>	<b>3,251</b>
<b>Consolidated:</b>			
a)	Towards Tangible assets	911	2,448
b)	Towards Intangible assets	1	1,027
	<b>Total</b>	<b>912</b>	<b>3,475</b>

### Financial Assets:

#### Investments:

Investment in Subsidiaries and associates:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Investment in Subsidiaries	61,789	68,239
b)	Investment in Associates	5,667	1
	<b>Total</b>	<b>67,456</b>	<b>68,240</b>

During the year the Company invested additionally in the subsidiaries mentioned in the table below:

Sr. No.	NAME OF SUBSIDIARY	Amount (₹ in Lakh)
a)	BSE Investments Limited	1,475
b)	India International Exchange (IFSC) Limited	2,000
c)	India International Clearing Corporation (IFSC) Limited	2,000
	<b>Total</b>	<b>5,475</b>

The Company has partially divested its stake in CDSL, on June 29, 2017 and accordingly the residual investment retained in the subsidiary is now considered as an investment in an associate.

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
a)	Investment in CDSL	5,666	11,815

During the year the Company provided for diminution in value of its investment in certain subsidiaries to the tune of ₹ 110 Lakh based on the impairment testing results.

Other Investments:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone</b>			
a)	Bonds	81,279	83,257
b)	Certificate of deposits	2,998	-
c)	Non-convertible debentures	14,697	20,346
d)	Dividend oriented debt schemes of mutual funds	90,065	39,987
e)	Exchange traded funds through asset management company	4,102	-
	<b>Total</b>	<b>1,93,141</b>	<b>1,43,590</b>
<b>Consolidated</b>			
a)	Investment in Equity	-	301
b)	Bonds	83,402	95,734
c)	Certificate of deposits	2,998	-
d)	Exchange traded funds through asset management company	4,102	276
e)	Non-convertible debentures	14,697	20,346
f)	Dividend oriented debt schemes of mutual funds	95,986	82,705
	<b>Total</b>	<b>2,01,185</b>	<b>1,99,362</b>

All the investments made by the Company comprise of mutual fund units (including investment in fixed maturity plan securities) and quoted debt securities (including investment in tax-free bonds and non-convertible debentures) and certificates of



deposit. Certificates of deposit represent marketable securities of banks and eligible financial institutions for a specified time period with high credit rating by domestic credit rating agencies.

**Trade Receivables:** On a standalone basis, trade receivables amounted to ₹ 5,116 Lakh as at March 31, 2018 as compared to ₹ 5,246 Lakh as at March 31, 2017. Average collection period was 41.43 days as compared to 41.20 days in the previous year.

On a consolidated basis, trade receivables amounted to ₹ 5,487 Lakh as at March 31, 2018 as compared to ₹ 6,886 Lakh as at March 31, 2017. Average collection period was 42.59 days as compared to 50.40 days in the previous year.

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 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 year 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 Company does not reduce impairment allowance from the gross carrying amount.

The movement of impairment allowance is shown below:

(₹ in Lakh)

PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>		
Opening Balance of Impairment Loss	1,324	589
Additional Provision during the Year	(143)	735
Closing Balance of Impairment Loss	1,181	1,324
<b>Consolidated:</b>		
Opening Balance of Impairment Loss	1,872	1,151
Additional Provision during the Year	(96)	701
Impairment loss pertaining to discontinued operation	(588)	20
Closing Balance of Impairment Loss	1,188	1,872

**Cash and Cash equivalents and other bank balances:** On a standalone basis, balance in current and deposit accounts stood at ₹ 32,531 Lakh as at March 31, 2018, as compared to ₹ 64,016 Lakh as at March 31, 2017.

On a consolidated basis, balance in current and deposit accounts stood at ₹ 1,96,897 Lakh as at March 31, 2018 as compared to ₹ 2,40,298 Lakh as at March 31, 2017.

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	In Current Accounts - Own	1,067	2,203
b)	In Deposit Accounts - Own	11,379	41,261
	<b>Total Cash and Bank Balance (Own)</b>	12,446	43,464
a)	In Current Accounts - Earmarked	1,497	5,305
b)	In Deposit Accounts - Earmarked	18,588	15,247
	<b>Total Cash and Bank Balance (Earmarked)</b>	20,085	20,552
	<b>Total Cash and Bank Balance</b>	32,531	64,016
<b>Consolidated:</b>			
a)	In Current Accounts – Own	3,293	16,183
b)	In Deposit Accounts– Own	44,942	69,894
	<b>Total Cash and Bank Balance (Own)</b>	48,235	86,077
a)	In Current Accounts - Earmarked	39,175	36,589
b)	In Deposit Accounts - Earmarked	1,09,487	1,17,632
	<b>Total Cash and Bank Balance (Earmarked)</b>	1,48,662	1,54,221
	<b>Total Cash and Bank Balance</b>	1,96,897	2,40,298



Shri Nayan Mehta, Chief Financial Officer, BSE along with the US Congressional Staffers during their visit to BSE on April 22, 2017.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with the H. E. Mr. Bulat Sarsenbayev, Ambassador of the Republic of Kazakhstan during his visit to BSE on February 21, 2018.

The earmarked balances in the current account and deposit accounts are restricted cash and bank balances which are to be used for specified purposes only. All other cash and bank balances are available for operating activities of the Company.

#### Other Financial Assets:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Deposit with public bodies and others	532	506
b)	Loan to staff	101	96
c)	Bank deposits (> 1Year maturity) – Own	1,017	589
d)	Bank deposits (> 1Year maturity) – Earmarked	4,513	7,092
e)	Accrued interest – Own	450	2,519
f)	Accrued interest – Earmarked	1,491	1,197
g)	Accrued interest on investments- Own	3,361	3,556
h)	Due from subsidiaries	56	235
i)	Receivable from portfolio management account	47	1
	<b>Total</b>	<b>11,568</b>	<b>15,791</b>
<b>Consolidated:</b>			
a)	Deposit with public bodies and others	679	643
b)	Loan to staff	123	132
c)	Others receivable from defaulter member	104	130
d)	Bank deposits (> 1Year maturity) - Own	3,749	6,400
e)	Bank deposits (> 1Year maturity) - Earmarked	5,838	17,696

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
f)	Accrued interest - Own	461	2,683
g)	Accrued interest – Earmarked	1,527	1,223
h)	Accrued interest on Investments - Own	3,361	3,911
i)	Receivable from selling shareholders of CDSL	-	430
j)	Receivable from portfolio management account	47	1
k)	Others	-	4
	<b>Total</b>	<b>15,889</b>	<b>33,253</b>

Deposit with public bodies and others represent amount given as deposit to public bodies and deposit for taking rental properties. Bank deposits are deposits which have a maturity tenure of more than 12 months. Other bank deposits are classified as cash and cash equivalents and bank accounts. Accrued interest is the interest accrued but not due on the fixed deposits. The details of amount due from subsidiaries are mentioned in the note 35 of the standalone financial statement. The amount receivable from portfolio management account represents, the amount remaining to be invested by the portfolio management professionals.

#### Other Assets:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Gratuity Asset (Net)	-	84
b)	Prepaid Expenses	309	272
c)	Advances towards buyback of equity shares	285	-
d)	Advance to Creditors	214	217
e)	Input tax/ CENVAT Credit Receivable	787	392
	<b>Total</b>	<b>1,595</b>	<b>965</b>
<b>Consolidated:</b>			
a)	Gratuity Asset (Net)	-	85
b)	Prepaid Expenses	590	631
c)	Advances towards buyback of equity shares	285	-
d)	Advance to Creditors	245	229
e)	Input tax/ CENVAT Tax Credit Receivable	1,471	951
	<b>Total</b>	<b>2,591</b>	<b>1,896</b>

Input Tax Credit receivable as at March 31, 2018 represents the input tax credit of Goods & Service Tax ("GST") receivable which can be utilised subsequently against future GST liability as per the provisions of GST Act. Advance to creditors represent

the amount paid in advance to vendors for which services have been availed partly or yet to be availed.

### Financial Liabilities:

#### Trade Payables:

(₹ in Lakh)

PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>		
Trade Payables	5,766	4,932
<b>Total</b>	5,766	4,932
<b>Consolidated:</b>		
Trade Payables	6,294	5,633
<b>Total</b>	6,294	5,633

Of the Trade Payables shown in consolidated financials for FY 2017-18, ₹ 19 Lakh pertains to micro enterprises and small enterprises.

#### Other Financial Liabilities:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Accrued employee benefit expenses	2,587	3,102
b)	Deposits received	13,215	12,957
c)	Unpaid dividends	90	51
d)	Due to subsidiaries	430	338
e)	Payables on purchase of fixed assets	298	115
f)	Current maturities of finance lease obligations and accrued interest thereon	-	72
g)	Earmarked Liabilities	25,260	28,085
	<b>Total</b>	41,880	44,720
<b>Consolidated:</b>			
a)	Accrued employee benefit expenses	3,260	4,916
b)	Deposits received	14,139	15,701
c)	Unpaid dividends	90	51
d)	Payables on purchase of fixed assets	377	566
e)	Current maturities of finance lease obligations and accrued interest thereon	43	392
f)	Earmarked Liabilities	25,260	28,085
g)	Clearing and Settlement	91,529	1,17,997
	<b>Total</b>	1,34,698	1,67,708

Accrued employee benefit represents emoluments payable to employees over a period of time based on the HR policies designed for the benefit of the employees. Deposits received includes deposits received from trading members and clearing

members which are based on guidelines issued by SEBI. Finance lease obligations are liabilities which are at a fixed rate of interest having an original repayment period of five years. Earmarked liabilities are backed up by corresponding bank balances and bank deposits mentioned above. Clearing and Settlement liability represents the early pay-in received by Indian Clearing Corporation Limited ("ICCL") with respect to trades executed on BSE's trading platform pending settlement, deposits received from clearing banks and margin money/deposits received from members.

#### Provisions:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Provision for Gratuity	88	-
b)	Compensated Absence	851	629
	<b>Total</b>	939	629
<b>Consolidated:</b>			
a)	Provision for Gratuity	350	255
b)	Compensated Absence	1,231	1,168
c)	Provision for incentive scheme for Depository Participants	-	413
	<b>Total</b>	1,581	1,836

The provision for Gratuity and compensated absences are made based on actuarial valuation reports.

#### Income Tax Assets and Liabilities:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Deferred Tax Assets – A	6,841	1,415
b)	Deferred Tax Liabilities – B	417	398
	<b>Deferred Tax Net (A-B)</b>	6,424	1,017
c)	Income Tax Assets – C	6,198	5,609
d)	Income Tax Liabilities – D	1,415	952
	<b>Income Tax Net (C-D)</b>	4,783	4,657
<b>Consolidated:</b>			
e)	Deferred Tax Assets – E	8,234	2,925
f)	Deferred Tax Liabilities – F	826	1,036
	<b>Deferred Tax Net (E-F)</b>	7,408	1,889
g)	Income Tax Assets – G	7,950	8,920
h)	Income Tax Liabilities – H	1,415	1,471
	<b>Income Tax Net (G-H)</b>	6,535	7,449

Deferred Tax Assets primarily comprise deferred tax on property, plant and equipment, impairment of financial assets, expenses allowed on payment basis u/s 43B of Income Tax Act, 1961 and payment made towards voluntary retirement scheme. Deferred tax liabilities primarily comprise of deferred tax on fair market valuation of mutual fund. The deferred tax assets and liabilities have been offset wherever the Company has a legally enforceable right to set off current income tax assets against current income tax liabilities and where the deferred tax assets and deferred tax liabilities relate to the taxes levied by the same taxation authority.

Current Income tax liabilities represents estimated income tax liabilities net of Advance taxes paid and tax deducted at source.

#### Other Liabilities:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	FY 2016-17
<b>Standalone:</b>			
a)	Income received in advance	713	644
b)	Advance from customers	762	412
c)	Statutory remittances	5,229	12,835
d)	Other liabilities	3,972	3,415
e)	Contribution payable to settlement guarantee fund	-	6,276
	<b>Total</b>	<b>10,676</b>	<b>23,582</b>
<b>Consolidated:</b>			
a)	Income received in advance	1,706	1,513
b)	Advance from customers	772	1,205
c)	Statutory remittances	5,457	13,115
d)	Other liabilities	3,972	3,463
e)	Contribution payable to IPF	10	301
f)	Contribution payable to settlement guarantee fund	-	6,276
	<b>Total</b>	<b>11,917</b>	<b>25,873</b>

Statutory remittances includes dues payable to statutory bodies, which have been paid off subsequently before the applicable due dates. Other liabilities includes amount set aside to Investors' service fund @ 20% of annual listing fees as per the directive of SEBI and dividend of earlier years in respect of shares held in abeyance (for further details refer notes to schedule 19 of standalone and consolidated financial statements). As at March 31, 2017 the amount of ₹ 6,276 Lakh payable by the Company in respect of settlement guarantee fund has been subsequently paid the Core Settlement Guarantee Fund as per directive of SEBI.

### 9.3 Financials Results:

#### Standalone Performance:

(₹ in Lakh)

PARTICULARS	FY 2017-18	FY 2016-17	Variance (%)
<b>A. Income</b>			
Securities Services	18,689	15,043	24%
Services to Corporate	22,061	15,686	41%
Data Dissemination Fees	2,628	2,467	7%
Investment Income	19,464	18,969	3%
Other Income	2,265	2,934	-23%
<b>Total Income</b>	<b>65,107</b>	<b>55,099</b>	<b>18%</b>
<b>B. Expenses</b>			
Employee Benefit Expenses	7,416	7,611	-3%
Computer Technology Related Expenses	12,151	11,234	8%
Other Administration Expenses	11,758	11,516	2%
<b>Total Expenses</b>	<b>31,325</b>	<b>30,361</b>	<b>3%</b>
<b>C. EBITDA</b>	<b>33,782</b>	<b>24,738</b>	<b>37%</b>
<b>EBITDA Margin</b>	<b>52%</b>	<b>45%</b>	
Depreciation & Amortization	3,926	4,766	-18%
Finance Cost	3	10	-70%
<b>D. Profit Before Exceptional Items &amp; Tax</b>	<b>29,853</b>	<b>19,962</b>	<b>50%</b>
Exceptional Items	31,556	364	8569%
<b>E. Profit Before Tax</b>	<b>61,409</b>	<b>20,326</b>	<b>202%</b>
Tax Expenses	5,014	462	985%
<b>F. Net Profit After Tax</b>	<b>56,395</b>	<b>19,864</b>	<b>184%</b>
<b>Net Margin</b>	<b>87%</b>	<b>36%</b>	
<b>Effective Tax Rate</b>	<b>8%</b>	<b>2%</b>	
<b>G. Other Comprehensive Income</b>	<b>(68)</b>	<b>(12)</b>	<b>467%</b>
<b>Total Comprehensive Income</b>	<b>56,327</b>	<b>19,852</b>	<b>184%</b>

#### Standalone Income:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	% of Total Income	% Growth	FY 2016-17	% of Total Income
a)	Securities Services	18,689	29%	24%	15,043	27%
b)	Services to Corporates	22,061	34%	41%	15,686	29%
c)	Data Dissemination Fees	2,628	4%	7%	2,467	4%
d)	Investment Income	19,464	30%	3%	18,969	35%
e)	Other Income	2,265	3%	-23%	2,934	5%
	<b>Total Income</b>	<b>65,107</b>	<b>100%</b>	<b>18%</b>	<b>55,099</b>	<b>100%</b>



BSE's Standalone total income has increased by 18% to ₹ 65,107 Lakh in FY 2017-18 (FY 2016-17: ₹ 55,099 Lakh). This increase in total income of BSE standalone is mainly attributable to 41% increase in income from services to corporates to ₹ 22,061 Lakh in FY 2017-18 (FY 2016-17: ₹ 15,686 Lakh) primarily due to increase in book building software charges by 131% to ₹ 3,311 Lakh in FY 2017-18 (FY 2016-17: ₹ 1,431 Lakh); increase in listing fees by 28% to ₹ 17,754 Lakh in FY 2017-18 (FY 2016-17: ₹ 13,817 Lakh). Income from Securities Services increase by 24% to ₹ 18,689 Lakh (FY 2016-17: ₹ 15,043 Lakh). This increase is attributable to increase in Transaction charges by 29% to ₹ 15,808 Lakh (FY 2016-17: ₹ 12,242 Lakh). The increase in transaction charges is mainly due to increase in the average daily turnover in equity cash segment by 9% to ₹ 4,402 Crore in FY 2017-18 (FY 2016-17: ₹ 4,025 Crore); increase in Currency derivatives transaction charges by 84% to ₹ 825 Lakh (FY 2016-17: ₹ 449 Lakh); increase in mutual fund transaction charges by 2733% to ₹ 510 Lakh (FY 2016-17: ₹ 18 Lakh). Income from Annual subscription fees and processing fees increased by 15% to ₹ 822 Lakh (FY 2016-17: ₹ 717 Lakh). Data dissemination fees increased by 7% to ₹ 2,628 Lakh (FY 2016-17: ₹ 2,467 Lakh). Investment income increased marginally by 3% to ₹ 19,464 Lakh (FY 2016-17: ₹ 18,969 Lakh) Offset by: Decrease in other income by 23% to ₹ 2,265 Lakh (FY 2016-17: ₹ 2,934 Lakh).

#### Standalone Expenses:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	% of Total Income	% Growth	FY 2016-17	% of Total Income
a)	Employee Benefit Expenses	7,416	11%	-3%	7,611	14%
b)	Computer Technology Related Expenses	12,151	19%	8%	11,234	20%
c)	Regulatory Fees	4,386	7%	24%	3,523	6%
d)	Legal Fees	219	0%	-47%	410	1%
e)	Professional Fees	1,122	2%	-15%	1,327	2%
f)	Electricity Charges	1,167	2%	-32%	1,706	3%
g)	Repairs & Maintenance	1,894	3%	87%	1,014	2%
h)	Travelling Expenses	361	0%	-4%	377	1%
i)	Rent	101	0%	-24%	133	0%
j)	Others	2,508	4%	-17%	3,026	6%
k)	Depreciation	3,926	6%	-18%	4,766	9%
l)	Finance cost	3	0%	-70%	10	0%
	<b>Total</b>	<b>35,254</b>	<b>54%</b>	<b>0%</b>	<b>35,137</b>	<b>64%</b>

BSE's Standalone Total Expenses has increased marginally to ₹ 35,254 Lakh (FY 2016-17: ₹ 35,137 Lakh). The increase is primarily due to increase in repairs & maintenance cost by 87% to ₹ 1,894 Lakh (FY 2016-17: ₹ 1,014 Lakh) primarily due to renovation costs of PJ Tower and Rotunda building incurred during the year. Regulatory fees increased by 24% to ₹ 4,386 Lakh (FY 2016-17: ₹ 3,523 Lakh). Computer Technology Related Expenses increased by 8% to ₹ 12,151 Lakh (FY 2016-17: ₹ 11,234 Lakh). Offset by: Decrease in Employee benefit expenses by 3% to ₹ 7,416 Lakh (FY 2016-17: ₹ 7,611 Lakh); decrease in Legal & professional fees by 23% to ₹ 1,341 Lakh (FY 2016-17: ₹ 1,737 Lakh); decrease in Travelling cost by 4% to ₹ 361 Lakh (FY 2016-17: ₹ 377 Lakh); decrease in depreciation cost by 18% to ₹ 3,926 Lakh (FY 2016-17: ₹ 4,766 Lakh); decrease in rental cost by 24% to ₹ 101 Lakh (FY 2016-17: ₹ 133 Lakh); decrease in electricity expenses by 32% to ₹ 1,167 Lakh (FY 2016-17: ₹ 1,706 Lakh).

#### Exceptional items:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	% of Total Income	% Growth	FY 2016-17	% of Total Income
a)	Settlement guarantee fund (25% transfer of profit)	-	0%	-100%	(2,079)	-4%
b)	Net gain on partial disposal of investment in subsidiary measured at cost	31,603	49%	1,194%	2,443	5%
c)	Voluntary Retirement Scheme	(47)	0%	NA	-	0%
	<b>Total</b>	<b>31,556</b>	<b>49%</b>	<b>8,569%</b>	<b>364</b>	<b>1%</b>

Exceptional items of FY 2017-18 includes profit of ₹ 31,603 Lakh on partial disposal of investment in CDSL; payment towards voluntary retirement scheme for some employees to the tune of ₹ 47 Lakh. For the year ended March 31, 2017 a sum of ₹ 2,079 Lakh (pursuant to the amendment of Regulation 33 of SECC Regulations, 2012 by SEBI was charged to the Statement of Standalone Financial Results, being 25% of the profits earned till August 29, 2016, and disclosed as an "Exceptional Item" in the Financial Results. As directed by SEBI, the amount payable by the Company in respect of the SGF was subsequently paid to the Core Settlement Guarantee Fund.

**Consolidated Performance:**

(₹ in Lakh)

PARTICULARS	FY 2017-18	FY 2016-17	Variance (%)
<b>A. Income</b>			
- Securities Services	23,001	19,212	20%
- Services to Corporate	22,069	15,686	41%
- Data Dissemination Fees	2,628	2,467	7%
<b>Revenue from Operations</b>	47,698	37,365	28%
- Investment Income	16,870	19,806	-15%
- Other Income	5,324	4,657	14%
<b>Total Income</b>	69,892	61,828	13%
<b>B. Expenses</b>			
- Employee Benefit Expense	12,008	11,662	3%
- Computer Technology Related Expenses	11,111	9,635	15%
- Administration & Other Expenses	14,579	14,518	0%
<b>Total Expenses</b>	37,698	35,815	5%
<b>C. EBITDA</b>	32,194	26,013	24%
<b>EBITDA Margin</b>	46%	42%	
Depreciation & Amortization	4,545	5,028	-10%
Finance Cost	103	96	7%
<b>D. Profit before, Exceptional Items and Tax</b>	27,546	20,889	32%
Exceptional Items	260	2,079	-87%
<b>E. Profit before tax and share of net profits of investments accounted for using equity method</b>	27,286	18,810	45%
Share of net profits of investments accounted for using equity method	1,990	107	1760%
<b>F. Profit before tax</b>	29,276	18,917	55%
Tax Expense	5,545	1,066	420%
<b>G. Net Profit for the year from continuing operation</b>	23,731	17,851	33%
Net Profit for the year from discontinued operations	48,722	8,658	463%
<b>H. Net Profit for the year from total operation</b>	72,453	26,509	173%
Net Profit attributable to the shareholders of the Company	71,128	22,057	222%
Net Profit attributable to the non-controlling interest	1,325	4,452	-70%
<b>Net Margin</b>	104%	43%	142%
<b>Effective Tax Rate</b>	19%	6%	235%

PARTICULARS	FY 2017-18	FY 2016-17	Variance (%)
<b>I. Other Comprehensive Income</b>	13	(642)	-102%
<b>J. Total Comprehensive Income for the year</b>	72,466	25,867	180%
Total comprehensive income attributable to the shareholders of the Company	71,141	21,431	232%
Total comprehensive income attributable to the non-controlling interest	1,325	4,436	-70%

**Consolidated Income:**

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	% of Total Income	% Growth	FY 2016-17	% of Total Income
a)	Securities Services	23,001	33%	20%	19,212	31%
b)	Services to Corporates	22,069	32%	41%	15,686	25%
c)	Data Dissemination Fees	2,628	4%	7%	2,467	4%
d)	Investment Income	16,870	24%	-15%	19,806	32%
e)	Other Income	5,324	9%	14%	4,657	8%
	<b>Total Income</b>	69,892	100%	13%	61,828	100%

BSE's consolidated total income has increased by 13% to ₹ 69,892 Lakh (FY 2016-17: ₹ 61,828 Lakh). This increase in total income is primarily attributable to 41% increase in Services to Corporates income to ₹ 22,069 Lakh in FY 2017-18 (FY 2016-17: ₹ 15,686 Lakh) due to higher income from listing fees (₹ 17,762 Lakh, increase by 29%), Book building software charges (₹ 3,311 Lakh, increase by 131%), Company reinstatement fees (₹ 607 Lakh, increase by 105%) and other fees (₹ 389 Lakh, increase by 174%). Income from Securities Services increase by 20% to ₹ 23,001 Lakh (FY 2016-17: ₹ 19,212 Lakh). This increase is attributable to increase in transaction charges by 29% to ₹ 15,808 Lakh (FY 2016-17: ₹ 12,242 Lakh). The increase in transaction charges is mainly due to increase in the average daily turnover in equity cash segment by 9% to ₹ 4,402 Crore in FY 2017-18 (FY 2016-17: ₹ 4,025 Crore); increase in Currency derivatives transaction charges by 84% to ₹ 825 Lakh (FY 2016-17: ₹ 449 Lakh); increase in mutual fund transaction charges by 2733% to ₹ 510 Lakh (FY 2016-17: ₹ 18 Lakh).

Income from Annual subscription fees and processing fees increased by 17% to ₹ 841 Lakh (FY 2016-17: ₹ 717 Lakh). ICCL started charging clearing charges from its clearing members for their services for an amount of ₹ 67 Lakh for

which there was no amount earned in the earlier period. There was an increase of 38% in Auction charges earned by ICCL to ₹ 124 Lakh (FY 2016-17: ₹ 90 Lakh). Other income increased by 14% to ₹ 5,324 Lakh (FY 2016-17: ₹ 4,657 Lakh). Offset by decrease in Investment income by 15% to ₹ 16,870 Lakh (FY 2016-17: ₹ 19,806 Lakh)

### Consolidated Expenses:

(₹ in Lakh)

Sr. No.	PARTICULARS	FY 2017-18	% of Total Income	% Growth	FY 2016-17	% of Total Income
a)	Employee Benefit Expenses	12,008	17%	3%	11,662	19%
b)	Computer Technology Related Expenses	11,111	16%	15%	9,635	16%
c)	Regulatory Fees	4,436	6%	26%	3,534	6%
d)	Legal Fees	262	0%	-37%	413	1%
e)	Professional Fees	1,823	3%	-4%	1,893	3%
f)	Electricity Charges	1,331	2%	-25%	1,773	3%
g)	Repairs & Maintenance	1,995	3%	88%	1,062	2%
h)	Travelling Expenses	607	1%	-10%	673	1%
i)	Rent	228	0%	-7%	246	0%
j)	Others	3,988	6%	2%	3,901	6%
k)	Impairment loss on financial assets	-91	0%	-109%	1,023	2%
l)	Depreciation	4,545	7%	-10%	5,028	8%
m)	Finance cost	103	0%	7%	96	0%
n)	Exceptional Items	260	0%	-87%	2,079	3%
	<b>Total Expenses</b>	<b>42,606</b>	<b>61%</b>	<b>-1%</b>	<b>43,018</b>	<b>70%</b>

BSE's consolidated total expenses (including exceptional items) has decreased by 1% to ₹ 42,606 Lakh (FY 2016-17: ₹ 43,018 Lakh). The decrease is primarily due to non-recurrence of core settlement guarantee fund of ₹ 2,079 Lakh paid during FY 2016-17. Reversal of impairment loss on financial assets amounting to ₹ -91 Lakh during FY 2017-18 as compared to a provision of ₹ 1,023 Lakh during FY 2016-17 led to a decrease of ₹ 1,114 Lakh. Electricity expenses decreased by 25% to ₹ 1,331 Lakh (FY 2016-17: ₹ 1,773 Lakh). Legal & Professional fees decreased by 10% to ₹ 2,085 Lakh (FY 2016-17: ₹ 2,306 Lakh). Depreciation cost decreased by 10% to ₹ 4,545 Lakh (FY 2016-17: ₹ 5,028 Lakh). Travelling cost also decreased by 10% to ₹ 607 Lakh (FY 2016-17: ₹ 673 Lakh). Rent cost

decreased by 7% to ₹ 228 Lakh (FY 2016-17: ₹ 246 Lakh). Offset by: Increase in repairs & maintenance cost by 88% to ₹ 1,995 Lakh (FY 2016-17: ₹ 1,062 Lakh) due to renovation costs of PJ Tower & Rotunda building incurred during the year. Regulatory fees increased by 26% to ₹ 4,436 Lakh (FY 2016-17: ₹ 3,534 Lakh). Computer Technology Related Expenses increased by 15% to ₹ 11,111 Lakh (FY 2016-17: ₹ 9,635 Lakh). Finance cost increased by 7% to ₹ 103 Lakh (FY 2016-17: ₹ 96 Lakh). Employee benefit expenses increased by 3% to ₹ 12,008 Lakh (FY 2016-17: ₹ 11,662 Lakh).

As per Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2012, BSE divested 26.05% stake in CDSL which resulted in loss of control and therefore the profit on sale of the investment in the subsidiary and profit of CDSL till the date of stake sale amounting to ₹ 48,722 Lakh has been shown as discontinued operations in the statement of consolidated financial results during the year ended March 31, 2018.

### 9.4 CASH FLOW Standalone

Summary of Standalone cash flow statement is given below:

(₹ in Lakh)

PARTICULARS	FY 2017-18	FY 2016-17
Operating activities	(8,852)	15,783
Investing activities	31,198	(6,131)
Financing activities	(21,582)	(7,630)
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	<b>764</b>	<b>2,022</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>2,967</b>	<b>2,203</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,203</b>	<b>181</b>

In FY 2017-18, there was a cash outflow from operating activities amounting to ₹ 8,852 Lakh as compared to cash inflow of ₹ 15,783 Lakh in FY 2016-17. The cash flow used in operating activities is mainly due to direct taxes paid to the tune of ₹ 10,395 Lakh and decrease in other liabilities and other financial liabilities by ₹ 14,023 Lakh which is offset by cash flow generated by operating profit before working capital changes of ₹ 15,028 Lakh.

There was cash inflow from investing activities amounting to ₹ 31,198 Lakh as compared to cash outflow of ₹ 6,131 Lakh in FY 2016-17. Cash flow generated included proceeds of ₹ 37,752 Lakh received from partial sale of investment in subsidiary and proceeds of ₹ 43,251 Lakh from liquidation of fixed deposit. It was offset by investment of ₹ 50,640 Lakh in mutual funds by the Company.

The cash outflow from financing activities was higher in FY 2017-18 at ₹ 21,582 Lakh as compared to cash outflow of ₹ 7,630 Lakh in FY 2016-17. It is primarily on account of payment of dividend and tax on dividend amounting to ₹ 17,334 Lakh and payment of ₹ 4,497 Lakh towards buyback of equity shares by the Company.

#### Consolidated:

Summary of consolidated cash flow statement is given below:  
 (₹ in Lakh)

PARTICULARS	FY 2017-18	FY 2016-17
Operating activities	(27,147)	77,450
Investing activities	(23,604)	7,656
Financing activities	(22,272)	(5,313)
<b>Net increase/ (decrease) in cash and cash equivalents from Continuing Operations</b>	<b>(73,023)</b>	<b>79,793</b>
<b>Net increase/ (decrease) in cash and cash equivalents from Discontinued Operations</b>	<b>36,382</b>	<b>2,949</b>
<b>Net increase/ (decrease) in cash and cash equivalents from Total Operations</b>	<b>(36,641)</b>	<b>82,742</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>79,726</b>	<b>1,16,367</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,16,367</b>	<b>33,625</b>

In FY 2017-18, there was a cash outflow from operating activities amounting to ₹ 27,147 Lakh as compared to cash inflow of ₹ 77,450 Lakh in FY 2016-17. The cash flow used in operating activities is mainly due to decrease in working capital (mainly due to decrease in other liabilities and other financial liabilities) by ₹ 40,959 Lakh which is offset by cash flow generated by operating profit before working capital changes of ₹ 24,779 Lakh.

There was cash outflow from investing activities amounting to ₹ 23,604 Lakh as compared to cash inflow of ₹ 7,656 Lakh in FY 2016-17. The cash outflow was primarily due to investment in equity and debt amounting to ₹ 53,016 Lakh and offset by

cash inflow due to liquidation of fixed deposit by ₹ 35,579 Lakh.

The cash outflow from financing activities was higher in FY 2017-18 at ₹ 22,272 Lakh as compared to cash outflow of ₹ 5,313 Lakh in FY 2016-17. It is primarily on account of payment of dividend and tax on dividend amounting to ₹ 18,391 Lakh and payment of ₹ 4,497 Lakh towards buyback of equity shares by the Company.

#### 9.5 Earnings per Share (EPS)

The details of change in EPS on standalone and consolidated basis are as follows:

PARTICULARS	FY 2017-18	FY 2016-17	% Increase
<b>Standalone:</b>			
Basic and diluted before exceptional items (₹)	45.51	34.40	32%
Basic and diluted after exceptional item (₹)	103.40	36.39	184%
<b>Consolidated:</b>			
Basic and diluted before exceptional items (₹)	43.82	35.19	25%
Basic and diluted after exceptional item – Continuing Operations (₹)	43.51	32.70	33%
Basic and diluted after exceptional item – Total Operations (₹)	130.41	40.41	223%

#### 9.6 Segment-wise reporting - Consolidated

The Company operated in two reportable business segments viz: Stock Exchange Operations and Depository Services. However, pursuant to the partial disinvestment in a subsidiary, the Company is operating only in one Segment viz. Facilitating Trading in Securities and other related ancillary Services as at the reporting date, and therefore has only one reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

#### 9.7 Material developments after balance sheet date

No major developments to be reported.



# Corporate Governance Report

The Corporate Governance report for Financial Year (FY) 2017-18, 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. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. 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, 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 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 interest 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.

All Directors of the Company are "fit and proper person" as required under Regulation 26 of SECC Regulations.

As on date, the Board of Directors consists of nine (9) Directors, out of which five (5) are Public Interest Directors viz., Shri S. Ravi, Justice Vikramajit Sen, Shri Sumit Bose, Shri S. S. Mundra and Shri David Wright. The Company has three (3) Shareholder Directors viz., Dr. S. P. Kothari, Smt. Usha Sangwan and Smt. Rajeshree Sabnavis (including two (2) Women Directors). Shri Ashishkumar Chauhan is the Managing Director and Chief Executive Officer ("MD & CEO"). Being a

Recognised Stock Exchange, appointments of all the categories of Directors of the Company have been approved by SEBI.

Name of Directors and category of Directors is given below:

<b>Names of Director &amp; Category</b>	<b>DIN</b>
<b>Chairman and Public Interest Director</b>	
Shri S. Ravi	00009790
<b>MD &amp; CEO</b>	
Shri Ashishkumar Chauhan	00898469
<b>Public Interest Directors</b>	
Justice Vikramajit Sen	00866743
Shri Sumit Bose	03340616
Shri S. S. Mundra	00979731
Shri David Wright	08064288
<b>Shareholder Directors</b>	
Dr. S. P. Kothari	06824003
Smt. Usha Sangwan	02609263
Smt. Rajeshree Sabnavis	06731853

#### **Change in composition during the year:**

Shri Roland Schwinn was appointed as Shareholder Director in place of Shri Thomas Bendixen w.e.f. June 13, 2017.

Shri Sudhakar Rao retired from the position of Public Interest Director and Chairman, from the Board of the Company, w.e.f. June 28, 2017, on successful completion of his term as Public Interest Director. Thereafter, consequent to approval of SEBI, Shri Dharendra Swarup, Public Interest Director, was appointed as the Chairman of the Company w.e.f. July 31, 2017. Shri Dharendra Swarup retired from the position of Public Interest Director and Chairman w.e.f. November 2, 2017 on successful completion of his term.

Shri Ashishkumar Chauhan was re-appointed as the MD & CEO of the Company for a further period of 5 years w.e.f. November 2, 2017 upto November 1, 2022 as per SEBI approval dated August 24, 2017 after taking requisite approvals of the shareholders of the Company.

Post approval of SEBI, Shri S. Ravi, Public Interest Director, was appointed as the Chairman of the Company w.e.f. November 13, 2017.

Shri S. S. Mundra was appointed as Public Interest Director w.e.f. January 17, 2018.

Dr. K. Kasturirangan retired from the position of Public Interest Director w.e.f. January 22, 2018 on successful completion of his term.

Shri David Wright was appointed as Public Interest Director w.e.f. March 16, 2018.

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 of the Company.

#### **ii. Details of Directors**

The profiles of the directors are available on the Company's website at the following link: <https://www.bseindia.com/static/about/boardofdirectors.aspx?expandable=1>

#### **iii. Board Meetings held during the year and attendance thereat**

During the FY 2017-18, seven (7) Board Meetings were held on May 5, 2017; July 7, 2017; August 3, 2017; September 4, 2017; November 3, 2017; January 15, 2018 and February 2, 2018. The gap between any two meetings did not exceed one hundred and twenty days.

Apart from the four (4) quarterly board meetings held for consideration and approval of financial results, the Board of the Company additionally meets to discuss and deliberate on the long term strategies of the Company.

The necessary quorum was present for all the meetings with the presence of atleast one Public Interest Director as required under SECC Regulations. Video 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, 2018, 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 applicable	Number of Meetings attended during the year	Whether attended last AGM held on 4.09.2017	Other Directorship	Number of Committee positions held in other public companies	
					Chairman	Member
Chairman and Public Interest Director						
Shri S. Ravi	7	7	No	7	4	4
MD & CEO, Executive Director						
Shri Ashishkumar Chauhan	7	7	Yes	5	-	-
Public Interest Directors						
Justice Vikramajit Sen	7	5	No	1	-	-
Shri Sumit Bose	7	7	Yes	4	2	2
Shri S. S. Mundra	1	1	NA	-	-	-
Shri David Wright	NA	NA	NA	-	-	-
Shri Sudhakar Rao	1	1	NA	NA	NA	NA
Shri Dharendra Swarup	4	4	Yes	NA	NA	NA
Dr. K. Kasturirangan	6	6	Yes	NA	NA	NA
Shareholder Directors						
Dr. S. P. Kothari	7	7	No	-	-	-
Smt. Usha Sangwan	7	3	No	5	1	1
Smt. Rajeshree Sabnavis	7	7	Yes	1	1	-
Shri Thomas Bendixen	1	1	NA	NA	NA	NA
Shri Roland Schwinn	6	5	No	-	-	-

#### 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: [https://www.bseindia.com/downloads1/Code\\_of\\_Conduct\\_for\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.bseindia.com/downloads1/Code_of_Conduct_for_Directors_and_Senior_Management.pdf). 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 FY 2017-18 and forms part of the 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 twenty one (21) Board Committees which comprises of eighteen (18) Statutory Committees required under the Act, Listing Regulations and SECC Regulations, apart from three (3) Voluntary Committees. The list of Committees is given below:

1. Audit Committee
2. Nomination & Remuneration/ Compensation Committee
3. Stakeholders' Relationship/ Share Allotment Committee
4. Corporate Social Responsibility Committee
5. Membership Selection Committee
6. Disciplinary Action Committee

7. Defaulters' Committee
8. Standing Committee on Technology
9. Sub-Committee for Monitoring Compliance of suggestions given in SEBI Inspection Report
10. Investor Services Committee
11. Public Interest Directors' Committee
12. Ethics Committee
13. Independent Oversight Committee of the Governing Board for Member Regulation
14. Independent Oversight Committee of the Governing Board for Listing Function
15. Independent Oversight Committee of the Governing Board for Trading and Surveillance Function
16. Advisory Committee
17. Risk Management Committee
18. Delisting Committee
19. Advisory Committee on Regulatory Policy – *Voluntary Committee*
20. New Ventures Committee – *Voluntary Committee*
21. Buyback Committee – *Voluntary Committee*

The detailed composition of each committee is given on the website of the Company: <https://www.bseindia.com/static/about/committees.aspx?expandable=2>

#### **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, 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 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 those 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 for noting.

#### iv. Composition

As on March 31, 2018, the composition of Audit Committee is as follow:

- Shri Sumit Bose (Chairman) - Public Interest Director
- Shri S. Ravi - Public Interest Director
- Shri S. S. Mundra - Public Interest Director
- Dr. S. P. Kothari - Shareholder Director

The Company Secretary functions as the Secretary of the Committee.

#### Changes in the Committee during the year

Shri Roland Schwinn, Justice Vikramajit Sen and Shri S. S. Mundra were appointed as the members of the Committee w.e.f. July 11, 2017; August 31, 2017 and February 3, 2018 respectively.

Shri Sudhakar Rao ceased to be member of the Committee w.e.f. June 28, 2017. Shri Roland Schwinn and Shri Dharendra Swarup ceased to be members of the Committee w.e.f. October 10, 2017. Justice Vikramajit Sen ceased to be member of the Committee w.e.f. February 3, 2018.

#### v. Meetings held during the year and attendance thereat

During the FY 2017-18, five (5) Audit Committee meetings were held on April 10, 2017; May 4, 2017; August 2, 2017, November 3, 2017 and February 2, 2018.

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.

Name of the Member	Meetings held during the tenure	Meetings attended during the tenure
Shri Sumit Bose	5	5
Shri S. Ravi	5	5
Justice Vikramajit Sen	2	2
Shri S. S. Mundra	0	0
Shri Sudhakar Rao	3	3
Dr. S. P. Kothari	5	5
Shri Roland Schwinn	2	2
Shri Dharendra Swarup	3	3

The previous Annual General Meeting of the Company was held on September 4, 2017 with presence of the Chairperson of the Audit Committee.

#### 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”.

All Key Management Personnel of the Company are “fit and proper person” as required under Regulation 26 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 Secretary and Compliance Officer

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/ Compensation 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, 2018, the composition of Nomination and Remuneration/ Compensation Committee is as follow:

- Shri S. S. Mundra (Chairman) – Public Interest Director
- Shri S. Ravi – Public Interest Director
- Shri Sumit Bose – Public Interest Director
- Dr. S. P. Kothari – Shareholder Director
- Shri Roland Schwinn – Shareholder Director

The Company Secretary functions as the Secretary of the Committee.

## Changes in the Committee during the year

Shri S. Ravi, Dr. S. P. Kothari and Shri Roland Schwinn were appointed as members of the Committee w.e.f. July 7, 2017. Shri Sumit Bose and Shri S. S. Mundra were appointed as members of the Committee w.e.f. January 24, 2018.

Shri Thomas Bendixen, Shri Sudhakar Rao and Dr. K. Kasturirangan ceased to be members w.e.f. June 13, 2017; June 28, 2017 and January 22, 2018 respectively. Smt. Usha Sangwan and Shri Dharendra Swarup ceased to be members of the Committee w.e.f. July 7, 2017 and October 10, 2017 respectively.

## iv. Meetings held during the year and attendance thereof

During the FY 2017-18, six (6) Nomination and Remuneration/ Compensation Committee meetings were held on April 10, 2017; May 5, 2017; July 7, 2017; July 29, 2017; August 2, 2017 and September 4, 2017.

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

Name of the Member	Meetings held during the tenure	Meetings attended during the tenure
Shri S. S. Mundra	0	0
Shri S. Ravi	4	4
Shri Sumit Bose	0	0
Shri Roland Schwinn	4	3
Dr. S. P. Kothari	4	3
Dr. K. Kasturirangan	6	6
Shri Dharendra Swarup	6	6
Shri Sudhakar Rao	2	2
Shri Thomas Bendixen	2	0
Smt. Usha Sangwan	2	0

#### v. Performance Evaluation criteria of the Board

The Board of Directors of the Company on recommendation of Nomination and Remuneration/ Compensation 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, works efficiently and effectively in achieving their functions, in the interest of the Company and for the benefit of 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

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

#### Observations of Board evaluation carried out for the year

No observations.

#### Previous year's observations and actions taken

Since no observations were received, no actions were taken.

#### Proposed actions based on current year observations

Since no observations were received, no actions were taken.

#### vi. Details of remuneration 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 to the Directors for FY 2017-18:

Name of the Non-Executive Director	Sitting Fees (₹)
Shri S. Ravi	19,50,000*
Justice Vikramajit Sen	11,00,000
Shri Sumit Bose	17,00,000
Shri S. S. Mundra	4,00,000
Shri David Wright	N.A
Dr. K. Kasturirangan	12,75,000
Shri Dharendra Swarup	13,25,000
Shri Sudhakar Rao	4,00,000
Dr. S. P. Kothari	11,00,000
Shri Roland Schwinn <sup>1</sup>	8,50,000
Smt. Usha Sangwan <sup>2</sup>	4,00,000**
Smt. Rajeshree Sabnavis	8,25,000
Shri Thomas Bendixen <sup>1</sup>	1,00,000

<sup>1</sup> Paid to Deutsche Boerse AG ("DB"), for the meeting attended by Shri Thomas Bendixen & Shri Roland Schwinn as representative of Deutsche Boerse AG.



<sup>2</sup> Paid to Life Insurance Corporation ("LIC"), for the meeting attended by Smt. Usha Sangwan, as representative of Life Insurance Corporation.

\* ₹ 25,000/- out of ₹ 19,50,000/- was paid in FY 2018-19

\*\* ₹ 4,00,000/- was paid in FY 2018-19

All the above Non- Executive Directors did not have any other pecuniary relationship or transactions with the Company during FY 2017-18.

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

The details of remuneration paid to MD & CEO during the FY 2017-18 are given in the following table:

Particulars	₹ (in Lakh)
Basic Salary	120.22
Allowances and Perquisites	309.73
Variable Pay based on performance	67.79
PF Contribution	14.43
Ex – gratia	101.68
Total <sup>1</sup>	<b>613.84</b>

<sup>1</sup>Total Remuneration stated above is excluding 50% of total Variable to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during FY 2017-18 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and one time ex-gratia paid during the year.

- 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 five years and a notice period of three months.

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

The Nomination and Remuneration/ Compensation Committee ("NRCC") has adopted policies which, inter alia, deals with the manner of selection, appointment and remuneration of Directors and KMPs. For the NRCC 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:

- To allot shares/ securities from time to time.
- To consider all matters pertaining to securities, including but not limited to – offer of securities,

allotment of securities, issue of securities, crediting of securities in depository system, listing/ de-listing of securities on/ from stock exchange(s) in India or abroad, transfer of securities, transmission of securities, demat of securities, remat of securities, issue of duplicate securities certificate, consolidation of securities certificates, split of securities certificate and to do all acts required to be done under the applicable Rules, regulations and guidelines from time to time and to consider matters incidental thereto.

- To monitor the shareholding pattern and related reports on securities.
- 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.
- 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.
- 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, 2018, the composition of Stakeholders' Relationship/ Share Allotment Committee is as follow:

- Smt. Rajeshree Sabnavis (Chairperson) – Shareholder Director
- Shri S. Ravi – Public Interest Director

- Smt. Usha Sangwan - Shareholder Director
- Shri Ashishkumar Chauhan - MD & CEO

The Company Secretary functions as the Secretary of the Committee.

#### Changes in the Committee during the year:

Smt. Usha Sangwan was appointed as member of the Committee w.e.f. July 11, 2017.

Dr. S. P. Kothari ceased to be member of the Committee w.e.f. July 11, 2017.

#### iii. Meetings held during the year and attendance thereat

During the FY 2017-18, four (4) Stakeholders' Relationship/ Share Allotment Committee meetings were held on May 5, 2017; August 3, 2017; November 3, 2017 and February 2, 2018.

The necessary quorum was present for all the meetings.

Name of the members	Meetings held during the tenure	Meetings attended during the tenure
Smt. Rajeshree Sabnavis	4	4
Shri Ashishkumar Chauhan	4	4
Shri S. Ravi	4	3
Smt. Usha Sangwan	3	1
Dr. S. P. Kothari	1	1

The previous Annual General Meeting of the Company was held on September 4, 2017 with presence of the Chairperson of the Stakeholders' Relationship/ Share Allotment Committee.

#### iv. Name, designation and address of Compliance officer:

Under SECC Regulations	Under Listing Regulations
Shri Nehal Vora Chief Regulatory Officer BSE Limited 24 <sup>th</sup> Floor, P.J.Towers, Dalal Street, Mumbai - 400 001.	Smt. Prajakta Powle Company Secretary and Compliance Officer BSE Limited 25 <sup>th</sup> 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
5	128	133	0

#### 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, 2018, the composition of Independent Directors/ Public Interest Directors Committee is as follow:

- Shri S. Ravi (Chairman)
- Justice Vikramajit Sen
- Shri Sumit Bose
- Shri S. S. Mundra
- Shri David Wright

**Changes in the Committee during the year:**

Shri S. S. Mundra and Shri David Wright were appointed as Public Interest Director w.e.f. January 17, 2018 and March 16, 2018 respectively.

Shri Sudhakar Rao, Shri Dhirendra Swarup and Dr. K. Kasturirangan retired as Public Interest Directors w.e.f. June 28, 2017; November 2, 2017 and January 22, 2018 respectively.

**iii. Meetings held during the year and attendance thereat**

During FY 2017-18, two (2) Independent Directors/ Public Interest Directors Committee meetings were held on May 4, 2017 and February 1, 2018.

In compliance with the SECC Regulations, every Public Interest Director has attended all the meetings held during his tenure.

Name of the members	Meetings held during the tenure	Meetings attended during the tenure
Shri S. Ravi	2	2
Shri Sumit Bose	2	2
Justice Vikramajit Sen	2	2
Shri S. S. Mundra	1	1
Shri Sudhakar Rao	1	1
Shri Dhirendra Swarup	1	1
Dr. K. Kasturirangan	1	1

**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, 2018, the composition of the Corporate Social Responsibility Committee is as follow:

- Justice Vikramajit Sen (Chairman) – Public Interest Director
- Shri S. Ravi - Public Interest Director
- Dr. S. P. Kothari – Shareholder Director
- Smt. Usha Sangwan – Shareholder Director
- Shri Ashishkumar Chauhan – MD and CEO

**Changes in the Committee during the year:**

Shri Ashishkumar Chauhan and Smt. Usha Sangwan were appointed as members of the Committee w.e.f. July 11, 2017. Shri S. Ravi was appointed as member of the Committee w.e.f. January 24, 2018.

Shri Sudhakar Rao and Dr. K. Kasturirangan ceased to be members of the Committee w.e.f. June 28, 2017 and January 22, 2018 respectively.

**iii. Meetings held during the year and attendance thereat**

During the FY 2017-18, two (2) Corporate Social Responsibility Committee meetings were held on November 3, 2017 and February 2, 2018.

The necessary quorum was present for all the meetings.

Name of the members	Meetings held during the tenure	Meetings attended during the tenure
Justice Vikramajit Sen	2	2
Shri S. Ravi	1	1
Shri Ashishkumar Chauhan	2	2
Dr. S. P. Kothari	2	1
Smt. Usha Sangwan	2	1
Shri Sudhakar Rao	0	0
Dr. K. Kasturirangan	1	1

#### 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
10 <sup>th</sup> Annual General Meeting (2014-15)	Friday, September 25, 2015	11.00 a.m.	Sir Dinshaw Petit International Convention
11 <sup>th</sup> Annual General Meeting (2015-16)	Friday, June 24, 2016	11.30 a.m.	Hall, 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai - 400 001.
12 <sup>th</sup> Annual General Meeting (2016-17)	Monday, September 4, 2017	11.30 a.m.	

##### 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
10 <sup>th</sup> Annual General Meeting (2014-15)	Friday, September 25, 2015	--
11 <sup>th</sup> Annual General Meeting (2015-16)	Friday, June 24, 2016	<ul style="list-style-type: none"> <li>Approval of initial public offering of equity shares of the Company</li> <li>Approval of the Scheme of Participation for selling shareholders</li> </ul>

Details of Annual General Meeting	Day/ Date	Description of Special Resolution
		<ul style="list-style-type: none"> <li>Constitution of the Advisory Committee of shareholders</li> </ul>
12 <sup>th</sup> Annual General Meeting (2016-17)	Monday, September 4, 2017	--

##### iii. Postal Ballot:

During the year under review, the Company had passed the following resolutions as Ordinary Resolutions 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:

1. Re-Appointment of Shri Ashishkumar Chauhan (DIN 00898469) as Managing Director & CEO (MD & CEO) of the Company for a further period of five years. Result announced on October 17, 2017;
2. To approve payment of one-time special ex-gratia to Shri Ashishkumar Chauhan (DIN: 00898469), Managing Director & CEO ('MD & CEO') of the Company. Results announced on January 11, 2018;

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 for above mentioned resolutions.

#### 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
Re-Appointment of Shri Ashishkumar Chauhan (DIN 00898469) as Managing Director & CEO (MD & CEO) of the Company for a further period of five years	2,16,16,674	2,15,70,251	99.79	46,423	0.21
To approve payment of One-time Special Ex-gratia to Shri Ashishkumar Chauhan (DIN: 00898469), Managing Director & CEO ('MD & CEO') of the Company.	1,52,88,666	1,51,84,418	99.32	1,04,248	0.68



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

### Procedure for Postal Ballot

The Company conducted a 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 of the Postal Ballot Notice dated September 4, 2017 and December 1, 2017 along with the Statement, postal ballot form and self-addressed business reply envelopes on September 16, 2017 and December 11, 2017 respectively 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 October 16, 2017 and January 10, 2018 respectively. The results were declared on October 17, 2017 and January 11, 2018 respectively and displayed on the Company's website <https://www.bseindia.com/static/about/AGM.aspx?expandable=2>.

## 5) GENERAL SHAREHOLDER INFORMATION

### a) Thirteenth Annual General Meeting

<b>Day and Date</b>	Thursday, August 2, 2018
<b>Time</b>	11:00 A.M
<b>Venue</b>	Sir Dinshaw Petit International Convention Hall, 1 <sup>st</sup> Floor, P. J. Towers, Dalal Street, Mumbai – 400 001.
<b>Financial year</b>	April 1, 2017 to March 31, 2018
<b>Record Date</b>	Thursday, July 26, 2018
<b>Payment of Final Dividend</b>	Dividend, if declared at Thirteenth Annual General Meeting will be paid on or before Friday, August 31, 2018.

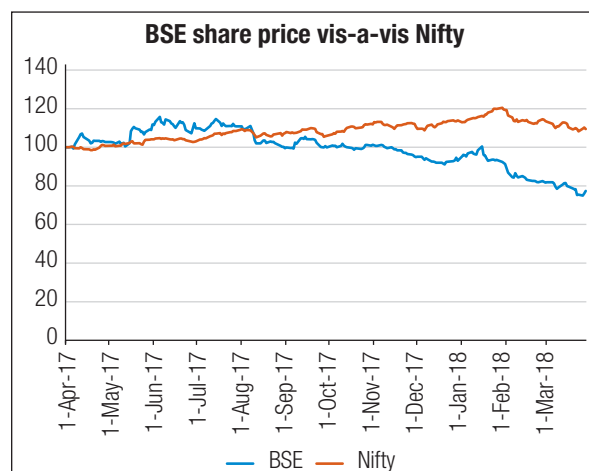
<b>Listed on Stock Exchange</b>	Equity Shares National Stock Exchange of India Limited ("NSE") "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
<b>Annual Listing Fees</b>	Annual Listing Fees for FY 2017-18 is paid to NSE
<b>Stock Code</b>	BSE
<b>ISIN</b>	INE118H01025

### b) Stock Market Price Data Month wise

Month	Stock Market price of BSE on National Stock Exchange ("NSE")		
	High Price (₹)	Low Price (₹)	Volume (No. of equity shares)
April 2017	1047.70	970.80	1,66,464.2222
May 2017	1093.40	981.80	2,09,041.1364
June 2017	1131.55	1048.30	1,12,005.8095
July 2017	1120.70	1060.55	2,15,923.0952
August 2017	1085.35	973.30	83,171.28571
September 2017	1030.35	970.50	73,614.09524
October 2017	995.20	965.10	59,720.5
November 2017	989.15	928.10	53,748.59091
December 2017	929.95	890.75	1,96,011.85
January 2018	981.20	892.50	3,96,813.0909
February 2018	870.80	798.70	2,15,540.7368
March 2018	800.6	732.55	2,52,610.9474

Source: NSE data

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



Note: BASE = 100 (April 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  
 Website: www.karvycomputershare.com  
 Telephone Nos.: +91-040- 6716 2222

**e) Share Transfer System**

99.57% of equity shares of the Company are in demat mode. 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, 2018:**

Category	No. of share-holders	Percentage (%)	No. of Shares	Percentage (%)
1-5000	1,74,312	99.56	1,10,10,740	20.66
5001-10000	216	0.12	15,18,291	2.85
10001-20000	164	0.09	24,04,120	4.51
20001-30000	113	0.06	27,76,541	5.21
30001-40000	97	0.06	33,87,166	6.35
40001-50000	33	0.02	15,00,269	2.81
50001-100000	110	0.06	72,60,031	13.62
100001 and above	46	0.03	2,34,48,094	43.99
<b>TOTAL:</b>	<b>1,75,091</b>	<b>100.00</b>	<b>5,33,05,252</b>	<b>100.00</b>

**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, 2018 is given below:

Category	No of shareholders	No. of Shares	Percentage (%)
PHYSICAL	7	2,27,526	0.43
NSDL	99,725	3,75,70,921	70.48
CDSL	75,359	1,55,06,805	29.09
<b>Total:</b>	<b>1,75,091</b>	<b>5,33,05,252</b>	<b>100.00</b>

**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, 2018**

Category	No. of share-holders	Percentage (%)	No. of Shares	Percentage (%)
Resident Individuals	1,63,608	93.44	1,72,39,145	32.34
Bodies Corporate	1,574	0.90	1,37,80,177	25.85
HUF	8,132	4.64	8,35,742	1.57
Trust	6	0.00	19,685	0.04
Banks/Financial Institutions	32	0.02	40,38,541	7.58
Non Resident Indians	1,641	0.94	19,15,778	3.59
Foreign Bodies Corporate	4	0.00	47,88,975	8.98
Foreign Institutional Investor	2	0.00	12,50,988	2.35
Foreign Portfolio Investor	63	0.04	41,88,979	7.86
Insurance Company	3	0.00	25,29,150	4.74
Mutual Funds	11	0.01	27,03,119	5.07
NBFC	13	0.01	14,698	0.03
Foreign National	1	0.00	50	0.00
IEPF	1	0.00	225	0.00
<b>Total</b>	<b>1,75,091</b>	<b>100.00</b>	<b>5,33,05,252</b>	<b>100.00</b>

**List of top 10 Shareholders as on March 31, 2018**

Sr. No.	Name of Shareholder	No. of shares held	Percentage of shareholding
1	Deutsche Boerse AG	25,49,443	4.78
2	State Bank of India	25,48,682	4.78
3	Life Insurance Corporation of India	25,25,500	4.74
4	IDFC Mutual Fund	14,15,725	2.66
5	Siddharth Balachandran	13,39,215	2.51
6	GKFF Ventures	12,28,465	2.30
7	Caldwell India Holdings INC	11,73,319	2.20
8	Acacia Banyan Partners Limited	10,07,772	1.89
9	National Westminster Bank PLC as Trustee of the Jupiter India Fund	8,57,631	1.61
10	Bajaj Holdings and Investment Ltd	7,51,699	1.41

## 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 - Nil

### 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 & Section 177(10) of the Act, 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: [https://www.bseindia.com/downloads1/Whistle\\_Blower\\_policy.pdf](https://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: [https://www.bseindia.com/downloads1/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.bseindia.com/downloads1/Familiarisation_Programme_for_Independent_Directors.pdf)

### vi. Means of communications with shareholders

The quarterly and annual financial 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](http://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 2017-18, 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: [https://www.bseindia.com/downloads1/Policy\\_on\\_Materiality.pdf](https://www.bseindia.com/downloads1/Policy_on_Materiality.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: [https://www.bseindia.com/downloads1/Related\\_Party\\_Transaction\\_Policy.pdf](https://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. The link of the Dividend distribution policy is: [https://www.bseindia.com/downloads1/BSE\\_Dividend\\_Distribution\\_Policy.pdf](https://www.bseindia.com/downloads1/BSE_Dividend_Distribution_Policy.pdf)

### xii. Equity shares in the suspense account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the 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, 2017	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, 2018	2	36

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

**xiii. 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 ("the Rules"), as amended from time to time, 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 FY 2009-10 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.

Please note that Company has already transferred shares in respect of which dividend remained unpaid/ unclaimed for the FY 2009 – 10. Due date for the shares in respect of which dividend remained unpaid/ unclaimed for the FY 2010 – 11, is August 31, 2018. The Company has sent individual letters and also published an advertisement in this regard. Furthermore, as per the Rules, such details are also made available on website of the Company: <https://www.bseindia.com/static/about/dividend.aspx>

**xiv. Address for Correspondence:**

**Smt. Prajakta Powle**

Company Secretary and Compliance Officer

**BSE Limited**

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

Tel. 022-22721233; Fax 022-22721003

E-mail: [bse.shareholders@bseindia.com](mailto:bse.shareholders@bseindia.com)

**Registrar and Transfer Agents**

**Karvy Computershare Private Limited**

**Unit: BSE Limited**

Karvy Selenium Tower B, Plot No 31 & 32

Gachibowli, Financial District,

Nanakramguda, Serilingampally

Hyderabad – 500 032

E-Mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

Tel. No.: 91-40-6716 2222

Shareholders are requested to inform all changes pertaining to their bank details, 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.

**xv. 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. The Business Responsibility 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 2017-18.

**Ashishkumar Chauhan**  
MD & CEO

Date: May 4, 2018  
Place: Mumbai

### CEO/ CFO Compliance Certificate

The Board of Directors  
BSE Limited  
25<sup>th</sup> Floor, P.J. Towers, Dalal Street,  
Mumbai – 400 001

**We, Ashishkumar Chauhan, Managing Director and Chief Executive Officer and Nayan Mehta, Chief Financial Officer do hereby certify the following:**

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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 March 31, 2018 which are fraudulent, illegal or in violation 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 proposed to take, to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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.

Date: May 4, 2018  
Place: Mumbai

**Ashishkumar Chauhan**  
MD & 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 Financial Year ended March 31, 2018, 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 Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. (SECC Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and SECC Regulations.

We further state that such compliance 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 **Ragini Chokshi & Co.**  
(Company Secretaries)

**Ragini Chokshi**  
(Partner)

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

Date: May 4, 2018  
Place: Mumbai

# Business Responsibility Report

## Section A: General Information about the Company

Sr. No.	Particulars	Details
1.	Corporate Identification Number (CIN) of the Company	L67120MH2005PLC155188
2.	Name of the Company	BSE Limited
3.	Registered Office & Corporate Office	25 <sup>th</sup> Floor, P J Towers, Dalal Street, Fort, Mumbai 400001
4.	Website	www.bseindia.com
5.	Email	bse.shareholders@bseindia.com
6.	Financial year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Name and Description of main products/ services - Exchange Operation NIC code - 66110
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> <li>Trading platform for Securities</li> <li>Listing of Securities</li> <li>Data dissemination</li> </ul>
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations	None
	b. Number of National Locations	30 Locations
10.	Markets served by the Company	National

## Section B: Financial Details

Sr. No.	Particulars	Company information
1.	Paid up Capital as on 31.03.2018 (Amount In Lakhs)	₹ 1,065
2.	Total Income (Amount In Lakhs)	₹ 65,107
3.	a) Profit after Tax (Amount In Lakhs) b) Adjusted profit for last 3 years (Amount in Lakhs)	₹ 56,395 ₹ 8,109.54
4.	Total Spending on Corporate Social Responsibility (CSR) a) in Rupees (Amount in Lakhs) b) As percentage of average net profits of the Company made during the three immediately preceding Financial Years as per CSR requirement (%)	₹ 162 2.00
5.	List the activities, in which expenditure in 4 above, has been incurred	a) Promoting Technology Incubators b) Socio economic development and relief

### Section C: Other details

1. Does the Company have any Subsidiary Company/Companies?

- Yes, The Company has following 12 subsidiary Companies (direct and indirect) and 6 Associates as on March 31, 2018 names of which are given below:-

#### Subsidiaries:

- 1) BSE Investments Limited
- 2) BSE Sammaan CSR Limited
- 3) BSE CSR Integrated Foundation (Section 8 Company)
- 4) BSE Institute Limited
- 5) BFSI Sector Skill Council of India (Section 8 Company)
- 6) BSE Skills Limited
- 7) BIL – Ryerson Technology Startup Incubator Foundation (Section 8 Company)
- 8) India International Exchange (IFSC) Limited
- 9) India International Clearing Corporation (IFSC) Limited
- 10) Indian Clearing Corporation Limited
- 11) Marketplace Technologies Private Limited
- 12) Marketplace Tech Infra Services Private Limited

#### Associates:

- 1) Asia Index Private Limited
- 2) Central Depository Services (India) Limited
- 3) CDSL Ventures Limited
- 4) CDSL Insurance Repository Limited
- 5) CDSL Commodity Repository Limited
- 6) BSE EBIX Insurance Broking Private Limited (w.e.f. March 15, 2018)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)

- Currently, only one of the subsidiary Company viz. Indian Clearing Corporation Limited (ICCL), qualifies for CSR activity under Section 135 of the Companies Act. ICCL participates in the BR initiatives of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

- Yes, we extend our BR initiatives to other entities, however their current participation amounts to less than 30%

### Section D: Business Responsibility information:

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies		
No.	Particulars	Details
1.	DIN Number	00898469
2.	Name	Shri. Ashishkumar Chauhan
3.	Designation	Managing Director & CEO
b) Details of BR head :		
No	Particulars	Details
1.	DIN Number	06924145
2.	Name	Shri. Shankar Jadhav
3.	Designation	Head - Strategy



## 2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy/policies

## a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y##	Y##	Y##	Y##	Y##	Y##	Y##	Refer BSE website	Y##
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y###	Y###	Y###	Y###	Y###	Y###	Y###	Y###	Y###
8.	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y ####	Y ####	Y ####	Y ####	Y ####	Y ####	Y ####	Y ####	Y ####

**Principle wise policies**

P1	Ethics Transparency & Accountability policy, Code of Conduct for Directors and Senior Management, Policy on Ethical Code and Conduct for Employees
P2	Sustainability Policy
P3	Employee Well Being Policy
P4	Stakeholder Engagement Policy
P5	Human Rights Policy
P6	Environment Policy
P7	Advocacy Policy
P8	Corporate Social Responsibility Policy
P9	Customer Value Policy

**Note:**

# The policies are developed and aligned with standards prescribed by a) Securities and Exchange Board of India b) Ministry of Corporate Affairs c) Company's internal practices

## The policies are available on the internal portal

### The policies are uploaded on our internal portal which the internal stakeholders have access to and the same can be made available on request to the external stakeholders

#### The Financial Year 2017-18 being the 1<sup>st</sup> year of the Policy formation, audit will be carried out in the coming year. However, CSR policy was reviewed last year as the same was formed earlier.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options) – **Not Applicable**

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

➤ The Board of Directors have discussed about the BRR on two occasions during the Financial Year.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

➤ The BRR forms a part of Annual Report for the Financial Year 2017-18 which can be viewed on the website of the Company at [www.bseindia.com](http://www.bseindia.com)

## SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability					
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	Yes, there is policy in place and it covers on ethics, bribery and corruption. The policy applies to everyone, who is connected with BSE directly and indirectly as a Regulatory Body or as a Corporate Body			
2	How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	Opening Balance	Received during the year	Resolved during the year	Closing Balance
		NIL	5	5	0

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1	List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	<p>The Company is cognizant of its role in promoting inclusive growth and equitable development while contributing to environmental sustainability</p> <p>a) The Company has launched two indices based on the theme of Sustainability called S&amp;P BSE CARBONEX and S&amp;P BSE GREENEX which drives both issuers as well as investors to augment sustainability of the environment and complete eco system</p> <p>b) The Company being a stock exchange has also listed Green Bonds on its trading platform. A Green Bond is like any other bond where a debt instrument is issued by an entity for raising funds from investors. However, what differentiates a Green Bond from other bonds is that the proceeds of a Green Bond offering are 'ear-marked' for use towards financing green project</p> <p>c) The Company was the first exchange in India which mandated its listed Companies to do XBRL filings. The XBRL filing which is a paperless submission has remained a milestone for listed companies in India and subsequently our regulator for securities market in India, SEBI, has also mandated electronic filings of results, announcements etc by listed companies in India across all stock exchanges</p> <p>d) Integrated Reporting Council is working in India through a trade association body called Confederation of India Industry (CII), via its Centre of Excellence for Sustainable Development (CESD) and has formed a committee for encouraging Integrated Reporting (IR) by corporates in India. BSE has joined this initiative as a member of working group. BSE shall contribute to this group by providing guidance and assistance to interested companies on integrated thinking, sustainable business portfolio, and value innovation and integrated reporting</p> <p>e) The Company is also a member of International Integrated Reporting Council (IIRC) wherein we communicate not just about the profit but our impact on the economy, society and the environment</p>
2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)</p> <p>a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year</p>	<p>Not Applicable</p> <p>Not Applicable</p>
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	BSE Procurement activities largely include outsourcing of services related to software development, IT & network Infrastructure support and business process support. Detailed guidelines for all procurement processes have been laid out and followed for all procurements. The ultimate goal of BSE's sustainable sourcing is to build strong, long-term relationships with suppliers leading to improving performance in environmental, social and ethical issues.
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendor	The Manpower services, procurement of stationery and other items required for offices and regional offices are generally hired from local agencies wherever possible. BSE has various Investor service offices in Tier-2 city and Tier-3 city. This endeavors procurement of services from local and small producers in those cities

<b>Principle 3: Businesses should promote the wellbeing of all employees</b>				
1	Please indicate the Total number of employees (including trainees and associates) as on March 31, 2018	385 Officers + 118 Staff = 503		
2	Please indicate the total number of employees hired on temporary/ contractual/ casual basis	415		
3	Please indicate the number of permanent women employees	121 Officers + 14 Staff = 135		
4	Please indicate the number of permanent employees with disabilities	1		
5	Do you have an employee association that is recognized by management	Yes		
6	What percentage of your permanent employees is members of this recognized employee association	23		
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year	<b>Sr. No.</b>	<b>Category</b>	<b>No. of complaints filed during the Financial Year</b>
		1	Child labour/ forced labour/ involuntary labour	Nil
		2	Sexual harassment	Nil
		3	Discriminatory employment	Nil
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year a) Permanent Employees b) Permanent Women c) Casual/ Temporary/ Contractual Employees d) Employees with Disabilities	<b>Sr. No.</b>	<b>Category</b>	<b>% of employees given skill upgradation training</b>
		1	Permanent Employees	69
		2	Permanent Women Employees	77
		3	Casual/ Temporary/ Contractual Employees	NA
		4	Employees with Disabilities	NA

<b>Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised</b>		
1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	In order to provide comfort & support to the senior and disabled individual stakeholders, BSE has in place a golf cart facility which helps them to reach the entrance gate and also BSE has installed a ramp for such individual stakeholders to enter the premises conveniently



**Principle 5: Businesses should respect and promote human rights**

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others	This policy applies to everyone, who are employed directly, indirectly or on contractual basis with BSE. This Policy shall be applicable to BSE, its subsidiaries, affiliates and group companies at their offices. It shall be reviewed periodically and shall remain in force until withdrawn by BSE management
2	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management	NIL

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	The policy applies to everyone with whom BSE is associated, externally and internally and wholly supports and complies with and exceeds the requirements of current environmental legislation and codes of practice
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc	Yes, the Company has an Environment Policy which is available on the BSE internal portal
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page	<ul style="list-style-type: none"> <li>• Paperless SIP: Wherein the link for payment is created for 1<sup>st</sup> Installment as well as subsequent Installment which is only available with BSE</li> <li>• Completely digital and real time investor's registration</li> <li>• Digital filing and document submissions</li> <li>• E-waste management</li> </ul>
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported	Not Applicable
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Not Applicable

**Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	<p>Yes, we are the member of various associations. Major ones are as under:</p> <p><b>International</b></p> <ul style="list-style-type: none"> <li>• World Federation of Exchanges</li> <li>• The International Organization of Securities Commissions (IOSCO)</li> <li>• Futures Industry Association (FIA)</li> <li>• Japan Exchange Group Inc. Asian and Oceanic Stock Exchange (AOSEF)</li> </ul> <p><b>Domestic</b></p> <ul style="list-style-type: none"> <li>• Federation of Indian Chambers of Commerce and Industry</li> <li>• Confederation of Indian Industry</li> <li>• Indo-German Chamber of Commerce</li> <li>• Bombay Chamber of Commerce and Industry</li> <li>• The Associated Chamber of Commerce and Industry of India (ASSOCHAM)</li> <li>• IMC Chamber of Commerce and Industry</li> </ul>
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2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others	<b>Name of Association</b>	<b>Area of Advocacy</b>
		World Federation of Exchanges	Sustainability
			Post Trade
			Cyber Security
		The International Organization of Securities Commissions	Inculcate and promote good standard of exchange governance in Exchanges throughout the world
		Futures Industry Association	Promote futures, options and over-the-counter cleared swaps markets
		Japan Exchange group (AOSEF)	Facilitate the exchange of information and to promote mutual assistance
		Federation of Indian Chambers of Commerce and Industry	Capital Markets
		Confederation of Indian Industry	Capital Markets
		Indo-German Chamber of Commerce	Promote economic co-operation between India and Germany
		Bombay Chambers of Commerce and Industry	Promotion and protection of trade and other objectives
		The Associated Chamber of Commerce and Industry of India (ASSOCHAM)	ASSOCHAM represents the interests of industry and trade, interfaces with Government on policy issues
		IMC Chamber of Commerce and Industry	Agenda of identifying opportunities, addressing critical issues and driving Indian businesses with the single minded focus of sustainable growth

**Principle 8: Business should support inclusive growth and equitable development**

1	Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof	Yes. Programs and initiatives undertaken during the Financial Year are detailed below: <ul style="list-style-type: none"> <li>• Innovation and entrepreneurship programs/workshops, demo day, hackathons</li> <li>• Since 2014, over 150 start up's incubated, cumulatively have added over ₹ 300 Crores into the economy, 850+ jobs created and offered over 300+ internships for students</li> <li>• Supporting technology entrepreneurs</li> <li>• Supporting women entrepreneurs for running technology businesses</li> <li>• Tech community building</li> </ul>
2	Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	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
3	Have you done any impact assessment of your initiative?	There is an internal system to assess the impact at regular intervals for effectiveness of the initiative
4	What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?	<ul style="list-style-type: none"> <li>• Contribution towards technology incubators amounting to ₹ 134.60 Lakhs</li> <li>• Donation to Chief Ministers Relief Fund of Assam, Arunachal Pradesh, Gujarat, Odisha and Rajasthan amounting to ₹ 25 Lakhs</li> </ul>
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes. Following activities were carried out in this regard: <ul style="list-style-type: none"> <li>• Launched India's first program for women entrepreneurs running technology businesses which is also supported by the department of Science and Technology, Government of India.</li> <li>• Promoting entrepreneurship that has largely benefitted women, professionals and students to start successful ventures.</li> <li>• Supporting social impact companies like "Bleetechn innovations" helping deaf and mute community with their technology</li> </ul>

<b>Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner</b>						
1	What percentage of customer complaints/ consumer cases are pending as on the end of Financial Year	Type of customer	Un resolved complaints carried forward from FY 2016-2017	Fresh Complaints received in FY 2017-18	Complaints resolved in FY 2017-18	Complaints un-resolved in FY 2017-18
		Investors	1831	1780	1711	1900
		Brokers	60	14797	14768	89
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)	Not Applicable				
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so	As of March 31, 2018, no stakeholder has filed any case against the Company, nor any cases pending regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior				
4	Did your Company carry out any consumer survey/ consumer satisfaction trends	Yes, we interact with our client on regular basis and across multiple platforms. Customer satisfaction surveys are conducted on periodic basis to assess customer satisfaction levels and benchmark the Company's performance with industry peers				



# Independent Auditor's 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 Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, 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 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 Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates 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 Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, 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 its associates as at March 31, 2018, their consolidated profit including other 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 and other information, in respect of seven subsidiaries which have total assets of ₹ 1,85,617 lakhs, net assets of ₹ 89,801 lakhs as at March 31, 2018, total revenue of ₹ 13,830 lakhs and net cash outflows of ₹ 33,962 lakhs for the



year ended March 31, 2018. Further, the consolidated Ind AS financial statements include the Group's share of net profit of ₹ 1,869 lakhs for the period from June 30, 2017 to March 31, 2018 and profit from discontinued operations of ₹ 2,547 lakhs, in respect of one company which was a subsidiary upto June 29, 2017 and associate for the subsequent period. These financial statements and other information have been audited by other auditors whose reports have been furnished to us by the management. 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 associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

- (b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2017.

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

### 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 report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- (a) We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of 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 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate report in Annexure 1 to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and associates, as noted in the 'Other Matters' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates— Refer Note 36 to the consolidated Ind AS financial statements;
  - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Date : May 4, 2018

Place : Mumbai

## **ANNEXURE 1 TO The Independent Auditor's Report Of even date on the Consolidated Financial Statements of BSE LIMITED**

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

In conjunction with our audit of the consolidated financial statements of BSE Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of BSE Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors 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.

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

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

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

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

### Opinion

In our opinion, the Holding Company its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these seven subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Date : May 4, 2018

Place : Mumbai

per **Jayesh Gandhi**

Partner

Membership Number: 037924

## Consolidated Balance Sheet as at March 31, 2018

		(₹ in Lakh)	
PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	13,792	14,232
b. Capital work-in-progress		232	446
c. Investment property	4	393	347
d. Goodwill	5	3,742	8,504
e. Other intangible assets	6	2,788	1,860
f. Intangible assets under development		470	151
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	1	5
b. Investments in associates	8	39,611	252
c. Other investments	9	1,25,657	1,49,162
ii. Other financial assets	11	10,726	25,298
h. Income tax assets (net)	21	7,950	8,920
i. Deferred tax assets (net)	18	7,408	1,889
j. Other assets	13	10	121
<b>Total non-current assets</b>		<b>2,12,780</b>	<b>2,11,187</b>
<b>2 Current assets</b>			
a. Financial assets			
i. Investments	9	75,528	50,200
ii. Trade receivables	10	5,487	6,886
iii. Cash and cash equivalents	12	79,726	1,16,367
iv. Bank balances other than (iii) above	12	1,17,171	1,23,931
v. Other financial assets	11	5,163	7,955
b. Other assets	13	2,581	1,775
<b>Total current assets</b>		<b>2,85,656</b>	<b>3,07,114</b>
<b>Total assets (1+2)</b>		<b>4,98,436</b>	<b>5,18,301</b>
<b>EQUITY AND LIABILITIES</b>			
<b>3 Equity</b>			
a. Equity share capital	14	1,065	1,076
b. Other equity	15	3,12,370	2,65,164
<b>Equity attributable to shareholders of the Company</b>		<b>3,13,435</b>	<b>2,66,240</b>
<b>4 Non controlling interest</b>	40	-	29,088
<b>Total equity</b>		<b>3,13,435</b>	<b>2,95,328</b>
<b>5 Core settlement guarantee fund</b>		<b>29,096</b>	<b>20,452</b>
<b>Liabilities</b>			
<b>6 Non-current liabilities</b>			
a. Financial liabilities			
Other financial liabilities	16	572	606
b. Provisions	17	215	165
c. Other liabilities	19	161	107
<b>Total non-current liabilities</b>		<b>948</b>	<b>878</b>
<b>7 Current liabilities</b>			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	19	8
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	6,275	5,625
ii. Other financial liabilities	16	1,34,126	1,67,102
b. Provisions	17	1,366	1,671
c. Income tax liabilities (Net)	21	1,415	1,471
d. Other liabilities	19	11,756	25,766
<b>Total current liabilities</b>		<b>1,54,957</b>	<b>2,01,643</b>
<b>Total equity and liabilities (3+4+5+6+7)</b>		<b>4,98,436</b>	<b>5,18,301</b>
<b>Significant accounting policy</b>	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

Date : May 4, 2018

Place : Mumbai

For and on behalf of the Board of Directors

**S. Ravi**

Chairman

DIN: 00009790

**Nayan Mehta**

Chief Financial Officer

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**Prajakta Powle**

Company Secretary



## Consolidated Statement of Profit and Loss for the year ended March 31, 2018

		(₹ in Lakh)	
PARTICULARS	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Continuing Operation</b>			
<b>1 Revenue from operations: Income from</b>			
Securities services	22	23,001	19,212
Services to corporates	23	22,069	15,686
Data dissemination fees		2,628	2,467
<b>Revenue from operations</b>		<b>47,698</b>	<b>37,365</b>
<b>2 Investment income</b>	24	<b>16,870</b>	<b>19,806</b>
<b>3 Other income</b>	25	<b>5,324</b>	<b>4,657</b>
<b>4 Total income (1+2+3)</b>		<b>69,892</b>	<b>61,828</b>
<b>5 Expenses</b>			
Employee benefits expense	26	12,008	11,662
Finance costs		103	96
Depreciation and amortisation expense	3&4&6	4,545	5,028
Computer technology related expenses	27	11,111	9,635
Administration and other expenses	28	14,579	14,518
<b>Total expenses</b>		<b>42,346</b>	<b>40,939</b>
<b>6 Profit before exceptional items and tax (4-5)</b>		<b>27,546</b>	<b>20,889</b>
<b>7 Exceptional items:</b>			
Liquidity enhancement incentive program scheme	49	213	-
Settlement guarantee fund (25% transfer of profit)	41	-	2,079
Voluntary retirement scheme	49	47	-
<b>Total exceptional items</b>		<b>260</b>	<b>2,079</b>
<b>8 Profit before tax and share of net profits of investments accounted for using equity method (6-7)</b>		<b>27,286</b>	<b>18,810</b>
<b>9 Share of net profits of investments accounted for using equity method</b>			
Share of profit of associates		1,990	107
<b>10 Profit before tax (8+9)</b>		<b>29,276</b>	<b>18,917</b>
<b>11 Tax expense:</b>	29		
Current tax		11,301	3,027
Current tax of earlier years		(119)	(785)
Deferred tax		(5,637)	(1,176)
<b>Total tax expenses</b>		<b>5,545</b>	<b>1,066</b>
<b>12 Net profit for the year from continuing operation (10-11)</b>		<b>23,731</b>	<b>17,851</b>
<b>13 Discontinued operation</b>	52		
Profit before tax from discontinued operation		3,169	11,656
Gain on sale of subsidiary on loss of control		46,175	-
Tax expense on discontinued operation		622	2,998
<b>Net profit for the year from discontinued operation</b>		<b>48,722</b>	<b>8,658</b>
<b>14 Net profit for the year from total operation (12+13)</b>		<b>72,453</b>	<b>26,509</b>
Net profit attributable to the shareholders of the Company		71,128	22,057
Net profit attributable to the non controlling interest		1,325	4,452
<b>15 Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss			
i. Remeasurements of the defined employee benefit plans;		(93)	(92)
ii. Income tax relating to items that will not be reclassified to profit or loss		(36)	(25)
Items that will be subsequently reclassified to profit or loss			
iii. Foreign currency translation reserve		70	(575)
iv. Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income for the year (i-ii+iii-iv)</b>		<b>13</b>	<b>(642)</b>
<b>16 Total comprehensive income for the year from total operation (14+15)</b>		<b>72,466</b>	<b>25,867</b>
Total comprehensive income attributable to the shareholders of the Company		71,141	21,431
Total comprehensive income attributable to the non controlling interest		1,325	4,436
<b>17 Earnings per equity share:</b>	30		
Basic and diluted before exceptional items & discontinued operation (₹)		43.82	35.19
Basic and diluted before discontinued operation after exceptional items (₹)		43.51	32.70
Basic and diluted from total operation (₹)		130.41	40.41
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		5,45,43,037	5,45,88,172
<b>Significant accounting policy</b>	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For **S.R. Batiiboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

Date : May 4, 2018

Place : Mumbai

For and on behalf of the Board of Directors

**S. Ravi**

Chairman

DIN: 00009790

**Nayan Mehta**

Chief Financial Officer

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**Prajakta Powle**

Company Secretary

## Consolidated Cash Flow Statement for the year ended March 31, 2018

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Continuing operations</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	23,731	17,851
Adjustments for		
Income tax expenses recognised in profit and loss	5,545	1,066
Share of profit of associates	(1,990)	(107)
Foreign currency translation reserve	70	(575)
Depreciation and amortisation expense	4,545	5,028
Net gain on disposal of property, plant and equipment	-	(9)
Impairment loss on financial assets	218	1,227
Finance cost	103	96
Contribution to core settlement guarantee fund	6,291	952
Investment income on core settlement guarantee fund	2,305	1,842
Penalties/ contribution received towards settlement guarantee fund	48	53
Net gain on derecognition of financial assets measured at amortised cost	(187)	(2,302)
Net gain on disposal of equity instrument measured at FVTPL	-	(121)
Net gain arising on financial assets measured at FVTPL	(3,726)	(525)
Interest income	(11,324)	(15,689)
Dividend income	(1,633)	(1,169)
Provision for compensated absences	783	435
<b>Operating profit before working capital changes</b>	24,779	8,053
<b>Movements in working capital</b>		
Increase in trade receivables	(146)	(3,368)
Increase in trade payables	824	879
Increase in provision	444	210
Decrease/ (Increase) in other assets and other financial assets	(1,143)	210
Increase/ (decrease) in other liabilities and other financial liabilities	(40,959)	71,724
<b>Cash generated from/ (used in) operations</b>	(16,201)	77,708
Direct taxes paid (net of refunds)	(10,946)	(258)
<b>Net cash generated from/ (used in) operating activities</b>	(27,147)	77,450
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	(6,277)	(5,868)
Proceeds from sale of property, plant and equipment	13	30
Net decrease/ (increase) in investment in equity and debt instruments	(53,016)	(34,053)
Investment in certificate of deposits	(2,995)	-
Proceeds received from certificate of deposits	-	4,500
Investment in bonds and non-convertible debentures	-	(2,000)
Proceeds received from bonds and non-convertible debentures	7,534	50,803
Investment in fixed deposits	(19,923)	(38,035)
Proceeds received from fixed deposits	35,579	13,729
Interest received	13,848	17,381
Dividend received	1,633	1,169
<b>Net cash generated from/ (used in) investing activities</b>	(23,604)	7,656

## Consolidated Cash Flow Statement for the year ended March 31, 2018 (contd.)..

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost	(108)	(101)
Dividend and taxes paid thereon	(18,391)	(5,397)
Dividend and tax on dividend paid related to non controlling interest	-	(1,441)
(Decrease)/ increase in trading members and other deposits	724	(1,797)
Disposal of partial interest in subsidiary without loss of control	-	3,423
Payment towards buyback including transaction cost	(4,497)	-
<b>Net cash used in financing activities</b>	(22,272)	(5,313)
<b>D. Net increase/ (decrease) in cash and cash equivalents from continuing operations (A+B+C)</b>	(73,023)	79,793
<b>Discontinued operations (refer note 52)</b>		
<b>E. Net cash from operating activities</b>	2,547	4,276
<b>F. Net cash generated from investing activities</b>	-	1,817
<b>G. Net cash generated from/ (used in) financing activities</b>	33,835	(3,144)
<b>H. Net increase in cash and cash equivalents from discontinued operations (E+F+G)</b>	36,382	2,949
<b>I. Net increase/ (decrease) in cash and cash equivalents from total operations (D+H)</b>	(36,641)	82,742
<b>Cash and cash equivalents at the beginning of the year</b>	1,16,367	33,625
<b>Cash and cash equivalents at the end of the year *</b>	79,726	1,16,367
<b>Balances with banks</b>		
In current accounts	40,971	47,467
In deposit accounts with original maturity of 3 months	38,755	68,900
<b>* Cash and cash equivalents at the end of the year comprises (refer note 12)</b>	79,726	1,16,367

The accompanying notes form an integral 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".
- 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 for the year ended March 31, 2017.
- Movement in earmarked liabilities and assets of parent company are not considered.
- Previous years' figures have been regrouped wherever necessary.

In terms of our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors

**Per Jayesh Gandhi**  
Partner  
Membership No.: 037924

**S. Ravi**  
Chairman  
DIN: 00009790

**Ashishkumar Chauhan**  
Managing Director & CEO  
DIN: 00898469

Date : May 4, 2018  
Place : Mumbai

**Nayan Mehta**  
Chief Financial Officer

**Prajakta Powle**  
Company Secretary

# Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital													(₹ in Lakh)
Balance as at April 1, 2016													
Changes in equity share capital during the year													
- Allotment of bonus shares													
Balance as at March 31, 2017													1,074
Changes in equity share capital during the year													
- Shares extinguished during the year													
- Shares bought back and pending for extinguishment													
Balance as at March 31, 2018													2
B. Other Equity													
(₹ in Lakh)													
PARTICULARS	Share application money pending allotment	Reserves and Surplus							Equity attributable to shareholders of the Parent Company	Non Controlling Interest	Total		
		Capital Reserve	Capital Reserve on Business Combination	Securities Premium Reserve	General Reserve	Retained Earnings	Liquidity enhancement scheme (LES) reserve (refer note 44)	Other Reserve					
Balance as at April 1, 2016													
Profit for the year pertaining to equity shareholders													
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax													
Foreign Currency Translation Reserve													
Issue of Bonus shares													
Disposal of partial interest in subsidiary without loss of control													
Payments of Dividends													
Payments of Dividend Distribution Tax													
Balance as at March 31, 2017													(575)
Profit for the year pertaining to equity shareholders													
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax													
Foreign Currency Translation Reserve													
Liquidity enhancement scheme (LES) reserve													
LES expenditure during the year													
Amount paid upon buyback (refer note 51)													
Amount transferred to capital redemption reserve upon Buyback (refer note 51)													
Transfer/ adjustments on account of loss of control in subsidiary													
Payments of Dividends													
Payments of Dividend Distribution Tax													
Balance as at March 31, 2018													(575)
Profit for the year pertaining to equity shareholders													
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The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

Date: May 4, 2018

Place: Mumbai

**S. Ravi**

Chairman

DIN: 00009790

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**Nayan Mehta**

Chief Financial Officer

**Prajakta Powle**

Company Secretary



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(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 25<sup>th</sup> floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. Over the past 143 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 are listed on the National Stock Exchange of India Limited (NSE).

The financial statements were authorized for issue by the Parent Company's Board of Directors on May 4, 2018.

### 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, 2018 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.

##### 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 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:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- 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.

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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Particulars of subsidiaries and associates:

NAME OF THE COMPANY	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2018	Percentage of Voting Power as at March 31, 2017
<b>I. Subsidiary Companies</b>				
<b>- Direct</b>				
a) Indian Clearing Corporation Limited (ICCL)	Clearing and Settlement	India	100	100
b) Marketplace Technologies Private Limited (MPTL)	IT Support Services	India	100	100
c) BSE Institute Limited (BIL)	Training	India	100	100
d) Central Depository Services (India) Limited (CDSL) (upto June 29, 2017)	Depository Services	India	-	50.05
e) BSE Investments Limited	Investment	India	100	100
f) BSE Sammaan CSR Limited	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	100	100
h) India International Exchange (IFSC) Limited (w.e.f September 12, 2016)*	Stock Exchange	India	100	100
i) India International Clearing Corporation (IFSC) Limited (w.e.f September 12, 2016)*	Clearing and Settlement	India	100	100
<b>- Indirect</b>				
a) Marketplace Tech Infra Services Private Limited	IT Support Services	India	100	100
b) CDSL Ventures Limited (upto June 29, 2017)	Depository related Services	India	-	50.05
c) CDSL Insurance Repository Limited (upto June 29, 2017)	Repository Services	India	-	50.05
d) CDSL Commodity Repository Limited (upto June 29, 2017)	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	51.22	51.22
f) BSE Skills Limited**	Training	India	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

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(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, 2018	Percentage of Voting Power as at March 31, 2017
<b>II. Associates</b>				
a) Central Depository Services (India) Limited (CDSL) (from June 30, 2017)	Depository Services	India	24	-
b) CDSL Ventures Limited (from June 30, 2017)	Depository related Services	India	24	-
c) CDSL Insurance Repository Limited (from June 30, 2017)	Repository Services	India	24	-
d) CDSL Commodity Repository Limited (from June 30, 2017)	Repository Services	India	24	-
e) Asia Index Private Limited	Index Services	India	50	50
f) BSE EBIX Insurance Broking Private Limited (from March 15, 2018)	Insurance Broking	India	40	-

\* Based out of Gift City Gandhinagar Gujarat, India.

\*\* BSE Skills Limited have filed an application to ROC for removing its name from register of companies.

#### 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 and deferred tax: The Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes and deferred tax assets and liabilities, including the amount expected to be paid or recovered in connection with uncertain tax positions.



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- (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 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 Group 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 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.
- (vi) 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).

Income and expenses of the entities/ operations in other than Indian currency are translated at average rates and the assets and liabilities are translated at closing rate. The net impact of such changes are accounted under other comprehensive income.

##### (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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

#### (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 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018 (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 Group 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 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. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(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 or buyback of existing equity shares are recognised as a deduction from equity, net of any tax effect (if any).

#### (v) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

#### (vi) 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:

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.



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

#### (vii) 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.

#### (viii) 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.

##### (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.

#### (ix) 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

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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) Impairment of equity investments measured at cost

Investments in subsidiaries (not considered for consolidation) are measured at cost are tested for impairment at the end of each reporting period. Any impairment loss is recognized in the consolidated statement of profit and loss, if the amount of impairment loss decreases subsequently then the previously recognized impairment loss is reversed in the consolidated statement of profit and loss.

#### (c) 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.

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").

#### (d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis. Any Impairment loss for goodwill is recognized in profit or loss. An Impairment loss recognized for goodwill is not reversed in subsequent periods.

#### (x) 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

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

#### (c) Provident fund, pension fund and new national pension scheme

The Group offers its employees defined contribution plan in the form of provident fund, family pension fund and new national pension scheme. The Company recognises contribution made towards provident fund, family pension fund and new national pension scheme in the Statement of Profit and Loss.

The parent company, Indian Clearing Corporation Limited, BSE Sammaan CSR Limited and BSE Institute Limited and its employees' contribution to provident fund is managed by BSE Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

#### (xi) 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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 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 assets and contingent liabilities are not recognised but disclosed in the Financial Statements when economic inflow is probable.

#### (xii) 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 goods and service tax, sales tax, value added tax, service tax and applicable discounts and allowances.

#### (xiii) 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 on bond is recognised as it accrues in the Profit or Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

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.



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018 (Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

#### (xiv) 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.

##### (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.

#### (xv) 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 earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share 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 consolidated financial statements for the year ended March 31, 2018 (Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

#### (xvi) 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;
- (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.

#### (xvii) 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 3. 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				
<b>Cost or deemed cost</b>											
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)
<b>Balance as at March 31, 2017</b>	1,002	3,995	1,054	2,730	3,211	7,881	130	899	1,446	228	22,576
Balance as at April 1, 2017	1,002	3,995	1,054	2,730	3,211	7,881	130	899	1,446	228	22,576
Additions during the year	56	109	68	443	76	2,773	-	104	71	32	3,732
Deductions/ adjustments	-	-	-	17	1	41	-	18	1	-	78
Transferred to Investment property	1	72	-	-	-	-	-	-	-	-	73
Deduction on sale of subsidiary	-	169	-	559	-	84	-	73	43	162	1,090
Foreign currency translation adjustments	-	-	3	2	1	-	-	-	1	-	7
<b>Balance as at March 31, 2018</b>	1,057	3,863	1,125	2,599	3,287	10,529	130	912	1,474	98	25,074
<b>Accumulated depreciation</b>											
Balance as at April 1, 2016	-	225	-	379	651	2,189	54	172	372	39	4,081
Depreciation for the year from continuing operations	-	399	12	305	624	2,105	33	166	328	9	3,981
Depreciation for the year from discontinued operations	-	50	-	142	-	28	-	26	16	22	284
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	-	-	-	(1)	-	(1)	-	-	-	-	(2)
<b>Balance as at March 31, 2017</b>	-	674	12	825	1,275	4,321	87	364	716	70	8,344
Balance as at April 1, 2017	-	674	12	825	1,275	4,321	87	364	716	70	8,344
Depreciation for the year from continuing operations	-	357	37	358	489	1,867	19	146	278	18	3,569
Depreciation for the year from discontinued operations	-	12	-	47	-	8	-	6	3	8	84
Deductions/ adjustments	-	-	-	12	-	40	-	18	-	-	70
Transferred to Investment property	-	7	-	-	-	-	-	-	-	-	7
Deduction on sale of subsidiary	-	112	-	321	-	55	-	59	36	59	642
Foreign currency translation adjustments	-	-	-	2	-	1	-	-	1	-	4
<b>Balance as at March 31, 2018</b>	-	924	49	899	1,764	6,102	106	439	962	37	11,282
<b>Net Book Value</b>											
<b>As at March 31, 2018</b>	1,057	2,939	1,076	1,700	1,523	4,427	24	473	512	61	13,792
As at March 31, 2017	1,002	3,321	1,042	1,905	1,936	3,560	43	535	730	158	14,232

**Note:** The Group's obligations under finance leases (see note 31.1) are secured by the lessors' title to the leased assets.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 4. INVESTMENT PROPERTY

PARTICULARS	Freehold Land	Buildings	Total
<b>Cost or deemed cost</b>			
Balance as at April 1, 2016	8	374	382
Additions during the year	-	-	-
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2017</b>	8	374	382
Balance as at April 1, 2017	8	374	382
Additions during the year	-	-	-
Transferred from property, plant and equipments	1	72	73
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2018</b>	9	446	455
PARTICULARS	Freehold Land	Buildings	Total
<b>Accumulated depreciation</b>			
Balance as at April 1, 2016	-	18	18
Depreciation for the year	-	17	17
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2017</b>	-	35	35
Balance as at April 1, 2017	-	35	35
Depreciation for the year	-	20	20
Transferred from property, plant and equipments	-	7	7
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2018</b>	-	62	62
PARTICULARS	Freehold Land	Buildings	Total
<b>Net Book Value</b>			
<b>As at March 31, 2018</b>	9	384	393
As at March 31, 2017	8	339	347

#### Notes:

- The fair value of the Group's investment properties as at March 31, 2018 and March 31, 2017 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, 2018 and March 31, 2017 are as follows:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Fair value of Building	28,948	26,034
Fair value hierarchy	Level 3	Level 3

- Amount recognised in Statement of Profit and Loss for Investment Property

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Rental income derived from investment properties	1,088	921
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	183	160

- 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 consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 4. INVESTMENT PROPERTY (Contd.)..

5 Minimum lease payments receivable under non-cancellable operating lease of investment properties are as follows:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Not later than 1 year	121	117
Later than 1 year and not longer than 5 years	178	295
Later than 5 years	-	-

6 No contingent rent recognised/ (adjusted) in the Profit or Loss in respect of operating lease.

### 5. GOODWILL

PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
<b>Cost or deemed cost</b>			
Balance as at April 1, 2016	8,504	785	9,289
Additions during the year	-	-	-
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2017</b>	8,504	785	9,289
Balance as at April 1, 2017	8,504	785	9,289
Additions during the year	-	-	-
Deductions/ adjustments	-	-	-
Deduction on sale of subsidiary	4,762	-	4,762
<b>Balance as at March 31, 2018</b>	<b>3,742</b>	<b>785</b>	<b>4,527</b>
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
<b>Accumulated impairment</b>			
Balance as at April 1, 2016	-	785	785
Impairment for the year	-	-	-
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2017</b>	-	785	785
Balance as at April 1, 2017	-	785	785
Impairment for the year	-	-	-
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2018</b>	-	<b>785</b>	<b>785</b>
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
<b>Net book value</b>			
<b>As at March 31, 2018</b>	<b>3,742</b>	-	<b>3,742</b>
As at March 31, 2017	8,504	-	8,504

#### 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 6. OTHER INTANGIBLE ASSETS

PARTICULARS	Software	Total
<b>Cost or deemed cost</b>		
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)
<b>Balance as at March 31, 2017</b>	<b>4,238</b>	<b>4,238</b>
Balance as at April 1, 2017	4,238	4,238
Additions during the year	2,031	2,031
Deductions/ adjustments	-	-
Deduction on sale of subsidiary	376	376
Foreign currency translation adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>5,893</b>	<b>5,893</b>
PARTICULARS	Software	Total
<b>Accumulated amortisation</b>		
Balance as at April 1, 2016	1,262	1,262
Amortisation for the year from continuing operations	1,030	1,030
Amortisation for the year from discontinued operations	86	86
Deductions/ adjustments	-	-
Foreign currency translation adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>2,378</b>	<b>2,378</b>
Balance as at April 1, 2017	2,378	2,378
Amortisation for the year from continuing operations	956	956
Amortisation for the year from discontinued operations	20	20
Deductions/ adjustments	-	-
Deduction on sale of subsidiary	249	249
Foreign currency translation adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>3,105</b>	<b>3,105</b>
PARTICULARS	Software	Total
<b>Net Book Value</b>		
<b>As at March 31, 2018</b>	<b>2,788</b>	<b>2,788</b>
As at March 31, 2017	1,860	1,860

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
<b>Un-quoted Investments (all fully paid)</b>				
<b>Investment in Equity Instruments</b>				
- BFSI Sector Skill Council of India (Fully paid equity shares of ₹ 1 each)	1,05,00,000	105	1,05,00,000	105
- BSE CSR Integrated Foundation (Fully paid equity shares of ₹ 10 each)	50,000	5	50,000	5
- BIL - Ryerson Technology Startup Incubator Foundation (Fully paid equity shares of ₹ 1 each)	51,000	1	51,000	1
Less : Provision for diminution in value investment		(110)		(106)
<b>Total</b>		1		5
<b>Aggregate carrying value of un-quoted investments</b>		111		111
<b>Aggregate amount of impairment in value of investments in subsidiaries</b>		110		106

#### Notes:

- 1 Details of non-wholly owned subsidiaries that have material non-controlling interests shown under discontinued operations:  
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 (upto June 29, 2017)	49.95%	1,325	-

- 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, 2018	As at March 31, 2017
Non-current assets	-	30,346
Current assets	-	30,378
Non-current liabilities	-	135
Current liabilities	-	5,708

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 7. INVESTMENTS IN SUBSIDIARIES (Contd.)..

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	5,032	18,685
Expenses	2,485	10,027
Profit/ (loss) for the year	2,547	8,658
Other comprehensive income for the year	-	(33)
Total comprehensive income for the year	2,547	8,625
Dividends paid to non-controlling interests including tax	-	(1,441)
Net cash inflow/ (outflow) from operating activities	2,547	4,276
Net cash inflow/ (outflow) from investing activities	-	1,817
Net cash inflow/ (outflow) from financing activities	33,835	(3,144)
Net cash inflow/ (outflow)	36,382	2,949

- 3 The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 has been credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018. The residual investment retained in the subsidiary now considered as an investment in an associate.

Further, the Parent Company had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 1,057 was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of ₹ 1,057 is now credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018.

Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" have been presented in note 52 to the consolidated financial statement.

### 8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
<b>Associates</b>				
<b>Un-quoted Investments (all fully paid)</b>				
<b>Investment in Equity Instruments</b>				
- Asia Index Private Limited (Fully paid equity shares of ₹ 10 each)	5,000	373	5,000	252
<b>Total - (A)</b>		373		252
<b>Quoted Investments (all fully paid)</b>				
<b>Investment in Equity Instruments</b>				
- Central Depository Services (India) Limited (Fully paid equity shares of ₹ 10 each)	2,50,80,000	39,238	-	-
<b>Total - (B)</b>		39,238		-
<b>Total - (A+B)</b>		39,611		252
<b>Aggregate book value of quoted investments</b>		39,238		-
<b>Aggregate market value of quoted investments</b>		70,889		-
<b>Aggregate carrying value of un-quoted investments</b>		373		252
<b>Aggregate amount of impairment in value of investments in associates</b>		-		-



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Associates</b>		
<b>Asia Index Private Limited</b>		
Opening Balance	252	146
Share of profit and loss for the year	121	107
Other comprehensive income for the year	-	(1)
<b>Closing Balance</b>	<b>373</b>	<b>252</b>
<b>Central Depository Services (India) Limited</b>		
Opening Balance	-	-
Remaining investment on loss of control of recognised as investment in associates	37,369	-
Share of profit and loss for the year	1,869	-
<b>Closing Balance</b>	<b>39,238</b>	<b>-</b>

**Note:** There are no commitments, the Group has made but not recognised at the reporting date relating to its interests in associates.

### 9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current Investments</b>		
<b>Un-quoted Investments (all fully paid)</b>		
<b>Investment in Equity Instruments at FVTPL</b>		
- Calcutta Stock Exchange Limited (Fully paid equity share of ₹ 1 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
<b>Total Investment in Equity Instruments at FVTPL</b>	<b>-</b>	<b>301</b>
<b>Investments in Debentures measured at amortised cost</b>		
<b>Owned</b>		
- Non-Convertible Debentures	998	995
	<b>998</b>	<b>995</b>
<b>Quoted Investments</b>		
<b>Investments in Bonds and Debentures measured at amortised cost</b>		
<b>Owned</b>		
- Bonds	83,402	95,734
- Non-Convertible Debentures	3,507	13,704
	<b>86,909</b>	<b>1,09,438</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Investments in Mutual Funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of Growth Oriented Debt Schemes of Mutual Funds	37,750	38,387
<b>Earmarked</b>		
- Units of Growth Oriented Debt Schemes of Mutual Funds	-	41
	37,750	38,428
<b>Total Non-current Investments</b>	1,25,657	1,49,162
<b>Aggregate amount of quoted investments</b>	1,24,659	1,47,866
<b>Aggregate market value of quoted investments</b>	1,29,101	1,53,384
<b>Aggregate amount of unquoted investments</b>	998	1,296
<b>Aggregate amount of impairment in value of investments</b>	-	-
<b>Note :</b> Counterparties in debentures & bonds have minimum AA+ credit rating.		
<b>Current Investments</b>		
<b>Quoted Investments</b>		
<b>Investments in Certificate of Deposits measured at amortised cost</b>		
<b>Owned Fund</b>		
- Certificate of Deposits	2,998	-
	2,998	-
<b>Investments in Mutual Funds measured at FVTPL</b>		
<b>Owned Fund</b>		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	9,783	16,127
- Units of Growth Oriented Debt Schemes of Mutual Funds	45,470	4,286
- Investment in exchange traded funds through asset management company	4,102	276
	59,355	20,689
<b>Earmarked Fund</b>		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	2,983	2,614
	2,983	2,614
<b>Unquoted Investments</b>		
<b>Investments in Mutual Funds measured at FVTPL</b>		
<b>Owned Fund</b>		
- Units of Debt Schemes of Mutual Funds	-	9,804
	-	9,804
<b>Current Investments</b>	65,336	33,107

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current Portion of Long Term Investments</b>		
<b>Quoted Investments</b>		
<b>Investments in Debentures measured at amortised cost</b>		
<b>Owned Fund</b>		
- Non-Convertible Debentures	10,192	5,647
	10,192	5,647
<b>Investments in Mutual Funds at FVTPL</b>		
<b>Own Funds</b>		
- Units of Growth Oriented Debt Schemes of Mutual Funds	-	11,429
	-	11,429
<b>Earmarked Funds</b>		
- Units of Growth Oriented Debt Schemes of Mutual Funds	-	17
	-	17
<b>Current Portion of Long Term Investments</b>	10,192	17,093
<b>Total Current Investments</b>	75,528	50,200
<b>Aggregate amount of quoted investments</b>	75,528	40,396
<b>Aggregate market value of quoted investments</b>	75,569	40,477
<b>Aggregate amount of unquoted investments</b>	-	9,804
<b>Aggregate amount of impairment in value of investments</b>	-	-

**Note :** Counterparties in debentures & bonds have minimum AA+ credit rating.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	COMPANY NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Quantity	Amount	Quantity	Amount
<b>Non-Current Investments</b>					
<b>Own Funds</b>					
<b>Trade Investment</b>					
<b>Investments in Equity Instruments</b>					
1	Equity Shares of Calcutta Stock Exchange Limited of ₹ 1/- each	30,875	-	30,875	-
2	Equity Shares of Belapur Railway Station Commercial Company Limited of ₹ 10 each	-	-	5,000	1
3	Equity Shares of National E-Governance Services Limited (NESL) of ₹ 10/- each	-	-	30,00,000	300
<b>Total</b>			-		301

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
(a) Own Funds					
Investments in Debentures (Unquoted)					
Non-Convertible Debentures					
1	9.25%-TATA Sons Limited-29Jun2019	100	998	100	995
Total			998		995
Investments in Bonds and Debentures (Quoted)					
Bonds					
1	8.10%-Housing And Urban Development Corporation Limited-05Mar2022-Tax Free	17,69,400	18,110	17,69,400	18,216
2	8.51%-Housing And Urban Development Corporation Limited-13Jan2024-Tax Free	1,50,000	1,523	3,00,000	3,027
3	8.29%-Housing And Urban Development Corporation Limited-24Mar2024-Tax Free	1,00,000	1,000	1,00,000	1,000
4	6.72%-Indian Railway Finance Corporation Limited-20Dec2020-Tax Free	7,500	7,489	7,500	7,483
5	7.55%-Indian Railway Finance Corporation Limited-08Nov2021-Tax Free	500	500	500	500
6	8.00%-Indian Railway Finance Corporation Limited-23Feb2022-Tax Free	6,52,773	6,613	6,52,773	6,646
7	7.19%-Indian Railway Finance Corporation Limited-14Dec2022-Tax Free	100	1,000	100	1,000
8	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	3,00,000	3,065	3,00,000	3,077
9	8.35%-Indian Railway Finance Corporation Limited-21Nov2023-Tax Free	700	7,225	700	7,265
10	8.27% National Highway Authority Of India-05Feb2024-Tax Free	2,90,000	2,917	2,90,000	2,920
11	8.26%-National Housing Bank-13Jan2024-Tax Free	18,050	903	18,050	903
12	8.41%-National Thermal Power Corporation Limited-16Dec2023-Tax Free	60,000	600	79,162	792
13	7.19%-Power Finance Corporation Limited-04Jan2023-Tax Free	1,00,000	1,000	1,00,000	1,000
14	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	12,25,828	12,500	12,25,828	12,563
15	8.01%-Rural Electrification Corporation Limited-29Aug2023-Tax Free	250	2,501	250	2,501
16	8.01%-Rural Electrification Corporation Limited-24Sep2023-Tax Free	5,00,000	5,000	5,00,000	5,000



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
17	8.09%-Power Finance Corporation Limited-25Nov2021-Tax Free	1,000	1,029	1,000	1,037
18	7.93%-Rural Electrification Corporation Limited-27Mar2022-Tax Free	1,64,702	1,684	1,64,702	1,693
19	8.19%-Rural Electrification Corporation Limited-24Mar2024-Tax Free	2,50,000	2,600	2,50,000	2,617
20	7.34%-Housing And Urban Development Corporation Limited-16Feb2023-Tax Free	1,00,000	1,002	1,00,000	1,003
21	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	50,000	515	50,000	518
22	7.62%-Housing And Urban Development Corporation Limited-11Nov2021-Tax Free	1,000	1,009	1,000	1,012
23	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	1,50,000	1,495	1,50,000	1,493
24	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	2,500	26	2,500	26
25	8.41%-Infrastructure Leasing & Financial Services Limited - 22Feb2024 - Tax Free	1,00,000	1,014	1,00,000	1,045
26	8.23%-Indian Railway Finance Corporation Limited - 18Feb2024 - Tax Free	1,00,000	1,082	1,00,000	1,040
27	7.21%-Rural Electrical Corporation Limited-21Nov2022-Tax Free	-	-	50	500
28	7.22%-Power Finance Corporation Limited Bond Series 95-29Nov2022-Tax Free	-	-	50	500
29	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	-	-	1,30,000	1,305
30	7.19%-Indian Railway Finance Corporation Limited-31Jul2025-Tax Free	-	-	50	501
31	8.01%-National Housing Bank Bonds-30Aug2023-Tax Free	-	-	70	700
32	7.17%-National Housing Bank Tax Free Bonds-01Jan2023-Tax Free	-	-	50	503
33	8.35%-National Highways Authority Of India Tax Free Bonds-22Nov2023-Tax Free	-	-	70	700
34	8.20%-National Highways Authority Of India Tax Free Bonds-25Jan2022-Tax Free	-	-	72,500	747
35	8.18%-National Hydroelectric Power Corporation-02Nov2023-Tax Free	-	-	22,547	226
36	8.19%-National Thermal Power Corporation-04Mar2024-Tax Free	-	-	50	500
37	8.41%-National Thermal Power Corporation-16Dec2023-Tax Free	-	-	31,665	317
38	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	-	-	1,00,000	1,037
39	7.15%-National Thermal Power Corporation-21Aug2025-Tax Free	-	-	50	500
40	7.17%-Rural Electrical Corporation Limited-23Jul2025-Tax Free	-	-	50	500
41	8.18%-Rural Electrical Corporation Limited-11Oct2023-Tax Free	-	-	50	521
42	7.11%-National Highways Authority Of India-18Sep2025-Tax Free	-	-	30	300
43	7.16%-Power Finance Corporation Limited-17Jul2025-Tax Free	-	-	50	500
44	7.17%-Rural Electrical Corporation Limited-23Jul2025-Tax Free	-	-	50	500
<b>Total</b>			<b>83,402</b>		<b>95,734</b>
<b>(a) Own Funds</b>					
<b>Non-Convertible Debentures</b>					
1	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	-	-	1,00,000	1,000
2	9.49%-HDB Financial Services Limited-18Jun2019	50	500	50	499
3	9.51%-LIC Housing Finance Limited-24Jul2019	100	1,007	100	1,013
4	11.08%-LIC Housing Finance Limited-13Aug2018	-	-	49	503
5	8.80%-Canfin Homes Limited-02Jul2018	-	-	100	1,000

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
6	8.77%-HDB Financial Services Limited-02Jun2018	-	-	50	500
7	8.81%-HDB Financial Services Limited-28Jul2018	-	-	50	500
8	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	50,000	500
9	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	-	-	1,00,000	1,000
10	8.80%-Kotak Mahindra Prime Limited-26Jun2018	-	-	50	500
11	8.65%-HDB Financial Services Limited-25Sep2018	-	-	50	500
12	8.71%-HDB Financial Services Limited-20Oct2018	-	-	100	998
13	8.8394%-HDB Financial Services Limited-12Mar2019	-	-	100	1,001
14	8.90%-Infrastructure Leasing & Financial Services Limited-21Mar2019	-	-	20,000	200
15	8.34%-LIC Housing Finance Limited-22Mar2018	-	-	250	2,490
16	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	150	1,500
<b>Total</b>			<b>3,507</b>		<b>13,704</b>
<b>Investments in Mutual Funds measured at FVTPL</b>					
<b>Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)</b>					
1	Reliance Fixed Horizon Fund XXVIII Series 4 - Direct - Growth Plan	-	-	1,00,00,000	1,204
2	DHFL Pramerica Fixed Maturity Plan Series 63 -Direct - Growth Plan	-	-	65,00,000	839
3	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	50,00,000	537	50,00,000	503
4	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	3,00,00,000	3,214	3,00,00,000	3,009
5	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	50,00,000	537	50,00,000	503
6	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	1,00,00,000	1,035	-	-
7	Aditya Birla Sun Life - Fixed Term Plan - Series PR - 1134 Days - Direct - Growth Plan	1,50,00,000	1,504	-	-
8	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	90,000	964	90,000	901
9	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	50,000	537	50,000	503
10	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	2,00,000	2,078	-	-
11	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	536	50,00,000	503
12	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	320	30,00,000	300
13	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	50,00,000	536	50,00,000	503
14	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	1,00,00,000	1,016	-	-
15	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	50,00,000	538	50,00,000	504
16	ICICI Prudential - Fixed Maturity Plan - Series 80 1231 D Plan P - Direct - Growth Plan	50,00,000	537	50,00,000	503

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
17	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J 1253 Days - Direct - Growth Plan	50,00,000	538	50,00,000	504
18	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	1,00,00,000	1,075	1,00,00,000	1,007
19	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1225 Days - Direct - Growth Plan	50,00,000	535	50,00,000	501
20	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1236 Days Plan A - Direct - Growth Plan	1,00,00,000	1,018	-	-
21	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	20,00,000	214	20,00,000	200
22	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	50,00,000	538	50,00,000	504
23	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	1,00,00,000	1,071	1,00,00,000	1,003
24	Kotak - Fixed Maturity Plan - Series 200 - 1158 D - Direct - Growth Plan	50,00,000	537	50,00,000	503
25	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	1,00,00,000	1,069	1,00,00,000	1,002
26	Kotak - Fixed Maturity Plan - Series 204 - 1141D - Direct - Growth Plan	50,00,000	529	-	-
27	Kotak - Fixed Maturity Plan - Series 211 - 1105D - Direct - Growth Plan	50,00,000	510	-	-
28	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth Plan	50,00,000	508	-	-
29	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth Plan	50,00,000	509	-	-
30	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	50,00,000	538	50,00,000	504
31	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	50,00,000	538	50,00,000	504
32	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,075	1,00,00,000	1,006
33	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201D - Direct - Growth Plan	3,00,00,000	3,215	3,00,00,000	3,008
34	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	856	80,00,000	801
35	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	50,00,000	527	-	-
36	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	1,50,00,000	1,571	-	-
37	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	1,20,00,000	1,249	-	-
38	Reliance - Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	50,00,000	509	-	-
39	Reliance - Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	1,00,00,000	1,020	-	-
40	Reliance - Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	1,00,00,000	1,002	-	-
41	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,073	1,00,00,000	1,006
42	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	320	30,00,000	300
43	Aditya Birla Sun Life - Fixed Term Plan - Series OD - Growth Plan	-	-	92,60,869	932
44	Aditya Birla Sun Life - Fixed Term Plan - Series OH - Growth Plan	-	-	71,80,656	724
45	Aditya Birla Sun Life - Fixed Term Plan - Series OI - Growth Plan	-	-	1,09,01,955	1,097
46	Aditya Birla Sun Life - Fixed Term Plan - Series OK - Growth Plan	-	-	1,00,00,000	1,003
47	DSP Black Rock - Fixed Maturity Plan Sr 204 - 37M - Direct - Growth Plan	-	-	1,00,00,000	1,007
48	DSP Black Rock - Fixed Maturity Plan Sr 205 - 37M - Direct - Growth Plan	-	-	1,00,00,000	1,006
49	DSP Black Rock - Fixed Maturity Plan Sr 209 - 37M - Direct - Growth Plan	-	-	43,00,000	430

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
50	ICICI Prudential - Fixed Maturity Plan Sr 80 - Plan J - 1253 Days Direct Cumulative	-	-	44,93,054	453
51	ICICI Prudential - Fixed Maturity Plan Sr 80 - Plan L - 1245 Days Direct Cumulative	-	-	60,00,000	605
52	ICICI Prudential - Fixed Maturity Plan Sr 80 - Plan O - 1233 Days Direct Cumulative	-	-	30,00,000	302
53	ICICI Prudential - Fixed Maturity Plan Sr 80 - Plan T - 1225 Days Direct Cumulative	-	-	65,00,000	651
54	IDFC - Fixed Term Plan SR 129 - Direct - Growth Plan - 1147Days	-	-	1,00,00,000	1,008
55	IDFC - Fixed Term Plan SR 131 - Direct - Growth Plan - 1139Days	-	-	1,25,12,212	1,253
56	Invesco India Fixed Maturity Plan Sr 29 -Plan B - Direct -Growth Plan - 14May2020	-	-	1,00,00,000	1,003
57	Birla Fixed Term Plan Series OD - Direct - Growth Plan	-	-	50,00,000	503
58	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	-	-	80,00,000	804
59	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	-	-	99,95,095	1,005
60	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	-	-	55,00,000	552
61	Kotak - Fixed Term Plan - Series 202 - Direct - Growth Plan	-	-	1,00,00,000	1,002
62	Reliance - Fixed Horizon Fund - SR 15 - Direct - Growth Plan	-	-	30,00,000	413
63	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1185 Days Plan M	25,00,000	253	-	-
64	Aditya Birla Sun Life - Fixed Term Plan - 1190D - Direct - Growth Plan	20,00,000	203	-	-
65	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	20,00,000	215	-	-
66	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	20,01,215	215	20,01,215	203
67	IDFC - Fixed Term Plan - Series 129 - 1147D - Direct - Growth Plan	30,00,000	323	30,00,000	303
68	HSBC - Fixed Term Plan - Series 130 (HFTS 130)	25,00,000	254	-	-
69	KOTAK NFO Fixed Maturity Plan 11	25,00,000	254	-	-
<b>Total</b>			<b>37,750</b>		<b>38,387</b>
<b>(b) Earmarked Funds</b>					
<b>Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)</b>					
1	Reliance - Fixed Horizon Fund - XXXVIII - Sr 19 - Direct - Growth Plan	-	-	1,65,632	20
2	Sundaram - Fixed Term Plan - HM - 1100 Days - Direct - Growth Plan	-	-	1,98,759	21
<b>Total</b>			<b>-</b>		<b>41</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
<b>Current Investments</b>					
<b>Investments in Certificate of Deposits</b>					
<b>(a) Own Funds</b>					
<b>Certificate of Deposit (Quoted)</b>					
1	IDFC Bank - Certificate of Deposit - 03APR2018	3,000	2,998	-	-
<b>Total</b>			2,998		-
<b>Investment in Mutual Funds</b>					
<b>(a) Own Funds</b>					
<b>Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)</b>					
1	Kotak Income Opportunities Fund - Direct - Weekly Dividend Reinvestment	2,87,37,312	3,010	2,74,06,356	2,865
2	ICICI Prudential Liquid - Direct Plan - Daily Dividend Reinvestment	19,82,816	1,986	45,88,559	4,592
3	HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	2,488	258	2,273	24
4	Invesco India Liquid Fund - Direct - Daily Dividend Reinvestment	2,99,975	3,002	-	-
5	HDFC Floating Rate Income Fund - Direct - Daily Dividend Reinvestment	23,80,744	198	89,29,198	900
6	HDFC Liquid Fund Direct Plan	88,449	902	4,54,132	4,631
7	UTI Liquid Cash Plan - Direct - Daily Dividend Reinvestment	-	-	2,45,275	2,500
8	SBI Magnum Insta Cash Fund - Daily Dividend - Regular Plan	4,205	369	-	-
9	Reliance Liquid Fund Treasury Plan - Direct - Daily Dividend Reinvestment	3,766	58	40,241	615
<b>Total</b>			9,783		16,127
<b>Units Of Debt Schemes Of Mutual Funds (Unquoted)</b>					
1	DSP Ultra Short Fund- Direct-Daily Dividend Reinvestment	-	-	89,13,321	898
2	Reliance Money Manager Direct -Daily Dividend Reinvestment	-	-	1,39,142	1,402
3	Reliance Short Term Fund - Direct - Monthly Dividend Plan	-	-	80,12,168	900
4	Sundaram Select Debt Asset Plan -Direct-Monthly Dividend Reinvestment	-	-	1,32,57,496	1,684
5	Aditya Birla Sun Life Cash Plus Direct - Daily Dividend Reinvestment	-	-	38,863	39
6	Kotak Floater Short Term- Direct - Daily Dividend Reinvestment	-	-	21,873	221
7	DSP Blackrock Liquidity Fund Direct - Daily Dividend Reinvestment	-	-	88,698	888
8	ICICI Prudential Banking And PSU Debt Fund- Direct -Growth	-	-	42,09,448	797
9	Reliance Banking & PSU Debt Fund -Direct- Monthly Dividend Reinvestment	-	-	51,92,299	534
10	Reliance Floating Rate Fund - Short Term Plan Direct-Growth	-	-	46,01,997	1,210
11	Invesco India Ultra Short Term Fund - Direct-Daily Dividend Reinvestment	-	-	20,625	210
12	Reliance Floating Rate Fund - Short Term Plan Direct-Growth	-	-	38,85,879	1,022
<b>Total</b>			-		9,804



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)					
1	HDFC Short Term Plan	-	-	4,11,216	133
2	Kotak Income Opportunity Fund	53,580	10	11,03,355	198
3	DSP Blackrock Income Opportunities Fund Regular - Growth	14,13,067	404	14,13,067	380
4	IDFC Super Saver Income Fund Medium Term	10,78,579	314	10,78,579	299
5	HDFC Corporate Debt Opportunities Fund	9,22,944	133	9,22,944	125
6	IDFC Corporate Bond Fund - Direct - Growth Plan	39,10,289	468	-	-
7	Kotak Income Opportunity Fund -Direct - Growth Plan	25,37,830	508	25,37,830	474
8	Sundaram Banking And PSU Debt Fund Direct - Growth Plan	1,13,65,057	3,108	38,88,841	1,000
9	Aditya Birla Sun Life Short Term Fund - Direct - Growth Plan	31,11,334	2,079	-	-
10	Axis Short Term Fund - Direct - Growth Plan	1,06,54,904	2,093	-	-
11	DHFL Pramerica Banking and PSU Debt Fund - Direct - Growth Plan	1,34,96,552	2,072	-	-
12	DHFL Pramerica Premier Bond Fund - Direct - Growth Plan	1,07,99,797	3,113	-	-
13	DHFL Pramerica Short Term Floating Rate Fund - Direct - Growth Plan	1,07,52,630	2,090	-	-
14	DSP BR Banking and PSU Debt Fund - Direct - Growth Plan	69,74,911	1,039	-	-
15	DSP BR Short Term Fund - Direct - Growth Plan	67,79,661	2,072	-	-
16	HDFC Medium Term Opportunities Fund - Direct - Growth Plan	2,67,71,755	5,196	-	-
17	IDFC Corporate Bond Fund - Direct - Growth Plan	6,07,20,257	7,268	-	-
18	Kotak Bond Short Term Plan - Direct - Growth Plan	61,90,628	2,085	-	-
19	L&T Triple Ace Bond Fund - Direct - Growth Plan	91,91,292	4,149	-	-
20	Reliance Floating Rate Fund Short Term - Direct - Growth Plan	2,58,60,203	7,269	-	-
21	Reliance Yearly Interval Fund - SR 5 - Direct - Growth Plan	-	-	32,57,927	452
22	Reliance Fixed Horizon Fund XXV SR 26 - Direct - Growth	-	-	40,00,000	518
23	Reliance Fixed Horizon Fund XXVI SR 31 - Direct - Growth	-	-	40,00,000	505
24	HDFC Fixed Maturity Plan 1150D Feb 2017 (1) Series 37 - Direct - Growth	-	-	20,00,000	201
Total			45,470		4,286
Investment in Exchange Traded Funds through Asset Management Company (Quoted)					
1	Sensex Prudential ICICI - Exchange Traded Fund (Spice)	-	-	90,000	276
2	ICICI Prudential Sensex Iwin - Exchange Traded Fund	32,334	118	-	-
3	HDFC Sensex - Exchange Traded Fund	1,14,000	3,984	-	-
Total			4,102		276
(b) Earmarked Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	Axis Liquid Fund - Direct - Daily Dividend Reinvestment - Investor Services Fund	2,98,054	2,983	2,61,237	2,614
Total			2,983		2,614

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
<b>Current Portion of Long Term Investments</b>					
<b>Own Funds</b>					
<b>Investments in Debentures</b>					
<b>Non-Convertible Debentures (Quoted)</b>					
1	10.00%-ICICI Bank Limited-10Nov2017	-	-	7,551	755
2	9.30%-Housing Development Finance Corporation Limited-04Oct2017	-	-	140	1,404
3	9.18%-Housing Development Finance Corporation Limited-12Feb2018	-	-	250	2,485
4	9.50%-Housing Development Finance Corporation Limited-14Aug2017	-	-	100	1,003
5	11.08%-LIC Housing Finance Limited-13Aug2018	49	493	-	-
6	8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019	20,000	200	-	-
7	8.80%-Canfin Homes Limited-02Jul2018	100	1,000	-	-
8	8.77%-HDB Financial Services Limited-02Jun2018	50	500	-	-
9	8.81%-HDB Financial Services Limited-28Jul2018	50	500	-	-
10	8.71%-HDB Financial Services Limited-20Oct2018	100	1,000	-	-
11	8.65%-HDB Financial Services Limited-25Sep2018	50	500	-	-
12	8.8394%-HDB Financial Services Limited-12Mar2019	100	1,000	-	-
13	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	-	-
14	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	1,00,000	1,000	-	-
15	8.80%-Kotak Mahindra Prime Limited-26Jun2018	50	500	-	-
16	8.34%-LIC Housing Finance Limited-22Mar2018	250	2,499	-	-
<b>Total</b>			10,192		5,647
<b>Investment in Mutual Funds</b>					
<b>(a) Own Funds</b>					
<b>Units Of Growth Oriented Debt Schemes Of Mutual Funds (Quoted)</b>					
1	Birla Sun Life Interval Income Fund - Annual Plan 5 - Direct-Growth	-	-	82,66,209	1,145
2	DSP Blackrock Fixed Maturity Plan S161-12M-Direct-Growth	-	-	65,49,900	836
3	HDFC Fixed Maturity Plan 370D Apr 2014 (2) - Direct Growth	-	-	40,79,690	521
4	HDFC Fixed Maturity Plan 370D Mar2014 (1) - Direct Growth	-	-	43,84,836	569
5	HDFC Fixed Maturity Plan 371D Feb 2014(2) SR 29 - Direct Growth	-	-	60,00,000	779
6	HDFC Fixed Maturity Plan 377Days March2014 (1) - Direct Growth	-	-	1,44,68,207	1,853
7	ICICI Prudential Fixed Maturity Plan-Series 73-369 Days Plan S - Direct -Cumulative	-	-	47,93,668	614
8	ICICI Prudential Fixed Maturity Plan-Series 74-370 Days Plan V - Direct -Cumulative	-	-	40,00,000	503
9	ICICI Prudential Fixed Maturity Plan-Series 74-369 Days Plan I - Direct -Cumulative	-	-	55,65,133	712
10	ICICI Prudential Fixed Maturity Plan-Series 73-366 Days Plan A - Direct -Cumulative	-	-	32,84,400	424
11	ICICI Prudential Fixed Maturity Plan-Series 73-369 Days Plan P - Direct -Cumulative	-	-	1,23,03,571	1,573
12	Reliance Yearly Interval Fund - Series 5 - Direct Growth Plan	-	-	44,96,857	624
13	Reliance Fixed Horizon Fund - XXV - Series 24 - Direct Growth Plan	-	-	50,00,000	650
14	Reliance Fixed Horizon Fund - XXV - Series 26 - Direct Growth Plan	-	-	48,40,140	627
<b>Total</b>			-		11,429
<b>(b) Earmarked Funds</b>					
<b>Units Of Growth Oriented Debt Schemes Of Mutual Funds</b>					
1	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth	-	-	1,38,027	17
<b>Total</b>			-		17

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
<b>Trade Receivables</b>		
- Secured, considered good	1,384	2,924
- Unsecured, considered good	4,103	3,962
- Doubtful	1,188	1,872
- Allowance for doubtful debts	(1,188)	(1,872)
<b>Total</b>	<b>5,487</b>	<b>6,886</b>

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The Normal credit period allowed by the Group ranges from 0 to 60 days.
- 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.
- 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, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1,872	1,151
Impairment loss allowance on trade receivables	(96)	701
Impairment loss pertaining to discontinued operation	(588)	20
Balance at the end of the year	<b>1,188</b>	<b>1,872</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
(Unsecured, considered good, unless otherwise stated)		
a Security deposits		
- Deposit with public bodies and others	346	243
b Loans, advances and others receivables		
- Loan to staff	94	99
- Others receivable from defaulter member	78	104
- Receivable from Punjab & Sindh bank	316	316
Less: Impairment loss on receivable from Punjab & Sindh bank	(316)	(316)
Net receivable from Punjab & Sindh bank	-	-
c Bank deposits with more than 12 months maturity		
<b>Owned fund</b>		
- In deposit accounts	3,749	6,400
<b>Earmarked fund</b>		
- In deposit accounts	4,513	8,300
<b>Earmarked - SGF</b>		
- In deposit accounts	1,325	9,396
d Accrued interest		
<b>Owned</b>		
- On deposits	60	36
<b>Earmarked</b>		
- On deposits	561	720
<b>Total</b>	<b>10,726</b>	<b>25,298</b>
<b>Current</b>		
(Unsecured, considered good, unless otherwise stated)		
a Loan		
- Loan to staff	29	33
b Others		
- Receivable from Portfolio Management Account	47	1
- Deposit with public bodies and others	333	400
- Others receivable from defaulter member	26	26
- Receivable from selling shareholders of CDSL	-	430
- Others	-	4
c Unsecured and considered doubtful		
Deposit made under protest for property tax and claim pending with court	771	771
Less: Provision for Doubtful Advances	(771)	(771)
d Accrued interest		
<b>Owned</b>		
- On deposits	401	2,647
- On investments	3,361	3,911
<b>Earmarked</b>		
- On deposits	966	503
<b>Total</b>	<b>5,163</b>	<b>7,955</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 12. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
<b>Balance with Banks</b>		
<b>Owned fund</b>		
- In Current Accounts	3,293	16,183
- In Deposit Accounts original maturity less than 90 days	8,755	7,500
<b>Earmarked fund</b>		
- In Current Accounts	37,619	30,894
- In Deposit Accounts original maturity less than 90 days	30,000	61,400
<b>Earmarked - SGF</b>		
- In Current Accounts	59	390
<b>Total</b>	<b>79,726</b>	<b>1,16,367</b>
<b>Bank balance other than above</b>		
<b>Balance with banks</b>		
<b>Owned fund</b>		
- In Deposit Accounts (refer note 12.3)	36,187	62,394
<b>Earmarked fund</b>		
- In Current Accounts (unpaid dividend) (refer note 12.2)	1,008	867
- In Current Accounts (refer note 12.1 and 12.2)	489	4,438
- In Deposit Accounts	44,452	40,502
<b>Earmarked - SGF</b>		
- In Deposit Accounts	35,035	15,730
<b>Total</b>	<b>1,17,171</b>	<b>1,23,931</b>

#### Notes:

- 12.1** Of the above, ₹ 9 have been earmarked against payables on expenses towards IPO.
- 12.2** 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.
- 12.3** Balance with bank includes ₹ 4,150 held as margin money deposit against guarantee for buyback of equity shares as specified in Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

### 13. OTHER ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Gratuity asset (net)	-	85
Prepaid Expenses	10	33
Capital Advances	-	3
<b>Total</b>	<b>10</b>	<b>121</b>
<b>Current</b>		
Prepaid Expenses	580	598
Advances towards buyback of equity shares	285	-
Advance to Creditors	245	226
Input/ CENVAT Credit Receivable	1,295	781
Input/ CENVAT Credit Receivable (not due)	176	170
<b>Total</b>	<b>2,581</b>	<b>1,775</b>



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Authorised share capital:</b> 1,50,00,00,000 (1,50,00,00,000 as at March 31, 2017) equity shares of ₹ 2/- each	30,000	30,000
<b>Issued share capital:</b> 5,40,39,532 (5,45,88,172 as at March 31, 2017) equity shares of ₹ 2/- each	1,081	1,092
<b>Subscribed and paid-up share capital</b> 5,32,59,532 (5,38,08,172 equity shares as at March 31, 2017) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	1,066	1,076
Less: Par value of shares bought back pending for extinguishment (refer note 51)	(1)	-
<b>Total</b>	<b>1,065</b>	<b>1,076</b>
<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year</b>		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
No. of shares at the beginning of the year	5,38,08,172	5,36,78,172
Additions during the year	-	1,30,000
Shares extinguished during the year	(5,02,920)	-
Shares bought back pending for extinguishment	(45,720)	-
No. of shares at the end of the year	5,32,59,532	5,38,08,172
<b>Aggregate number and class of shares allotted as fully paid up by way of bonus shares.</b>		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
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	1,20,000
<b>Total</b>	<b>4,80,86,664</b>	<b>4,80,86,664</b>

(\*) Represent allotment of shares held in abeyance including bonus entitlements on such shares.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 14. EQUITY SHARE CAPITAL (Contd.)..

- (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.
- (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 4,77,75,000 equity shares of ₹ 2/- each (including 4,41,00,000 bonus shares of ₹ 2/- each) issuable to the card based Members, the Exchange has allotted 4,69,85,000 equity shares (4,69,85,000 equity shares as on March 31, 2017) upon implementation of the BSE (Corporatisation and Demutualisation) Scheme, 2005 ("The Scheme"). The allotment of 7,80,000 equity shares (7,80,000 equity shares as on March 31, 2017) 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 4,77,75,000 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 November 13, 2006, and further amendments thereto on December 23, 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) No shareholder holds more than 5 % of the Share Capital of the Company.

### 15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
General Reserve	70,470	70,470
Capital Reserve	66,179	66,179
Capital Reserve on business combination	10,530	10,530
Securities Premium Account	34,796	39,283
Retained earnings	1,30,145	77,644
Disposal of partial interest in CDSL (refer note 15.5)	-	1,057
Share application money pending allotment	1	1
Capital redemption reserve (refer note 51)	10	-
Liquidity enhancement scheme (LES) reserve (refer note 44)	239	-
<b>Total</b>	<b>3,12,370</b>	<b>2,65,164</b>

#### 15.1 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS (Contd.)..

#### 15.2 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 19<sup>th</sup> August, 2005 as appearing in the Exchange are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operations of the Exchange.

#### 15.3 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.

#### 15.4 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 4, 2018, proposed a final dividend of ₹ 31/- per equity share of face value of ₹ 2/- per share for the financial year ended March 31, 2018. 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 ₹ 20,196, including corporate dividend tax.

#### 15.5 Disposal of partial interest in CDSL

The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 has been credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018. The residual investment retained in the subsidiary now considered as an investment in an associate.

Further, the Parent Company had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 1,057 was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of ₹ 1,057 is now credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018.

Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" have been presented in note 52 to the consolidated financial statements.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Accrued employee benefit expenses	438	463
Finance lease obligations (refer note 16.1)	30	39
Other deposits	104	104
<b>Total</b>	<b>572</b>	<b>606</b>
<b>Current</b>		
<b>Owned :</b>		
Deposits received from trading members	9,794	9,403
Other deposits received from members	3,358	3,025
Other deposits	883	3,169
Accrued employee benefit expenses	2,822	4,453
Unpaid dividends (refer note 16.3)	90	51
Payables on purchase of fixed assets	377	566
Current maturities of finance lease obligations (refer note 16.1)	13	348
Accrued Interest on finance lease obligations (refer note 16.1)	-	5
<b>Total (A)</b>	<b>17,337</b>	<b>21,020</b>
<b>Earmarked :</b>		
From companies - 1% of their public issue (refer note 16.2)	14,153	13,412
Defaulters' liabilities (refer note 16.2)	2,531	2,799
Withheld liabilities (refer note 16.2)	6,138	5,899
Payables on expenses towards IPO (recovered from selling shareholders) (refer note 16.3)	9	4,330
Others (refer note 16.4)	2,429	1,645
<b>Total (B)</b>	<b>25,260</b>	<b>28,085</b>
<b>Clearing and Settlement</b>		
Deposit from Clearing banks	12,431	14,280
Deposit and Margins from Members	26,582	51,562
Settlement Obligation payable	40,176	50,248
Others	12,340	1,907
<b>Total (C)</b>	<b>91,529</b>	<b>1,17,997</b>
<b>Total (A+B+C)</b>	<b>1,34,126</b>	<b>1,67,102</b>

**16.1** Secured by lease asset. Liability is at a fixed rate of interest with original repayment period of 5 years.

**16.2** Investments, bank balance and bank deposits have been earmarked against these liabilities.

**16.3** Current accounts have been earmarked against this liability.

**16.4** Includes income earned on earmarked fund.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 17. PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
<b>Employee benefits</b>		
Provision for gratuity (refer note 47)	215	165
<b>Total</b>	<b>215</b>	<b>165</b>
<b>Current</b>		
<b>Employee benefits</b>		
Compensated absences	1,231	1,168
Provision for gratuity (refer note 47)	135	90
<b>Others</b>		
Provision for incentive scheme for Depository Participants	-	413
<b>Total</b>	<b>1,366</b>	<b>1,671</b>

### 18. DEFERRED TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax assets (net)</b>		
Deferred tax assets	8,234	2,925
Deferred tax liabilities	826	1,036
<b>Deferred tax assets (net)</b>	<b>7,408</b>	<b>1,889</b>
<b>Deferred tax liabilities (net)</b>		
Deferred tax liabilities	-	-
Deferred tax assets	-	-
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>-</b>

#### Deferred tax assets/ liabilities in relation to:

PARTICULARS	Opening balance as at April 1, 2016	Recognised in Profit or loss (continuing operation)	Recognised in Profit or loss (discontinued operation)	Recognised in other comprehensive income	Closing balance as at March 31, 2017	Recognised in Profit or loss (continuing operation)	Recognised in Profit or loss (discontinued operation)	Recognised in other comprehensive income	Deduction on sale of subsidiary	Closing balance as at March 31, 2018
<b>Deferred tax assets</b>										
MAT Credit entitlement	355	(843)	(35)	-	1,233	(6,185)	(2)	-	43	<b>7,377</b>
Impairment of financials assets	269	(258)	(6)	-	533	49	-	-	186	<b>298</b>
Expenses allowed on payment basis	574	(276)	(99)	(25)	974	49	4	(36)	531	<b>426</b>
Voluntary Retirement Scheme	265	80	-	-	185	83	-	-	-	<b>102</b>
Property, Plant and Equipment, Intangible assets and goodwill	-	-	-	-	-	(31)	-	-	-	<b>31</b>
<b>Total - A</b>	<b>1,463</b>	<b>(1,297)</b>	<b>(140)</b>	<b>(25)</b>	<b>2,925</b>	<b>(6,035)</b>	<b>2</b>	<b>(36)</b>	<b>760</b>	<b>8,234</b>



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 18. DEFERRED TAX ASSET AND LIABILITIES (Contd.)..

PARTICULARS	Opening balance as at April 1, 2016	Recognised in Profit or loss (continuing operation)	Recognised in Profit or loss (discontinued operation)	Recognised in other comprehensive income	Closing balance as at March 31, 2017	Recognised in Profit or loss (continuing operation)	Recognised in Profit or loss (discontinued operation)	Recognised in other comprehensive income	Deduction on sale of subsidiary	Closing balance as at March 31, 2018
<b>Deferred tax liabilities</b>										
Property, Plant and Equipment, Intangible assets and goodwill	303	204	(16)	-	115	298	7	-	(190)	-
Others (Mainly on mutual fund fair valuation)	902	(325)	306	-	921	(696)	483	-	308	826
<b>Total - B</b>	1,205	(121)	290	-	1,036	(398)	490	-	118	826
<b>Net - (A-B)</b>	258	(1,176)	(430)	(25)	1,889	(5,637)	(488)	(36)	642	7,408

#### 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, 2018	As at March 31, 2017
- Tax losses (revenue in nature)	4,659	6,173
- Tax losses (capital in nature)	8,062	10,907
<b>Total</b>	<b>12,721</b>	<b>17,080</b>

**Note:** The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2018	As at March 31, 2017
2017-18 - Capital in Nature	-	271
2018-19 - Capital in Nature	-	46
2019-20 - Capital in Nature	3,168	4,398
2020-21 - Capital in Nature	4,796	5,018
2021-22 - Capital in Nature	-	124
2021-22 - Capital in Nature	46	51
2022-23 - Revenue in Nature	62	147
2022-23 - Capital in Nature	-	638
2023-24 - Revenue in Nature	158	2,527
2023-24 - Capital in Nature	-	309
2024-25 - Revenue in Nature	362	1,884
2024-25 - Capital in Nature	52	52
2025-26 - Revenue in Nature	1,421	1,421
2026-27 - Revenue in Nature	2,407	-
Unabsorbed Depreciation	249	194

- 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 consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Income received in advance	161	107
<b>Total</b>	<b>161</b>	<b>107</b>
<b>Current</b>		
<b>Owned :</b>		
Income received in advance	1,545	1,406
Advance from customers	772	1,205
Statutory remittances	5,457	13,115
Other liabilities (refer note below)	3,972	3,463
Contribution payable to depository IPF	-	291
Contribution payable to settlement guarantee fund	-	6,276
<b>Earmarked :</b>		
Contribution payable to IPF	10	10
<b>Total</b>	<b>11,756</b>	<b>25,766</b>

**Note: Other liabilities includes:**

#### a) Investors' Services Fund (ISF):

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Annual listing fees received for the year	13,250	10,540
20% of the above (amount to be contributed annually)	2,650	2,108
Investment income accrued to ISF	156	12
Expenses incurred on behalf of ISF	2,424	1,760
Expenses recoverable (subject to maximum of the contribution)	2,424	1,760

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, 2018	As at March 31, 2017
Cumulative balance as at end of year	2,801	2,419

#### b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Cumulative balance as at end of year (refer note 16.3)	918	816

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 20. TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
A) Total outstanding due of Micro & Small Enterprises Payable to service providers	19	8
B) Total outstanding due of Creditors other than Micro & Small Enterprises Payable to service providers	6,275	5,625
<b>Total</b>	6,294	5,633

### Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2018	As at March 31, 2017
(a) Principal amount and interest thereon remaining unpaid at the end of year. Interest paid including payment made beyond appointed day during the year.	19	8
(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	-	-

### 21. INCOME TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non Current tax assets</b>		
Advance tax (net of provisions)	7,950	8,920
<b>Total</b>	7,950	8,920
<b>Current tax liabilities</b>		
Income tax provision (net of advance tax)	1,415	1,471
<b>Total</b>	1,415	1,471

### 22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Transaction charges	15,808	12,242
Charges recovered	2,084	2,116
Annual subscription and admission fees	454	440
Processing fees	387	277
Treasury Income from Clearing and Settlement Funds	4,077	4,047
Clearing and Settlement Charges	67	-
Auction Charges	124	90
<b>Total</b>	23,001	19,212

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 23. INCOME FROM SERVICES TO CORPORATES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Listing fees	17,762	13,817
Book building software charges	3,311	1,431
Company reinstatement fees	607	296
Other fees	389	142
<b>Total</b>	<b>22,069</b>	<b>15,686</b>

### 24. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>a) Interest income earned on financial assets that are not designated as at fair value through profit or loss</b>		
Bank deposits (at amortised cost)	3,240	5,189
Investments in debt instruments (at amortised cost)	8,084	10,500
<b>b) Dividend income</b>		
<b>Dividends from investment in equity shares (designated at cost or at FVTPL)</b>		
Dividend income from others	6	6
<b>Dividends from investment in mutual funds (designated at FVTPL)</b>		
Dividend income	1,627	1,163
<b>c) Other gains or losses:</b>		
Net gains/ (loss) on derecognition of financial assets measured at amortised cost	187	2,302
Net gains/ (loss) on disposal of equity instrument measured at FVTPL	-	121
Net gains/ (loss) arising on financial assets measured at FVTPL	3,726	525
<b>Total</b>	<b>16,870</b>	<b>19,806</b>

### 25. OTHER INCOME

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income	1,185	1,211
Website income	288	310
Net gain on disposal of property, plant and equipment	-	9
Net foreign exchange loss	(5)	(32)
Training Institute	2,024	1,424
Sale of Software Licenses, Development, Customisation & Maintenance of Software	998	597
Interest on income tax refunds	153	952
Miscellaneous income	498	186
Excess Provision written back	183	-
<b>Total</b>	<b>5,324</b>	<b>4,657</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and bonus	10,133	10,231
Contribution to provident and other Funds	585	500
Staff welfare expenses	507	407
Compensated absences	783	524
<b>Total</b>	<b>12,008</b>	<b>11,662</b>

### 27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Computer technology related expenses	7,556	6,110
Technology programmes	3,555	3,525
<b>Total</b>	<b>11,111</b>	<b>9,635</b>

### 28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Advertising and marketing expenses	569	795
Bad debts written off	309	222
Building repairs and maintenance expenses	1,806	872
Charity and donations	5	2
Clearing House Expenses	8	9
Contribution to investors service fund	2,650	2,108
Contribution to investors' protection fund	132	115
Contribution to core settlement guarantee fund	-	6
Contribution to SEBI	1,325	1,054
Contribution to corporate social responsibility (refer note 28.1)	428	106
Data entry charges	217	198
Datafeed expenses	235	187
Directors' sitting fees	73	87
Electricity charges (net of recoveries)	1,331	1,773
Insurance	288	316
Impairment loss allowance on trade receivables	(96)	701
Impairment loss on financial assets carried at cost	5	322
Legal fees	262	413
Miscellaneous expenses	1,208	1,383



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 28. ADMINISTRATION AND OTHER EXPENSES (Contd.)..

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Payment to auditors		
a) Statutory audit fee	71	92
b) Tax audit fee	5	9
c) Other services	1	13
Professional fees	1,823	1,893
Postage and telephone expenses	228	185
Printing and stationery	126	93
Property taxes (net of recoveries)	217	204
Rent	228	246
Repairs to other assets	189	190
SEBI regulatory fees	329	251
Travelling expenses	607	673
<b>Total</b>	<b>14,579</b>	<b>14,518</b>

### 28.1 CSR Expenditure

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
a) The gross amount required to be spent by the Group during the year	280	237
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 consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 29. TAXES

#### (a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2018

##### (i) Profit or loss section

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense	11,301	3,027
Current tax expense of earlier years	(119)	(785)
Deferred tax	(5,637)	(1,176)
<b>Total income tax expense recognised in profit or loss</b>	<b>5,545</b>	<b>1,066</b>

##### (ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurements of the defined benefit plans	(36)	(25)
<b>Total income tax expense recognised in other comprehensive income</b>	<b>(36)</b>	<b>(25)</b>

#### (b) Reconciliation of effective tax rate

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Income before income tax	27,286	18,810
(B) Enacted tax rate in india	34.608%	34.608%
(C) Expected tax expenses (A*B)	9,443	6,510
(D) Other than temporary differences		
Tax difference on account of lower enacted rate for subsidiaries	(69)	-
Investment Income	(3,447)	(3,824)
Income from House Property and Related expenditure	(71)	(71)
Expenses disallowed/ (allowed)	337	93
<b>Total</b>	<b>(3,250)</b>	<b>(3,802)</b>
(E) Temporary difference on which deferred tax assets not recognised		
Business Loss Carried Forward	(529)	(857)
<b>Total</b>	<b>(529)</b>	<b>(857)</b>
(F) Net adjustments (D+E)	(3,779)	(4,659)
(G) Current tax expense of earlier years	(119)	(785)
(H) Tax expense recognised in profit and loss (C+F+G)	5,545	1,066

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 30. 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, 2018	For the year ended March 31, 2017
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	5,45,43,037	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 year for the calculation of dilutive EPS	5,45,43,037	5,45,88,172
Face Value per Share	₹ 2 each	₹ 2 each
<b>Continuing operations</b>		
Profit after tax before exceptional items (net of tax)	23,901	19,210
Profit after tax after exceptional items attributable to equity shareholder	23,731	17,851
<b>Discontinued operations</b>		
Profit after tax attributable to equity shareholder	47,397	4,206
<b>Total operations</b>		
Profit after tax after exceptional items attributable to equity shareholder	71,128	22,057
<b>Continuing operations</b>		
Basic and Diluted EPS before exceptional items	43.82	35.19
Basic and Diluted EPS after exceptional items	43.51	32.70
<b>Discontinued operations</b>		
Basic and Diluted EPS after exceptional items	86.90	7.71
<b>Total operations</b>		
Basic and Diluted EPS after exceptional items	130.41	40.41

**Note:** The Board of Directors of the Company at its meeting held on January 15, 2018, has inter-alia approved the Buyback proposal for purchase by the Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/ beneficial owners of the Company. As on March 31, 2018, the scheme of buyback was open and 5,48,640 equity shares were bought back of which 5,02,920 equity shares were extinguished. Accordingly, the weighted average number of equity shares (issued share capital) is worked out to 5,45,43,037 equity shares for the calculation of Earnings Per Share.

### 31. LEASE

#### 31.1 Finance Lease

- Assets acquired on finance lease mainly comprise motor vehicle during the current year and premises during the previous year.
- 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Payable not later than 1 Year	17	356	11	348
2	Payable later than 1 Year and not later than 5 Years	28	39	23	36
3	Payable later than 5 Year	4	4	3	3
	<b>Total</b>	<b>49</b>	<b>399</b>	<b>37</b>	<b>387</b>
	Less : Future Finance Charges	12	12		
	<b>Present Value of Minimum Lease Payments</b>	<b>37</b>	<b>387</b>		

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 31. LEASE (Contd.)..

- (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.

### 31.2 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, 2018 was ₹ 228 (March 31, 2017: ₹ 246).

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.

### 32. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 is as follows:

PARTICULARS	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>i) Financial assets</b>				
<b>a) Amortised Cost</b>				
Investment in debt instruments	1,01,097	1,16,080	1,05,593	1,21,715
Trade receivable	5,487	6,886	5,487	6,886
Cash and cash equivalents	79,726	1,16,367	79,726	1,16,367
Bank balances other cash and cash equivalents	1,17,171	1,23,931	1,17,171	1,23,931
Other financial assets	15,889	33,253	15,889	33,253
<b>Total</b>	<b>3,19,370</b>	<b>3,96,517</b>	<b>3,23,866</b>	<b>4,02,152</b>
<b>b) FVTPL</b>				
Investment in equity instruments	-	301	-	301
Investment in Exchange Traded Funds	4,102	276	4,102	276
Investment in mutual funds	95,986	82,705	95,986	82,705
<b>Total</b>	<b>1,00,088</b>	<b>83,282</b>	<b>1,00,088</b>	<b>83,282</b>
<b>c) Others</b>				
Investment in subsidiaries and associates	39,612	258	71,263	258
<b>ii) Financial liabilities</b>				
<b>a) Amortised Cost</b>				
Trade payables	6,294	5,633	6,294	5,633
Other financial liabilities	1,34,698	1,67,708	1,34,698	1,67,708
<b>Total</b>	<b>1,40,992</b>	<b>1,73,341</b>	<b>1,40,992</b>	<b>1,73,341</b>

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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 32. FINANCIAL INSTRUMENTS (Contd.)..

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted bonds and debentures 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.
- 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, 2018	Fair values As at March 31, 2017	Fair Value Hierarchy (Level)
<b>i) Financial assets</b>				
<b>a) Amortised Cost</b>				
Investment in debt instruments (quoted)		1,04,582	1,20,683	Level 1
Investment in debt instruments (unquoted)		1,011	1,032	Level 2
<b>Total</b>		<b>1,05,593</b>	<b>1,21,715</b>	
<b>b) FVTPL</b>				
Investment in equity instruments		-	301	Level 3
Investment in Exchange Traded Funds		4,102	276	Level 1
Investment in mutual funds		95,986	82,705	Level 1 & Level 3
<b>Total</b>		<b>1,00,088</b>	<b>83,282</b>	
<b>c) Others</b>				
Investment in equity instruments of associates		70,889	-	Level 1

Except as detailed in the above table, the Company 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.

### 33. 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.



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.)..

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.

The Group 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 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, 2018 and March 31, 2017.

- **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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.).

- c. Market disruptions: Such as unusual market volatility driving large margin movements; liquidity squeezes in the cash or securities markets and central bank action.
- d. 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. 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.

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 network of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

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 ₹ 390 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, with its net-worth of over ₹ 500 Crore, which is nearly 2 times its Core SGF requirements, is well capitalized and instils a high level of confidence in its members and investors in the ability of ICCL to handle extreme loss situations. The additional capital cushion of ₹ 390 Crore, provided by the Insurance cover, along with the net-worth covers nearly 3 times the Core SGF requirement of ICCL and further increases the safety for domestic and international participants alike.

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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Trade payable		
< 1 year	6,294	5,633
1-5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>6,294</b>	<b>5,633</b>
Other financial liabilities		
< 1 year	1,34,126	1,67,102
1-5 years	568	602
> 5 years	4	4
<b>Total</b>	<b>1,34,698</b>	<b>1,67,708</b>
<b>Total</b>	<b>1,40,992</b>	<b>1,73,341</b>

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2018 and March 31, 2017:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Investments*		
< 1 year	75,528	50,200
1-5 years	95,687	1,04,053
> 5 years	29,970	44,808
<b>Total</b>	<b>2,01,185</b>	<b>1,99,061</b>
Other financial assets		
< 1 year	5,163	7,955
1-5 years	10,726	25,298
> 5 years	-	-
<b>Total</b>	<b>15,889</b>	<b>33,253</b>
Trade receivables		
< 1 year	5,487	6,886
1-5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>5,487</b>	<b>6,886</b>
Cash and cash equivalents		
< 1 year	79,726	1,16,367
1-5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>79,726</b>	<b>1,16,367</b>
Bank balances other than cash and cash equivalents		
< 1 year	1,17,171	1,23,931
1-5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>1,17,171</b>	<b>1,23,931</b>
<b>Total</b>	<b>4,19,458</b>	<b>4,79,498</b>

\* Investment does not include investment in equity investment of subsidiaries, associates and others.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018 (Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.).

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.

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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.)..

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. The CPMI and the IOSCO continue to 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. SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. ICCL has received Third Country Central Counterparty ("TC-CCP") recognition from the European Securities and Markets Authority ("ESMA") under EMIR on September 27, 2017.

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.

### 34. 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 Associate Company Central Depositories Services (India) Limited shall have a minimum networth of ₹ 100 Crore at all times.

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, the Subsidiary Company India International Clearing Corporation (IFSC) Limited ("India ICC") shall have a minimum net worth equivalent of ₹ 50 Crore initially and it shall enhance its net worth to a minimum equivalent of ₹ 300 Crore over the period of three years from the date of approval.

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, the Subsidiary Company India International Exchange (IFSC) Limited ("India INX") shall have a minimum net worth equivalent of ₹ 25 Crore rupees initially and it shall enhance its net worth to a minimum equivalent of ₹ 100 Crore over the period of three years from the date of approval.



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS

Sr.	CONTROL	ENTITIES
a.	<b>Subsidiary Companies (not consolidated)</b>	BSE CSR Integrated Foundation BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation
b.	<b>Trusts set-up by the Group</b>	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 ICCL Employee's Gratuity Fund
c.	<b>Associates</b>	Central Depository Services (India) Limited (CDSL) (w.e.f. June 30, 2017) CDSL Ventures Limited (w.e.f. June 30, 2017) CDSL Insurance Repository Limited (w.e.f. June 30, 2017) CDSL Commodity Repository Limited (w.e.f. June 30, 2017) Asia Index Private Limited BSE EBIX Insurance Broking Private Limited (w.e.f. March 15, 2018)
d.	<b>Key Management Personnel and their relatives (KMP)</b>	Shri Sethurathnam Ravi - Chairman and Public Interest Director Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Justice Vikramajit Sen - Public Interest Director Shri Sumit Bose - Public Interest Director Shri S S Mundra - Public Interest Director Shri David Wright - Public Interest Director Shri Roland Schwinn - Shareholder Director Dr. Sriprakash Kothari - Shareholder Director Smt. Usha Sangwan - Shareholder Director Smt. Rajeshree Sabnavis - Shareholder Director

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS (Contd.)..

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Subsidiary Companies</b>		
<b>Income</b>		
<b>BFSI Sector Skill Council of India</b>		
Rent and Infrastructure Charges	10	10
Administrative and Other Expenses (Recoveries)	2	2
<b>Expenditure</b>		
<b>BSE CSR Integrated Foundation</b>		
Contribution to corporate social responsibility	389	94
<b>Trusts set-up by the Company</b>		
<b>Income</b>		
<b>The Stock Exchange Investors' Protection Fund</b>		
Administrative and Other Expenses (Recoveries)	258	394
Rent	18	28
<b>Expenditure</b>		
<b>The Stock Exchange Investors' Protection Fund</b>		
Contribution to IPF (a proportion of listing fee)	132	105
Rent	61	46
<b>Associates</b>		
<b>Income</b>		
<b>Asia Index Private Limited</b>		
Rent and Infrastructure Charges	138	138
Administrative and Other Expenses (Recoveries)	30	24
<b>Central Depository Services (India) Limited (CDSL) (w.e.f. June 30, 2017)</b>		
Rent and Infrastructure Charges	86	-
Administrative and Other Expenses (Recoveries)	28	-
Miscellaneous Income	9	-
<b>Expenditure</b>		
<b>Central Depository Services (India) Limited (CDSL) (w.e.f. June 30, 2017)</b>		
Purchase of Capital Assets	14	-
Administrative and Other Expenses	254	-
<b>KMP</b>		
<b>Expenditure</b>		
<b>Salaries, Allowances and Bonus *</b>		
<b>Short term Employee benefits</b>		
Shri Ashishkumar Chauhan	614	417

\*Includes the variable pay of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made as required by 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 consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Subsidiary</b>		
<b>Assets</b>		
<b>Investments</b>		
BSE CSR Integrated foundation	5	5
BFSI Sector Skill Council of India	105	105
BIL - Ryerson Technology Startup Incubator Foundation	1	1
<b>Trusts set-up by the Group</b>		
<b>Assets</b>		
<b>Receivable</b>		
The Stock Exchange Investors' Protection Fund	31	91
<b>Net defined benefit assets</b>		
BSE Employee's Gratuity Fund	1,952	1,927
ICCL Employee's Gratuity Fund	94	87
<b>Liabilities</b>		
<b>Deposit</b>		
The Stock Exchange Investors' Protection Fund	6	6
<b>Associates</b>		
<b>Assets</b>		
<b>Investments</b>		
Asia Index Private Limited	1	1
Central Depository Services (India) Limited (CDSL) (w.e.f. June 30, 2017)	37,369	-
<b>Receivable</b>		
Asia Index Private Limited	2	2
<b>Liabilities</b>		
<b>Deposit</b>		
Asia Index Private Limited	92	92
Central Depository Services (India) Limited (CDSL) (w.e.f. June 30, 2017)	73	-
<b>Payable</b>		
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	21	-

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2018	As at March 31, 2017
a)	Claims against the Group not acknowledged as debts in respect of :		
	i) Income tax matters	2,899	1,404
	ii) Service tax matters	41	3,993
	iii) Department of telecommunication license matters (refer note below)	706	401
	iv) Claims not acknowledged as debts	10,363	10,401
	v) Out of 'iv' above, in the opinion of the Management are remote	10,362	10,370
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.	35	46

#### Notes:

- 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.
- Demand Notices dated April 18, 2018 was issued in the name of BSE Limited for an amount of ₹ 305 with respect of the provisional assessment of License Fees including penalties and interest for the period July 2013 to August 2014.
- The Group's pending litigations comprise of claims against the Group primarily by the customers/ vendors and proceedings pending with Tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on its financial statements at March 31, 2018.

### 37. 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, 2018	As at March 31, 2017
a)	Towards Tangible assets	911	2,448
b)	Towards Intangible assets	1	1,027

- 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.

- The Group operated in two reportable business segments viz: Stock Exchange Operations and Depository Services. However, pursuant to the partial disinvestment in a subsidiary which is enumerated in note 6, the group is operating only in one Segment viz. Facilitating Trading in Securities and other related ancillary Services as at the reporting date, and therefore has only one reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 38. (Contd.)..

### 38.2 Information about geographic areas

#### 38.2.1 Revenues from external customers

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Within India	67,545	59,702
Outside India	2,347	2,126
<b>Total</b>	<b>69,892</b>	<b>61,828</b>

**38.2.2** The Group does not have non-current assets outside India.

**39.** 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	March 31, 2018		March 31, 2017	
	Net assets, i.e., total assets minus total liabilities			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company	69%	2,13,521	69%	1,83,374
<b>Indian Subsidiaries</b>				
Indian Clearing Corporation Limited	12%	38,335	15%	38,930
Marketplace Technologies Private Limited	1%	3,049	1%	2,402
BSE Institute Limited	2%	5,764	2%	5,358
Central Depository Services (India) Limited (upto June 29, 2017)	-	-	21%	54,910
BSE Investments Limited	0%	1,486	0%	5
BSE Sammaan CSR Limited	0%	154	0%	206
India International Exchange (IFSC) Limited	1%	4,254	2%	4,330
India International Clearing Corporation (IFSC) Limited	2%	7,261	2%	5,561
Non-controlling Interest in all Subsidiaries	-	-	(11%)	(29,088)
<b>Indian Associates (Investment as per equity method)</b>				
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	13%	39,238	-	-
Asia Index Private Limited	0%	373	0%	252
<b>Total</b>	<b>100%</b>	<b>3,13,435</b>	<b>100%</b>	<b>2,66,240</b>



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 39. (Contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Parent Company	94%	66,844	64%	14,129
<b>Indian Direct Subsidiaries</b>				
Indian Clearing Corporation Limited	6%	4,464	29%	6,421
Marketplace Technologies Private Limited	(3%)	(1,908)	(11%)	(2,404)
BSE Institute Limited	1%	772	1%	293
Central Depository Services (India) Limited (upto June 29, 2017)	4%	2,547	42%	9,156
BSE Investments Limited	0%	6	0%	(1)
BSE Sammaan CSR Limited	(0%)	(53)	0%	(49)
India International Exchange (IFSC) Limited	(3%)	(1,968)	(4%)	(942)
India International Clearing Corporation (IFSC) Limited	(0%)	(241)	(1%)	(201)
Share of Non-controlling Interest in all Subsidiaries	(2%)	(1,325)	(20%)	(4,452)
<b>Indian Associates</b>				
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	3%	1,869	-	-
Asia Index Private Limited	0%	121	0%	107
<b>Total</b>	<b>100%</b>	<b>71,128</b>	<b>100%</b>	<b>22,057</b>

NAME OF THE ENTITY	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent Company	(523%)	(68)	2%	(12)
<b>Indian Direct Subsidiaries</b>				
Indian Clearing Corporation Limited	31%	4	1%	(4)
Marketplace Technologies Private Limited	15%	2	2%	(15)
BSE Institute Limited	77%	10	0%	(2)
Central Depository Services (India) Limited (upto June 29, 2017)	-	-	5%	(33)
India International Exchange (IFSC) Limited	146%	19	42%	(261)
India International Clearing Corporation (IFSC) Limited	354%	46	50%	(314)
Share of Non-controlling Interest in all Subsidiaries	0%	0	(3%)	16
<b>Indian Associates</b>				
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	0%	0	-	-
Asia Index Private Limited	0%	0	0%	(1)
<b>Total</b>	<b>100%</b>	<b>13</b>	<b>100%</b>	<b>(626)</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 39. (Contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount	As % of consolidated net Total Comprehensive Income	Amount
Parent Company	94%	66,776	66%	14,117
<b>Indian Direct Subsidiaries</b>				
Indian Clearing Corporation Limited	6%	4,468	30%	6,417
Marketplace Technologies Private Limited	(3%)	(1,906)	(11%)	(2,419)
BSE Institute Limited	1%	782	1%	293
Central Depository Services (India) Limited (upto June 29, 2017)	4%	2,547	43%	9,123
BSE Investments Limited	0%	6	0%	(1)
BSE Sammaan CSR Limited	0%	(53)	0%	(49)
India International Exchange (IFSC) Limited	(3%)	(1,949)	(6%)	(1,203)
India International Clearing Corporation (IFSC) Limited	(0%)	(195)	(2%)	(515)
Share of Non-controlling Interest in all Subsidiaries	(2%)	(1,325)	(21%)	(4,436)
<b>Indian Associates</b>				
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	3%	1,869	-	-
Asia Index Private Limited	0%	121	0%	106
<b>Total</b>	<b>100%</b>	<b>71,141</b>	<b>100%</b>	<b>21,431</b>

**Note:** Above information has been prepared based on consolidated financials of Subsidiaries wherever applicable.

### 40. NON-CONTROLLING INTEREST RECONCILIATION

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Balance	29,088	23,727
Add: Share of profit		
Profit for the year	1,325	4,452
Other comprehensive income for the year/ period	-	(16)
Less : Share in Dividend and dividend distribution tax	(1,885)	(1,441)
Add: Additional Non-controlling interest arising on disposal of interest in CDSL (refer note 15.5)	-	2,366
Adjustment due to loss of control on account of divestment (refer note 15.5)	(28,528)	-
<b>Closing Balance</b>	<b>-</b>	<b>29,088</b>

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(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 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.
  - 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 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:

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 subsequently paid to the Core Settlement Guarantee Fund.

- 42.** The Government of Gujarat introduced a "Scheme of assistance for IT/ITeS Industry" in form of specified incentives under 'IT/ITeS Policy (2016-21)', in pursuance of this policy, during the current year, India ICC has filed application on October 5, 2017 and subsequently inspection was done by the competent authority. Further on April 21, 2018, India ICC has received final approval letter from the competent authority approving assistance of capital subsidy, Lease rental subsidy and Employment generation grant on EPF. India ICC has received assistance of ₹ 51 vide Cheque dated 21<sup>st</sup> April, 2018. Accordingly India ICC has not recognised any amount of assistance during the current year ended March 31, 2018. The same will be recognised in the financial year 2018-19 based on detailed annexure which is awaited from the competent authority.
- 43.** The Government of Gujarat introduced a "Scheme of assistance for IT/ITeS Industry" in form of specified incentives under 'IT/ITeS Policy (2016-21)', in pursuance of this policy, during the current year India INX has filled application on May 16, 2017 and subsequently inspection was done by the competent authority. India INX is awaiting revert towards final approval letter from the competent authority. Accordingly, India INX has not recognised any amount of assistance during the current year ended March 31 2018.
- 44.** Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India INX had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's Futures & Options Segment. LES was launched on November 01, 2017 and an expense of ₹ 213 has been incurred towards the Scheme for the year ended March 31, 2018, considering the special nature of this expense and its impact on the Loss of India INX, the same has been recognised as an exceptional item. Further, pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, India INX has created LES reserve of ₹ 452 and incurred an expense of ₹ 213 during the year, accordingly LES reserve balance as at March 31, 2018 is ₹ 239.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

45. As per SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, ICCL has established a fund called Core SGF for each segment (Equity, Equity Derivative, Debt & Currency Derivative) of each Recognised SE to guarantee the settlement of trades executed in respective segment of the SE. Accordingly, an amount ₹ 21,844 as at March 31, 2018 (₹ 18,094 as at March 31, 2017) has been earmarked from investments and bank balances towards the Core SGF maintained for various segment by ICCL including income earned thereon. The contribution made by BSE Ltd to the said Core SGF amounts to ₹ 13,020 as at March 31, 2018 (₹ 5,993 as at March 31, 2017) including income earned thereon and also include the amount received towards "Transfer of Profits" under Regulation 33 of SECC Regulations 2012, from the date the SECC Regulations, 2012 came into effect till August 29, 2016, and which has not been allocated to any specific segment. Further, Other Contribution represent an amount (i) ₹ 467 as at March 31, 2018 (₹ 437 as at March 31, 2017) have been received under the Scheme of amalgamation between United Stock Exchange of India Limited and BSE Ltd, including income earned thereon (ii) ₹ 501 as at March 31, 2018 (₹ 423 as at March 31, 2017), being fines & penalties collected from members by ICCL have been included in Core SGF, including income earned thereon.

PARTICULARS	BSE Contribution	ICCL Contribution	Other Contributions	Total
Equity Segment	4,771	14,216	478	19,465
Equity Derivative Segment	453	1,349	7	1,809
Currency Derivative Segment	2,032	6,141	483	8,656
Debt	-	138	-	138
Others	5,764	-	-	5,764
<b>Grand Total</b>	<b>13,020</b>	<b>21,844</b>	<b>968</b>	<b>35,832</b>

46. SEBI vide its circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, had inter alia specified that Clearing Corporations in IFSC shall establish and maintain a Fund to guarantee the settlement of trades executed in the stock exchanges in IFSC. To begin with such fund shall have a corpus equivalent to at least 10% of the net-worth of the clearing corporation. Clearing corporations shall evolve a detailed framework for the Fund, subject to approval of SEBI. In view of the above, a Core Settlement Guarantee Fund (Default Fund) of ₹ 586 is earmarked (₹ 569 as at March 31, 2017).

### 47. EMPLOYEE BENEFITS:

#### 47.1 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 consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 47. 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, 2018 and March 31, 2017:

PARTICULARS	March 31, 2018	March 31, 2017
<b>Change in benefit obligation</b>		
Benefit obligations at the beginning	2,349	1,952
Service cost	178	149
Interest expense	151	154
Benefits paid	(76)	(13)
Liabilities settled on transfer	(5)	(2)
Remeasurements – Actuarial (gains)/ losses	42	110
Deduction on sale of subsidiary	(231)	-
<b>Benefit obligations at the end</b>	<b>2,408</b>	<b>2,349</b>
<b>Change in Plan assets</b>		
Fair value of plan assets at the beginning	2,179	2,010
Interest income	143	159
Contribution by employer	6	7
Remeasurements – Actuarial (gains)/ losses	(42)	15
Benefits paid	(75)	(13)
Deduction on sale of subsidiary	(153)	-
<b>Fair value of plan assets at the end</b>	<b>2,058</b>	<b>2,179</b>
Funded status	2,058	2,094
Prepaid gratuity benefit	-	85

Amount for the year ended March 31, 2018 and year ended March 31, 2017 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2018	March 31, 2017
<b>Continuing operations</b>		
Service cost	179	134
Net interest on the net defined benefit liability/ asset	8	(5)
<b>Net gratuity cost</b>	<b>187</b>	<b>129</b>
<b>Discontinued operations</b>		
Service cost	-	17
Net interest on the net defined benefit liability/ asset	-	1
<b>Net gratuity cost</b>	<b>-</b>	<b>18</b>

Amount for the year ended March 31, 2018 and year ended March 31, 2017 recognised in the other comprehensive income:

PARTICULARS	March 31, 2018	March 31, 2017
<b>Remeasurements of the net defined benefits liability/ asset</b>		
Experience adjustments	48	(51)
(Gain)/ loss from change in financial assumptions and actual return on plan assets less interest on plan asset	28	149
Changes in demographic assumptions	17	-
Adjustment to recognise the effect of asset ceiling	-	(6)
Amount recognised in OCI	93	92



## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 47. EMPLOYEE BENEFITS: (Contd.)..

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2018 and year ended March 31, 2017:

PARTICULARS	March 31, 2018	March 31, 2017
Discount rate	7.30 - 7.86%	6.99 - 8.05%
Increase in compensation levels	6.00 - 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.

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, 2018	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(55)	49
Impact of decrease in 50 bps on defined benefit obligation	61	(50)

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, 2018	March 31, 2017
Government of India Securities	33%	34%
Corporate Bonds	13%	18%
Insurer Managed assets	46%	43%
Others	8%	5%

Actual return on the assets for the year ended March 31, 2018 and March 31, 2017 were ₹ 138 and ₹ 150 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 underfunding of the plan.

The Employer's best estimate of the contributions expected to be paid to the plan during the next year is ₹ 200.

### Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2018
Expected benefits for year 1-3	1,238
Expected benefits for year 4-5	573
Expected benefits for year 6-9	880
Expected benefits for year 10 and above	1,036

The weighted average duration to the payment of these cash flows is 5.33 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.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 47. EMPLOYEE BENEFITS: (Contd.)..

#### 47.2 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.

The Group recognised charge for the year ended March 31, 2018 and March 31, 2017 of ₹ 347 and ₹ 326 respectively for provident fund and family pension fund contribution in the statement of Profit or Loss under continuing operations.

The Group recognised charge for the year ended March 31, 2018 and March 31, 2017 of ₹ 26 and ₹ 79 respectively for provident fund and family pension fund contribution in the statement of Profit or Loss under discontinued operations.

The Group recognised charge for the year ended March 31, 2018 and March 31, 2017 of ₹ 45 and ₹ 36 respectively for New National Pension Scheme contribution in the statement of Profit or Loss under continuing operations.

#### 47.3 Compensated Absences

The Group recognised charge for the year ended March 31, 2018 and for the year ended March 31, 2017 of ₹ 783 and ₹ 524 respectively for Compensated Absences in the Profit or Loss.

48. 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. The Group has created impairment loss provision for receivable from bank based on expected credit loss during the year ended March 31, 2017.

49. a) The Parent Company implemented a Voluntary Retirement Scheme 2017 (VRS) for all its eligible employees. Post the closure of the Scheme an expense of ₹ 47 has been recognised for the year ended March 31, 2018 and has been disclosed as an "Exceptional Item".
- b) Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India International Exchange (IFSC) Limited (Subsidiary Company) had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's Futures & Options Segment. LES was launched on November 01, 2017 and an expense of ₹ 213 has been incurred towards the Scheme for the year ended March 31, 2018, considering the special nature of this expense, the same has been recognised as an exceptional item.

### 50. 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	1,19,500	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

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 51. BUYBACK

The Board of Directors of the parent Company at its meeting held on January 15, 2018, has inter-alia approved the Buyback proposal for purchase by the parent Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/ beneficial owners of the Company, at a price not exceeding ₹ 1,100 (Rupees One Thousand and One Hundred Only) per Equity Share ("Maximum Buyback Price") from the open market through stock exchange mechanism in such manner as may be prescribed in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("Buy-back Regulations") and the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force).

The Buyback shall not exceed ₹ 166 Crore (Rupees One Hundred Sixty Six Crore only), excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 9.99% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2017, which is in compliance with the maximum permissible limit of 10% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

As of March 31, 2018, the scheme of buyback was open and as of March 31, 2018, the Company bought back 5,48,640 equity shares as part of the aforementioned buy back process resulting in total cash outflow of ₹ 4,497. Out of 5,48,640 equity shares bought back, the Company extinguished 5,02,920 equity shares as at March 31, 2018 and the remaining 45,720 equity shares were extinguished in the month of April 2018 as per the records of the depositories. In line with the requirement of the Companies Act 2013, an amount of ₹ 4,487 has been utilized from the securities premium account for the buy back. Further, capital redemption reserve of ₹ 10 (representing the nominal value of the shares bought back) has been created.

### 52. DISCONTINUED OPERATION:

The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" have been presented in the financial statements upto the date of loss of control.

- a. The financial performance of CDSL for the current year till the date of sale and for the year ended March 31, 2017:

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Total Income	5,032	18,685
Total Expenses	1,863	7,029
Profit before tax	3,169	11,656
Tax Expenses	622	2,998
Profit after tax	2,547	8,658
Gain on sale of subsidiary on loss of control	46,175	-
Total profit from discontinued operations	48,722	8,658
Net Profit attributable to the non controlling interest	1,325	4,452
Net Profit attributable to the shareholders of the Company	47,397	4,206
Other comprehensive income (net of taxes)	-	(33)
Total Comprehensive income	48,722	8,625
Total comprehensive income attributable to the non controlling interest	1,325	4,436
Total comprehensive income attributable to the shareholders of the Company	47,397	4,189

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 52. DISCONTINUED OPERATION: (Contd.)..

- b. Summary of Assets and liabilities over which control was lost:

PARTICULARS	On the date of sale
Non-current assets	38,201
Current assets	26,029
Non-current liabilities	105
Current liabilities	10,470
Net Assets	53,655
Non-controlling Interest	28,528
Other adjustments	4,876
Net assets disposed off	30,003

- c. Gain on sale of subsidiary on loss of control:

PARTICULARS	On the date of sale
Cash Consideration	40,555
Fair value of Retained interest of 24%	37,369
Earlier gain on sale of CDSL without loss of control (refer note no. ii below)	1,057
Less: Transaction cost (including STT)	2,803
Net Consideration received on loss of control	76,178
Net assets disposed off	30,003
Gain on disposal (refer note i and ii below)	46,175

- i. The parent company has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 has been credited to the Statement of Profit and Loss for the year ended March 31, 2018. The residual investment retained is now considered as an investment in an associate.
- ii. Further, the parent company had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 1,057 was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of ₹ 1,057 is now credited to the Statement of Profit and Loss for the year ended March 31, 2018.
- d. Previous year's figures of statement of profit and loss and cash flow statement has been bifurcated in to continuing operation and discontinued operations as required under Ind-AS 105.

### 53. RECENT ACCOUNTING PRONOUNCEMENTS:

Indian Accounting Standard 115 "Revenue from Contract with Customers" (Ind AS 115): On March 28, 2018, Ministry of Corporate Affairs has notified Ind AS 115. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The effect on adoption of Ind AS 115 is yet to be determined.

## Significant accounting policies and notes to the consolidated financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

- 54.** The financial statements for the year ended March 31, 2018 has been audited by S. R. Batliboi & Co. LLP, Chartered Accountants. The financial statements for the year ended March 31, 2017 has been audited by Deloitte Haskins & Sells LLP, Chartered Accountants.
- 55.** Previous year's figures have been regrouped/ reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

**Per Jayesh Gandhi**  
Partner  
Membership No.: 037924

Date : May 4, 2018  
Place : Mumbai

For and on behalf of the Board of Directors

**S. Ravi**  
Chairman  
DIN: 00009790

**Nayan Mehta**  
Chief Financial Officer

**Ashishkumar Chauhan**  
Managing Director & CEO  
DIN: 00898469

**Prajakta Powle**  
Company Secretary





# Independent Auditor's 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, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 we have obtained 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 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2017.

Our report is not modified in respect of above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2 to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Date : May 4, 2018

Place : Mumbai

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

**Re: BSE Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all assets over three years period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the company, except for the immovable properties viz. P.J. Towers and Rotunda Building situated at Dalal Street, Fort, Mumbai, 400 001 for which title deeds are not available. Further, the other two Properties viz. Machinery House situated at 11, Bharucha Marg, Mumbai 400 023 and Cama Building situated at 24/26 Dalal street, Fort, Mumbai 400 001 are held in the name of BSE Trustees, the erstwhile legal entity.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (viii) The Company did not have any outstanding loans or borrowings from financial institution or bank or government or has any debentures outstanding during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer or debt instruments or term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Date : May 4, 2018

Place : Mumbai

## **Annexure 2 referred to in paragraph 2 (f) under the heading “Report on other legal and regulatory requirements” of our report of even date**

### **Report on Internal Financial Controls 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, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial



reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Date : May 4, 2018

Place : Mumbai

## Balance Sheet as at March 31, 2018

(₹ in Lakh)

PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	10,658	10,695
b. Capital work-in-progress		225	438
c. Investment properties	4	454	477
d. Goodwill	5	-	-
e. Intangible assets	6	2,235	1,600
f. Intangible assets under development		507	68
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	61,789	68,239
b. Investments in associates	8	5,667	1
c. Other investments	9	1,21,818	1,19,245
ii. Other financial assets	11	6,428	8,676
h. Deferred tax assets (net)	18	6,424	1,017
i. Income tax assets (net)	21	6,198	5,609
j. Other assets	13	10	112
<b>Total non-current assets</b>		<b>2,22,413</b>	<b>2,16,177</b>
<b>2 Current assets</b>			
a. Financial assets			
i. Investments	9	71,323	24,345
ii. Trade receivables	10	5,116	5,246
iii. Cash and cash equivalents	12	2,967	2,203
iv. Bank balances other than (iii) above	12	29,564	61,813
v. Other financial assets	11	5,140	7,115
b. Other assets	13	1,585	853
<b>Total current assets</b>		<b>1,15,695</b>	<b>1,01,575</b>
<b>Total assets (1+2)</b>		<b>3,38,108</b>	<b>3,17,752</b>
<b>EQUITY AND LIABILITIES</b>			
<b>3 Equity</b>			
a. Equity share capital	14	1,065	1,076
b. Other equity	15	2,76,367	2,41,861
<b>Total equity</b>		<b>2,77,432</b>	<b>2,42,937</b>
<b>Liabilities</b>			
<b>4 Non-current liabilities</b>			
a. Financial liabilities			
Other financial liabilities	16	494	464
b. Other liabilities	19	161	107
<b>Total non-current liabilities</b>		<b>655</b>	<b>571</b>
<b>5 Current liabilities</b>			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	5,766	4,932
ii. Other financial liabilities	16	41,386	44,256
b. Provisions	17	939	629
c. Income tax liabilities (net)	21	1,415	952
d. Other liabilities	19	10,515	23,475
<b>Total current liabilities</b>		<b>60,021</b>	<b>74,244</b>
<b>Total equity and liabilities (3+4+5)</b>		<b>3,38,108</b>	<b>3,17,752</b>
<b>Significant accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

Date : May 4, 2018

Place : Mumbai

For and on behalf of the Board of Directors

**S. Ravi**

Chairman

DIN: 00009790

**Nayan Mehta**

Chief Financial Officer

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**Prajakta Powle**

Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakh)

PARTICULARS	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1 Revenue from operations: Income from</b>			
Securities services	22	18,689	15,043
Services to corporates	23	22,061	15,686
Data dissemination fees		2,628	2,467
<b>Revenue from operations</b>		<b>43,378</b>	<b>33,196</b>
<b>2 Investment income</b>	24	<b>19,464</b>	<b>18,969</b>
<b>3 Other income</b>	25	<b>2,265</b>	<b>2,934</b>
<b>4 Total revenue (1+2+3)</b>		<b>65,107</b>	<b>55,099</b>
<b>5 Expenses</b>			
Employee benefits expense	26	7,416	7,611
Finance costs		3	10
Depreciation and amortisation expense	3&4&6	3,926	4,766
Computer technology related expenses	27	12,151	11,234
Administration and other expenses	28	11,758	11,516
<b>Total expenses</b>		<b>35,254</b>	<b>35,137</b>
<b>6 Profit before exceptional items and tax (4-5)</b>		<b>29,853</b>	<b>19,962</b>
<b>7 Exceptional items [income/(expenses)]:</b>			
Settlement guarantee fund (25% transfer of profit)	39	-	(2,079)
Net gain on partial disposal of investment in subsidiary measured at cost	41	31,603	2,443
Voluntary retirement scheme	41	(47)	-
<b>Total exceptional items</b>		<b>31,556</b>	<b>364</b>
<b>8 Profit before tax (6+7)</b>		<b>61,409</b>	<b>20,326</b>
<b>9 Tax expense:</b>	29		
Current tax		10,385	2,056
Current tax of earlier years		-	(781)
Deferred tax		(5,371)	(813)
<b>Total tax expenses</b>		<b>5,014</b>	<b>462</b>
<b>10 Profit for the year (8-9)</b>		<b>56,395</b>	<b>19,864</b>
<b>11 Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
i. Remeasurements of the defined employee benefit plans;		(104)	(19)
ii. Income tax relating to items that will not be reclassified to profit or loss	29	(36)	(7)
<b>Total other comprehensive income for the year (i-ii)</b>		<b>(68)</b>	<b>(12)</b>
<b>12 Total comprehensive income for the year (10+11)</b>		<b>56,327</b>	<b>19,852</b>
<b>13 Earning per equity share:</b>	30		
Basic and diluted before exceptional items (₹)		45.51	34.40
Basic and diluted after exceptional items (₹)		103.40	36.39
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		5,45,43,037	5,45,88,172
<b>Significant accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached  
For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

**Per Jayesh Gandhi**  
Partner  
Membership No.: 037924

Date : May 4, 2018  
Place : Mumbai

For and on behalf of the Board of Directors

**S. Ravi**  
Chairman  
DIN: 00009790

**Nayan Mehta**  
Chief Financial Officer

**Ashishkumar Chauhan**  
Managing Director & CEO  
DIN: 00898469

**Prajakta Powle**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2018

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	56,395	19,864
<b>Adjustments for</b>		
Income tax expenses recognised in profit and loss	5,014	462
Depreciation and amortisation expenses	3,926	4,766
Impairment loss on financial assets carried at cost	110	-
Net gain on disposal of property, plant and equipment and intangible assets	(2)	(9)
Impairment loss on financial assets and bad debts write off	160	904
Finance cost	3	10
Net gain on derecognition of financial assets measured at amortised cost	(187)	-
Net gain on partial disposal of investment in subsidiary measured at cost	(31,603)	(2,443)
Net gain on disposal of equity instrument measured at FVTPL	-	(121)
Net gain arising on financial assets measured at FVTPL	(3,543)	(353)
Interest income	(9,187)	(13,182)
Dividend income	(6,547)	(5,313)
Provision for compensated absences	489	343
<b>Operating profit before working capital changes</b>	15,028	4,928
<b>Movements in working capital</b>		
Increase in trade receivables	(30)	(3,240)
Increase in trade payables	834	847
Increase in provisions	310	76
Increase in other financial assets and other assets	(576)	(443)
Increase/ (decrease) in other financial liabilities and other liabilities	(14,023)	12,627
<b>Cash generated from operations</b>	1,543	14,795
Direct taxes paid (net of refunds)	(10,395)	988
<b>Net cash generated from/ (used in) operating activities</b>	(8,852)	15,783
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(4,617)	(3,518)
Proceeds from sale of fixed assets	7	14
Net increase in investment in mutual funds	(50,640)	(33,395)
Investment in certificate of deposits	(2,995)	-
Proceeds received from certificate of deposits	-	4,500
Investment in bonds and non-convertible debentures	-	(2,000)
Proceeds received from bonds and non-convertible debentures	7,534	16,970
Investment in fixed deposits	(11,897)	(37,500)
Proceeds received from fixed deposits	43,251	38,513
Investment in subsidiaries	(5,475)	(11,754)
Proceeds received on partial sale of investment in subsidiary	37,752	3,423
Interest received	11,731	13,303
Dividend received	6,547	5,313
<b>Net cash generated from/ (used in) investing activities</b>	31,198	(6,131)

## Cash Flow Statement for the year ended March 31, 2018 (contd.)..

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost	(8)	(15)
Payment towards buyback including transaction cost	(4,497)	-
Dividend and taxes paid thereon	(17,334)	(7,651)
Increase in trading members and others deposits	257	36
<b>Net cash used in financing activities</b>	<b>(21,582)</b>	<b>(7,630)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>764</b>	<b>2,022</b>
Cash and cash equivalents at the beginning of the year	2,203	181
<b>Cash and cash equivalents at the end of the year *</b>	<b>2,967</b>	<b>2,203</b>
<b>Balances with banks</b>		
In current accounts	1,067	2,203
In deposit accounts with original maturity of 3 months	1,900	-
<b>* Cash and cash equivalents at the end of the year comprises (Refer note 12)</b>	<b>2,967</b>	<b>2,203</b>

The accompanying notes form an integral 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".
- 1,20,000 Shares are allotted as bonus shares by capitalisation of free reserves and hence not included in Cash Flow Statement during the year ended March 31, 2017.
- Movement in earmarked liabilities and assets are not considered.
- Previous years' figures have been regrouped wherever necessary.

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

**S. Ravi**

Chairman

DIN: 00009790

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

Date : May 4, 2018

Place : Mumbai

**Nayan Mehta**

Chief Financial Officer

**Prajakta Powle**

Company Secretary



## Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital	(₹ in Lakh)
<b>Balance as at April 1, 2016</b>	1,074
Changes in equity share capital during the year	
- Allotment of bonus shares	2
<b>Balance as at March 31, 2017</b>	1,076
Changes in equity share capital during the year	
- Shares extinguished during the year	(10)
- Shares bought back and pending for extinguishment	(1)
<b>Balance as at March 31, 2018</b>	<b>1,065</b>

PARTICULARS		Share application money pending allotment	Reserves and Surplus						Total
			Capital Reserve	Capital Reserve on Business Combination	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 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 for the year		-	-	-	-	-	(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
Profit for the year		-	-	-	-	-	56,395	-	56,395
Other comprehensive income for the year		-	-	-	-	-	(68)	-	(68)
Amount paid upon buyback (refer note 43)		-	-	-	(4,487)	-	-	-	(4,487)
Amount transferred to capital redemption reserve upon Buyback (refer note 43)		-	-	-	-	-	(10)	10	-
Rebate of Dividend Distribution Tax		-	-	-	-	-	1,056	-	1,056
Payments of Dividends		-	-	-	-	-	(15,279)	-	(15,279)
Payments of Dividend Distribution Tax		-	-	-	-	-	(3,111)	-	(3,111)
Balance as at March 31, 2018		1	66,179	10,530	34,796	69,415	95,436	10	2,76,367

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

For and on behalf of the Board of Directors

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

Date : May 4, 2018

Place : Mumbai

**S. Ravi**

Chairman

DIN: 00009790

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**Nayan Mehta**

Chief Financial Officer

**Prajakta Powle**

Company Secretary

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(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 25<sup>th</sup> floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. Over the past 143 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 are listed on the National Stock Exchange of India Limited (NSE).

The financial statements were authorized for issue by the Company’s Board of Directors on May 4, 2018.

### 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, 2018 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.

##### 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, 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 and deferred tax:* The Company’s tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities 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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Accordingly, MAT is recognised as a 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 and investment property:* 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 life 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 life 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.
- (vii) *Fair value measurement of financial instruments:* The Company estimates fair values of the unquoted equity shares using 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 (refer note 32).

#### 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 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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

#### (iii) 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.

##### (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:

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- 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) Equity investments in Subsidiaries and Associates

All equity investment in subsidiaries and associates are measured at cost.

#### (e) 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. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. 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 financial statements for the year ended March 31, 2018

(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 or buyback of existing equity shares are recognised as a deduction from equity, net of any tax effect (if any).

#### (iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

#### (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 life 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 equipment	15 years
Electrical installations	10 years
Computers hardware and networking equipment - owned	3-6 years
Computers hardware and networking equipment - 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 life 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 life, 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 life 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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

The estimated useful life of intangibles are as follows:

Category	Useful life
Computer software	6 years

Amortisation methods, useful life 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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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 year 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 Company does not reduce impairment allowance from the gross carrying amount.

#### (b) Impairment of equity investments measured at cost

Investments in subsidiaries and associates which are measured at cost are tested for impairment at the end of each reporting period. Any impairment loss is recognized in the statement of profit and loss, if the amount of impairment loss decreases subsequently then the previously recognized impairment loss is reversed in the statement of profit and loss.

#### (c) 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 except for goodwill.

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").

#### (d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis. Any Impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

#### (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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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 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.

#### (c) **Provident fund, pension fund and new national pension scheme:**

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and new national pension scheme. The Company recognises contribution made towards provident fund, family pension fund and new national pension scheme in the Statement of Profit and Loss.

The employer and employees' contribution to provident fund is managed by BSE Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

#### (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 assets and contingent liabilities are not recognised but disclosed in the Financial Statements when economic inflow is probable.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

#### (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 goods and service tax, 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 on bond is recognised as it accrues in the Statement of Profit and Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

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.



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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 earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share 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 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:

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the balance sheet date; or
- 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
- All other assets are classified as non-current.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in, the entity's normal operating cycle;
- 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
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
- All other liabilities are classified as non-current.
- 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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 3. 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				
<b>Cost</b>										
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
<b>Balance as at March 31, 2017</b>	<b>1,000</b>	<b>3,294</b>	<b>1,699</b>	<b>2,958</b>	<b>7,376</b>	<b>130</b>	<b>698</b>	<b>1,077</b>	<b>20</b>	<b>18,252</b>
Balance as at April 1, 2017	1,000	3,294	1,699	2,958	7,376	130	698	1,077	20	18,252
Additions during the year	56	109	32	35	2,659	-	97	63	-	3,051
Deductions/ adjustments	-	-	17	-	40	-	18	-	-	75
<b>Balance as at March 31, 2018</b>	<b>1,056</b>	<b>3,403</b>	<b>1,714</b>	<b>2,993</b>	<b>9,995</b>	<b>130</b>	<b>777</b>	<b>1,140</b>	<b>20</b>	<b>21,228</b>
<b>Accumulated depreciation</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>529</b>	<b>529</b>	<b>1,270</b>	<b>4,190</b>	<b>87</b>	<b>291</b>	<b>651</b>	<b>10</b>	<b>7,557</b>
Balance as at April 1, 2017	-	529	529	1,270	4,190	87	291	651	10	7,557
Depreciation for the year	-	320	230	460	1,718	19	123	210	3	3,083
Deductions/ adjustments	-	-	12	-	40	-	18	-	-	70
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>849</b>	<b>747</b>	<b>1,730</b>	<b>5,868</b>	<b>106</b>	<b>396</b>	<b>861</b>	<b>13</b>	<b>10,570</b>
<b>Net Book Value</b>										
<b>As at March 31, 2018</b>	<b>1,056</b>	<b>2,554</b>	<b>967</b>	<b>1,263</b>	<b>4,127</b>	<b>24</b>	<b>381</b>	<b>279</b>	<b>7</b>	<b>10,658</b>
As at March 31, 2017	1,000	2,765	1,170	1,688	3,186	43	407	426	10	10,695

**Note:** The Company's obligations under finance leases (see note 31.1) are secured by the lessors' title to the leased assets.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 4. INVESTMENT PROPERTIES

PARTICULARS	Freehold Land	Buildings	Total
<b>Cost</b>			
Balance as at April 1, 2016	10	516	526
Additions during the year	-	-	-
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2017</b>	10	516	526
Balance as at April 1, 2017	10	516	526
Additions during the year	-	-	-
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2018</b>	10	516	526
PARTICULARS	Freehold Land	Buildings	Total
<b>Accumulated depreciation and impairment</b>			
Balance as at April 1, 2016	-	25	25
Depreciation for the year	-	24	24
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2017</b>	-	49	49
Balance as at April 1, 2017	-	49	49
Depreciation for the year	-	23	23
Deductions/ adjustments	-	-	-
<b>Balance as at March 31, 2018</b>	-	72	72
PARTICULARS	Freehold Land	Buildings	Total
<b>Net Book Value</b>			
<b>As at March 31, 2018</b>	10	444	454
As at March 31, 2017	10	467	477

#### Notes:

- The fair value of the Company's investment properties as at March 31, 2018 and March 31, 2017 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, 2018 and March 31, 2017 are as follows:

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Fair value of Building	32,045	32,045
Fair value hierarchy	Level 3	Level 3

- Amount recognised in Statement of Profit and Loss for Investment Property

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Rental income derived from investment properties	1,440	1,506
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	242	241

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 4. INVESTMENT PROPERTIES (Contd.)..

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, 2018	As at March 31, 2017
Not later than 1 year	121	220
Later than 1 year and not longer than 5 years	178	295
Later than 5 years	-	-

6 No contingent rent recognised/ (adjusted) in the Profit or Loss in respect of operating lease.

### 5. GOODWILL

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Cost</b>	785	785
Accumulated impairment losses	785	785
<b>Net Book value</b>	-	-
PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Cost</b>		
Balance at the beginning of the year	785	785
<b>Balance at the end of the year</b>	785	785
<b>Accumulated impairment losses</b>		
Balance at the beginning of the year	785	785
Impairment loss recognised during the year	-	-
<b>Balance at the end of the year</b>	785	785

### 6. INTANGIBLE ASSETS

PARTICULARS	Software	Total
<b>Cost</b>		
Balance as at April 1, 2016	2,973	2,973
Additions during the year	639	639
Deductions/ adjustments	5	5
<b>Balance as at March 31, 2017</b>	3,607	3,607
Balance as at April 1, 2017	3,607	3,607
Additions during the year	1,455	1,455
Deductions/ adjustments	-	-
<b>Balance as at March 31, 2018</b>	5,062	5,062

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 6. INTANGIBLE ASSETS (Contd.)..

PARTICULARS	Software	Total
<b>Accumulated amortisation</b>		
Balance as at April 1, 2016	1,069	1,069
Amortisation for the year	938	938
Deductions/ adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>2,007</b>	<b>2,007</b>
Balance as at April 1, 2017	2,007	2,007
Amortisation for the year	820	820
Deductions/ adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>2,827</b>	<b>2,827</b>
PARTICULARS	Software	Total
<b>Net Book Value</b>		
<b>As at March 31, 2018</b>	<b>2,235</b>	<b>2,235</b>
As at March 31, 2017	1,600	1,600

### 7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
<b>Non-current Investments</b>				
<b>Un-quoted Investments (all fully paid)</b>				
<b>Investment in Equity Instruments</b>				
<b>Wholly owned subsidiaries</b>				
- 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
- Marketplace Technologies Private Limited (Fully paid equity shares of ₹ 1 each)	5,00,00,000	4,250	5,00,00,000	4,250
- BSE Institute Limited (Fully paid equity shares of ₹ 1 each)	50,00,00,000	5,000	50,00,00,000	5,000
- BSE Investments Limited (Fully paid equity shares of ₹ 1 each)	14,85,00,000	1,485	10,00,000	10
- BSE Sammaan CSR Limited (Fully paid equity shares of ₹ 10 each)	26,00,000	260	26,00,000	260
- India International Exchange (IFSC) Limited (Fully paid equity shares of ₹ 1 each)	75,00,00,000	7,500	54,99,99,994	5,500
- India International Clearing Corporation (IFSC) Limited (Fully paid equity shares of ₹ 1 each)	80,00,00,000	8,000	59,99,99,994	6,000



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 7. INVESTMENTS IN SUBSIDIARIES (Contd.)..

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
<b>Other subsidiaries</b>				
- Central Depository Services (India) Limited (Fully paid equity shares of ₹ 10 each) (Voting right - March 31, 2017 - 50.05%)	-	-	5,22,97,850	11,815
- BSE CSR Integrated Foundation (Fully paid equity shares of ₹ 10 each) (Voting right - 75%, (March 31, 2017 - 80%))	37,500	4	40,000	4
- BFSI Sector Skill Council of India (Fully paid equity shares of ₹ 1 each) (Voting right - 48.78%, (March 31, 2017 - 48.78%))	1,00,00,000	100	1,00,00,000	100
		61,999		68,339
Less : Provision for diminution		(210)		(100)
<b>Total</b>		61,789		68,239
<b>Aggregate carrying value of un-quoted investments</b>		61,999		68,339
<b>Aggregate amount of impairment in value of investments in subsidiaries</b>		210		100

**Note:** Principle place of business of all the above investments are based out in India.

### 8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
<b>Non-current Investments</b>				
<b>Associates</b>				
<b>Un-quoted Investments (all fully paid)</b>				
<b>Investment in Equity Instruments</b>				
- Asia Index Private Limited (Fully paid equity shares of ₹ 10 each) (Voting right - 50%, (March 31, 2017 - 50%))	5,000	1	5,000	1
<b>Total (A)</b>		1		1

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
<b>Quoted Investments (all fully paid)</b>				
<b>Investment in Equity Instruments</b>				
- Central Depository Services (India) Limited (Fully paid equity shares of ₹ 10 each) (Voting right - 24%)	2,50,80,000	5,666	-	-
<b>Total (B)</b>		5,666		-
<b>Total (A+B)</b>		5,667		1
<b>Aggregate book value of quoted investments</b>		5,666		-
<b>Aggregate market value of quoted investments</b>		70,889		-
<b>Aggregate carrying value of un-quoted investments</b>		1		1
<b>Aggregate amount of impairment in value of investments in associate</b>		-		-

**Note:** Principle place of business of all the above investments are based out in India.

### 9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current investments</b>		
<b>Un-quoted investments (all fully paid)</b>		
<b>Investment in equity instruments at FVTPL</b>		
- Calcutta Stock Exchange Limited (Fully paid equity share of ₹ 1 each)	-	-
<b>Total investment in equity instruments at FVTPL</b>	-	-
<b>Investments in debentures measured at amortised cost</b>		
<b>Owned</b>		
- Non-convertible debentures	998	995
	998	995
<b>Quoted investments</b>		
<b>Investments in bonds and debentures measured at amortised cost</b>		
<b>Owned</b>		
- Bonds	81,279	83,257
- Non-convertible debentures	3,507	13,704
	84,786	96,961
<b>Investments in mutual funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of growth oriented debt schemes of mutual funds	36,034	21,289
	36,034	21,289
<b>Total non-current investments</b>	1,21,818	1,19,245

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Aggregate amount of quoted investments</b>	<b>1,20,820</b>	1,18,250
<b>Market value of quoted investments</b>	<b>1,25,112</b>	1,23,671
<b>Aggregate amount of unquoted investments</b>	<b>998</b>	995
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	-
<b>Current investments</b>		
<b>Quoted investments</b>		
<b>Investments in certificate of deposits measured at amortised cost</b>		
<b>Owned</b>		
- Certificate of deposits	2,998	-
	2,998	-
<b>Investments in mutual funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of growth oriented debt schemes of mutual funds	43,632	1,000
- Units of dividend oriented debt schemes of mutual funds	7,416	15,084
- Investment in exchange traded funds through asset management company	4,102	-
	55,150	16,084
<b>Earmarked</b>		
- Units of dividend oriented debt schemes of mutual funds	2,983	2,614
	2,983	2,614
<b>Current portion of non-current investments</b>		
<b>Quoted investments</b>		
<b>Investments in debentures measured at amortised cost</b>		
<b>Owned</b>		
- Non-convertible debentures	10,192	5,647
	10,192	5,647
<b>Total current investments</b>	<b>71,323</b>	24,345
<b>Aggregate amount of quoted investments</b>	<b>71,323</b>	24,345
<b>Market value of quoted investments</b>	<b>71,364</b>	24,426

**Note:** Counterparties in debentures and bonds have minimum AA+ credit rating.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	COMPANY NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Quantity	Amount	Quantity	Amount
Non-Current Investments					
Own Funds					
Trade Investment					
Investments in Equity Instruments					
1	Equity Shares of Calcutta Stock Exchange Limited of ₹ 1/- each	30,875	-	30,875	-
	Total		-		-

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
(a) Own Funds					
Investments in Debentures (Unquoted)					
Non-Convertible Debentures					
1	9.25%-TATA Sons Limited-29Jun2019	100	998	100	995
Total			998		995
Investments in Bonds and Debentures (Quoted)					
Bonds					
1	8.10%-Housing And Urban Development Corporation Limited-05Mar2022-Tax Free	17,69,400	18,110	17,69,400	18,216
2	8.51%-Housing And Urban Development Corporation Limited-13Jan2024-Tax Free	1,50,000	1,523	3,00,000	3,027
3	8.29%-Housing And Urban Development Corporation Limited-24Mar2024-Tax Free	1,00,000	1,000	1,00,000	1,000
4	6.72%-Indian Railway Finance Corporation Limited-20Dec2020-Tax Free	7,500	7,489	7,500	7,485
5	7.55%-Indian Railway Finance Corporation Limited-08Nov2021-Tax Free	500	500	500	500
6	8.00%-Indian Railway Finance Corporation Limited-23Feb2022-Tax Free	6,52,773	6,613	6,52,773	6,635
7	7.19%-Indian Railway Finance Corporation Limited-14Dec2022-Tax Free	100	1,000	100	1,000
8	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	3,00,000	3,065	3,00,000	3,077
9	8.35%-Indian Railway Finance Corporation Limited-21Nov2023-Tax Free	700	7,224	700	7,265
10	8.27% National Highway Authority Of India-05Feb2024-Tax Free	2,90,000	2,917	2,90,000	2,920
11	8.26%-National Housing Bank-13Jan2024-Tax Free	18,050	903	18,050	903
12	8.41%-National Thermal Power Corporation Limited-16Dec2023-Tax Free	60,000	600	79,162	792
13	7.19%-Power Finance Corporation Limited-04Jan2023-Tax Free	1,00,000	1,000	1,00,000	1,000
14	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	12,25,828	12,500	12,25,828	12,563
15	8.01%-Rural Electrification Corporation Limited-29Aug2023-Tax Free	250	2,501	250	2,501
16	8.01%-Rural Electrification Corporation Limited-24Sep2023-Tax Free	5,00,000	5,000	5,00,000	5,000
17	8.09%-Power Finance Corporation Limited-25Nov2021-Tax Free	1,000	1,029	1,000	1,037
18	7.93%-Rural Electrification Corporation Limited-27Mar2022-Tax Free	1,64,702	1,684	1,64,702	1,693

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
19	8.19%-Rural Electrification Corporation Limited-24Mar2024-Tax Free	2,50,000	2,600	2,50,000	2,617
20	7.34%-Housing And Urban Development Corporation Limited-16Feb2023-Tax Free	1,00,000	1,002	1,00,000	1,003
21	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	50,000	515	50,000	518
22	7.62%-Housing And Urban Development Corporation Limited-11Nov2021-Tax Free	1,000	1,009	1,000	1,012
23	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	1,50,000	1,495	1,50,000	1,493
<b>Total</b>			<b>81,279</b>		<b>83,257</b>
<b>Non-Convertible Debentures</b>					
1	9.49%-HDB Financial Services Limited-18Jun2019	50	500	50	499
2	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	-	-	1,00,000	1,000
3	9.51%-LIC Housing Finance Limited-24Jul2019	100	1,007	100	1,013
4	11.08%-LIC Housing Finance Limited-13Aug2018	-	-	49	503
5	8.80%-Canfin Homes Limited-02Jul2018	-	-	100	1,000
6	8.77%-HDB Financial Services Limited-02Jun2018	-	-	50	500
7	8.81%-HDB Financial Services Limited-28Jul2018	-	-	50	500
8	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	50,000	500
9	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	-	-	1,00,000	1,000
10	8.80%-Kotak Mahindra Prime Limited-26Jun2018	-	-	50	500
11	8.65%-HDB Financial Services Limited-25Sep2018	-	-	50	500
12	8.71%-HDB Financial Services Limited-20Oct2018	-	-	100	998
13	8.8394%-HDB Financial Services Limited-12Mar2019	-	-	100	1,001
14	8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019	-	-	20,000	200
15	8.34%-LIC Housing Finance Limited-22Mar2018	-	-	250	2,490
16	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	150	1,500
<b>Total</b>			<b>3,507</b>		<b>13,704</b>
<b>(a) Own Funds</b>					
<b>Investments in Mutual Funds measured at FVTPL</b>					
<b>Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)</b>					
1	Reliance - Fixed Horizon Fund - XXVIII - Series 4 -Direct - Growth Plan	-	-	1,00,00,000	1,204
2	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	50,00,000	537	50,00,000	503
3	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	3,00,00,000	3,214	3,00,00,000	3,009
4	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	50,00,000	537	50,00,000	503
5	Aditya Birla Sun Life - Fixed Term Plan - Series PR - 1134 Days - Direct - Growth Plan	1,50,00,000	1,504	-	-



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
6	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	1,00,00,000	1,035	-	-
7	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	2,00,000	2,078	-	-
8	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	90,000	964	90,000	901
9	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	50,000	537	50,000	503
10	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	536	50,00,000	503
11	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	320	30,00,000	300
12	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	50,00,000	536	50,00,000	503
13	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	1,00,00,000	1,016	-	-
14	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	50,00,000	538	50,00,000	504
15	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1231 D - Direct - Growth Plan	50,00,000	537	50,00,000	503
16	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J - 1253 Days - Direct - Growth Plan	50,00,000	538	50,00,000	504
17	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	1,00,00,000	1,075	1,00,00,000	1,007
18	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1225 Days - Direct - Growth Plan	50,00,000	535	50,00,000	501
19	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	1,00,00,000	1,018	-	-
20	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	20,00,000	214	20,00,000	200
21	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	50,00,000	538	50,00,000	504
22	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	1,00,00,000	1,071	1,00,00,000	1,003
23	Kotak - Fixed Maturity Plan - Series 200 - 1158 D - Direct - Growth Plan	50,00,000	537	50,00,000	503
24	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	1,00,00,000	1,069	1,00,00,000	1,002
25	Kotak - Fixed Maturity Plan - Series 204 - 1141D - Direct - Growth Plan	50,00,000	529	-	-
26	Kotak - Fixed Maturity Plan - Series 211 - 1105D - Direct - Growth Plan	50,00,000	510	-	-
27	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth	50,00,000	508	-	-
28	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth	50,00,000	509	-	-
29	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	50,00,000	538	50,00,000	504
30	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	50,00,000	538	50,00,000	504
31	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,075	1,00,00,000	1,006
32	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201D - Direct - Growth Plan	3,00,00,000	3,215	3,00,00,000	3,008
33	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	50,00,000	527	-	-
34	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	1,50,00,000	1,571	-	-
35	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	1,20,00,000	1,249	-	-

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
36	Reliance - Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	50,00,000	509	-	-
37	Reliance - Fixed Horizon Fund - XXXV Series 6 - 1263 Days - Direct - Growth Plan	1,00,00,000	1,020	-	-
38	Reliance - Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	1,00,00,000	1,002	-	-
39	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	857	80,00,000	801
40	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,073	1,00,00,000	1,006
41	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	320	30,00,000	300
<b>Total</b>			<b>36,034</b>		<b>21,289</b>
<b>Current Investment</b>					
<b>(a) Own Funds</b>					
<b>Certificate of Deposit (Quoted)</b>					
1	IDFC Bank CD 03APR2018	3,000	2,998	-	-
<b>Total</b>			<b>2,998</b>		<b>-</b>
<b>Investments in Mutual Funds measured at FVTPL</b>					
<b>Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)</b>					
1	Aditya Birla Sun Life Short Term Fund - Direct - Growth Plan	31,11,334	2,079	-	-
2	Axis Short Term Fund - Direct - Growth Plan	1,06,54,904	2,093	-	-
3	DHFL Pramerica Banking and PSU Debt Fund - Direct - Growth Plan	1,34,96,552	2,072	-	-
4	DHFL Pramerica Premier Bond Fund - Direct - Growth Plan	1,07,99,797	3,112	-	-
5	DHFL Pramerica Short Term Floating Rate Fund - Direct - Growth Plan	1,07,52,630	2,090	-	-
6	DSP BR Banking and PSU Debt Fund - Direct - Growth Plan	69,74,911	1,039	-	-
7	DSP BR Short Term Fund - Direct - Growth Plan	67,79,661	2,072	-	-
8	HDFC Medium Term Opportunities Fund - Direct - Growth Plan	2,67,71,755	5,196	-	-
9	IDFC Corporate Bond Fund - Direct - Growth Plan	6,07,20,257	7,268	-	-
10	Kotak Bond Short Term Plan - Direct - Growth Plan	61,90,628	2,085	-	-
11	L&T Triple Ace Bond Fund - Direct - Growth Plan	91,91,292	4,149	-	-
12	Reliance Floating Rate Fund Short Term - Direct - Growth Plan	2,58,60,203	7,269	-	-
13	Sundaram Banking and PSU Debt Fund - Direct - Growth Plan	1,13,65,057	3,108	38,88,841	1,000
<b>Total</b>			<b>43,632</b>		<b>1,000</b>
<b>Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)</b>					
1	Kotak Income Opportunities Fund - Direct - Weekly Dividend Reinvestment	2,87,37,312	3,010	2,74,06,356	2,865
2	HDFC Liquid Fund Direct Plan	88,449	902	4,54,132	4,631
3	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment	5,01,225	502	45,84,559	4,588
4	UTI Liquid Cash Plan - Direct - Daily Dividend Reinvestment	-	-	2,45,275	2,500
5	Reliance Liquid Fund Treasury Plan - Direct - Daily Dividend Reinvestment	-	-	32,713	500
6	Invesco India Liquid Fund - Direct - Daily Dividend Reinvestment	2,99,975	3,002	-	-
<b>Total</b>			<b>7,416</b>		<b>15,084</b>

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as at March 31, 2018		Balance as at March 31, 2017	
		Units	Amount	Units	Amount
Investment in Exchange Traded Funds through Asset Management Company					
1	ICICI Prudential Sensex Iwin - Exchange Traded Fund	32,334	118	-	-
2	HDFC Sensex - Exchange Traded Fund	1,14,000	3,984	-	-
Total			4,102		-
(b) Earmarked Funds					
Units of Dividend Oriented Debt Schemes of Mutual Funds (Quoted)					
1	Axis Liquid Fund - Direct - Daily Dividend Reinvestment - Investor Services Fund	2,98,054	2,983	2,61,237	2,614
Total			2,983		2,614
Current Portion of Long Term Investments					
Own Funds					
Investments in Debentures					
Non-Convertible Debentures					
1	11.08%-LIC Housing Finance Limited-13Aug2018	49	493	-	-
2	8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019	20,000	200	-	-
3	8.80%-Canfin Homes Limited-02Jul2018	100	1,000	-	-
4	8.77%-HDB Financial Services Limited-02Jun2018	50	500	-	-
5	8.81%-HDB Financial Services Limited-28Jul2018	50	500	-	-
6	8.71%-HDB Financial Services Limited-20Oct2018	100	1,000	-	-
7	8.65%-HDB Financial Services Limited-25Sep2018	50	500	-	-
8	8.8394%-HDB Financial Services Limited-12Mar2019	100	1,000	-	-
9	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	-	-
10	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	1,00,000	1,000	-	-
11	8.80%-Kotak Mahindra Prime Limited-26Jun2018	50	500	-	-
12	8.34%-LIC Housing Finance Limited-22Mar2018	250	2,499	-	-
13	10.00%-ICICI Bank Limited-10Nov2017	-	-	7,551	755
14	9.30%-Housing Development Finance Corporation Limited-04Oct2017	-	-	140	1,404
15	9.18%-Housing Development Finance Corporation Limited-12Feb2018	-	-	250	2,485
16	9.50%-Housing Development Finance Corporation Limited-14Aug2017	-	-	100	1,003
Total			10,192		5,647

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
<b>Trade receivables</b>		
- Secured, considered good	1,366	2,916
- Unsecured, considered good	3,750	2,330
- Doubtful	1,181	1,324
- Impairment allowance for doubtful debts	(1,181)	(1,324)
<b>Total</b>	<b>5,116</b>	<b>5,246</b>

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the Company ranges from 0 to 60 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivable by individual departments.
4. 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, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1,324	589
Impairment loss allowance on trade receivable	(143)	735
Balance at the end of the year	1,181	1,324

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
(Unsecured, considered good, unless otherwise stated)		
a Security deposits		
- Deposit with public bodies and others	200	161
b Loan		
- Loan to staff	77	78
c Bank deposits with remaining maturity more than 12 months		
<b>Owned fund</b>		
- In deposit accounts	1,017	589
<b>Earmarked fund</b>		
- In deposit accounts	4,513	7,092
d Accrued interest		
<b>Owned</b>		
- On deposits	60	36
<b>Earmarked</b>		
- On deposits	561	720
<b>Total</b>	<b>6,428</b>	<b>8,676</b>
<b>Current</b>		
(Unsecured, considered good, unless otherwise stated)		
a Loan		
- Loan to staff	24	18
b Advances to related parties		
- Due from subsidiaries (refer note 35)	56	235
c Others		
- Receivable from portfolio management account	47	1
- Deposit with public bodies and others	332	345
d Unsecured and considered doubtful		
Deposits made under protest for property tax and others	771	771
Less: Provision for doubtful advances	(771)	(771)
e Accrued interest		
<b>Owned</b>		
- On deposits	390	2,483
- On investments	3,361	3,556
<b>Earmarked</b>		
- On deposits	930	477
<b>Total</b>	<b>5,140</b>	<b>7,115</b>



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 12. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
<b>Balance with banks</b>		
<b>Owned fund</b>		
- In current accounts	1,067	2,203
- In deposit accounts (Original maturity less than three months)	1,900	-
<b>Total</b>	<b>2,967</b>	<b>2,203</b>
<b>Bank balance other than above</b>		
<b>Balance with banks</b>		
<b>Owned fund</b>		
- In deposit accounts (refer note 12.3) (Remaining maturity less than twelve months)	9,479	41,261
<b>Earmarked fund</b>		
- In current accounts (unpaid dividend) (refer note 12.2)	1,008	867
- In current accounts (refer note 12.1 and 12.2)	489	4,438
- In deposit accounts	18,588	15,247
<b>Total</b>	<b>29,564</b>	<b>61,813</b>

#### Notes:

- 12.1** Of the above, ₹ 9 have been earmarked against payables on expenses towards IPO.
- 12.2** 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 Company.
- 12.3** Balance with bank includes ₹ 4,150 held as margin money deposit against guarantee for buyback of equity shares as specified in Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

### 13. OTHER ASSETS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Gratuity asset (net)	-	84
Prepaid expenses	10	28
<b>Total</b>	<b>10</b>	<b>112</b>
<b>Current</b>		
Prepaid expenses	299	244
Advances towards buyback of equity shares	285	-
Advance to creditors	214	217
Input/ CENVAT credit receivable	725	224
Input/ CENVAT credit receivable (not due)	62	168
<b>Total</b>	<b>1,585</b>	<b>853</b>

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Authorised share capital:</b>		
1,50,00,00,000 (1,50,00,00,000 as at March 31, 2017) equity shares of ₹ 2/- each	30,000	30,000
<b>Issued share capital:</b>		
5,40,39,532 (5,45,88,172 as at March 31, 2017) equity shares of ₹ 2/- each	1,081	1,092
<b>Subscribed and paid-up share capital</b>		
5,32,59,532 (5,38,08,172 equity shares as at March 31, 2017) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	1,066	1,076
Less: Par value of shares bought back pending for extinguishment (refer note 43)	(1)	-
<b>Total</b>	<b>1,065</b>	<b>1,076</b>
<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year</b>		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
No. of shares at the beginning of the year	5,38,08,172	5,36,78,172
Additions during the year	-	1,30,000
Shares extinguished during the year (refer note 43)	(5,02,920)	-
Shares bought back and pending for extinguishment (refer note 43)	(45,720)	-
No. of shares at the end of the year	5,32,59,532	5,38,08,172
<b>Aggregate number and class of shares allotted as fully paid up by way of bonus shares.</b>		
PARTICULARS	As at March 31, 2018	As at March 31, 2017
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	1,20,000
<b>Total</b>	<b>4,80,86,664</b>	<b>4,80,86,664</b>

(\*) Represent allotment of shares held in abeyance including bonus entitlements on such shares.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 14. EQUITY SHARE CAPITAL (Contd.)..

- (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.
- (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 4,77,75,000 equity shares of ₹ 2/- each (including 4,41,00,000 bonus shares of ₹ 2/- each) issuable to the card based Members, the Exchange has allotted 4,69,85,000 equity shares (4,69,85,000 equity shares as on March 31, 2017) upon implementation of the BSE (Corporatisation and Demutualisation) Scheme, 2005 ("The Scheme"). The allotment of 7,80,000 equity shares (7,80,000 equity shares as on March 31, 2017) 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 4,77,75,000 equity shares, as per the provisions of the Scheme.
- (d) As a part of the demutualisation process, the Exchange in order to fulfill its obligations under the Scheme and the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (the SEBI Regulations) dated 13<sup>th</sup> November, 2006, and further amendments thereto on 23<sup>rd</sup> 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) No shareholder holds more than 5% of the Share Capital of the Company.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 15. OTHER EQUITY

PARTICULARS	As at March 31, 2018	As at March 31, 2017
General reserve	69,415	69,415
Capital reserve	66,179	66,179
Capital reserve on business combination	10,530	10,530
Securities premium reserve	34,796	39,283
Retained earnings	95,436	56,453
Share application money pending allotment	1	1
Capital redemption reserve (refer note 43)	10	-
<b>Total</b>	<b>2,76,367</b>	<b>2,41,861</b>

#### 15.1 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.

#### 15.2 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 19<sup>th</sup> August, 2005 as appearing in the Exchange are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operations of the Exchange.

#### 15.3 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.

#### 15.4 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, in its meeting on May 4, 2018, have proposed a final dividend of ₹ 31/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2018. 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 ₹ 20,196 including corporate dividend tax.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Accrued employee benefit expenses	390	360
Other deposits	104	104
<b>Total</b>	<b>494</b>	<b>464</b>
<b>Current</b>		
<b>Owned :</b>		
Unpaid dividends (refer note 16.3)	90	51
Deposits received from trading members	8,909	8,881
Other deposits received from members	3,358	3,129
Other deposits	844	843
Accrued employee benefit expenses	2,197	2,742
Due to subsidiaries (refer note 35)	430	338
Payables on purchase of fixed assets	298	115
Current maturities of finance lease obligations (refer note 16.1)	-	67
Accrued Interest on finance lease obligations (refer note 16.1)	-	5
<b>Total (A)</b>	<b>16,126</b>	<b>16,171</b>
<b>Earmarked :</b>		
From companies - 1% of their public issue (refer note 16.2)	14,153	13,412
Defaulters' liabilities (refer note 16.2)	2,531	2,799
Withheld liabilities (refer note 16.2)	6,138	5,899
Payables on liabilities towards IPO (recovered from selling shareholders) (refer note 16.3)	9	4,330
Others (refer note 16.4)	2,429	1,645
<b>Total (B)</b>	<b>25,260</b>	<b>28,085</b>
<b>Total (A+B)</b>	<b>41,386</b>	<b>44,256</b>

**16.1** Secured by the leased asset. The liability is at a fixed rate of interest with original repayment period of 5 years.

**16.2** Bank Balance and Bank Deposits have been earmarked against these liabilities.

**16.3** Current accounts have been earmarked against this liability.

**16.4** Includes income earned on earmarked fund.

### 17. PROVISIONS

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
<b>Employee benefits</b>		
Compensated absences (refer note 40)	851	629
Gratuity liability (net) (refer note 40)	88	-
<b>Total</b>	<b>939</b>	<b>629</b>



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 18. DEFERRED TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	6,841	1,415
Deferred tax liabilities	417	398
<b>Deferred tax balance (net)</b>	<b>6,424</b>	<b>1,017</b>

#### Deferred tax assets and liabilities in relation to:

PARTICULARS	Opening balance as at April 1, 2016	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2017	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2018
<b>Deferred tax assets</b>							
MAT credit entitlement	-	(547)	-	547	(5,481)	-	6,028
Impairment of financial assets	90	(255)	-	345	47	-	298
Expenses allowed on payment basis	197	(132)	-	329	(74)	-	403
Voluntary retirement scheme	265	88	-	177	75	-	102
Property, plant and equipment, intangible assets and goodwill	-	-	-	-	(1)	-	1
Others	148	138	(7)	17	44	(36)	9
<b>Total - A</b>	700	(708)	(7)	1,415	(5,390)	(36)	6,841
<b>Deferred tax liabilities</b>							
Property, plant and equipment, intangible assets and goodwill	503	232	-	271	271	-	-
Financial assets measured at FVTPL and interest income at effective interest rate	-	(127)	-	127	(290)	-	417
<b>Total - B</b>	503	105	-	398	(19)	-	417
<b>Net - (A-B)</b>	197	(813)	(7)	1,017	(5,371)	(36)	6,424

#### 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, 2018	As at March 31, 2017
- Tax losses (capital in nature)	8,062	8,523
<b>Total</b>	<b>8,062</b>	<b>8,523</b>

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 18. DEFERRED TAX ASSETS AND LIABILITIES (Contd.)..

**Note:** The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2018	As at March 31, 2017
2019-20 - Capital in nature	3,168	3,629
2020-21 - Capital in nature	4,796	4,796
2021-22 - Capital in nature	46	46
2024-25 - Capital in nature	52	52

2. 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.

### 19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Income received in advance	161	107
<b>Total</b>	161	107
<b>Current</b>		
Income received in advance	552	537
Advance from customers	762	412
Statutory remittances	5,229	12,835
Other liabilities (refer note below)	3,972	3,415
Contribution payable to settlement guarantee fund (refer note 39)	-	6,276
<b>Total</b>	10,515	23,475

**Note: Other liabilities includes:**

#### a) Investors' services fund (ISF):

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Annual listing fees received for the year	13,250	10,540
20% of the above (Amount to be contributed annually)	2,650	2,108
Investment income accrued to Investors' services fund	156	12
Expenses incurred on behalf of ISF	2,424	1,760
Expenses Recoverable (Subject to maximum of the contribution)	2,424	1,760

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Account. The Exchange has charged all direct expenses incurred towards Investors Services to this Account.

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Cumulative balance as at end of year	2,801	2,419

#### b) Other Liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Cumulative balance as at end of year (refer note 16.3)	918	816

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 20. TRADE PAYABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,766	4,932
<b>Total</b>	5,766	4,932

### 21. INCOME TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Non Current tax assets</b>		
Advance tax (net of provision)	6,198	5,609
<b>Total</b>	6,198	5,609
<b>Current tax liabilities</b>		
Income tax provision (net of advance tax)	1,415	952
<b>Total</b>	1,415	952

### 22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Transaction charges	15,808	12,242
Charges recovered	2,059	2,084
Annual subscription and admission fees	436	440
Processing fees	386	277
<b>Total</b>	18,689	15,043

### 23. INCOME FROM SERVICES TO CORPORATES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Listing fees	17,754	13,817
Book building software charges	3,311	1,431
Company reinstatement fees	607	296
Other fees	389	142
<b>Total</b>	22,061	15,686

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 24. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>a) Interest income earned on financial assets that are not designated as at fair value through profit or loss</b>		
Bank deposits (at amortised cost)	1,272	4,193
Investments in debt instruments (at amortised cost)	7,915	8,989
<b>b) Dividend income</b>		
<b>Dividends from investment in equity shares (designated at cost or at FVTPL)</b>		
Dividend income from subsidiaries	5,192	4,371
Dividend income from others	6	6
<b>Dividends from investment in mutual funds (designated at FVTPL)</b>		
Dividend income	1,349	936
<b>c) Other gains or losses:</b>		
Net gains on derecognition of financial assets measured at amortised cost	187	-
Net gains arising of equity instrument measured at FVTPL	-	121
Net gains arising on financial assets measured at FVTPL	3,543	353
<b>Total</b>	<b>19,464</b>	<b>18,969</b>

### 25. OTHER INCOME

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Other non-operating income</b>		
Rental income	1,537	1,536
Website income	288	310
Net gain on disposal of property, plant and equipment and intangible assets	2	9
Net foreign exchange gains/ (loss)	21	(15)
Interest on income tax refunds	-	932
Miscellaneous income	417	162
<b>Total</b>	<b>2,265</b>	<b>2,934</b>

### 26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and bonus	6,193	6,643
Contribution to provident and other Funds	348	311
Staff welfare expenses	386	314
Compensated absences	489	343
<b>Total</b>	<b>7,416</b>	<b>7,611</b>

### 27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Computer technology related expenses	8,596	7,709
Technology programmes	3,555	3,525
<b>Total</b>	<b>12,151</b>	<b>11,234</b>

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Advertising and marketing expenses	386	623
Bad debts written off	302	169
Building repairs and maintenance expenses	1,711	828
Charity and donations	-	2
Contribution to investors service fund	2,650	2,108
Contribution to investors' protection fund	132	105
Contribution to core settlement guarantee fund (refer note 39)	-	6
Contribution to SEBI	1,325	1,054
Contribution to corporate social responsibility (refer note below 28.1)	162	106
Clearing house expenses	177	-
Data entry charges	217	198
Datafeed expenses	208	187
Directors' sitting fees	51	73
Electricity charges (net of recoveries)	1,167	1,706
Insurance	70	89
Impairment loss allowance on trade receivable	(142)	735
Impairment loss on financial assets carried at cost	110	-
Legal fees	219	410
Miscellaneous expenses	485	362
Payment to auditors		
a) Statutory audit fee	57	82
b) Tax audit fee	5	8
c) Other services	1	12
Professional fees	1,122	1,327
Postage and telephone expenses	154	127
Printing and stationery	72	67
Property taxes (net of recoveries)	193	186
Rent	101	133
Repairs to other assets	183	186
SEBI regulatory fees	279	250
Travelling expenses	361	377
<b>Total</b>	<b>11,758</b>	<b>11,516</b>

### 28.1 CSR EXPENDITURE

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
a) The gross amount required to be spent by the Company during the year	162	105
b) Amount debited to Statement of Profit and Loss were paid in cash during the respective year and were incurred for the purpose other than construction/ acquisition of any asset.		



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 29. TAXES

#### (a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2018

##### (i) Profit or loss section

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense	10,385	2,056
Current tax expense of Earlier Years	-	(781)
Deferred tax	(5,371)	(813)
<b>Total income tax expense recognised in profit or loss</b>	<b>5,014</b>	<b>462</b>

##### (ii) Other comprehensive section

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurements of the defined benefit plans	(36)	(7)
<b>Total income tax expense recognised in other comprehensive income</b>	<b>(36)</b>	<b>(7)</b>

#### (b) Reconciliation of effective tax rate

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Income before income tax	61,409	20,326
(B) Enacted tax rate in india	34.608%	34.608%
(C) Expected tax expenses (A*B)	21,252	7,034
(D) Other than temporary differences		
Investment income	(16,347)	(4,893)
Income from house property and related expenditure	(71)	(71)
Expenses disallowed/ (allowed)	180	83
Total	(16,238)	(4,881)
(E) Temporary difference on which deferred tax assets not recognised		
Business loss carried forward	-	(910)
Total	-	(910)
(F) Net adjustments (D+E)	(16,238)	(5,791)
(G) Current tax expense of Earlier Years	-	(781)
(H) Tax expenses recognised in Profit or Loss (C+F+G)	5,014	462

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 30. 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, 2018	For the year ended March 31, 2017
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	5,45,43,037	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 year for the calculation of dilutive EPS	5,45,43,037	5,45,88,172
Face Value per Share	₹ 2 each	₹ 2 each
Profit after tax before exceptional items (net of tax)	24,823	18,780
Profit after tax after exceptional items	56,395	19,864
Basic and Diluted EPS before exceptional items (net of tax)	45.51	34.40
Basic and Diluted EPS after exceptional items	103.40	36.39

**Note:** The Board of Directors of the Company at its meeting held on January 15, 2018, has inter-alia approved the Buyback proposal for purchase by the Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/ beneficial owners of the Company. As on March 31, 2018, the scheme of buyback was open and 5,48,640 equity shares were bought back of which 5,02,920 equity shares were extinguished. Accordingly, the weighted average number of equity shares (issued share capital) is worked out to 5,45,43,037 equity shares for the calculation of Earnings Per Share.

### 31. LEASE

#### 31.1 Finance Lease

- Assets acquired on finance lease mainly comprise computer equipments.
- The Minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

PARTICULARS	Minimum Lease Payments		Present value of Minimum Lease Payments	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Payable not later than 1 Year	-	75	-	67
<b>Total</b>	-	75	-	67
Less: Future Finance Charges	-	8		
<b>Present Value of Minimum Lease Payments</b>	-	67		

- No contingent rent recognised/ (adjusted) in the Profit or Loss in respect of finance lease.

#### 31.2 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, 2018 was ₹ 101 (for the year ended March 31, 2017: ₹ 133).

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 financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 32. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 is as follows:

PARTICULARS	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>i) Financial assets</b>				
<b>a) Amortised Cost</b>				
Investment in debt instruments	98,974	1,03,603	1,03,320	1,09,141
Trade receivable	5,116	5,246	5,116	5,246
Cash and cash equivalents	2,967	2,203	2,967	2,203
Bank balances other cash and cash equivalents	29,564	61,813	29,564	61,813
Other financial assets	11,568	15,791	11,568	15,791
<b>Total</b>	<b>1,48,189</b>	<b>1,88,656</b>	<b>1,52,535</b>	<b>1,94,194</b>
<b>b) FVTPL</b>				
Investment in equity instruments	-	-	-	-
Investment in mutual funds	94,167	39,987	94,167	39,987
<b>Total</b>	<b>94,167</b>	<b>39,987</b>	<b>94,167</b>	<b>39,987</b>
<b>c) At Cost</b>				
Investment in subsidiaries and associates	67,456	68,240	1,32,679	68,240
<b>ii) Financial liabilities</b>				
<b>a) Amortised Cost</b>				
Trade payables	5,766	4,932	5,766	4,932
Other financial liabilities	41,880	44,720	41,880	44,720
<b>Total</b>	<b>47,646</b>	<b>49,652</b>	<b>47,646</b>	<b>49,652</b>

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:

- The fair value of the quoted bonds and debentures 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 except for unquoted instruments where observable inputs are available.
- 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 financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 32. 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, 2018	Fair values As at March 31, 2017	Fair Value Hierarchy (Level)
<b>i) Financial assets</b>			
<b>a) Amortised Cost</b>			
Investment in debt instruments (Quoted)	1,02,309	1,08,110	Level 1
Investment in debt instruments (Unquoted)	1,011	1,031	Level 2
<b>Total</b>	<b>1,03,320</b>	<b>1,09,141</b>	
<b>b) FVTPL</b>			
Investment in mutual funds	94,167	39,987	Level 1
<b>c) At cost</b>			
Investment in equity instruments of associates	70,889	-	Level 1

Except as detailed in the above table, the Company 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.

### 33. 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 financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.)..

The Company provides the stock exchange services to its listed customers and registered members (who have to 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, 2018.

#### • 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, 2018 and March 31, 2017.

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Trade payable		
< 1 year	5,766	4,932
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>5,766</b>	<b>4,932</b>
Other financial liabilities		
< 1 year	41,386	44,256
1 - 5 years	494	464
> 5 years	-	-
<b>Total</b>	<b>41,880</b>	<b>44,720</b>
<b>Total</b>	<b>47,646</b>	<b>49,652</b>



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2018 and March 31, 2017

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Investments*		
< 1 year	71,323	24,345
1 - 5 years	93,970	85,131
> 5 years	27,848	34,114
<b>Total</b>	<b>1,93,141</b>	<b>1,43,590</b>
Other financial assets		
< 1 year	5,761	7,871
1 - 5 years	5,807	7,920
> 5 years	-	-
<b>Total</b>	<b>11,568</b>	<b>15,791</b>
Trade receivables		
< 1 year	5,116	5,246
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>5,116</b>	<b>5,246</b>
Cash and cash equivalents		
< 1 year	2,967	2,203
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>2,967</b>	<b>2,203</b>
Bank balances other than cash and cash equivalents		
< 1 year	29,564	61,813
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>29,564</b>	<b>61,813</b>
<b>Total</b>	<b>2,42,356</b>	<b>2,28,643</b>

\* Investment does not include investment in equity investment of subsidiaries, associates 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 financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 33. 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 Company's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income which Company 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 business, including at a corporate level as well as at the level of each of its components. For example, the Company 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 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 Company may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Company's financial ability. The Company'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.

### 34. 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 financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS

Sr. No.	Control	Entities
<b>a.</b>	<b>Subsidiary Companies</b>	
	<b>Direct</b>	Indian Clearing Corporation Limited Marketplace Technologies Private Limited BSE Institute Limited Central Depository Services (India) Limited (upto June 29, 2017) BSE Investments Limited BSE Sammaan CSR Limited BSE CSR Integrated Foundation India International Exchange (IFSC) Limited India International Clearing Corporation (IFSC) Limited
	<b>Indirect</b>	Marketplace Tech Infra Services Private Limited CDSL Ventures Limited (upto June 29, 2017) CDSL Insurance Repository Limited (upto June 29, 2017) CDSL Commodity Repository Limited (upto June 29, 2017) BSE Skills Limited BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation
<b>b.</b>	<b>Trusts set-up by the Company</b>	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
<b>c.</b>	<b>Associate Companies</b>	
	<b>Direct</b>	Central Depository Services (India) Limited (w.e.f June 30, 2017) Asia Index Private Limited
	<b>Indirect</b>	CDSL Ventures Limited (w.e.f June 30, 2017) CDSL Insurance Repository Limited (w.e.f June 30, 2017) CDSL Commodity Repository Limited (w.e.f June 30, 2017) BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018)
<b>d.</b>	<b>Key Management Personnel and their relatives</b>	Shri Sethurathnam Ravi - Chairman and Public Interest Director Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Justice Vikramajit Sen - Public Interest Director Shri Sumit Bose - Public Interest Director Shri S S Mundra - Public Interest Director Shri David Wright - Public Interest Director Shri Roland Schwinn - Shareholder Director Dr. Sriprakash Kothari - Shareholder Director Smt. Usha Sangwan - Shareholder Director Smt. Rajeshree Sabnavis - Shareholder Director

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS (Contd.)..

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Subsidiary Companies</b>		
<b>Income</b>		
<b>Indian Clearing Corporation Limited</b>		
Rent and Infrastructure Charges	133	62
Miscellaneous Income	10	30
Dividend Income	3,623	2,956
Staff Welfare Expenses	22	4
Administrative and Other Expenses (Recoveries)	186	186
<b>Marketplace Technologies Private Limited</b>		
Administrative and Other Expenses (Recoveries)	1	-
<b>BSE Institute Limited</b>		
Salary, Allowance and Bonus (Recoveries)	-	16
Staff Welfare Expenses	3	-
Rent and Infrastructure Charges	289	263
Administrative and Other Expenses (Recoveries)	88	79
<b>Central Depository Services (India) Limited</b>		
Administrative and Other Expenses (Recoveries)	17	75
Charges Recovered	101	132
Dividend Income	1,569	1,416
Rent and Infrastructure Charges	63	260
Miscellaneous Income	7	13
<b>BFSI Sector Skill Council of India</b>		
Rent and Infrastructure Charges	10	10
Administrative and Other Expenses (Recoveries)	2	2
<b>India International Exchange (IFSC) Limited</b>		
Administrative and Other Expenses (Recoveries)	-	115
Rent and Infrastructure Charges	26	12
Staff Welfare Expenses	1	-
<b>India International Clearing Corporation (IFSC) Limited</b>		
Administrative and Other Expenses (Recoveries)	-	79
Rent and Infrastructure Charges	12	-
<b>BSE Sammaan CSR Limited</b>		
Administrative and Other Expenses (Recoveries)	2	1
<b>Expenditure</b>		
<b>Indian Clearing Corporation Limited</b>		
Clearing house expenses	182	-
Contribution to Core Settlement Guarantee Fund	-	6
Contribution to Settlement Guarantee Fund (25% of Profit)	-	2,079
Travelling Expenses (Guest House Charges)	3	-

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Marketplace Technologies Private Limited</b>		
Computer Technology Related Expenses (net of recovery)	2,472	2,440
Purchase of Intangible Assets	-	90
Intangible assets under development	376	-
<b>Central Depository Services (India) Limited</b>		
Administrative and Other Expenses	121	103
<b>BSE Institute Limited</b>		
Reimbursement of services	111	134
<b>India International Exchange (IFSC) Limited</b>		
Administrative and Other Expenses (Recoveries)	-	84
<b>BSE CSR Integrated Foundation</b>		
Contribution to corporate social responsibility	137	94
<b>Others</b>		
<b>Investments</b>		
India International Exchange (IFSC) Limited	2,000	5,500
India International Clearing Corporation (IFSC) Limited	2,000	6,000
BSE Investments Limited	1,475	-
BSE Sammaan CSR Limited	-	250
BSE CSR Integrated Foundation	-	4
<b>Trusts set-up by the Company</b>		
<b>Income</b>		
<b>The Stock Exchange Investors' Protection Fund</b>		
Administrative and Other Expenses (Recoveries)	258	394
Rent	18	28
<b>Expenditure</b>		
<b>The Stock Exchange Investors' Protection Fund</b>		
Contribution to IPF (a proportion of listing fee)	132	105
Rent	61	46
<b>Associate Companies</b>		
<b>Income</b>		
<b>Asia Index Private Limited</b>		
Rent and Infrastructure Charges	138	138
Administrative and Other Expenses (Recoveries)	30	24
<b>Central Depository Services (India) Limited</b>		
Administrative and Other Expenses (Recoveries)	28	-
Rent and Infrastructure Charges	86	-
Miscellaneous Income	9	-



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Expenditure</b>		
<b>Central Depository Services (India) Limited</b>		
Purchase of Capital Assets	14	-
Administrative and Other Expenses	254	-
<b>Key Managerial Personal:</b>		
<b>Expenditure</b>		
<b>Salaries, Allowances and Bonus *</b>		
<b>(Short term Employee benefits)</b>		
Shri Ashishkumar Chauhan	614	417

\*Includes the variable pay of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made as required by 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.

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Subsidiary companies</b>		
<b>Assets</b>		
<b>Investments</b>		
Indian Clearing Corporation Limited	35,400	35,400
Marketplace Technologies Private Limited	4,250	4,250
BSE Institute Limited	5,000	5,000
BSE Investments Limited	1,485	10
BSE Sammaan CSR Limited	260	260
BSE CSR Integrated foundation	4	4
BFSI Sector Skill Council of India	100	100
Central Depository Services (India) Limited (upto June 29, 2017)	-	11,815
India International Exchange (IFSC) Limited	7,500	5,500
India International Clearing Corporation (IFSC) Limited	8,000	6,000
<b>Receivable (Net)</b>		
Indian Clearing Corporation Limited	-	62
BSE Institute Limited	44	33
Central Depository Services (India) Limited (upto June 29, 2017)	-	45
India International Exchange (IFSC) Limited	-	43
India International Clearing Corporation (IFSC) Limited	10	78
BSE Sammaan CSR Limited	2	1
BFSI Sector Skill Council of India	0	-

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2018	As at March 31, 2017
<b>Liabilities</b>		
<b>Payable (Net)</b>		
Marketplace Technologies Private Limited	314	338
India International Exchange (IFSC) Limited	82	-
Indian Clearing Corporation Limited	34	6,276
<b>Other Deposits Received</b>		
Central Depository Services (India) Limited (upto June 29, 2017)	-	73
<b>Trusts set-up by the Company</b>		
<b>Assets</b>		
<b>Receivable</b>		
The Stock Exchange Investors' Protection Fund	31	91
<b>Net defined benefit assets</b>		
BSE Employee's Gratuity Fund	1,952	1,927
<b>Liabilities</b>		
<b>Deposit</b>		
The Stock Exchange Investors' Protection Fund	6	6
<b>Associates</b>		
<b>Assets</b>		
<b>Investments</b>		
Asia Index Private Limited	1	1
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	5,666	-
<b>Receivable</b>		
Asia Index Private Limited	2	2
<b>Liabilities</b>		
<b>Deposit</b>		
Asia Index Private Limited	92	92
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	73	-
<b>Payable</b>		
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	21	-

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2018	As at March 31, 2017
a)	Claims against the Exchange not acknowledged as debts in respect of :		
	i) Income tax matters	2,073	1,312
	ii) Department of telecommunication license matters (refer note below)	706	401
	iii) Claims not acknowledged as debt	10,362	10,400
	iv) Out of 'iii' above in the opinion of the Management are remote	10,362	10,370
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.	26	39

#### Notes:

- 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.
- Demand Notices dated April 18, 2018 was issued in the name of BSE Limited for an amount of ₹ 305 with respect of the provisional assessment of License Fees including penalties and interest for the period July 2013 to August 2014.
- The Company's pending litigations comprise of claims against the Company primarily by the customers/ vendors and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements at March 31, 2018.

### 37. 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, 2018	As at March 31, 2017
a)	Towards Tangible assets	799	2,258
b)	Towards Intangible assets	1	993

- 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.

- 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.

### 38.2 INFORMATION ABOUT GEOGRAPHICAL AREA

#### 38.2.1 The Company revenue from customers

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Within India	62,760	52,973
Outside India	2,347	2,126
<b>Total Income</b>	<b>65,107</b>	<b>55,099</b>

- The Company does not have non-current assets outside India.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

- 39.** 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.
- 39.1** 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 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.
- 39.2** 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 SGF established and maintained by its clearing corporation.
- 39.3** 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.
- 39.4** 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:

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 subsequently paid to the Core Settlement Guarantee Fund.

## 40. EMPLOYEE BENEFITS:

### 40.1 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.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 40. 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, 2018 and March 31, 2017:

PARTICULARS	March 31, 2018	March 31, 2017
<b>Change in benefit obligation</b>		
Benefit obligations at the beginning	1,843	1,612
Service cost	122	105
Interest expense	130	128
Benefits paid	(71)	-
Remeasurements – Actuarial (gains)/ losses	63	45
Liabilities assumed/ settled *	(47)	(47)
<b>Benefit obligations at the end</b>	<b>2,040</b>	<b>1,843</b>
<b>Change in Plan assets</b>		
Fair value of plan assets at the beginning	1,927	1,766
Interest income	136	141
Remeasurements – Actuarial (gains)/ losses	(40)	20
Benefits paid	(71)	-
<b>Fair value of plan assets at the end</b>	<b>1,952</b>	<b>1,927</b>
Funded status	1,952	1,843
Prepaid/ (payable) gratuity benefit	(88)	84

\* On account of inter-group transfer.

Amount for the year ended March 31, 2018 and year ended March 31, 2017 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2018	March 31, 2017
Service cost	122	105
Net interest on the net defined benefit liability/ asset	(6)	(12)
<b>Net gratuity cost</b>	<b>116</b>	<b>93</b>

Amount for the year ended March 31, 2018 and year ended March 31, 2017 recognised in the other comprehensive income:

PARTICULARS	March 31, 2018	March 31, 2017
<b>Remeasurements of the net defined benefits liability/ (asset)</b>		
Experience adjustments	52	(118)
(Gain)/ loss from change in financial assumptions & Actual return on plan assets less interest on plan asset	31	143
Changes in demographic assumptions	21	-
Adjustment to recognise the effect of asset ceiling	-	(6)
Amount recognised in OCI	104	19



## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 40. EMPLOYEE BENEFITS: (Contd.)..

**The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2018 and year ended March 31, 2017:**

PARTICULARS	March 31, 2018	March 31, 2017
Discount rate	7.30%	7.20%
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, 2018	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(40)	38
Impact of decrease in 50 bps on defined benefit obligation	42	(37)

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, 2018	March 31, 2017
Government of India Securities	35%	38%
Corporate Bonds	14%	20%
Insurer Managed Assets	43%	36%
Others	8%	6%

Actual return on the assets for the year ended March 31, 2018 and year ended March 31, 2017 were ₹ 136 and ₹ 141 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 ₹ 200.

### **Maturity profile of defined benefit obligations**

PARTICULARS	March 31, 2018
Expected benefits for year 1-3	1,188
Expected benefits for year 4-5	534
Expected benefits for year 6-9	720
Expected benefits for year 10 and above	409

The weighted average duration to the payment of these cash flows is 4.03 years.

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 40. EMPLOYEE BENEFITS: (Contd.)..

- **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.

### 40.2 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, 2018 and for the year ended March 31, 2017 of ₹ 199 and ₹ 184 respectively for provident fund and family pension fund contribution in the Profit or Loss.

The Company recognised charge for the year ended March 31, 2018 and for the year ended March 31, 2017 of ₹ 33 and ₹ 35 respectively for New National pension Scheme contribution in the Profit or Loss.

### 40.3 Compensated Absences

The Company recognised charge for the year ended March 31, 2018 and for the year ended March 31, 2017 of ₹ 489 and ₹ 343 respectively for Compensated Absences in the Profit or Loss.

41. a) The Company implemented a Voluntary Retirement Scheme 2017 (VRS) for all its eligible employees. Post the closure of the Scheme an expense of ₹ 47 has been recognised for the year ended March 31, 2018 and has been disclosed as an "Exceptional Item".
- b) The Company has partially divested its stake in a subsidiary company, on June 29, 2017. The profit on divestment amounting to ₹ 31,603 is reflected in the statement of profit and loss for the year ended March 31, 2018. The residual investment retained in the subsidiary is now considered as an investment in an associate. Further the Company had earlier partially divested its stake in subsidiary company in October, 2016 and profit amounting to ₹ 2,443 was credited to statement of profit and loss for the year ended March 31, 2017. Considering the nature of the income and its impact on the profit, the same has been disclosed as an exceptional item in the respective periods.

### 42. 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

## Significant accounting policies and notes to the financial statements for the year ended March 31, 2018

(Rupees in lakhs, except share and per share data, unless otherwise stated)

### 43. BUYBACK

The Board of Directors of the Company at its meeting held on January 15, 2018, has inter-alia approved the Buyback proposal for purchase by the Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/ beneficial owners of the Company, at a price not exceeding ₹ 1,100 (Rupees One Thousand and One Hundred only) per Equity Share ("Maximum Buyback Price") from the open market through stock exchange mechanism in such manner as may be prescribed in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("Buy-back Regulations") and the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force).

The Buyback shall not exceed ₹ 166 Crore (Rupees One Hundred Sixty Six Crore only), excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 9.99% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2017, which is in compliance with the maximum permissible limit of 10% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

As of March 31, 2018, the scheme of buyback was open and as of March 31, 2018, the Company bought back 5,48,640 equity shares as part of the aforementioned buy back process resulting in total cash outflow of ₹ 4,497. Out of 5,48,640 equity shares bought back, the Company extinguished 5,02,920 equity shares as at March 31, 2018 and the remaining 45,720 equity shares were extinguished in the month of April 2018 as per the records of the depositories. In line with the requirement of the Companies Act 2013, an amount of ₹ 4,487 has been utilized from the securities premium account for the buy back. Further, capital redemption reserve of ₹ 10 (representing the nominal value of the shares bought back) has been created.

### 44. RECENT ACCOUNTING PRONOUNCEMENTS:

Indian Accounting Standard 115 "Revenue from Contract with Customers" (Ind AS 115): On March 28, 2018, Ministry of Corporate Affairs notified the Ind AS 115. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The effect on adoption of Ind AS 115 is yet to be determined.

45. The financial statements for the year ended March 31, 2018 has been audited by S. R. Batliboi & Co. LLP, Chartered Accountants. The financial statements for the year ended March 31, 2017 has been audited by Deloitte Haskins & Sells LLP, Chartered Accountants.

46. Previous year's figures have been regrouped/ reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report of even date attached

**For S.R. Batliboi & Co. LLP**  
**Chartered Accountants**

ICAI Firm registration number: 301003E/E300005

**Per Jayesh Gandhi**

Partner

Membership No.: 037924

Date : May 4, 2018

Place : Mumbai

**For and on behalf of the Board of Directors**

**S. Ravi**

Chairman

DIN: 00009790

**Nayan Mehta**

Chief Financial Officer

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

**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	Indian Clearing Corporation Limited	BSE Institute Limited	BSE Investments Limited <sup>1</sup>	BSE Sammaan CSR Limited	Marketplace Technologies Private Limited	BFSI Sector Skill Council of India <sup>2</sup>	Marketplace Tech Infra Services Private Limited <sup>3</sup>	BSE Skills Ltd. <sup>4</sup>	BIL-Ryerson Technology Startup Incubator Foundation <sup>5</sup>	BSE CSR Integrated Foundation <sup>6</sup>	India International Exchange (IFSC) Limited	India International Clearing Corporation (IFSC) Limited
1	The date since when subsidiary was acquired	26-Apr-07	28-Sep-10	27-Feb-14	10-Sep-14	29-Sep-09	16-Sep-11	9-Feb-11	26-Mar-14	5-Nov-15	7-Mar-16	12-Sep-16	12-Sep-16
2	Share capital	35,400	5,000	1,485	260	500	205	701	5	1	5	7,500	8,000
3	Reserves & surplus	18,006	722	2	(106)	2,849	699	84	(5)	12	(0)	(3,133)	(750)
4	Total assets	158,232	6,985	1,487	167	4,160	1,463	915	3	846	5	5,766	8,609
5	Total Liabilities	104,826	1,263	-	13	811	559	130	3	833	0	1,399	1,359
6	Investments	-	5,480	1,484	58	2,634	797	369	-	100	-	-	-
7	Turnover	6,484	2,702	21	23	4,262	823	566	-	272	388	113	75
8	Profit before taxation	3,757	378	6	(53)	734	108	54	-	20	2	(1,949)	(298)
9	Provision for taxation	(107)	-	-	-	188	-	27	-	-	-	-	-
10	Profit after taxation	3,864	378	6	(53)	546	108	27	-	20	2	(1,949)	(298)
11	Proposed Dividend	547	-	-	-	-	-	-	-	-	-	-	-
12	% of shareholding	100%	100%	100%	100%	100%	51.21%	100%	100%	51%	100%	100%	100%
		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. BSE Skills Limited have filled application to ROC for removing its name from register of companies and it is a wholly owned subsidiary of BSE Institute Limited.
5. 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.
6. BSE CSR Integrated Foundation is a Section 8 company under the Companies Act, 2013. Hence, the same has not been considered for consolidation. Additional 25% of share are held by Subsidiaries of BSE Limited.

**Part "B": Associates and Joint Ventures**

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

(Information in respect of each associate to be presented with amounts in ₹ Lakh)

Sr. No.	Name of Joint Ventures / Associate Companies	Asia Index Private Limited	BSE EBIX Insurance Broking Private Limited <sup>3</sup>	Central Depository Services (India) Limited (CDSL Group) <sup>1&amp;2</sup>
1	Latest audited Balance Sheet Date (Financial year ended)	31-Mar-18	NA	31-Mar-18
2	Date on which the Associate or Joint Venture was associated or acquired	30-Aug-13	15-Mar-18	16-Jun-10
3	Shares of Associate/Joint Ventures held by the company on the year end			
	<i>a. No. of shares</i>	5,000	4,000	10,450
	<i>b. Amount of Investment in Associates/Joint Venture (₹)</i>	1	-	5,666
	<i>c. Extent of Holding %</i>	50%	40%	24%
4	Description of how there is significant influence	50% Equity Shares Stake	40% Equity Shares Stake	24% Equity Shares Stake
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (₹)	744	-	61,470
7	Profit / Loss for the year			
	<i>i. Considered in Consolidation</i>	241	-	7,769
	<i>ii. Not Considered in Consolidation</i>	Not Applicable	Not Applicable	Not Applicable

1 CDSL Group consists of:

- CDSL Ventures Limited
- CDSL Insurance Repository Limited
- CDSL Commodity Repository Limited

2 BSE Limited has divested its stake on June 29, 2017 which results in a loss of control and therefore the residual investment retained is now considered as an investment in an associate. Hence, profit for the year does not include profit of ₹ 2,547 Lakh for the period April 1, 2017 to June 29, 2017.

3 BSE EBIX Insurance Broking Private Limited incorporated on March 15, 2018 is yet to commence business, accordingly the first financial statements shall be prepared for the period March 15, 2018 to March 31, 2019.

For and on behalf of the Board of Directors

**S. Ravi**

Chairman

DIN: 00009790

**Ashishkumar Chauhan**

Managing Director & CEO

DIN: 00898469

Date : May 4, 2018

Place : Mumbai

**Nayan Mehta**

Chief Financial Officer

**Prajakta Powle**

Company Secretary



## LISTING CEREMONIES 2017-18



Listing Ceremony of Shankara Building Products Limited on April 5, 2017



Listing Ceremony of S Chand and Company Limited on May 9, 2017



Listing Ceremony of Housing and Urban Development Corporation Limited on May 19, 2017



Listing Ceremony of PSP Projects Limited on May 29, 2017



Listing Ceremony of Indigrid Limited on June 6, 2017



Listing Ceremony of Tejas Networks Limited on June 27, 2017



## LISTING CEREMONIES 2017-18



Listing Ceremony of Cochin Shipyard Limited on August 11, 2017



Listing Ceremony of KIOCL Limited on August 22, 2017



Listing Ceremony of Apex Frozen Foods Limited on September 4, 2017



Listing Ceremony of Bharat Road Network Limited on September 18, 2017



Listing Ceremony of Dixon Technologies India Limited on September 18, 2017



Listing Ceremony of Matrimonial Limited on October 21, 2017



## LISTING CEREMONIES 2017-18



Listing Ceremony of Capacit'e Infraprojects Limited on September 25, 2017



Listing Ceremony of ICICI Lombard General Insurance Limited on September 25, 2017



Listing Ceremony of Indian Energy Exchange Limited on October 23, 2017



Listing Ceremony of Mahindra Logistics Limited on November 10, 2017



Listing Ceremony of New India Assurance Limited on November 13, 2017



Listing Ceremony of ICICI Prudential Bharat 22 Exchange Traded Fund on November 28, 2017



## LISTING CEREMONIES 2017-18



Listing Ceremony of Future Supply Chain Solutions Limited on December 18, 2017



Listing Ceremony of Astron Paper & Board Mill Limited on December 29, 2017



Listing Ceremony of Newgen Software Technologies Limited on January 29, 2018



Listing Ceremony of Amber Enterprises Limited on January 30, 2018



Listing Ceremony of Aster DM Healthcare Limited on February 26, 2018



Listing Ceremony of H.G. Infra Engineering Limited on March 9, 2018



## LISTING CEREMONIES 2017-18



Listing Ceremony of Bandhan Bank Limited on March 27, 2018



Listing Ceremony of Hindustan Aeronautics Limited on March 28, 2018



Listing Ceremony of Karda Construction Limited on April 2, 2018



Listing Ceremony of Mishra Dhatu Nigam Limited on April 4, 2018



Listing Ceremony of Sandhar Limited on April 2, 2018



Listing Ceremony of Octaware Technologies Limited on April 3, 2017



## LISTING CEREMONIES 2017-18



Listing Ceremony of Jigar Cables Limited on July 28, 2017



Listing Ceremony of GlobalSpace Technologies Limited on August 7, 2017



Listing Ceremony of Shish Industries Limited on September 5, 2017



Listing Ceremony of Share India Securities Limited on October 5, 2017



Listing Ceremony of Trident Texofab Limited on October 5, 2017



Listing Ceremony of Pooja Western Metaliks Limited on October 5, 2017



## LISTING CEREMONIES 2017-18



Listing Ceremony of Iris Business Services Limited on October 11, 2017



Listing Ceremony of Shreeji Translogistics Limited on October 11, 2017



Listing Ceremony of Siddarth Education Services Limited on October 12, 2017



Listing Ceremony of Sheetal Cool Products Limited on October 30, 2017



Listing Ceremony of Sanghvi Brands Limited on November 22, 2017



Listing Ceremony of Sharika Enterprises Limited on November 27, 2017



## LISTING CEREMONIES 2017-18



Listing Ceremony of CRP Risk Management Limited on January 31, 2018



Listing Ceremony of Focus Suites Solutions & Services Private Limited on March 11, 2018



Listing Ceremony of Tasty Dairy Specialities Limited on February 21, 2018



Listing Ceremony of Inflammation Appliances Limited on March 16, 2018



Listing Ceremony of Ridings Consulting Engineers India Limited on March 26, 2018



Listing Ceremony of Angel Fibers Limited on March 6, 2018





Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Nitin Gadkari, Hon'ble Minister of Road Transport and Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Government of India during the Listing Ceremony of Cochin Shipyard on August 11, 2017.



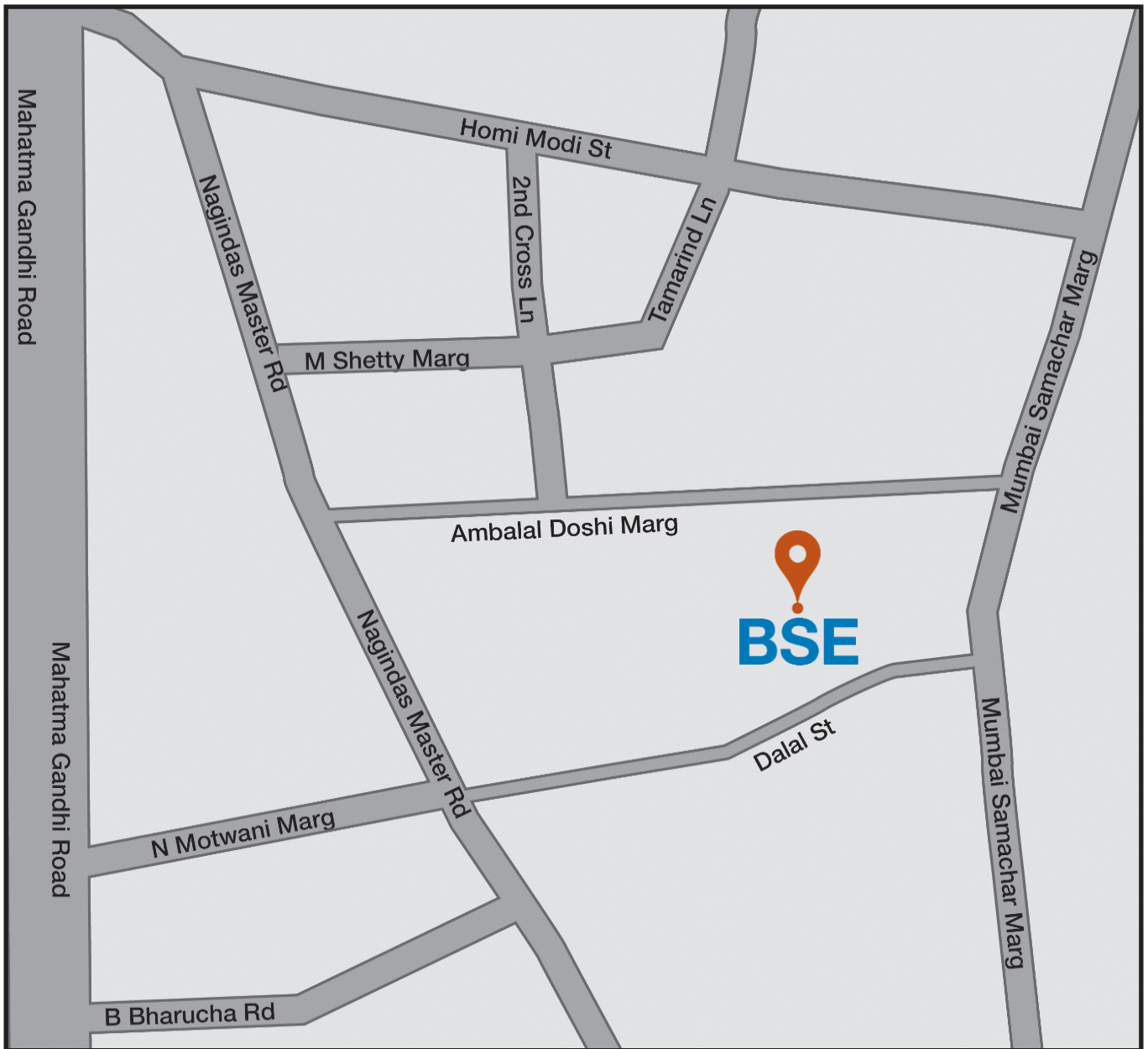
Shri S Ravi, Chairman, BSE presenting a memento to Dr. Mohan Bhagwat, Sarsanghchalak, Rashtriya Swayamsevak Sangh in presence of Dr. Rajiv Kumar, Vice-Chairman, NITI Aayog and Shri Ashishkumar Chauhan, MD & CEO, BSE during the Book Publishing Program "Socio-Economic Dynamics of Indian Society" on April 16, 2018.

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## ROUTE MAP TO THE VENUE OF THE AGM





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## BSE LIMITED

CIN: L67120MH2005PLC155188

Registered office: 25<sup>th</sup> 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 Thirteenth Annual General Meeting of BSE Limited to be held at Sir Dinshaw Petit International Convention Hall, 1<sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai – 400 001 on Thursday, August 2, 2018 at 11:00 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: 25<sup>th</sup> 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 Thirteenth Annual General Meeting of the Company, to be held on Thursday, August 2, 2018 at 11:00 am. at Sir Dinshaw Petit International Convention Hall, 1<sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai-400001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

## RESOLUTIONS

### Ordinary Business

Item No.	Resolutions	For	Against
1.	To receive, consider and adopt: a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Board of Directors and the Statutory Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Statutory Auditors thereon.		
2.	To declare final dividend of ₹ 31/- 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, 2018.		
3.	To appoint a Director in place of Smt. Usha Sangwan (DIN:02609263), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment, subject to approval of Securities and Exchange Board of India.		
4.	To ratify the appointment of Statutory Auditors and to fix their remuneration		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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.





BSE Limited

[CIN: L67120MH2005PLC155188]

25<sup>th</sup> 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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